

Wisconsin Health Insurance Rates Still Dramatically Higher than Minnesota's

Written by Citizen Action of Wisconsin, Robert Kraig
Wednesday, 08 April 2015 14:09

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New Citizen Action Report Reveals Wisconsin Health Insurance Costs 20-89% Higher. Key findings and causes discussed in report.

STATEWIDE - Citizen Action of Wisconsin released today the new report [Tale of Two States 2015 Report: Why Wisconsin's Health Insurance Costs Are Dramatically Higher Than Minnesota's](#)

The full report [can be downloaded here](#) .

In addition to providing statewide numbers, the report also compares health insurance individual marketplace rates for Wisconsin's major metro areas, revealing major differentials in cost.

Key findings in report:

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Statewide Wisconsin health insurance rates continue to be far above Minnesota rates. Silver plans are on average 60% more in Wisconsin and have a \$600 higher deductible

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For individual metro areas, the lowest cost silver plans range from 20-89% higher in Wisconsin, compared to the average cost in Minnesota.

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These percentage differences translate into \$480 - \$2,125 more per person per year in

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Wisconsin for a 40 year old before Affordable Care Act tax credits.

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If the U.S. Supreme Court decision in the pending King v. Burwell case takes away tax subsidies, Wisconsin consumers just over the poverty line would see rates as much as 2,400% higher than their Minnesota counterparts.

The report also shows that the U.S. Supreme Court Case of King v. Burwell Court could make the rate disparity between Wisconsin and Minnesota much worse. The case, that will be decided in May or June, could strip health insurance subsidies in states like Wisconsin which did not set up their own Affordable Care Act marketplaces. This could increase premiums on average over 300%. If Wisconsin were to create its own health insurance marketplace, there would be no threat to health coverage.

"The fact that Minnesota is doing so much better than Wisconsin in controlling health insurance costs should be a wakeup call to state leaders in Madison," said Robert Kraig, Executive Director of Citizen Action of Wisconsin. "This report documents that states like Wisconsin that refuse to use the tools made available by national health care reform are undermining the fundamental freedom of their own residents to access quality affordable health coverage."

"The decisions that are made here at the State Capitol have big impacts the cost of healthcare for our citizens", said State Representative Melissa Sargent. "This high cost hurts our families, our businesses and our state. Families will have less spending money and businesses have less money to give raises."

"A very significant factor in the cost of health insurance is the rejection of federal funds for BadgerCare, said Jon Peacock, Research Director for the Wisconsin Council on Children and Families. "The high cost of coverage for those denied BadgerCare will mean only those that know they need the insurance will scrape together the money to purchase coverage. As a result, adverse selection in the market leads to higher rates for everyone."

Causes:

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The report finds that state policy has a quantifiable impact on the premium disparities between Minnesota and Wisconsin. To see all the public policy drivers documented in the [report click here](#)

1. Medicaid: Wisconsin's rejection of federal funds for BadgerCare pushes more expensive consumers onto private insurance, driving up rates.
2. Rate Review: Wisconsin has not used its insurance rate review power to publicly challenge rate increases to block excessive rate increases and reduce wasteful spending.
3. Substandard Plans: Wisconsin continues to allow the sale of substandard insurance plans that are not compliant with the Affordable Care Act, damaging insurance risk pools.
4. Public Leverage: Wisconsin has not taken advantage of its purchasing power leverage to reduce costs outside of Madison.

For a full list of health insurance cost disparity causes, as well as other policy proposals, [download the full research report](#)