



STATE OF WISCONSIN
Department of Employee Trust Funds
David A. Stella
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax (608) 267-4549
<http://etf.wi.gov>

CORRESPONDENCE MEMORANDUM

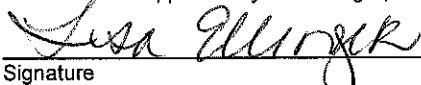
DATE: January 14, 2011
TO: Group Insurance Board
FROM: Brian Shah, Trust Funds Director
Brian Schroeder, Trust Funds Supervisor
Division of Insurance Services
SUBJECT: Participation in the Wisconsin Public Employers' Group Health Insurance Program and Income Continuation Insurance Plan

This memo is for informational purposes only. No Board action is required.

Annually, staff provides the Group Insurance Board (Board) with an update of local government employers that have either joined or terminated participation in the Wisconsin Public Employers' Group Health (WPEG) Insurance Program and the Income Continuation Insurance (ICI) plan during the prior calendar year.

The WPEG plan has continued to grow in terms of the number of participating employers, primarily through the addition of smaller employers. Only seven large employers have joined the plan since 2005, when the underwriting process was implemented for employers with 51 or more employees in the Wisconsin Retirement System (WRS). Effective January 1, 2009, the underwriting process applied to all WRS employers. Employers are underwritten and assessed a surcharge when the risk is determined to be detrimental to the existing pool.

In 2010, sixteen employers (three counties, two cities, four towns, six villages and one school district) completed the underwriting process. Seven employers were determined to have poor risk and were placed in the category with the highest surcharge amount. Eight employers became effective during 2010 and eight declined coverage. The surcharge amounts appear to be reasonable, as the WPEG rates with the surcharge amount were comparable to the renewal rates the employers received from their existing health insurance carriers.

Reviewed and approved by Lisa Ellinger, Division of Insurance Services.

Signature _____ Date 1/20/11

Board	Mtg Date	Item #
GIB	2.8.11	5E

In 2005 the WPEG plan began to offer additional health program options at reduced premiums. The options include a Standard Plan that is a preferred provider plan (PPP) as an option to the classic fee-for-service Standard Plan, and a deductible option for both Uniform Benefits and the Standard Plan or the Standard PPP. Table 1 provides a summary of resolutions filed by new and participating employers for coverage in 2010 under each of the health program options. Under the program, local employers have a choice among four program options that offer plans with or without deductibles and preferred provider plans (PPPs).

TABLE 1
PARTICIPATION IN WPEG PROGRAM OPTIONS (PO) FOR 2010

Description	P02 Uniform Benefits & Classic Standard Plan	P03 Uniform Benefits & Standard PPP	P04 Deductible Uniform Benefits & Deductible Standard Plan	P05 Deductible Uniform Benefits & Deductible Standard PPP
Employers Previously Enrolled in This Option	313	17	30	12
Employers That Joined WPEG Selecting This Option	4	2	2	0
Employers in WPEG That Switched to This Option	-2	0	2	0
Total Employers Enrolled in This Option as of 12/31/10	315	19	34	12
Total Active Insured Employees	11,814	160	818	514

Five employers passed resolutions to join the WPEG plan in 2011. In addition, ten employers already participating in the WPEG plan filed resolutions to switch to a new health insurance program option in 2011.

Five employers terminated participation in the WPEG plan effective 12/31/2010: Village of Hammond, Village of Hixton, Village of Loganville, Town of Clayton, and the West Central Regional Planning Commission.

The local ICI plan continues to see some growth. As with the WPEG plan, the ICI plan tends to attract smaller employers. Four of the local employers joining the ICI plan for 2010 had less than 10 employees. The largest local employer joining was the City of Seymour with 28 employees. No employer filed a resolution to terminate participation in the ICI plan in 2010.

TABLE 2
PARTICIPATION IN THE WPEG & LOCAL ICI PLANS AS OF 12/31/10

Category	WPEG Plan	ICI Plan
New Employers in CY2010	8	6
New Employees in CY2010	598	66
Employers Terminating in CY2010	5	0
Employees Terminating in CY 2010	24	0
Participating Cities	66	42
Participating Villages	116	52
Participating School Districts	6	0
Participating Special Districts	104	66
Participating Towns	79	23
Participating Counties	9	9
Total Employers	380	192
Total Active Insured Employees	13,306	7964

We will be at the February 8, 2011, meeting to answer any questions you may have.