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CORRESPONDENCE MEMORANDUM

DATE: March 22, 2013
TO: Group Insurance Board (GIB) Strategic Planning Workgroup
FROM: Lisa Ellinger, Administrator, Division of Insurance Services
SUBJECT: High Deductible Health Plan and Health Savings Account

This memo provides the Workgroup with the statutory language outlining the biennial budget provision adding a High Deductible Health Plan and Health Savings Account option to the state employee health insurance program.

The Governor's budget proposes to create Wis. Stat. 40.515.

SECTION 753. 40.515 of the statutes is created to read:

40.515 Health savings accounts; high-deductible health plan. 1. In addition to the health care coverage plans offered under s. 40.51 (6), beginning on January 1, 2015, the group insurance board shall offer to all state employees the option of receiving health care coverage through a high-deductible health plan and the establishment of a health savings account. Under this option, each employee shall receive health care coverage through a high-deductible health plan. The state shall make contributions into each employee's health savings account in an amount specified by the director of the office of state employment relations under s. 40.05 (4) (ah) 4. In designing a high-deductible health plan, the group insurance board shall ensure that the plan may be used in conjunction with a health savings account.

2. The group insurance board may contract with any person to provide administrative and other services relating to health savings accounts established under this section.

3. The group insurance board may collect fees from state agencies to pay all administrative costs relating to the establishment and operation of health savings accounts established under this section. The group insurance board shall develop a methodology for determining each state agency's share of the administrative costs. Moneys collected under this subsection shall be credited to the appropriation account under s. 20.515 (1) (tm).

Board	Mtg Date	Item #
GIB-SPW	4.8.13	5B

High Deductible Health Plan and Health Savings Account

March 22, 2013

Page 2

4. Beginning on January 1, 2015, to the extent practicable, any agreement with any insurer or provider to provide health care coverage to state employees under s. 40.51 (6) shall require the insurer or provider to also offer a high-deductible health plan that may be used in conjunction with a health savings account.

Staff will be available at the Workgroup meeting to address comments and questions.