



KEVIN PETERSEN

STATE REPRESENTATIVE

Chairmen Sanfelippo and honorable members of the Assembly Committee on Health;
Thank you for the opportunity to testify on this very important legislation.

As we all know, healthcare is personal and it is local. I have a family of 4 with one daughter in her early 20's and the other in her upper teens. What I am looking for personally in healthcare may be different than some of you on the committee with small children and others who are empty nesters nearing retirement.

Locally, healthcare in my rural Wisconsin district may be different than what the healthcare market is in Milwaukee. Yes, there's always going to be certain instances that are universal across the board, but healthcare is local and it is personal. If healthcare is local and personal, how is it being administered? By Congress and courts in Washington D.C. – a thousand miles away – making decisions on what's going to happen here in the state of Wisconsin.

The Patient Protection and Affordable Care Act is not working for everyone. So what we have to do is look at the current Affordable Care Act and what options we have as state legislators to see what we can do to make healthcare the best for our constituents we represent.

As I've said before, there are certain healthcare instances that are universal across the board. Let us start with the most bi-partisan issue – pre-existing conditions.

Approximately 1 out of 6 people in Wisconsin has a pre-existing condition and just about everybody knows somebody living with one. Whether that person is your family or extended family, friend, colleague, or neighbor; a pre-existing condition should not affect their ability to purchase healthcare.

The Pre-Existing Condition Guaranteed Coverage Act (2019 – 2020 Assembly Bill 1) ensures that no matter what happens at the national level, here in Wisconsin our residents won't be denied access to life-saving treatment or necessary healthcare just because of challenges they've already faced or continue to deal with in their health history.

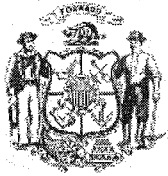
Per the non-partisan Legislative Reference Bureau: "Currently, the federal Patient Protection and Affordable Care Act generally allows premium rates to be based only on individual or family coverage, rating area, age, and tobacco use; requires group and individual health insurance policies to accept every employer and individual that applies for coverage, known as guaranteed issue, and prohibits health insurance policies from imposing preexisting condition exclusions."

Assembly Bill 1 will enshrine pre-existing condition protections into Wisconsin law in a way that would make our state one of only five in the country (according to the non-profit Commonwealth Fund), and the only one in the Midwest, to ensure that all three elements of pre-existing condition protections would remain in place for state residents regardless of changes at the national level.

Specifically, the Pre-Existing Condition Guaranteed Coverage Act provisions will prevent insurance companies from the following: denying someone a policy because they have a pre-existing condition (the "guaranteed issue" requirement), refusing to cover services that people need to treat a pre-existing condition ("pre-existing condition exclusions"), or charging a higher premium based on a person's health status (the "community rating" provision)."

As with the Affordable Care Act, the commissioner of insurance must ensure a statewide open enrollment period allowing individuals, including individuals who do not have coverage, to enroll in coverage. Furthermore, health benefit plans must provide special enrollment periods for certain qualifying events such as marriage, divorce, adoption, child birth, etc. described in federal law.

I am happy to answer any questions.



ANDRÉ JACQUE

STATE SENATOR • 1ST SENATE DISTRICT

Phone: (608) 266-3512
Fax: (608) 282-3541
Sen.Jacque@legis.wi.gov

State Capitol - P.O. Box 7882
Madison, WI 53707-7882

*Testimony before the Assembly Committee on Health
State Senator André Jacque
January 15, 2019*

Good afternoon,

Thank you Chairman Sanfelippo and committee members for holding a hearing on our bill, the Pre-Existing Conditions Guaranteed Coverage Act.

One of the most important things we do in the legislature is safeguarding the well-being of our constituents. This bi-partisan bill does just that by guaranteeing access to healthcare coverage will not be denied to someone on the basis of a pre-existing health condition, regardless of what changes might occur at the national level.

We've all heard from family, friends, and constituents about health insurance, and everyone knows someone with a pre-existing condition. People worry about everything from cancer to high-risk pregnancies to intense migraines, and should not be under risk of losing access to life-saving treatment or necessary healthcare just because of challenges that they've already faced.

This legislation ensures that health insurance companies cannot deny someone a policy on the basis of their pre-existing conditions, exclude coverage for treatment of their health conditions, or charge higher premiums on the basis of their medical history. According to a national state-by-state analysis from the non-profit Commonwealth Fund, passage of AB 1 would enshrine pre-existing condition protections into Wisconsin law in a way that would make our state one of only five in the country and the only one in the Midwest to ensure that all three elements of pre-existing condition protections would remain in place for state residents regardless of changes at the national level.

Wisconsin is a leader in healthcare quality and passing these strong protections will further aid our leadership in access across the Midwest and nationwide. AB 1 makes a promise to Wisconsin citizens that their health insurance isn't going anywhere. On behalf of the 62 co-authors, co-sponsors, and myself, I thank you for this opportunity and urge your support of this important legislation.



GAE MAGNAFICI

STATE REPRESENTATIVE • 28th ASSEMBLY DISTRICT

Good afternoon Chairman Sanfelippo and other members of the Assembly Committee on Health for taking the time to hear my testimony on Assembly Bill 1 – The Preexisting Condition Guaranteed Coverage Act.

Throughout my 35 year career as a nurse working primarily in pediatrics, I have seen firsthand the heartbreaking effects of patients losing their insurance coverage because of their preexisting conditions. Living with preexisting conditions has become a dark reality for many Wisconsinites. It is stressful enough to live with a debilitating condition or disease such as Crohn's, cancer, or an autoimmune disease, but the potential costs associated with the medical treatment of these conditions or diseases make the difficult road to recovery or a normal life even more daunting. For example, a Remicade infusion, which is given every 4-8 weeks to patients with Crohn's disease, can cost over \$10,000 per infusion. Additionally, Crohn's disease can never be cured, only managed or controlled, and any delay in treatment can have a negative impact on a patient's health.

On far too many occasions, I have seen patients cancel their appointments due to a loss of insurance coverage. Often, these cancellations were scheduled treatments of time-sensitive medications such as Remicade. It is never easy seeing a patient deal with serious illnesses, but seeing a patient's health problems be compounded by the stress of navigating the insurance process was heartbreaking, and my experience witnessing those situations was a driving factor behind my decision to run for office. Throughout my career, I was an advocate for my patients, working with social workers and care management to ensure my patients located the appropriate resources to receive the care they needed. Today I continue that advocacy for them as I testify in favor of the Preexisting Condition Guaranteed Coverage Act.

