

WISCONSIN

The AIDS/HIV

HEALTH INSURANCE

PREMIUM SUBSIDY PROGRAM




BACKGROUND


The Insurance Program:

- 📄 Began operations in the Fall of 1989
- 📄 Initially 100% State-funded
- 📄 Originally covered COBRA only
- 📄 Expanded to include individual policies (including risk sharing plan) in 1998
- 📄 First utilized ADAP funds for premiums in 2002 to supplement State funds

AUTHORIZATION




 The Insurance Program is authorized by s.252.16 & 252.17 of the Wisconsin Statutes.

 The ADAP is authorized by s.49.686, Stats.

 The Health Insurance Risk Sharing Plan (HIRSP) is authorized under s.149, Stats.

PURPOSE

The Insurance Program enables eligible individuals and their families to maintain health insurance coverage when, because of an HIV-related illness or medical condition, the eligible individual:

-  terminates work
-  reduces work hours, or
-  takes unpaid medical leave





ELIGIBILITY

The person applying must:




- 📄 live in Wisconsin
- 📄 have a family income at or below 300% of FPL for the person's family size
- 📄 have a doctor certify that the individual:
 - 📄 has an HIV infection, and
 - 📄 had to quit work, reduce work hours or take unpaid medical leave from work due to an HIV-related illness or medical condition
- 📄 have or be eligible for health insurance coverage under a group health plan or an individual health policy

ELIGIBLE POLICIES

The Insurance Program subsidizes premiums for:




-  Group Health Continuation (COBRA)
-  Medicare Supplement Policies
(including HIRSP)
-  Individual Health Insurance Policies
(including HIRSP)
-  Group Health Insurance while an individual is on unpaid medical leave

COORDINATION OF BENEFITS

-  All Insurance Program clients are eligible for ADAP.
-  Not all ADAP clients are eligible for the Insurance Program.
-  For dually eligible clients, ADAP pays coinsurance and copays for ADAP formulary drugs.

HEALTH INSURANCE RISK SHARING PLAN

HIRSP offers health insurance to Wisconsin residents who:

-  are unable to find adequate health insurance coverage in the private market due to their medical conditions; or
-  have lost their employer-sponsored group health insurance
-  have HIV infection and are therefore categorically eligible

HIRSP AT-A-GLANCE

- 📄 Plan 1 (Major Medical) has two deductible options
- 📄 Plan 2 (Medigap) is for policyholders who are eligible for Medicare.
- 📄 Enrollment is not dependent upon income or assets.
- 📄 Policyholders with annual household income under \$25,000 may qualify for reductions in premiums, deductible and drug coinsurance.

HIRSP AT-A-GLANCE

- 📄 15,449 people enrolled in HIRSP as of October 31, 2002
- 📄 \$76.5 million in total plan costs for calendar year 2001
- 📄 Policyholder premiums fund 60% of costs after a state appropriation
- 📄 Insurers and health care providers each cover 20% of the remaining costs.

STATUTORY ISSUES

- 📄 HIRSP, by statute, excludes from eligibility anyone for whom premiums or deductibles are paid by a federal, state, county or municipal government or agency.
- 📄 The law includes a list of exceptions.
- 📄 ADAP and the Insurance Program were added to the exception list.

HIRSP DRUG COINSURANCE


Plan 1, Major Medical:

- 📄 Coinsurance of 20% up to a maximum of \$25.00 per prescription, and
- 📄 \$750 annual out-of-pocket maximum for drugs.
- 📄 Out-of-pocket maximum can be reduced based on the policyholder's household income.

HIRSP DRUG COINSURANCE


Plan 2, Medigap:

 Coinsurance of 20% up to a maximum of \$25.00 per prescription, and


 \$125 annual out-of-pocket maximum for drugs

INSURANCE PROGRAM UTILIZATION

In calendar year 2002, the program:


 served 343 clients


 spent a total of \$915,917 on premiums

 spent \$529,515 (58%) on HIRSP
premiums

 purchased 3,816 months of coverage

COST BENEFIT TO ADAP

 The annual cost of premiums and drug copays for health insurance is less than the annual cost of antiretroviral therapy.

 In 2002 Wisconsin ADAP saved an estimated \$442,000 by paying for insurance policies with prescription drug coverage

COST BENEFIT TO ADAP CY 2002

Insured clients:

 Average monthly premium = \$223

 Average monthly copays = \$102

 Total average monthly cost = \$325




Uninsured clients:

 Average monthly cost = \$423

Savings per client:

 Average monthly savings = \$ 98

FUTURE ISSUES

-  Potential for changes in HIRSP coverage
-  Feasibility of paying HIRSP medical out-of-pocket expenses for Insurance Program participants.
-  Feasibility of expanding Insurance Program eligibility.

MORE INFORMATION

 www.dhfs.state.wi.us/aids-hiv/

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