



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
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: February 27, 2015
TO: Group Insurance Board
FROM: Rory McGarry, Trust Funds Supervisor
Division of Retirement 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provides the Group Insurance Board (Board) with an update of local government employers that have either joined or withdrawn participation in the Wisconsin Public Employers Group Health Insurance Program (WPEG) and the Income Continuation Insurance Plan (ICI) during the prior calendar year.

In recent years, there has been a slight decrease in the number of local government employers participating in the WPEG. The chart below outlines the changes in employer participation.

Year	Employer Participation	Percent Change
2010	378 employers	-
2011	376 employers	-0.05%
2012	365 employers	-3.00%
2013	365 employers	-
2014	362 employers	-0.08%

Activity for the WPEG program in 2014 included:

- Fifteen employers inquired about participating in the WPEG.
- Thirteen employers completed the underwriting process in 2014.
- Six employers joined the WPEG program effective during 2014 or January 1, 2015.
- Seven employers declined participation.
- Ten employers passed resolutions to withdraw from the WPEG effective December 31, 2014, but five of the employers who passed resolutions to withdraw later rescinded their resolutions.

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services

Electronically Signed:
03/06/15

Board	Mtg Date	Item #
GIB	3.25.15	7F

- Thirteen employers currently participating in the WPEG filed resolutions to switch to a new health insurance program option.

There are three plan design structures available in the WPEG. Tables 1 provides a summary of the number of new and participating employers as of January 1, 2015 under each of the health insurance program options in the WPEG Program. Table 2 provides the employer participation totals from 2010 – 2014.

TABLE 1
PARTICIPATION IN WPEG PROGRAM OPTIONS AS OF 1/1/2015

Description	Traditional or Full Pay Uniform Benefits with Standard PPO	Deductible Uniform Benefits with Standard PPO	Coinsurance Uniform Benefits with Standard PPO
Employers Previously Enrolled in This Option as of 01/01/2014*	266	94	7
Employers That Joined WPEG Selecting This Option 04/01/2014, 07/01/2014, 10/01/2014 or 01/01/2015	4	2	0
Employers in WPEG That Switched to This Option as of 01/01/2015	1	10	3
Employers Withdrawing From WPEG or switching from this Program Option 12/31/2014	-17	-2	-1
Total Employers Enrolled in This Option as of 01/01/2015	254	104	9
Total Active Contracts	7,210	5,069	512

* - Five employers offered multiple program options in 2014.

TABLE 2
PARTICIPATION IN WPEG PROGRAM OPTIONS FROM 2010 - 2014

Year	Traditional or Full Pay Uniform Benefits with Standard PPO	Deductible Uniform Benefits with Standard PPO	Coinsurance Uniform Benefits with Standard PPO
2010	330*	48†	N/A
2011	318*	58†	N/A
2012	291*	74†	N/A
2013	276	88	6
2014	266	94	7

* - Combined total for program options Traditional HMO with Classic Standard Plan & Traditional HMO with Standard Preferred Provider Plan

† - Combined total for program options Deductible HMO with Deductible Standard Plan & Deductible HMO with Deductible Standard Preferred Provider Plan

Beginning in 2012, employers were provided the opportunity to continue participating in the WPEG under a single program option or enrolling in multiple program options (two program options up to all three available program options). Employers could offer these program options to different workgroups, based on bargaining agreements. There are five employers enrolled in two program options beginning January 1, 2015. There are no employers electing to participate in all three program options.

The local Income Continuation Insurance (ICI) program continues to see some growth. In 2014, five new employers joined. As with the WPEG, the ICI program tends to attract smaller employers. No employers filed a resolution to withdraw from the ICI program in 2014.

TABLE 3
PARTICIPATION IN THE WPEG & LOCAL ICI PLANS AS OF 01/01/2015

Category	WPEG Plan	ICI Plan
New Employers in CY2014	6	5
New Contracts in CY2014	117	108
Employers Terminating in CY2014	6	0
Contracts Terminating in CY 2014	299	0
Participating Cities	61	43
Participating Villages	107	54
Participating School Districts	10	0
Participating Special Districts	99	80
Participating Towns	74	25
Participating Counties	11	10
Total Employers	362	212
Total Active Contracts	14,872*	8452

*Total Active Contracts under the WPEG Plan include contracts under all employee types (active employees, annuitants, local paid annuitants, surviving dependents and continuants) who are associated with an employer's group.

Staff will be at the Board meeting to answer any questions.