Furthermore, this issue is one of the main concerns to the constituents of my district. This past summer, I traveled across my district campaigning and talking to residents of Burnett, Polk, and St. Croix counties. My conversations with residents across my district made one thing abundantly clear to me: that the people of northwestern Wisconsin strongly support ensuring that people with preexisting conditions are guaranteed access to health insurance. During my campaign, I promised the residents of the 28th District that I would fight to protect preexisting condition coverage.

Today, it is my privilege to testify before this committee and follow through with that promise. Currently, the Affordable Care Act prohibits health insurers from denying coverage to people because they have a preexisting condition. The Preexisting Condition Guaranteed Coverage Act



GAE MAGNAFICI

STATE REPRESENTATIVE • 28th ASSEMBLY DISTRICT

will adopt that prohibition at the state level, ensuring that Wisconsin residents with preexisting conditions are guaranteed access to health insurance, no matter what the federal government may do to affect the Affordable Care Act. The Act guarantees the issuance of health insurance to all who apply for it, and it provides to residents of Wisconsin the peace of mind that comes with assured access to health insurance. For that reason, and for the advocacy of my patients, I testify today in support the Preexisting Condition Guaranteed Coverage Act.

I look forward to working with Governor Evers and the entire legislature, Republican and Democrat alike, to ensure that no resident of this great state is denied access to health insurance due to a preexisting condition.



LOREN OLDENBURG

STATE REPRESENTATIVE • 96th ASSEMBLY DISTRICT

Thank you Chairman Sanfelippo, and the entire Assembly Committee on Health for listening to our testimony today regarding Assembly Bill 1 – The Preexisting Condition Guaranteed Coverage Act.

I have been a self-employed dairy farmer for more than 30 years. Health insurance has always been a big expense. For many farmers, the topic of health insurance is a reasonable cause for concern. As is true for most self-employed business men and women; we have a high deductible, and high premium - insurance cost.

Each year when the time comes for renewal of health insurance I speak with my agent, and try to get the best deal, on the greatest coverage. If we could get a better deal with a different insurance provider, we would have to fill out a health questionnaire.

I want to work to get this bill passed so that having a pre-existing condition never has to be a concern for the people of Wisconsin again. I understand that pre-existing conditions are currently covered, but we don't want to worry about being able to get coverage because of a pre-existing condition in the future.

For me, the topic of pre-existing conditions really hits home. My wife Linda, of 28 years, was diagnosed with breast cancer in May of 2018. While today I'm proud to say she is cancer free, she will have this on her health record going forward.

I would rather be proactive than reactive, especially regarding insurance coverage with a pre-existing condition. This legislation will ensure that if the Affordable Care Act gets changed, or eliminated, my wife, and people with experiences like hers will be guaranteed health insurance coverage, despite having a pre-existing condition.

Thank you.



TYLER VORPAGEL

STATE REPRESENTATIVE • 27TH ASSEMBLY DISTRICT

Assembly Bill 1: relating to coverage of individuals with pre-existing conditions.

Testimony of State Representative Tyler Vorpagel

Assembly Committee on Health

January 15, 2019

Thank you, Chairman Sanfelippo, Ranking Member Kolste and committee members, for your time listening to testimony on this important initiative.

This bill is personal to me because I have a pre-existing condition.

Almost eight years ago, I was diagnosed with Type 1 Diabetes, also known as Juvenile Diabetes. No one in my family history was ever diagnosed with Type 1 Diabetes, so as a healthy 26 year old I wasn't prepared at all. At the time, I was most concerned about how I would manage this diagnosis day-in and day-out for the rest of my life. There is no cure for Type 1 Diabetes, so it's a daily regimen of checking blood sugars, keeping track of everything you eat, your stresses and physical activity, and balancing all of this with insulin.

At the time, the farthest thing from my mind was the cost that was going to be with me for the rest of my life. Not only am I expected to have a minimum of four doctor appointments a year with a general physician, endocrinologist, and ophthalmologist, I also use test strips to determine my blood sugar eight to ten times a day, control my insulin pump and of course use insulin to make sure my blood sugars stay in range.

According to the Centers for Disease Control and Prevention, 8% of Wisconsinites are diagnosed with some form of diabetes, and 28% of Wisconsinites have diabetes and don't even know it. Health insurance coverage is vital for every single one of these people with a pre-existing condition, like it is for me and so many others.

Over the past several years, we have come together as policymakers to move Wisconsin forward on a number of health care initiatives — including helping seniors with Alzheimer's and dementia, covering all those in poverty under BadgerCare, and expanding access to medication-assisted treatment for those who struggle with addiction. We've done this with broad bipartisan support, and I want this bill to be no different.

Please do not take lightly the impact this legislation has on our neighbors, friends and family members. I am so grateful for the quality health care that helps me manage my condition, and I understand the costs associated with it. No matter what the situation, everyone deserves to have access to quality health care insurance. It is our job as legislators to come together and do all we can so that Wisconsinites can get personalized and affordable health care. I hope we can all work together on this important legislation to make it a reality.

Again, thank you for your time. I am happy to answer any questions you may have.

Wisconsin Association of Health Plans

The Voice of Wisconsin's Community-Based Health Plans

Testimony Presented to the Assembly Committee on Health Assembly Bill 1

January 15, 2019

Chairman Sanfelippo, Members of the Committee, thank you for the opportunity to testify today in support of Assembly Bill 1.

My name is Tim Lundquist and I am the Director of Government and Public Affairs at the Wisconsin Association of Health Plans. The Association is the voice of 11 Wisconsin community-based health plans that provide high-quality, high-value health care coverage to individuals, businesses, and public programs across the state.

Our member health plans are located right here in Wisconsin, and are proud of their local roots. As a state-based trade association, we work every day on state public policy strategies to expand health insurance coverage, lower health care costs, and build upon the unique strengths of Wisconsin's competitive health insurance market.

Wisconsin policymakers of both parties have committed to protecting individuals with pre-existing conditions. Members of the Wisconsin Association of Health Plans believe Assembly Bill 1 is a strong starting point toward a state-based solution that provides peace of mind for persons with pre-existing conditions.

With this bill, Wisconsin consumers can be assured that no matter what happens in Washington, if you have a pre-existing condition and buy a state-regulated health insurance product in Wisconsin—you will be covered. The Wisconsin Association of Health Plans supports this state guarantee.

More work will need to be done to ensure Wisconsin's health insurance marketplace continues to provide high-quality, more affordable coverage for everyone. This legislation builds a strong foundation for future efforts.

We urge Committee members to support Assembly Bill 1 to provide Wisconsin consumers a guarantee—if you have a pre-existing condition and purchase a state-regulated health insurance product, you are guaranteed insurance coverage, your pre-existing conditions will be covered, and your premiums will not be higher because of your health status.

