The Wisconsin Long-Term Care Coalition
Keep Our Care at Home

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# National Insurer Chooses Profit over People

In the midst of an intense lobbying effort by the insurance industry to gain control of Wisconsin's long-term care programs for people with disabilities and older adults, UnitedHealthcare revealed this week that they are withdrawing from the health insurance marketplace in Wisconsin due to "unfavorable" performance.

"In 2012 United stopped providing BadgerCare in southeast Wisconsin when they didn't think the state was paying them enough. Now they are abandoning our health insurance marketplace because they aren't profiting," said Wisconsin Long Term Care Coalition Co-Chair Lynn Breedlove. "It's easy to predict what they'll do if they can't make enough profit on Family Care and IRIS 2.0."

If the Family Care and IRIS 2.0 Concept Paper is approved, for the first time in state history, Wisconsin's long-term care programs will be open to national, for-profit insurance companies like UnitedHealthcare. Unfortunately, this latest announcement is only one of many stories from around the U.S. that cast doubt on the decision to turn programs that serve people with disabilities and older adults over to national insurance companies.

Connecticut fired the national companies running their Medicaid program, which included UnitedHealthcare and Aetna, after experiencing ongoing problems and an audit discovered the state had been overpaying them by $50 million per year. Kentucky Spirit, a subsidiary of Centene Corporation, withdrew from Kentucky's Medicaid Managed Care program after they experienced losses. In Florida, former WellCare executives were found guilty of scheming to defraud the state's Medicaid program. And an investigation by *The Des Moines Register* revealed that UnitedHealthcare, WellCare, AmeriHealth and Amerigroup had all received numerous state and federal sanctions over the past five years with one company alone accruing 786 sanctions.

"Our Wisconsin-based Managed Care Organizations have been good stewards of taxpayer dollars for the past 15 years with administrative costs below 5% and average profits of less than 2%, and Wisconsinites who use the IRIS self-direction program return, on average, 17% of their budget to the state, " said Wisconsin Long Term Care Coalition Co-Chair Tom Frazier. "It doesn't make sense to turn our cost-effective long-term care programs over to companies that care more about their bottom line than providing quality services."

A recent study released by the National Council on Disability raised concerns that people with disabilities are losing access to services in states that have Medicaid Managed Care programs similar to the proposed Family Care and IRIS 2.0 model.

With no long-term care cost savings and no evidence that opening Family Care and IRIS up to national for-profit insurance companies will produce better health outcomes for consumers, the Wisconsin Long Term Care Coalition calls on the Joint Finance Committee to suspend action on Family Care and IRIS 2.0.

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