

BadgerCare Public Option Would Slash 2019 Health Insurance Costs

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New federal data shows allowing Wisconsinites to buy-into Badgercare as a “Public Option” would slash premiums and deductibles. Data also shows gap with Minnesota is widening.

STATEWIDE: On a media call Wednesday morning Citizen Action of Wisconsin, with key state lawmakers and the Wisconsin Federation of Nurses & Health Professionals, released a new analysis which has major implications for the high profile health care debate in the 2018 election. We were joined on the audio news conference by State Senator LaTonya Johnson and State Rep. Chris Taylor, both members of the powerful Joint Finance Committee which writes the state budget. Listen to the [entire audio here](#).



The analysis, based on just released federal data crunched by Citizen Action, shows that Governor Walker’s refusal to build on the Affordable Care Act is forcing Wisconsinites to pay thousands more for health insurance on the individual market. In some high cost regions of the state, Wisconsin families are paying over \$24,000 per year more per year!

The analysis focused on two questions using 2019 premium and deductible data just released by the federal government:

1. How much would Wisconsinites who buy health insurance on their own save if BadgerCare was made a public option? Governor Walker and the majority in the Legislature have refused to take action on the popular proposal introduced by legislative Democrats. Challenger Tony

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Evers supports the BadgerCare public option proposal.

2. How much more will Wisconsinites who buy insurance on their own pay next year than their counterparts in Minnesota? Minnesota, unlike Wisconsin, has consistently built upon the Affordable Care Act (ACA).

For both questions, the analysis used as its baseline consumers who make too much to qualify for federal tax credits, and therefore pay their entire health insurance premium.

Key Findings for 2019 (for consumers who pay the full premium)

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Wisconsinites who buy insurance on their own would pay premiums and deductibles on average 32.5% less if a BadgerCare Public Option were available. This means they would pay on average \$3,685 less for the same level of coverage (see Figure 2).

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Wisconsinites on the individual insurance market will face premiums and deductibles 50% higher on average than their counterparts in Minnesota. This means paying a state average of \$3,781 more per year for the same level of coverage. For some Wisconsin border regions, the disparity is even greater (see Figure 3).

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Enacting a BadgerCare Public Option would have an even more dramatic impact for a family of four, saving as much as over \$24,000 in premiums and deductibles over private health insurance (see Figure 4).

[See full results below]

Governor Walker has heavily touted his reinsurance plan which was passed earlier this year, but a [Citizen Action analysis of independent research](#) shows it does not make up for the cost of his sabotage of the ACA.

The data in this report shows the BadgerCare Public Option would be much more effective than Walker's policies in making individual market health insurance affordable. The BadgerCare

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Public Option Bill ([Assembly Bill 449](#) / [Senate Bill 363](#)), authored by State Rep. Eric Genrich (D-Green Bay) and State Sen. LaTonya Johnson (D-Milwaukee), would give Wisconsinites the option of purchasing BadgerCare on the Affordable Care Act marketplace. This option would be especially attractive to people who buy coverage on their own without a tax credit, and to small businesses.

"These findings document that many hard pressed Wisconsin families are paying a heavy price for Governor Walker's failed health care policies," said Robert Kraig, Executive Director of Citizen Action of Wisconsin. "It is clear that a Governor and a Legislature who constructively use the power of state government could make health coverage significantly more affordable for people across Wisconsin."

"Providing a BadgerCare Public Option would help ensure that the rising cost of healthcare is being addressed," said State Senator LaTonya Johnson (D-Milwaukee), a member of the powerful Joint Finance Committee and the Senate author of the BadgerCare Public Option bill. "No matter where Wisconsinites work, where they live, what they make or what pre-existing condition they have this would ensure that BadgerCare could be available as an option to them."

"At every opportunity, Governor Walker has sought to sabotage the Affordable Care Act. The lawsuit right now by Governor Walker and Attorney General Brad Schimel would get rid of the Affordable Care Act's protections for people with pre-existing conditions for example", said State Representative Chris Taylor (D-Madison), a member of the powerful Joint Finance Committee. "Why on earth would you not want to save money and cover more people at the same time?"

"Everyday our nurses see people who come into the emergency room so much sicker than if high deductibles did not compel them to delay or avoid care," said Candice Owley, RN, President of the Wisconsin Federation of Nurses & Health Professionals. "These is life and death choices, not just a political choice. The largest reason for bankruptcy is medical debt, and the BadgerCare Public Option could help that by protecting patients when a unexpected medical bill arises."

"In 2014, for the first time in years, the health insurance costs for our family business fell below \$1,000 month as insurers could no longer price discriminate my husband's preexisting condition," said Sharon Harris, a small business owner from Brookfield. "We are very supportive of the ACA but now, because of the sabotages, we are now paying more for health coverage

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than our mortgage. It feels like we're living paycheck to paycheck. We strongly believe a BadgerCare Public Option could help our business and family."