Thank you again for the opportunity to share our support for Assembly Bill 1. I am happy to answer any questions.



ASSEMBLY BILL 1: PROTECTING PEOPLE WITH PRE-EXISTING CONDITIONS

Testimony of Jim Wesp
Assembly Committee on Health
January 15, 2019

Chairman Sanfellipo and members of the committee, we appreciate the opportunity to testify in support of Assembly Bill 1. There are two key messages we hope you take away from our testimony today. The first is that this bill is a good first step toward protecting people with pre-existing conditions in the event the judgement in Texas versus the United States is upheld in appeals. The second is that there is more that will need to be done to protect all individual insurance consumers, those with and without pre-existing conditions, should the Affordable Care Act ultimately be found unconstitutional.

Introduction to Common Ground Healthcare Cooperative

First, an introduction to Common Ground Healthcare Cooperative (CGHC). We are a non-profit insurance cooperative that was created by individuals and small employers working together to get more for their health care dollar. We're a private business that is regulated like every other insurer, but we are different in that all voting members of our board are consumers buying insurance through the cooperative. I was one of those members until recently when I became eligible for Medicare, and now I'm a non-voting member of the Board. It is important to understand this key difference because it means that profit is not what drives our company. What drives our company is service to our members, and their best interests is what guides our decision-making and my testimony before you today.

Why We Support Assembly Bill 1

We support Assembly Bill 1 because it is the better of two possible scenarios should the court decision that finds the Affordable Care Act unconstitutional stand. Only since 2014 have individual market consumers enjoyed some key insurance protections such as coverage for pre-existing conditions and guaranteed issue. Before these protections were in place, individual market consumers were denied coverage for any number of reasons, some of them outlined in the attachment to the written testimony that was provided to you. In other words, prior to 2014 only the healthiest individuals were able to buy comprehensive insurance coverage.

If the Texas court's decision stands, we could opt to go back to this kind of market, and that is the first possible scenario. The second scenario, which we prefer, is one where this bill is in place and those that have pre-existing conditions and who really need coverage are not denied it. The challenge under that scenario is that we will also need to find a way to keep coverage affordable, and that will be no small feat if the funding provided by the ACA that makes individual insurance affordable for thousands of Wisconsinites is gone because of the lawsuit.

Why Assembly Bill 1 is Not Enough Should the ACA Be Found Unconstitutional

Today, the ACA's tax credits serve the purpose of keeping coverage affordable. If tax credits end with the court decision, then we as a state will have to mount the significant challenge of finding the money needed to bring down costs to a level where people can afford quality coverage. The community rating provisions that are in this bill will not make health insurance affordable under this scenario.

To understand why individual health insurance is more expensive today, we need to understand the root causes of premium increases. HIRSP is no longer in place, and people who would have been denied coverage previously may now buy very comprehensive coverage that covers more. Prescription and maternity coverage are perfect examples of benefits that were not previously part of every individual health plan. In other words, individual market insurers are paying doctors and hospitals and pharmaceutical companies for many more services which has resulted in some surprising statistics. The last time we looked closely at this data in 2016, we found that just 13 of our 25,000 members accounted for ten percent of our total costs. Eighty percent of the amount we spent on medical and pharmacy care that year went to caring for just 9 percent of our members, individuals who would have likely been denied coverage prior to 2014.

Thankfully, we also have healthy people purchasing our insurance today because it is affordable for them due to the tax credits they receive. This provides some balance in the risk pool that is necessary to bring down costs. It is important to understand that most people – including those that are healthy - want to purchase good, high quality coverage that includes consumer protections and essential health benefits and that will be there for them if they need it. They want to be protected financially if something happens to them. They buy it today and they will buy it in the future if they can afford it.

Unfortunately, having pre-existing condition protections in place without a mechanism to bring down the very high costs of caring for those with pre-existing conditions is not workable. Having an insurance pool that includes only unhealthy people is also not workable. The math simply does not work when health costs for a population far exceed their take-home pay, and that's why we need you to hear today that we cannot stop with the passage of Assembly Bill 1. It falls short of protecting the people of our state.

Our Position

As stated, we support Assembly Bill 1 and believe it should be passed to provide stability and protection to those with pre-existing conditions. We don't disagree with those that believe it should go farther and add in related protections such as prohibitions on annual and lifetime limits. Quite simply, we believe there is a lot of work to be done before we can say we have built a bridge to a better health care financing structure that well serves the residents of this state. Another bill or package of bills is needed. However, we should not allow the perfect to be the enemy of the good today. We encourage you to vote in support of AB 1 and then work across the aisles on the next possible step or steps to stabilize the insurance markets and bring down costs.

Conclusion

I would like to thank the members of the Assembly Health Committee for considering our testimony. Please know we are here for a resource to you if you need us in the future, and I am happy to answer any questions you may have today. If you have questions after the meeting, please contact Melissa Duffy at (608) 334-0624.

Enclosure: Attachment 1



Date: January 15, 2019
To: Assembly Health Committee
From: Jon Peacock, Research Director
Re: Concerns regarding Assembly Bill 1

On behalf of Kids Forward, I want to thank you for holding a hearing on the important topic of providing health insurance for people with pre-existing medical conditions. I also want to thank all of the legislators who are truly committed to protecting the gains that have been made in covering pre-existing conditions.

Although Kids Forward strongly backs that goal, we are not endorsing Assembly Bill 1 because it falls far short of ensuring the continued coverage of pre-existing conditions that is provided by the Affordable Care Act (ACA). The proposal before you today would only help a very small portion of the people who have benefited from the ACA. It could actually do more harm than good if it serves as an excuse for Congressional repeal of the ACA or for continuation of the litigation that is challenging the constitutionality of the federal law.

Ensuring that people with pre-existing medical conditions can get quality, affordable insurance for those conditions requires a number of interlocking measures. Each of the following five components is a critical part of the ACA for Wisconsinites with pre-existing conditions, but only the first of these parts of the ACA is included in Assembly Bill 1:

1. *Preventing insurers from discriminating against people with pre-existing conditions* – An effective bill must prevent insurance plans from denying coverage to people who have pre-existing conditions or from charging them more because of those conditions. This is included in both the ACA and AB1.
2. *Requiring insurance plans to cover a set of essential health benefits* – A workable bill must also require that all plans cover essential benefits, such as prescriptions drugs, hospitalizations and mental health services. Without that protection, insurers could drop broad categories of coverage needed by people who have pre-existing medical conditions. This is accomplished by the ACA, but not by AB 1.
3. *Precluding insurers from imposing caps on the benefits someone can receive from their insurance coverage* – Another way that insurers formerly made it impractical for someone with an existing condition to get the coverage they needed was by putting annual and lifetime caps on insurance plan benefits. If those caps are allowed to resume, someone could find that although they are entitled to insurance coverage for

an expensive treatment, such as chemotherapy, they quickly reach a cap on the extent of that coverage. This is accomplished by the ACA, but is not part of AB 1.

