



## Wisconsin Healthcare Stability Plan

Since January 2017, the federal Patient Protection and Affordable Care Act has allowed states to apply to the federal government for waivers to pursue innovative strategies for providing individuals with access to high-quality, affordable health insurance. 2017 Wisconsin Act 138, which was enacted in February 2018, created the Wisconsin Healthcare Stability Plan, which is administered by the Office of the Commissioner of Insurance (OCI). Under the Plan, a health insurer in the individual market may be reimbursed by the State for a portion of the claims it incurred in the prior calendar year. We conducted a limited-scope review of OCI's administration of the Plan.

### **Under the Plan, OCI reimbursed health insurers \$174.3 million in 2020 and \$183.5 million in 2021**

2017 Wisconsin Act 138 specified that OCI could reimburse health insurers up to \$200.0 million annually through the Plan. 2021 Wisconsin Act 58, the 2021-23 Biennial Budget Act, increased this amount to \$230.0 million annually, beginning with payments to health insurers in 2023. The Plan is financed primarily through federal funds. If the available federal funds are less than the total reimbursement requests for a given calendar year, OCI uses state funds up to the statutorily specified total amount. In 2020 and 2021, OCI spent all available federal funds. We found that OCI's administration and oversight of the Plan complied with legal requirements.

### **We recommend OCI improve how it audits the claims of health insurers that request reimbursement under the Plan**

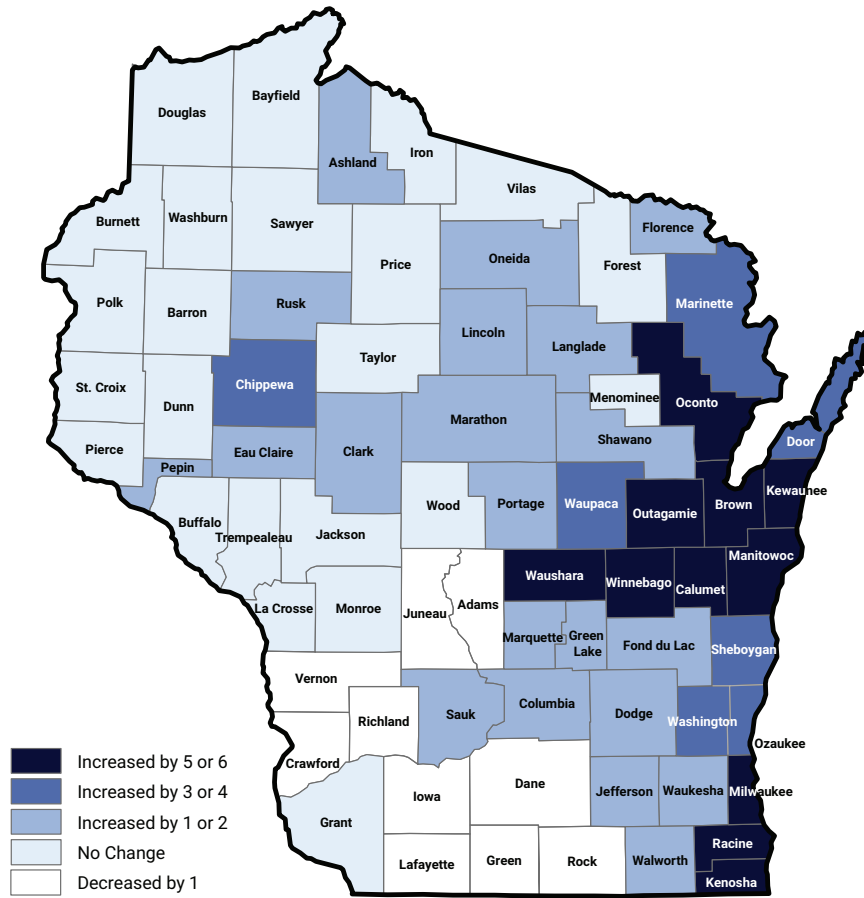
Administrative rules require OCI to conduct an annual verification audit to determine whether the claims submitted by health insurers are eligible for reimbursement. OCI conducts these audits in the year after health insurers incurred the claims. We found that OCI did not follow its policies for selecting the individuals and the claims to include in its verification audit in 2020.

### **The number of types of plans available in the individual market increased in 39 counties from 2018 through 2022**

Statutes require the Plan to have a goal of increasing the participation of health insurers in the individual market. We determined the number of types of plans offered by health insurers in

each county from 2018, which was the year before the Plan began, through 2022. The number of types of plans increased in 39 counties.

**Change in the Number of Types of Plans Available in the Individual Market, by County<sup>1</sup>**  
2018 through 2022



<sup>1</sup> According to OCI's information.

Our review considered the Plan's effects through 2020, which was only the second year of the Plan. We recommend that OCI report to the Joint Legislative Audit Committee on the extent to which the Plan met specified goals over the Plan's first three years.