

2016 Wisconsin Health Insurance Cost Ranking Released

Posted on Dec 21, Posted by [Citizen Action of Wisconsin, Robert Kraig](#) Category [Wisconsin](#)



Report finds continuing regional disparities on cost, inflation, and quality. Wisconsin health insurance costs have more than tripled since 2000.

STATEWIDE - Citizen Action of Wisconsin released its 10th Annual Wisconsin Health Insurance Cost Ranking report Monday morning on a statewide media call. A full audio recording of the media call can be [downloaded here](#).

The full report includes 11 charts ranking the cities and regions of Wisconsin on health insurance costs, rate of inflation, and quality, [and can be downloaded here](#).

This year's report finds wide disparities between higher and lower cost regions of Wisconsin, as well as large differences in the rate of health insurance inflation. There is a 30% variation in the for all types of health insurance for premiums and deductibles between the lowest cost metro area (Madison) and the highest cost area (Milwaukee), which amounts to a difference of \$2,221.48 per year for single health coverage.

The magnitude of this gap could have significant economic consequences. The report finds that Wisconsin health insurance premiums for large and medium sized employers have more than tripled since 2000, increasing 216% since the year 2000 statewide, and as much 365% in some areas.

This year's report also finds significant volatility on in the price for health insurance people buy on their own. There is also a \$4,470 gap in annual premiums and deductibles between the highest cost area (Wausau) and the lowest cost (Madison) on the individual market.

The report recommends that policymakers in Madison make controlling health care costs a more central focus. The report notes that making better use of all the tools available under the Affordable Care Act, such as taking enhanced dollars for BadgerCare and implementing more robust health insurance rate review could begin the process of moderating health insurance premiums in Wisconsin. Other reforms which go beyond the Affordable Care Act such as more strictly regulating excessive prescription drug prices and surprise medical bills would also lower consumer costs.

“The striking numbers in this report make it clear that state policymakers need to move beyond the divisive debate over the Affordable Care Act and put a sharp focus on health care costs,” said Robert Kraig, the report lead author and the Executive Director of Citizen Action of Wisconsin. “Wisconsin workers and families will not have full control of their own health care decisions until we get health care costs under control.”

Key Findings: [Wisconsin Health Insurance Cost Ranking 2016](#)

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Wisconsin Health Care Hyperinflation is a Long Term Trend. Wisconsin large group health insurance costs (premiums and deductibles) have more than tripled since the year 2000, increasing 216% statewide, with regional rates of inflation varying between a low of 170% in Madison to highs of 365% in Green Bay, 254% in Oshkosh, 247% in Appleton, and 226% in Milwaukee, for benefits packages that is less generous.

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Southeastern and Central Wisconsin are Highest Cost Areas, Madison is Lower Cost. According to a new composite measure which combines all types of health insurance, Milwaukee, Racine, Wausau, have the highest costs in Wisconsin while Madison has the lowest.

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Regional Cost Disparities Persist. There continue to be wide cost variations between higher and

lower cost areas of the state. The cost variation is even higher in our composite index for all types of health insurance than they are in the large group market. There is a 30% cost variation between the highest cost metro area (Milwaukee) and the lowest cost metro area (Madison), which amounts to a \$2,221.48 difference for a single policy each year.

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Regional Cost Disparities Are Greatest on the Individual Market. Although there are large regional cost variations for all types of insurance, the biggest disparities are in the individual market. The highest cost areas (Wausau, Stevens Point, Wisconsin Rapids, and Marshfield) are an astounding 69% higher than the lowest cost areas (Madison, Appleton, and Janesville/Beloit). This amounts to a gap of \$4,470 per year for individual coverage.

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Disparities within Regions Suggest Underlying Medical Costs are Not the Only Driver of Insurance Costs. Insurers often claim that their prices merely reflect medical costs. However, there are major variations in relative cost within regions for different types of insurance. This suggest that the numbers measure not only underlying medical costs but also distortions in the insurance market. For example, the Fox Valley has above average insurance rates in large group insurance and well below average rates in the individual and small group markets. Wausau has very high costs for large group and individual market insurance, but relatively low costs in small group. Madison is not nearly as low in the small group market as it is for the other types of insurance. Eau Claire is high in all employer-based insurance, but below average on the individual market.

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Individual Market Costs Increased Substantially Statewide. There was a 28% increase statewide in premiums and deductibles combined from 2015-2016 .

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Striking Price Volatility on the Individual Market in a Major Policy Concern. Some metro areas

had very large increases in cost from 2015 to 2016 while others actually saw reductions. Individual market prices increased by over 69% in Racine, and 60% in Milwaukee, while declining by over 8% in Madison and Janesville/Beloit. This 79% percent spread in inflation rates between Wisconsin cities is a warning sign that insurance rate setting practices may require greater scrutiny.

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Price Volatility is also a Concern on the Small Group Market. Although not as severe as the individual market, there were significant disparities in the rate of inflation between Wisconsin metro areas for small employers. While Green Bay and the Fox Valley saw greater than 10% increases, Stevens Point, Wisconsin Rapids, and Marshfield saw cost reductions of over 12%.

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Cost and Quality are not Correlated. As in past reports, the 2016 report finds that there is no clear correlation between quality and health insurance costs, with some of the low cost areas of the state having higher quality insurance plans and some higher costs areas having lower quality plans.

Additional data and 11 ranking charts ranking each metro area in Wisconsin are available in the full report which can be [downloaded here](#).

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