4. *Providing subsidies to ensure that quality insurance plans are affordable* – Protecting coverage of pre-existing conditions requires having substantial subsidies like those provided by the ACA. Without those subsidies, the people with existing conditions will not be able to get quality coverage that they can afford. This is accomplished by the ACA, but not by AB 1.
5. *Explicit federal requirements that apply the ACA's consumer protections to employer-sponsored insurance* – A separate federal law precludes states from regulating insurance plans offered by businesses that “self-insure.” The ACA closed that loophole, but repealing or invalidating the ACA would mean that a large portion of plans offered by private employers are exempt from the law’s consumer protections. Although this problem is addressed by the ACA, it is not and cannot be resolved in AB 1.

The most fundamental problem with AB 1 and similar bills is that state legislation would not provide meaningful access to consumers because quality coverage sold in the individual market won't be affordable. In our state, nearly nine out of ten purchasers of insurance through the federal Marketplace receive federal support that significantly lowers their insurance costs. To protect pre-existing conditions requires having substantial subsidies like those provided by the ACA, coupled with a framework like the federal Marketplace that creates large enough pools of consumers to help hold down premiums.

Without a mandate or substantial subsidies, younger and healthier people will either go uninsured or will purchase bare bones or “junk” insurance plans that are largely exempt from regulation. That will drive up the premiums and cost-sharing for quality plans, which will leave many people who have pre-existing conditions with no affordable option.

Another inherent problem with trying to use state law to accomplish the goal of providing coverage of pre-existing conditions is that a federal statute (ERISA) precludes states from regulating roughly half of the plans offered by private sector employers – i.e., insurance plans offered by businesses that self-insure. It takes a federal law like the ACA to apply consumer protection requirements to those self-insured plans

In light of those limitations, passing a narrow piece of state legislation should not be your primary focus if you truly want to protect coverage of pre-existing conditions. Instead, we urge state lawmakers to:

- Enable the Attorney General to either drop out of the ongoing litigation challenging the validity of the ACA, or—better yet—to join the AGs who are defending the law;

- Urge our Congressional delegation to support federal legislation that includes all of the key components that are essential for ensuring that Wisconsinites with pre-existing conditions can get quality, affordable insurance coverage, and
- Direct the Insurance Commissioner to adopt rules that limit the duration of short-term plans sold in the individual insurance market that are exempt from the requirement to cover pre-existing conditions.

To sum up, AB 1 could help a small number of Wisconsinites, but it falls woefully short of ensuring that quality coverage of pre-existing medical conditions will be accessible and affordable. AB 1 fails to include some of the key consumer protections provided by the ACA for people with pre-existing conditions, it doesn't apply to plans offered by private employers who self-insure, and it won't prevent quality plans from becoming unaffordable.

AB 1 could have a net negative effect if its enactment creates a false perception among politicians and the public that the ACA is not necessary to protect people with pre-existing medical conditions. We urge you not to pass this bill unless there has been a concerted but unsuccessful effort to get a more effective and comprehensive solution approved by Congress.

To: Chairperson Sanfelippo
Members, Assembly Committee on Health
From: National Federation of Independent Business – Wisconsin Chapter
Metropolitan Milwaukee Association of Commerce
Regarding: **AB 1, Amend to Better Align with ACA**
Date: January 15, 2019

Wisconsin businesses – large, small, and sole proprietorships – need affordable health care insurance to attract and retain workers and to stay competitive. We are concerned Assembly Bill 1, though very well intentioned, could hurt access to affordable health care insurance unless it is amended to more closely align with the Affordable Care Act (ACA).

If the ACA is overturned, repealed or is otherwise unenforceable, AB 1 would require health insurers doing business in Wisconsin to issue a policy to any interested individual, to limit premium variability, and to prohibit pre-existing condition exclusions. For most plans sold in Wisconsin, such protections are provided by the ACA

AB 1, however, would go beyond the ACA by, for example, applying the prohibition on pre-existing condition exclusions to many plans which are allowed by the ACA to have pre-existing condition prohibitions.

In particular, we are concerned about the effect of AB 1 on short-term plans. Short-term plans are used by many individuals to buy affordable health insurance when changing jobs, waiting for employer-sponsored insurance to take effect, or when leaving a parent's plan. Applying pre-existing conditions exclusions to these plans would drive up premiums for short-term plans and limit consumer choice.

We ask you amend AB 1 so that if a health plan is not required to comply with the ACA, it need not comply with AB 1.



ALLIANCE OF HEALTH INSURERS, U.A.
10 East Doty Street, Suite 500
Madison, WI 53703
608-258-9506

Anthem Blue Cross and Blue Shield in Wisconsin
Children's Community Health Plan
Delta Dental of Wisconsin, Inc.
MHS Health Wisconsin
Molina Healthcare of Wisconsin
UnitedHealthcare of Wisconsin
WPS Health Insurance

To: Wisconsin Legislature
From: R.J. Pirlot, Executive Director
Subject: **AB 1, requested changes to more closely align with the ACA**
Date: January 15, 2019

1. Respectfully request the Legislature limit the application of AB 1 to plans subject to the provisions of the Affordable Care Act (ACA).

As drafted, AB 1 would apply pre-existing condition provisions to certain grandfathered plans, transitional plans, and short-term/limited-duration plans. As introduced, AB 1 would require plans not currently subject to the provisions of the ACA to be prohibited from including pre-existing condition exclusions.

For example, short-term/limited duration plans are, due to a presidential executive order, *not* subject to the prohibition on pre-existing condition exclusions in the ACA. AB 1 *would* prohibit these plans from containing pre-existing condition exclusions.

Premiums for short-term plans are typically much less expensive than more traditional individual insurance. They are designed for those needing coverage outside of the ACA's open enrollment period, such as individuals who are coming off their parent's insurance, who are in between jobs, who missed open enrollment and do not have a qualifying event for special enrollment, who are awaiting Medicare eligibility, and employees who are in their waiting period before ACA coverage begins or needing a temporary alternative to COBRA.

To limit the application of AB 1 to plans currently subject to the provisions of the ACA, instead of 632.728(3)(b), please add to the applicability section in section 6 on page 5 the following language in a new paragraph:

A health benefit plan that is not required to comply with the federal Patient Protection and Affordable Care Act, P.L. 111-148, as amended, as of January 1, 2019, under 42 USC 300gg to 300gg-4 or 42 USC 300gg-41 and 300gg-42 is not required to comply with this section.

