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CORRESPONDENCE MEMORANDUM

DATE: January 26, 2016
TO: Group Insurance Board
FROM: Jaymee Meier, Trust Funds Director
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provides the Group Insurance Board (Board) with an update of local government employers that have either joined or withdrawn participation in the Wisconsin Public Employers Group Health Insurance Program (WPE) and the Income Continuation Insurance Plan (ICI) during the prior calendar year.

The number of local government employers participating in the WPE has decreased slightly in recent years. The chart below outlines the changes in employer participation between 2011 and 2015:

Year	Employer Participation	Percent Change
2011	376 employers	-
2012	365 employers	-2.93%
2013	365 employers	0%
2014	362 employers	-0.82%
2015	361 employers	-0.28%

Activity for the WPE program in 2015 included:

- 21 employers inquired about participating in the WPE.
- 14 employers completed the underwriting process in 2014.
 - 6 employers joined the WPE program effective during 2014 or January 1, 2015.
 - Eight employers declined participation.
- 14 employers passed resolutions to withdraw from the WPE effective December 31, 2015

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

Electronically Signed 2/4/16

Board	Mtg Date	Item #
GIB	2.17.16	8H

- 6 of the employers who passed resolutions to withdraw later rescinded their resolutions.
- 252 employers were transferred to non-dental program options and 1 new employer joined a non-dental program option.
- 108 employers offer dental options
 - 4 employers passed resolutions to switch between dental program options.

There are four plan design structures available in the WPE. Each plan design structure contains a dental option and a non-dental option. Table 1 provides a summary of the number of new and participating employers as of January 1, 2016 under each of the health insurance program options in the WPE Program. Table 2 provides the employer participation totals from 2011 – 2015.

TABLE 1
PARTICIPATION IN WPE PROGRAM OPTIONS AS OF 1/1/2016

Description	Local Traditional Plan		Local Deductible Plan		Local Health Plan Insurance Program		Local High Deductible Health Plan		Total
	Dental (P02)	Non-Dental (P12)	Dental (P04)	Non-Dental (P04)	Dental (P06)	Non-Dental (P16)	Dental (P07)	Non-Dental (P17)	
Employers enrolled in this option as of 01/01/2015*	253 [†]	N/A	104	N/A	9	N/A	0	N/A	366
Employers that joined WPE and selected this option during 2015	3	0	1	0	1	0	0	1	6
Employers in WPE that switched to this option as of 01/01/2016	0	173	3	71	0	7	1	1	256
Employers withdrawing from WPE or switching from this option as of 12/31/2015	192	N/A	69	N/A	6	N/A	0	N/A	267
Total Employers Enrolled in this option as of 01/01/2016	64	173	39	71	4	7	1	2	361
Total Active Contracts in this option as of 01/01/2016 [‡]	757	3,698	1,070	8,442	122	714	8	96	14,907

* - Five employers offered multiple program options in 2015. Three of these employers consolidated into one program option for 2016.

† - One employer withdrew effective 12/31/2014 after last year's memo was finalized.

‡ - Total Active Contracts under the WPE 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.

TABLE 2
PARTICIPATION IN WPE PROGRAM OPTIONS FROM 2011 - 2015

Year	Local Traditional Plan (P02)	Local Deductible Plan (P04)	Local Health Plan (P06)
2011	318*	58†	N/A
2012	291*	74†	N/A
2013	276	88	6
2014	266	94	7
2015	253	104	9

* - 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 WPE under a single program option or enrolling in multiple program options. Employers could offer these program options to different workgroups, based on bargaining agreements. There are two employers enrolled in two program options beginning January 1, 2016. There are no employers electing to participate in more than two program options.

The local Income Continuation Insurance (ICI) program continues to see some growth. In 2015, five new employers joined. As with the WPE, the ICI program tends to attract smaller employers. No employers filed a resolution to withdraw from the ICI program in 2015.

TABLE 3
PARTICIPATION IN THE WPE & LOCAL ICI PLANS AS OF 01/01/2016

Category	WPE Plan	ICI Plan
New Employers in CY2015	6	5
New Contracts in CY2015	17	420*
Employers Terminating in CY2015	8	0
Contracts Terminating in CY 2015	233	0
Participating Cities	56	47
Participating Villages	108	57
Participating School Districts	10	0
Participating Special Districts	101	81
Participating Towns	75	26
Participating Counties	11	10
Total Employers	361	221
Total Active Contracts	14,907	9,608*

* - ETF does not record the number of employees with active ICI coverage. The ICI Plan contract counts are potential subscribers, as determined by the number of employees enrolled in the WRS at participating employers.

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