

New Democratic Bill will Challenge High Health Insurance Rates in Wisconsin

Written by Citizen Action of Wisconsin, Robert Kraig

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Walker Administration's Insurance Commissioner has refused to police health insurance rate increases. Legislation would require state action to protect consumers.

STATEWIDE - At a Capitol News Conference Thursday, State Senator Chris Larson and State Representative Debra Kolste [announced new legislation](#) to require the Walker Administration's Insurance Commissioner to police excessive health insurance rate hikes.

The News Conference can be viewed [here](#).

A recent [report by the Commonwealth Fund](#) found that Wisconsin had among the highest health insurance rates in the nation on the individual insurance market, and inflation rates that are well above average. Wisconsin had the 4th highest insurance premiums in the nation for silver plans, the plans that federal government uses to calculate tax credits to make health insurance more affordable. Wisconsin also had inflation rates 9% above the national average for silver plans, and 7% above the national average for all plans on the individual market. The average premium for a Wisconsin silver plan is \$708 more per year than the national average.

[The bill creates](#) a robust rate review process which holds large health insurance companies accountable for justifying large rate hikes and dramatically increases public transparency. Provisions include:

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Requiring insurers to give consumers at least 60 days notice for rate increases.

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Requiring Insurance Commissioner to hold public hearings on rate increases over 10%.

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Requiring prior authorization for health insurance rate increases.

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Giving Insurance Commissioner authority to deny health insurance rate increases not justified by underlying medical costs.

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Requiring health insurance companies that use medical costs as a justification for rate increases to make public negotiated rates with medical provider systems.

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Requiring publication of all health insurance rate increases, going beyond Affordable Care Act provision that increases over 10% are published.

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Making sure rate review applies to all types of health insurance.

For 2016 in Wisconsin six companies are raising rates over 10%, including a 22.99% increase from UnitedHealthCare, an 18% increase from WPS, and an 18.9% increase from Security Health.

Citizen Action of Wisconsin [has repeatedly pointed to the Walker' Administration's lax](#) approach to rate review as a factor in high Wisconsin health insurance costs. In June the federal government

[called on Wisconsin and other states](#)

to more carefully scrutinize large rate increases. According to the

[Milwaukee Business Journal](#)

, Deputy Insurance Commissioner Dan Schwartzer asserted that “letting insurers set their own rates” has led to “minimal” rate increases in Wisconsin.

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States such as Minnesota

have reduced health insurance premium increases by implementing more robust rate review.

“The Walker Administration’s refusal to police excessive health insurance rates is a disaster for Wisconsinites struggling to afford rising premiums,” said Robert Kraig, Executive Director of Citizen Action of Wisconsin. “It’s long overdue for the Walker Administration to move beyond its endless efforts to sabotage health care reform, and take advantage of the tools available to hold health insurance companies accountable for unjustified premium hikes.”

“Our friends, family, and neighbors deserve elected officials who support policies that protect their hard-earned money, whether it’s in the form of taxes or health insurance premiums,” said State Senator Chris Larson, Senate sponsor of the bill. “This bill will take a step towards addressing the rising cost of healthcare premiums by strengthening our “rate review” process.”

“This legislation is about one simple thing: transparency. The health system in this state needs more sunlight to operate correctly,” said State Representative Deb Kolste, Assembly sponsor of the legislation. “We are operating without knowledge of the real costs and causes of high health rates. We need more transparency, especially considering that many health providers are negotiating with health insurance companies they actually own.”