This would be in addition to the applicability language in section 6 which states AB 1 only applies if the ACA is no longer enforceable or no longer preempts state law relating to individual or group health insurance policies.

2. Respectfully request the Legislature limit the enrollment period in section 4, page 4 of the bill to 45 days. As drafted, the Commissioner of Insurance, without any legislative oversight, would be empowered to set an open enrollment period to “ensure that every individual health benefit plan has open enrollment during a state open enrollment period.” Under the ACA, the federal exchange sets this open enrollment period and, for the last few years, has set this to be a 45-day period. The ACA limits this open enrollment period to, in part, help prevent individuals from coming into the individual market when they need treatment or services and then exiting when they do not.



TO: Assembly Committee on Health
FROM: Sara Finger, Executive Director, Wisconsin Alliance for Women's Health
RE: Testimony For Information Only Regarding AB 1 – Coverage of Individuals with Preexisting Conditions
January 15, 2019

Chairman Sanfelippo and members of the Assembly Committee on Health, thank you for the opportunity to provide written testimony regarding AB1, which addresses coverage of individuals with preexisting conditions.

Our vision at the Wisconsin Alliance for Women's Health's (WAWH) is to ensure every Wisconsin woman – at every age and every stage of life – has the ability to reach her optimal health, safety and economic security. Paramount to achieving this aim, our organization has worked tirelessly over the past decade to develop, advance and implement the Affordable Care Act (ACA) to ensure the greatest number of women and girls have access to affordable, comprehensive healthcare.

Prior to the passage of the ACA, insurance companies were allowed to discriminate against women due to our unique health needs. Insurers could deny coverage to us if we'd been pregnant, had fought and survived cancer, or even if we'd suffered domestic violence. In many cases, health plans didn't even cover maternity care.

The gravity of what the loss of coverage for women and girls would look like, should ACA be repealed, makes it paramount that we speak out against our state supporting anything that could lead to reduced coverage.

It comes as no surprise that the first Assembly Bill for the 2019-20 Legislative session addresses coverage of preexisting medical conditions. Polling has consistently shown that this is an important issue for Wisconsinites worried about losing coverage if the ACA's comprehensive protections are overturned.

We can't lose sight of why Wisconsin is in a precarious position regarding coverage under the ACA. Under the direction of former Governor Scott Walker, Wisconsin joined a multi-state lawsuit to overturn the ACA. In December, a Texas District Court judge held that the ACA is unconstitutional in *Texas v. Azar*. As this case makes its way through the appeals process, the ACA remains the law of the land. If the ACA is overturned, then women could be denied coverage based on their medical history, their age, and their occupation, among other factors. As a result, women could be charged more, or priced out of the insurance market altogether. Insurance companies could also try to reinstate gender rating, a common pre-ACA practice in which insurance companies charged women higher premiums than they did men, even though other parts of the ACA protect women from discrimination in the health care system.



Wisconsin's voters spoke loud and clear in November by electing state-wide officials who campaigned on a promise to withdraw Wisconsin from the ACA lawsuit. In response, the Republican-led Legislature rejected the outcome of the November elections and voted to force the state to remain as plaintiffs in *Texas v. Azar*, threatening coverage for many Wisconsinites.

AB1 does not guarantee insurance for people with preexisting conditions in the same capacity as the ACA, nor does it address other very important issues of coverage -- including essential health benefit mandates such as maternal care. AB 1 does not address lifetime coverage limits, preventative care, consumer protections, or bar discrimination based on gender. Without the broader protections and subsidies of the ACA, AB1 does not protect enough people—and could actually lead to harmful unintended consequences, including higher costs.

Northern District of Texas Judge Reed O'Connor's December ruling didn't just put protections for preexisting conditions at risk, it attempts to throw out the entire law, including the subsidies that help Wisconsinites afford coverage. AB1 would not close the gap in coverage that will open up should ACA be repealed through the courts.

This Legislature is in a unique position to work to ensure that Wisconsinites continue to be covered and protected in an affordable and comprehensive manner. Rather than enact this inferior talking-point bill, the Assembly should instead focus on withdrawing Wisconsin from the lawsuit and join the numerous attorney generals seeking to uphold the ACA's framework. Such action would allow the Assembly to proudly take ownership for protecting coverage for Wisconsinites and would have the full support of the Wisconsin Alliance for Women's Health. AB1 is no substitute for the ACA.





OPPORTUNITY SOLUTIONS PROJECT
ADVOCATING FOR AFFORDABLE CARE

To: Representative Sanfelippo, Chairperson
Members, Assembly Committee on Health

Date: January 15, 2019

RE: **Written Testimony relating to: coverage of individuals
with preexisting conditions**

Opportunity Solutions Project (OSP) is a nonprofit, nonpartisan advocacy organization that seeks to improve lives by advocating for public policies based on the principles of free enterprise, individual liberty, and a limited, accountable government.

We understand the intent of Assembly Bill 1 (AB 1) is to guarantee insurance options for people with preexisting conditions if the Affordable Health Care Act is ruled unconstitutional. We do not have concerns with that concept. What OSP does not support is the imposition of preexisting conditions coverage requirements on plans that, even today under current state and federal law, do not have this mandate.

Short-term insurance plans are an affordable option for those who need a bridge between other kinds of coverage. They are not for everyone - and are not supposed to be. Short-term plans are a great option for the uninsured, recent graduates who no longer qualify for their parent's plan, those between jobs, those who are retired but not old enough for Medicare, and anyone who missed their open enrollment period.

Currently short-term plans are not required to cover those with preexisting conditions. This allows for premiums in most cases to be 50 to 80% lower premiums than non-subsidized exchange plans. AB 1 as drafted would require these plans to cover preexisting conditions if the federal health care law was ruled unconstitutional. This coverage option would become unaffordable and no longer a viable product.

Please consider amending your bill to remove this consequence.

Thank you for your consideration.

DRW Testimony AB 1, Pre-Existing Condition Guaranteed Coverage Act

Assembly Health Committee, January 15, 2019

Barbara Beckert, Director Milwaukee Office

Thank you for the opportunity to provide informational comments regarding AB 1. Disability Rights Wisconsin is the designated Protection and Advocacy agency for people with disabilities in Wisconsin. The comments we present today are for the informational purpose of explaining what effect AB 1 might have on people with disabilities. Our conclusion is that the bill represents a partial and highly imperfect fix to the problem of insurers denying coverage to people with pre-existing conditions, a problem which existed prior to—and was solved by—the passage of the Affordable Care Act (ACA).

