

Social and Financial Impact Statements

Background

SS. 601.423, Wis. Stats., directs the OCI to prepare a social and financial impact statement for each insurance mandate proposed by the Legislature. The statute specifically directs the agency to address the following concerns:

- Portion of the state's residents who use the treatments or services covered by the mandate
- Extent to which individuals use the mandated services
- Availability of insurance coverage for the service or treatment
- Number of persons who would be eligible for coverage under the health insurance mandate and the availability of coverage for these persons without the mandate
- Whether the proposed mandate may increase or decrease the cost of the treatments or services covered by the mandate
- Whether the health insurance mandate would increase the use of the treatments or services covered by the mandate
- Whether any increased use of the mandated service or treatment would substitute for more expensive treatments or services
- The impact of the mandate on total health care costs in the state
- Whether the health insurance mandate may increase the administrative costs to insurance companies and the premium costs to policyholders.

Option

Include additional detail on costs and benefits in the social and financial impact analysis.

Pros

- More cost specific data on the estimated impact of each mandate would be available
- More specific data on the benefit of each mandate would be available

Cons

- OCI already has difficulty obtaining data needed to respond to the required items
- Any additional data collection costs would likely be passed on to policyholders by the insurance industry, further affecting the premiums they charge