



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1944/P1
KMS:skw&cde

DOA:.....Lessner, BB0039, BB0040 - WIHSP Annual Inflation Adjustment and WIHSP Spending Cap Increase

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

INSURANCE

Wisconsin Healthcare Stability Plan spending limit

Under current law, the Wisconsin Healthcare Stability Plan (WIHSP) makes a reinsurance payment to a health insurance carrier if the claims for an individual who is enrolled in a health benefit plan with that carrier exceed a threshold amount in a benefit year. WIHSP is administered by OCI and operates under specific terms and conditions of a waiver agreement between OCI and the federal Department of Health and Human Services, which was dated July 29, 2018, and extended December 1, 2022. Currently, the commissioner of insurance is limited to spending \$230,000,000 for WIHSP from all revenue sources in a year, unless JCF increases the amount. Under the bill, the governor, not JCF, may increase the spending limit. In addition, the bill increases the spending limit to \$250,000,000 in 2026 and, beginning in 2027, the bill directs the commissioner to annually adjust the spending limit based on the increase, if any, in the medical care index of the consumer price index. The bill also specifies that OCI's authority includes the authority to operate WIHSP under any waiver extension approvals.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 601.83 (1) (h) of the statutes is renumbered 601.83 (1) (h) (intro.) and amended to read:

601.83 (1) (h) (intro.) ~~In 2019 and in each subsequent year, the~~ The commissioner may expend no more than ~~\$200,000,000~~ the following amounts from all revenue sources for the healthcare stability plan under this section, unless the

BILL**SECTION 1**

~~joint committee on finance under s. 13.10~~ governor has increased this amount upon request by the commissioner.:

(he) The commissioner shall ensure that sufficient funds are available for the healthcare stability plan under this section to operate as described in the approval of the federal department of health and human services dated July 29, 2018, and in any waiver extension approvals.

SECTION 2. 601.83 (1) (h) 1. to 3. of the statutes are created to read:

601.83 (1) (h) 1. In 2025, \$230,000,000.

2. In 2026, \$250,000,000.

3. In 2027 and in each year thereafter, the maximum expenditure amount for the previous year, adjusted to reflect the percentage increase, if any, in the consumer price index for all urban consumers, U.S. city average, for the medical care group, as determined by the U.S. department of labor, for the 12-month period ending on December 31 of the year before the year in which the amount is determined. The commissioner shall determine the annual adjustment amount for a particular year in January of the previous year. The commissioner shall publish the new maximum expenditure amount under this subdivision each year in the Wisconsin Administrative Register.

SECTION 3. 601.83 (1) (hm) of the statutes is repealed.

(END)