Although AB 1, the Pre-Existing Condition Guaranteed Coverage Act, might protect individuals with pre-existing conditions from blatant discrimination, it lacks the additional protections offered by the ACA, such as premium and cost-sharing subsidies, essential health benefits, and the removal of lifetime and annual caps on coverage. Because of these deficiencies in AB 1, people with disabilities (who, by definition also have pre-existing conditions) would be unable to afford decent quality health insurance. Any plans people with disabilities might be able to afford would likely not cover benefits they need and currently receive under the ACA.

Because AB 1 would only become effective if the ACA is invalidated, it is important to understand the provisions of the ACA that, taken together, allow people with pre-existing conditions to purchase decent quality health insurance.

What the ACA Does

Currently, the ACA prohibits health insurers from discriminating on the basis of pre-existing conditions or health history. That means insurers cannot refuse to sell health insurance to an individual because the person has a pre-existing condition. Insurers are also prohibited from charging higher premiums on the basis of pre-existing conditions. Finally, insurers cannot issue a policy that limits its coverage of a pre-existing condition. It is this part—and the only part—of the ACA that AB 1 seeks to replace.

The ACA, by stark contrast, contains other important protections that affect people with disabilities and makes quality health insurance actually—rather than theoretically—available to them.

The ACA requires individual health insurance (health insurance that individuals or families buy directly from insurers) and small employer group health insurance (employers with less than 50 employees) to cover ten essential health benefits, which include coverage for mental

MADISON

131 W. Wilson St.
Suite 700
Madison, WI 53703

608 267-0214
608 267-0368 FAX

MILWAUKEE

6737 West Washington St.
Suite 3230
Milwaukee, WI 53214

414 773-4646
414 773-4647 FAX

RICE LAKE

217 West Knapp St.
Rice Lake, WI 54868

715 736-1232
715 736-1252 FAX

disabilityrightswi.org

800 928-8778 consumers & family

health, prescription drugs, hospitalization, and habilitative services (those that help individuals acquire, maintain, or improve skills necessary for daily functioning – which are critically important for people born with disabilities). Before the ACA, many health insurance plans did not cover all these benefits and we are aware of no plans that covered habilitative services.

The ACA also prohibits imposition of lifetime and annual limits on essential health benefits. Prior to the ACA, insurance plans often set an annual or lifetime limit – a dollar limit on what they would spend for the covered benefits during a year or during the entire time a person was enrolled in the plan. Individuals with disabilities who needed expensive or complicated treatment could reach those limits quickly and then would have no effective coverage under their plan.

Finally, the ACA provides subsidies that make individual health insurance affordable, which is perhaps the most important ACA benefit for people with disabilities because persons with disabilities experience the highest rate of poverty of any subcategory of Americans charted by the Census Bureau.¹

However, these important protections are at risk because of a recent decision by a Federal District Court in Texas. That decision found the entire ACA unconstitutional because Congress had eliminated the penalty for not complying with the individual mandate.² If this decision is upheld on appeal, these federal protections will no longer apply.

The Limited Fix Provided by AB 1

AB 1, the Pre-Existing Condition Guaranteed Coverage Act, would provide some of these protections to Wisconsinites in the event that the ACA is found unconstitutional on appeal. The bill prohibits individual insurance, fully-funded employer group health plans, and self-insured governmental health plans from (1) refusing to cover individuals with pre-existing conditions; (2) charging a higher premium because of an individuals' pre-existing conditions; and (3) reducing coverage for a pre-existing condition. However, the bill will effectively not protect most people with pre-existing conditions for several reasons.

What AB 1 Fails to Do

First, self-funded employer plans (as opposed to employers who contract with a health insurance plan from an insurer to cover their workers) cannot be regulated by Wisconsin because state regulation of those plans is preempted under the federal Employee Retirement Income Social Act (ERISA). Therefore, large employers who provide self-funded employer

¹https://www.americanbar.org/publications/human_rights_magazine_home/2014_vol_40/vol_40_no_3_poverty/poverty_employment_disability/

² The individual mandate requires most people to have health insurance. Prior to the 2019 tax year, individuals would have to pay a penalty on their tax return if they did not have health insurance and did not meet any of the exemptions to the individual mandate.

health insurance will be able to impose waiting periods on coverage for pre-existing conditions, just as they did prior to the ACA. State law (unlike the federal ACA) cannot dictate coverage mandates to these so-called ERISA plans.

Second, like the market before the ACA, individual health insurance will simply be unaffordable to most people without the federal subsidies that the ACA provides. The ACA provides individuals with income between 100% and 400% of the Federal Poverty Level with subsidies that reduce the out-of-pocket costs individuals pay for their premiums. The ACA also provides individuals with income between 100% and 250% of FPL with cost-sharing subsidies that reduces deductibles, co-pays/co-insurance, and the maximum annual out-of-pocket individuals pay.

In 2018, 83% of the approximately 225,000 Wisconsinites who enrolled in individual insurance through the ACA's Marketplace received subsidies.³ Without those subsidies, many individuals with disabilities would not be able to afford health insurance.

For example, most individuals who qualify for Social Security Disability Insurance (SSDI) must wait two years before they can enroll in Medicare. The average monthly SSDI check for 2017 was \$1,197⁴, which would make the average person ineligible for Badgercare Plus because their income is above 100% of FPL. Thus, during the two-year wait for Medicare, the only option for health insurance for many of these individuals is to purchase individual insurance through the ACA's Marketplace.

For a 30-year-old receiving this amount of SSDI, a Silver Marketplace plan without the ACA subsidies would cost \$500 a month in Milwaukee for 2019.⁵ Moreover, for such an individual, without the ACA subsidies, his or her maximum out-of-pocket cost-sharing (deductible and copays/coinsurance) could be as high as \$7,900. Without the subsidies, the 30-year-old on SSDI could pay almost 100% of his or her annual income towards the premiums and cost-sharing.

And it gets worse for older individuals. A 50-year-old receiving the average amount of SSDI living in Milwaukee would pay almost \$800 a month in premiums for a Silver plan.⁶

With the ACA's subsidies, their Silver plan premium would only be \$25 a month and their maximum out-of-pocket limit for cost-sharing would only be \$2,600 for the year.⁷

Clearly, even with pre-existing conditions protections, many individuals with disabilities will not be able to afford to buy health insurance without the ACA's subsidies.

³ <https://www.healthinsurance.org/wisconsin-state-health-insurance-exchange/>

⁴ https://www.ssa.gov/policy/docs/chartbooks/fast_facts/2018/fast_facts18.pdf at pg. 16.

