



Warren Petryk

State Representative • 93rd Assembly District

Date: October 22, 2015

To: Members of the Assembly Committee on Insurance

From: Representative Petryk

RE: Assembly Bill 418

Good Morning Chairman Petersen and members of the Committee. I appreciate the opportunity to come before you today regarding my support for Assembly Bill 418.

This bill will allow a one year extension to wind down the affairs of the Health Insurance Risk-Sharing Plan also known as HIRSP. The sunset date would change from January 1, 2016 to January 1, 2017, which will allow the funds to be used for the purposes previously legislated.

HIRSP was ended on March 31, 2014 when changes were made to Wisconsin's health insurance system. When HIRSP ended, there were approximately 17,000 individuals enrolled.

There is nearly \$1.1 million in remaining funds. These funds would be reimbursed to insurers, policy holders and the Wisconsin Council on Medical Education and Workforce (WCMEW) to increase education and training for our healthcare workforce. We have been told by WPS Insurance, which is the contracted entity for HIRSP, that they will need a minimum of 5 additional months to get payments back to policy holders which will not be completed until early 2016, past the current deadline.

I hope you will join me in supporting this change that will allow HIRSP policy holders the necessary time to receive their reimbursements. I ask for your support today on AB 418 and I would be happy to take questions at this time.



LEAH VUKMIR

STATE SENATOR

Assembly Bill 418

ASSEMBLY COMMITTEE *on* INSURANCE

Thursday, Oct. 22, 2015

Chairman Petersen, Insurance committee members, thank you for taking time to read my testimony on Assembly Bill 418.

Wisconsin's Health Insurance Risk Sharing Program provided medical and prescription drug insurance for individuals unable to get coverage in the commercial market or who lost their employer-sponsored group health insurance. This state-run plan was created to reflect the comprehensive health insurance coverage offered in the private market.

However, Obamacare regulations made state-run, high-risk insurance pools obsolete because under Obamacare people could no longer be denied insurance due to pre-existing conditions. Sadly, this program ended in March 2014, and today about \$1.1 million in funds still sit in the HIRSP fund, having not gone out yet to the people who invested in the program. WPS Insurance, the contracted entity for HIRSP, says they still need a minimum of five months to get payments back to policy holders.

The commonsense bill before you today is simple. This bill extends the sunset date for this appropriation one more year to allow leftover funds to be distributed in accordance with what the HIRSP Authority suggested when it closed — 20 percent to providers, 20 percent to insurers and 60 percent to policy holders. If this bill isn't passed before the end of the year, the money will lapse into the general fund, resulting in policy holders not receiving a refund of their premiums.

HIRSP policy holders paid into a system thinking it was providing them with health insurance coverage. The most reasonable way to distribute the current surplus seems to be to honor the HIRSP advisory board's suggestions and give the money back to the 17,000 people who had policies when the program closed. This will put about \$35 to \$38 back into the hands of policy holders. Furthermore, it is my understanding that the reimbursement to providers would be used responsibly to increase education and training for our healthcare workforce through the Wisconsin Council on Medical Education and Workforce.

Thank you again for reading my testimony. I encourage you to support AB 418, and I will be happy to answer any questions you may have.

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