



**STATE OF WISCONSIN
Department of Employee Trust Funds**

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Summary of 2013-2015 Budget Bill

GROUP INSURANCE

Group Insurance Board (GIB) Discretion to Modify Benefits to Maintain or Reduce Premiums

Current law provides that the GIB may not enter into an agreement to modify or expand any group insurance coverage in a manner that conflicts with laws or rules promulgated by ETF or that materially affects the level of premiums or the level of benefits under any group insurance coverage.

The bill permits the GIB to modify or expand benefits if the modification or expansion is required by law or would maintain or reduce premium costs for the state or its employees in the current or any future year. [§ 714]

Premium Surcharge for Participants Who use Tobacco Products

Beginning in 2014, the GIB must impose a premium surcharge for health care coverage for eligible employees and annuitants who use tobacco products. The GIB may terminate the health care coverage of any eligible employee who falsely claims that he or she does not use tobacco products.

The bill mandates that for 2014 and 2015, the surcharge is \$50 a month. Premium surcharges paid by annuitants who use tobacco products are to be used to reduce future health care coverage premiums for annuitants and to reimburse ETF for costs incurred by ETF in providing health care coverage to annuitants. [§ 715, 731, 9112]

Wellness Initiatives

The Governor recommends that the GIB expand the current wellness program.

\$20.515(w)	<u>2013-2014</u>	<u>2014-2015</u>
SEG	\$40,000	\$150,000

“Craft Employees” Payment of Health Insurance Premiums

The bill creates a definition for “craft employee” in Chapter 40. Craft employees must pay all of their health insurance premiums, unless otherwise determined by the director. A craft employee is a state employee who is a skilled journeyman craftsman, including the skilled journeyman craftsman’s apprentices and helpers, but does not include employees not in direct line of progression in the craft. [§§ 699, 729]

Optional High Deductible Plan and Health Savings Account

The GIB must offer an optional high deductible health insurance plan and health savings account beginning January 1, 2015. The GIB may collect fees from state agencies to pay all administrative costs relating to health savings accounts. The state must make contributions to

employees' health savings accounts in an amount determined annually by the Director of OSER. The bill specifies that in setting the state contribution amount, the OSER Director must take into account the amount of the tobacco use premium surcharge. [§§ 462, 491, 705, 711, 716, 719, 730, 731, 753]

State Payment of Health Insurance Premiums

Current law is that the state may not pay more than the average premium costs of the lowest cost health insurance plans.

Under the bill, the state is not permitted to pay more than 88 percent of the average premium costs in each tier. [§ 726]

In addition, if any tier contains no health insurance plans, but is used to establish premiums for employees who work and reside out of state, the amount these employees must pay is based on the premium contribution amount for that tier in the prior year, adjusted by the average percentage change of the premium contribution amount of the other tiers from the prior year. [§ 728]

Health Insurance Data Collection and Analysis – Requirements for Health Care Information Organizations

Under current law, the Department of Health Services (DHS) and ETF may contract with a health care information organization ("data organization" in Chapter 153, Stats.) to request health care claims information from health insurers and insurance plan administrators. The data organization must analyze and publicly report this information with respect to the cost, quality, and effectiveness of health care; provide DHS with health care claims information and reports upon request; and maintain a centralized data repository. If DHS and ETF determine that the data organization is not fulfilling certain requirements, DHS must carry out these functions itself.

The bill requires the data organization to take actions including all of the following: 1) provide an Internet site to offer health care provider cost and quality data and reports to consumers; 2) conduct statewide consumer information campaigns to improve health literacy; and 3) provide software to allow providers to validate data prior to its publication on the Internet site. [§ 346, 1901, 1902]