⁵ <https://www.kff.org/interactive/subsidy-calculator/>

⁶ <https://www.kff.org/interactive/subsidy-calculator/>

⁷ <https://www.kff.org/interactive/subsidy-calculator/>

Third, AB 1 does not appear to require health insurers to cover the 10 essential health benefits required by the ACA. Thus, many insurance plans may not cover important benefits to people with disabilities such as mental health and prescription drug coverage. In addition, the ACA requires individual health insurance and small employer plans to cover habilitative services, which are important to many people who are born with disabilities. The Wisconsin bill does not appear to require coverage of those services.

Fourth, it does not appear that AB 1 eliminates potential caps on services. For example, prior to the ACA, insurance plans often set an annual or lifetime limit – a dollar limit on what they would spend for the covered benefits during a year or during the entire time a person was enrolled in the plan. Individuals with disabilities who needed expensive or complicated treatment could reach those limits quickly and then would have no effective coverage under their plan.

Summary

For these reasons, the protection offered by AB 1 is illusory. AB 1 only takes effect if the Affordable Care Act is invalidated. If that happens, premium and cost-sharing subsidies will be gone, and people with disabilities will be unable to afford health insurance even if a carrier is required to offer it to them for the same premium it charges a person without a pre-existing condition. Further, any plan they might be able to afford would likely be of such inferior quality as to be essentially meaningless coverage.

Thank you for the opportunity to provide these informational comments.



January 15, 2019

TO: Chairman Joe Sanfelippo
Members of the Assembly Health Committee

RE: 2019 Assembly Bill 1; relating to coverage of individuals with preexisting conditions

On behalf of the Wisconsin Primary Health Care Association (WPHCA), I am writing to provide additional information for the consideration of this Committee, regarding 2019 Assembly Bill 1 (AB 1).

WPHCA is the membership association for Wisconsin's 17 Federally Qualified Health Centers (FQHCs) also known as Community Health Centers (CHCs). We work to create healthier communities by improving access, improving care and reducing health disparities for Wisconsin's vulnerable populations. Our aim is to ensure that all Wisconsinites achieve their highest health potential. We execute our mission and focus our aim through providing training and technical assistance to Wisconsin's CHCs and advocating on their behalf.

WPHCA recognizes and appreciates the work the legislature is doing to protect Wisconsin consumers with pre-existing conditions. While the State would be unable to fix everything that may be lost if the Affordable Care Act is no longer law, this legislation is an important first step in protecting Wisconsin consumers.

Access to affordable and comprehensive health insurance for all Wisconsin residents is something that, even in the most polarized conversations, we can all agree on. AB 1 is well-intentioned in its attempt to protect consumer's access to health insurance. The Bill does, however, fall short of substantively ensuring that all Wisconsinites can afford and receive the health care they need when they need it to remain at work and take care of their families as productive members of their communities.

Please consider the additional information provided in this letter regarding the Wisconsinites who will not be protected by the legislation proposed in 2019 AB 1 if the Affordable Care Act (ACA) is no longer the law.

The Bill does not protect health center patients from the recent deterioration of the Affordable Care Act's consumer protection provisions. Although we recognize that this legislature cannot control the Federal law, the changes to the Federal law will indeed impact the very Wisconsin consumers that this legislature is working to protect through this proposed legislation. Specifically, there have been Federal administrative rules changes allowing the expansion of short-term health plans resulting in an increase in the number of insurance plans that are exempt

from ACA consumer protections. This means consumers, potentially unwittingly, are able to purchase 364 day-long plans that are not required to cover pre-existing conditions.

Successful litigation against the ACA would not only mean that coverage protections to pre-existing conditions would go away but could also mean the loss of subsidies provided through the ACA to make insurance more affordable. AB 1 addresses the pre-existing coverage protections for some Wisconsinites but does not address short term plans nor does it appear to support affordability of coverage for consumers.

The proposed legislation does not include additional ACA consumer protections, for example the removal of annual benefit caps and a requirement to provide comprehensive coverage. In addition, the Bill does not extend this pre-existing condition protection to nearly half of employee-sponsored consumers who receive their insurance through self-insured private employers (as is consistent with Federal statute).

Wisconsin health centers serve over 300,000 Wisconsin residents annually, whether they have insurance or not. Patients visit our health centers seeking primary care, dental care and increasingly behavioral health care.

Many Health Center patients gained individual coverage through healthcare.gov and received subsidies to afford this coverage. If the ACA were no longer law, even with the legislation proposed by this Committee, our patients would not have the same protections as they do today. Approximately 30% of our patients are eligible for subsidized coverage through the ACA today, meaning for a family of 4, they are earning between \$25,000 and \$50,000 per year. This legislation would not re-create the affordability structure that currently exists under the ACA, therefore leaving these individuals without coverage despite the work this legislation attempts to tackle in protecting this category of Wisconsinites.

We appreciate the legislature's attempt at creating Wisconsin-specific protections for consumers, and we implore the Committee to recognize the severe limitations of this legislation in providing accessible, affordable, quality coverage for all Wisconsin residents.

WPHCA submits this statement in encouragement of the legislature to consider this population of unprotected Wisconsin consumers in its work to build Wisconsin specific protections.

Sincerely,



T.R. Williams, J.D.
608-443-2953
trwilliams@wphca.org
Advocacy & Government Relations Specialist
Wisconsin Primary Health Care Association



WISCONSIN BOARD FOR PEOPLE
WITH DEVELOPMENTAL DISABILITIES

January 14, 2019

Representative Sanfelippo (Chair)
Assembly Committee on Health
Wisconsin State Capitol, Room 314 N
Madison, WI 53708

Dear Rep. Sanfelippo and Committee members:

Thank you for the opportunity to provide testimony on Assembly Bill 1 (AB 1).

Protections for people with pre-existing conditions are important to people with disabilities and their families. Prior to the passage of the Affordable Care Act (ACA) many people with disabilities faced discrimination because of their disabilities and pre-existing health conditions which resulted in:

- Insurance companies excluding people with pre-existing conditions from purchasing insurance coverage
- Disproportionally higher premiums, co-pays, and deductibles for people with pre-existing conditions
- Denial of coverage and/or certain medications because of certain medical conditions
- Lack of guaranteed coverage for habilitative, therapy, prescription and other services needed to manage a pre-existing condition or maintain or gain new abilities
- Denial of claims because of the presence of a disability or pre-existing condition
- Loss of insurance coverage when annual or lifetime caps on coverage were reached

AB 1 provides limited protections on two of the above concerns for people with pre-existing conditions who are purchasing private insurance or marketplace plans. The bill does prevent insurance companies from excluding an individual from coverage based on the existence of a pre-existing condition(s) and from denying claims on the basis that the claim is the result of a pre-existing condition.

