

NOTICE OF PUBLIC HEARING
OFFICE OF THE COMMISSIONER OF INSURANCE

The Office of the Commissioner of Insurance announces that it will hold a public hearing on an Emergency Rule for Ch. INS 19, Wis. Adm. Code, relating to the Wisconsin Healthcare Stability Plan. In accordance with s. 227.24, Stats., the Commissioner is seeking public input through the hearing and comment period regarding the content of the proposed emergency rule. Additionally, attached to the notice of hearing are proposed data collection, affirmation and attestation documents that the Office would appreciate comments from interested parties.

Hearing Information:

Date: December 18, 2018
Time: 10:00 am
Location: Office of the Commissioner of Insurance
125 S. Webster St., 2nd Floor Rm. 227
Madison, WI 53703

Accessibility:

Pursuant to the American with Disabilities Act reasonable accommodations including the provision of informational materials in an alternative format, will be provided for individuals with disabilities upon request. Please call Karyn Culver at (608) 267-9586 with specific information on your request at least 5 days before the date of the hearing. There is also handicap access to the hearing location.

Appearances at the Hearing and Submittal of Written Comments:

Persons wishing to testify or provide oral or written comments regarding the Emergency Rule for the proposed administrative rule may appear during the hearing. Additionally comments may be submitted at <https://docs.legis.wisconsin.gov/code>.

For additional information please contact Julie E. Walsh at (608) 264-8101 or email at Julie.Walsh@wisconsin.gov in the OCI Legal Unit.

Deadline for submitting comments is December 28, 2018, by 4:00 pm.

Initial Regulatory Flexibility Analysis:

The Emergency rule creates ch. Ins 19, Wis. Adm. Code. The Office of the Commissioner of Insurance (OCI) engaged Wakely, a consulting and actuarial firm, to assist the Office in developing its actuarial and economic analysis supporting a federal section 1332 waiver. The 1332 waiver will permit the state to obtain federal funds to stabilize the Wisconsin healthcare market through reinsurance payments for eligible high-cost healthcare claims. The enabling legislation, 2017 Wis. Act 138, established an appropriation not to exceed \$200 million of general purpose revenue for the 2019 plan year. However, under a recent analysis, it is more likely that the state will only be required to fund roughly 25% of the program and the federal “pass through” will support the remaining 75% of the program’s cost. If the state can demonstrate that its proposal will reduce the amount of federal funds needed to support federal subsidies, the federal government will “pass through” the difference to the state. As a result of the reinsurance program it is estimated that premiums for consumers will be approximately 13% lower than if the state did not have a reinsurance program for 2019.

The proposed emergency rule does not have a fiscal impact as the emergency rule establishes the structure of the reinsurance program and sets the attachment point, coinsurance rate and reinsurance cap. The emergency rule also establishes the requirements for eligible insurers to participate in the reinsurance plan including; data submissions, attestation of the accuracy of claims submitted for reinsurance, and the ability to audit and recapture any overpayments. The OCI can absorb within the agencies budget any cost associated with implementing WIHSP and the OCI can assess insurers for compliance audits.

Agency Small Business Regulatory Coordinator:

The OCI small business coordinator is Kate Ludlum and she may be reached at Kate.Ludlum@wisconsin.gov or (608) 264-6232.

This Notice of Preliminary Public Hearing
is approved on November 28, 2018.