

STATE OF WISCONSIN
Assembly Journal
Ninety-First Regular Session

3:25 P.M.

FRIDAY, July 9, 1993

The assembly met in the North Hearing Room in the State Capitol.

Speaker Kunicki in the chair.

The assembly dispensed with the call of the roll.

State of Wisconsin
Office of the
Commissioner of Insurance
Madison

June 30, 1993

AMENDMENTS OFFERED

Assembly substitute amendment 1 to **Assembly Bill 203** offered by Representative Ainsworth.

Assembly amendment 2 to **Assembly Bill 499** offered by Representative Wilder.

COMMUNICATIONS

July 8, 1993

Mr. Thomas Melvin
Assembly Chief Clerk
1 East Main, Ste. 402
Madison, Wisconsin 53702

Dear Tom:

I am pleased to transmit to you the following reports to the 1993 Legislature on legislation introduced by the Legislative Council:

RL 93-4 Legislation on the Veterans Trust Fund
(1993 Assembly Bill 619)

RL 93-5 Legislation on Issues Relating to Hunger Prevention
(1993 Assembly Joint Resolution 62 and Assembly Bill 582)

I would appreciate your including this letter in the Journal for the information of the membership. Additional copies of these reports are available, on request, in the Legislative Council offices, One East Main, Suite 401.

Sincerely,
DAVID J. STUTE
Director

To the Honorable the Assembly:

In accordance with s. 619.15 (2), Wis. Stat., I am pleased to submit to you the Eleventh Annual Report of the Wisconsin Health Insurance Risk Sharing Plan (HIRSP). The plan was established in 1981 and now offers insurance to 12,707 Wisconsin residents.

The major issue on the 1992 HIRSP agenda was cost containment. The Wisconsin Legislature, the HIRSP Board of Governors, and the Wisconsin Office of the Commissioner of Insurance (OCI) took several steps to control future HIRSP costs.

- * The Wisconsin Legislature mandated in s. 619.15 (e), Wis. Stat., that HIRSP reduce reimbursements for all health services rendered to HIRSP enrollees by 10%.
- * The HIRSP Cost Containment Committee was established to study alternative cost containment strategies for the plan.
- * OCI began to collect comprehensive claims data on HIRSP enrollees with the intention to monitor and anticipate trends in HIRSP claims behavior. For 1992, the data show:
 - * The largest number (114) of 1992 HIRSP inpatient claims involve treatment for diagnostic related group (DGR) 430 - psychoses.
 - * On average, HIRSP enrollees in their mid to late 20's incur the most expensive HIRSP claims. The average claim for people age 25 - 29 is \$3,601 compared to \$3,255 for the entire HIRSP population. HIRSP paid the largest amount of benefits, however, to enrollees between 60 and 64 -- \$12,561,918.
 - * The most expensive HIRSP claim was for DRG 29 - trauma with stupor or coma (age between 1 hour and 17 years). HIRSP paid \$216,357 for this claim.

In other business, HIRSP has continued to grow in terms of premium collected, assessment collected, claims paid, and health policy issues addressed.

- * In 1992, HIRSP collected \$22,028,012 in premium from its enrollees. Of the 12,707 HIRSP participants, 29% qualified for the premium subsidy program.
- * In 1992, Wisconsin health insurance writers paid \$16.5 million in HIRSP assessments.
- * In 1992, HIRSP paid \$32,259,193 in claims. The plan paid \$15,336,690 in inpatient claims -- a 4% increase from 1991.
- * To assess whether or not HIRSP benefits are comparable to those offered in standard plans in the private market, the Board of Governors has established a committee of examine the types of transplant procedures currently covered and not covered by private plans.

It is hoped that the administrative decision to contract with Blue Cross & Blue Shield United of Wisconsin for HIRSP underwriting and claims processing will improve the plan's operation in the future. Any observed savings

in HIRSP's administrative costs would certainly prove beneficial to both HIRSP enrollees and the State of Wisconsin.

The data show that HIRSP continues to be a valuable resource for a large number of Wisconsin citizens.

Best regards,
JOSEPHINE W. MUSSER
Commissioner of Insurance

Representative Travis moved that the assembly stand adjourned until 2:00 P.M. on Tuesday, July 13.

The question was: Shall the assembly stand adjourned?

Motion carried.

The assembly stood adjourned.

3:26 P.M.