AB 1 does not address other concerns of people with pre-existing conditions, including protection from disproportionately higher premiums/co-pays/deductibles, annual or lifetime caps on coverage, and guaranteed coverage of services and medications. This bill does not require plans to cover the 10 essential health benefits as currently required by the ACA. Many people with disabilities rely on coverage of the required essential benefits in order to manage their pre-existing conditions. All of these interlocking parts—currently required under the ACA—are needed to protect people with pre-existing conditions.

The population impacted by this bill is narrow; it is limited to those who are purchasing private insurance or marketplace plans. BPDD recognizes that the state legislature does not have authority to regulate most employer-sponsored private health insurance plans, which provide coverage for 50% of the market. People

insured under employer sponsored plans are reliant on the interlocking policies within the Affordable Care Act (ACA) remaining intact in order to retain protection for pre-existing conditions.

Incomplete protection for a small group of people is still an improvement over no protections, should the ACA be repealed in full. However, BPDD finds that comprehensive protection of people with pre-existing conditions will not be realized upon passage of this bill. Important protections against discriminatory pricing and coverage gaps—even for the narrow population to which this bill applies—remain unresolved. Modification of this bill is necessary to address all of the elements that are needed to offer the same level of protection for people with pre-existing conditions as afforded under the current ACA.

BPDD is charged under the federal Developmental Disabilities Assistance and Bill of Rights Act with advocacy, capacity building, and systems change to improve self-determination, independence, productivity, and integration and inclusion in all facets of community life for people with developmental disabilities (more about BPDD https://wi-bpdd.org/wp-content/uploads/2018/08/Legislative_Overview_BPDD.pdf).

Our role is to seek continuous improvement across all systems—education, transportation, health care, employment, etc.—that touch the lives of people with disabilities. Our work requires us to have a long-term vision of public policy that not only sees current systems as they are, but how these systems could be made better for current and future generations of people with disabilities.

Thank you for your consideration,

A handwritten signature in cursive script that reads "Beth Swedeen".

Beth Swedeen, Executive Director
Wisconsin Board for People with Developmental Disabilities

America's Health
Insurance Plans

601 Pennsylvania Avenue, NW
South Building
Suite Five Hundred
Washington, DC 20004

202.778.3200
www.ahip.org



January 15, 2019

Representative Joe Sanfelippo
Chairman, Assembly Committee on Health
Room 306 North
State Capitol
PO Box 8953
Madison, WI 53708

Re: AHIP Comments on Assembly Bill 1 - Pre-Existing Conditions

Dear Chairman Sanfelippo:

I write today on behalf of America's Health Insurance Plans (AHIP) to provide comments to the legislature concerning the preexisting condition prohibition in Assembly Bill 1, which is an issue of concern for our members.

AHIP is the national association whose members provide insurance coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access and well-being for consumers. It is our position that every American should be able to get affordable, comprehensive coverage, regardless of their income, health status, or any pre-existing conditions.

We understand and share the concerns of the legislature about the possibility of consumers losing pre-existing condition protections should the Affordable Care Act be struck down or become unenforceable. However, enacting pre-existing condition protections, (such as community rating requirements, and a mandate to guarantee issue a policy to any individual) as a stand-alone policy will not ensure access to coverage for people with pre-existing conditions. In fact, enacting these measures on their own can lead to a lack of affordable insurance options for everyone shopping for insurance in the individual market, both those who have pre-existing conditions and those who don't.

Additional protections are needed in tandem with pre-existing condition protections for the market to be stable and function properly. Most critically, broad-based participation is critical for an affordable and stable individual insurance marketplace. Premium tax credits and a structure to shop and purchase health insurance are crucial to ensuring Wisconsinites who don't have employer sponsored coverage, Medicaid, or Medicare can find and afford coverage. This kind of broad enrollment is necessary to create and sustain a balanced risk pool and well-functioning market. Without these incentives to bring a broad cross-section of people into the market, the

market may deteriorate because individuals and families drop coverage because it is unaffordable. Moreover, if a market is dysfunctional, experience in other states has shown that health insurance providers exit the market, reducing competition and access to coverage.

We have specific concerns that as drafted the legislation could be interpreted to go into effect immediately if the federal pre-existing condition protections are no longer enforceable or no longer preempt state law. Due to the nature of product filing timelines, this could pose serious implementation problems that would cause unnecessary disruption to the state's insurance markets. For the individual and small group markets, rates are usually due to the insurance department mid-summer for the following plan year (e.g. rates for 2019 were due in early July 2018). Insurers need to know what rules will apply one year before the coverage would be effective to develop those products and meet the July filing deadline for insurance department review.

To mitigate disruption, consumer confusion, and premium increases, we recommend that if the federal requirements are no longer enforceable, the timeline for implementation of the state law require:

- For the calendar year during which the event that triggers the state law occurs, plans should continue to follow federal requirements related to pre-existing conditions, open enrollment and special enrollment period requirements for the remainder of the policy year. This will allow the state approved products for that plan year to continue operating as approved until the end of the policy year.
 - EXAMPLE: If a development invalidates the federal requirements in June of 2020, plans would continue to offer plans rated under the ACA market rules on a guaranteed issue basis and new enrollees would be restricted to buying such coverage only if they have a special enrollment period. These requirements would stay in place through December 31, 2020, the end of the plan year.
- For the plan year following the triggering event, the department of insurance should be required to issue regulations and guidance on the implementation of the state law with adequate time to for insurers to develop products that comply with the new state rules.
 - EXAMPLE: For reference, the filing deadline for 2019 individual market products was July 2, 2018. If a development invalidates the federal requirements in June of 2020, unless insurers know the detailed requirements under the state law (for example, the dates of the state open enrollment period), they would not be able to meet an early July filing deadline to ensure 2021 products are available to consumers when their 2020 policies end on December 31.
- To avoid unintended gaps in enrollment for consumers who are unaware of the changes, the state law should include requirements and funding for consumer outreach to ensure state residents understand what's changing, when they can sign up for coverage and where they can shop for insurance.

We will note that without premium assistance which is currently available through advanced premium tax credits, many consumers will be unable to continue coverage, even with these transitional periods in place.

We appreciate the opportunity to work with you on this important issue and we look forward to working to ensure the continued success of the market in Wisconsin. If you have any questions, please do not hesitate to contact me at mhaffenbredl@ahip.org (202-413-9817).

Sincerely,

A handwritten signature in cursive script that reads "Mary Haffenbredl".

Mary Haffenbredl
Senior Regional Director, State Affairs

cc: Members of the Assembly Committee on Health