Figure 1: BadgerCare Public Option Cost, 2019 figures

Annual, Adults*

Annual, Child*

Statewide estimate

\$7,632

\$2,388

* - [Legislative Fiscal Bureau estimate](#) of a BadgerCare Public Option buy-in. Public Option figures above does not have any deductible, unlike private insurance.

Figure 2: Current 2019 Premiums & Deductibles, 2nd lowest cost silver for 40 year old, by Metro, and Extra Annual Cost Over BadgerCare Public Option of Private Insurance

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County

2019 Premiums & Deductibles, private plans on Healthcare.gov*

BadgerCare Public Option, percent vs private coverage, Annual**

Dollar amount over BadgerCare Public Option for Private Insurance, Annual

Statewide***

\$11,317 per year, premiums & deductibles

32.5% less per person annually if enrolled in the Public Option

\$3,685 saved per year if enrolled in Public Option

Eau Claire

\$12,501

39.0% less

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\$4,870 per year

La Crosse

\$12,215

37.5% less

\$4,583 per year

Milwaukee

\$12,100

36.9% less

\$4,469 per year

Kenosha/Racine

\$12,087

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36.9% less

\$4,456 per year

Superior

\$11,988

35.4% less

\$4,190 per year

Rhineland

\$11,915

35.9% less

\$4,283 per year

Wausau

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\$11,841

35.5% less

\$4,210 per year

Green Bay

\$11,821

35.4% less

\$4,190 per year

Appleton

\$10,871

29.8% less

\$3,239 per year

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Oshkosh

\$10,871

29.8% less

\$3,239 per year

Madison

\$9,597

20.5% less

\$1,966 per year

Fond du lac

\$9,406

18.9% less

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\$1,774 per year

Janesville/Beloit

\$8,912

14.4% less

\$1,281 per year

* - 2nd Lowest silver plan for a 40 year old, 12 months of premiums and deductible, [Healthcare.gov](#)

** - based on annual BadgerCare Public Option estimate for premiums & deductibles, [Legislative Fiscal Bureau, Oct 2018](#)

*** - weighted average determined by county population estimates

[Click here for data for all 72 Wisconsin Counties](#)

Figure 3: Comparison of Major Metros, Wisconsin vs Minnesota, 2nd lowest cost Silver plan, 40 year old individual, 12 months premiums and deductibles

Area

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Benchmark Silver Plan, Percent Difference*

Benchmark Silver Plan, Dollar Difference*

Statewide, Wisconsin vs Minnesota**

50% higher in Wisconsin, premiums & deductibles

+3,781 more per year in Wisconsin, on average (\$11,317 vs \$7,536)

La Crosse, WI vs La Crescent, MN (border cities)

27% higher in La Crosse

+\$2,618 more per year in La Crosse (\$12,215 vs \$9,596)

Superior, WI vs Duluth, MN (border cities)

69.8% higher in Superior

+\$4,929 more per year in Superior (\$11,988 vs \$7,058)

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Hudson, WI vs Lakeland, MN (border cities)

47% higher in Hudson

+\$3,110 more per year in Hudson (\$9,715 vs \$6,604)

Milwaukee, WI vs Minneapolis, MN (major metros)

64% higher in Milwaukee

+\$4,733 more per year in Milwaukee (\$12,100 vs \$7,367)

Madison, WI vs St Paul, MN (State Capitals)

31% more in Madison

+\$2,297 more per year in Madison (\$9,597 vs \$7,300)

* - comparison of 2nd lowest cost Silver health plan, premiums and deductibles, for 40 year old vs [Legislative Fiscal Bureau](#) estimate of a BadgerCare Public Option buy-in. Private rates gathered from [Healthcare.gov](#)

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** - Weighted average based on county population in each state, looking at 12 months premiums & annual deductible for 40 year old. MN rates gathered from MNSure.org

Figure 4: The Cost of Private Insurance for a Family of Four, premiums and deductibles, over the BadgerCare Public Option; 2019 rates, 2nd lowest cost silver, by Metro.

Metro Area

Cost of Private Plan Over BadgerCare Public Option Per Year, Family of Four*

Annual Cost of Private Coverage vs Public Option, Family of Four*

Eau Claire

3.4x higher per year than BadgerCare Public Option

+\$24,204 in annual premiums & deductibles

La Crosse / Milwaukee / Superior

3.3x higher

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+\$23,049

Rhineland / Kenosha / Racine / Wausau

3.2x higher

+\$22,328

Green Bay

3.1x higher

+\$21,371

Appleton / Sheboygan

3x higher

+\$19,948

Hudson

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2.7x higher

+\$17,451

Fond Du Lac

2.6x higher

+\$15,864

Madison

2.5x higher

+\$14,680

Janesville

2.3x higher

+\$13,089

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* - Based on annual premiums and deductibles for a Family of Four by county, with two 40-year old adults and two 10-year old children, gathered from [Healthcare.gov](https://www.healthcare.gov) . BadgerCare Public Option costs gathered from [2018 Legislative Fiscal Bureau Memo](#)