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CORRESPONDENCE MEMORANDUM

DATE: January 13, 2020

TO: Group Insurance Board

FROM: Kathy Wienkes, Trust Funds Director
 Employer and Contact Services Bureau

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, ETF provides the Group Insurance Board (GIB) with an update of local government employers that have either joined or withdrawn participation in the Wisconsin Public Employers Group Health Insurance Program (WPEG) and the Income Continuation Insurance Plan (ICI) during the prior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.

This past year there was a sizable increase in the number of local government employers participating in the WPEG. The table below outlines the changes in employer participation.

TABLE 1
PARTICIPATION IN THE WPEG PROGRAM

1/2016	358 employers	---
1/2017	356 employers	-.56%
1/2018	357 employers	+.28%
1/2019	369 employers	+3.36%
1/2020	378 employers	+2.44%

Activity for the WPEG program in 2019 included:

- 47 employers inquired about participating in the WPEG.

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

Matt Stohr

Electronically Signed 1/17/20

Board	Mtg Date	Item #
GIB	2.5.20	10K

- 12 employers were large enough to be required to complete the underwriting process in 2019¹.
 - 4 employers, with 50 or more employees, completed underwriting and 1 joined the WPEG.
- 35 employers, with 49 or fewer employees, were not required to complete the underwriting process.
- In total, 19 employers joined the WPEG program during 2019 or January 1, 2020.
- 28 employers declined to participate.
- 10 employers passed resolutions to withdraw from the WPEG effective December 31, 2019.

There are four plan design structures available in the WPEG. Each plan design structure contains a dental and non-dental option. Table 2 provides a summary of the number of new and participating employers as of January 1, 2020, under each of the health insurance program options in the WPEG Program. Table 3 provides the employer participation totals from 2016 – 2020.

TABLE 2
PARTICIPATION IN WPEG PROGRAM OPTIONS AS OF 1/1/2020

Description	Local Traditional Plan		Local Deductible Plan		Local Co-Insurance Plan		Local High Deductible Health Plan		Total
	Dental (P02)	Non-Dental (P12)	Dental (P04)	Non-Dental (P14)	Dental (P06)	Non-Dental (P16)	Dental (P07)	Non-Dental (P17)	
Employers enrolled in this option as of 1/1/2019	102	138	46	63	5	4	6	7	371*
Employers that joined WPEG and selected this option during 2019	5	1	3	2	4	0	4	2	21
Employers in WPEG that switched to this option as of 1/1/2020	4	0	2	3	0	0	1	0	10
Employers withdrawing from WPEG or switching from this option as of 12/31/2019	-3	-13	-2	-2	0	0	0	-1	-21

¹ The difference between the underwriting and joining numbers, a result of the *Wisconsin Public Employer Underwriting and Surcharge Policy* effective July 1, 2018. ([Ref. GIB | 5.16.18 | 9B](#)) for details.

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Total Employers Enrolled in this option as of 1/1/2020	108	126	49	66	9	4	11	8	381‡
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* - Two employers were enrolled in multiple program options

‡ - Three employers are enrolled in multiple program options

TABLE 3

PARTICIPATION IN WPEG PROGRAM OPTIONS (Combined Dental and No-Dental)

As of Year	Local Traditional Plan (P02)	Local Deductible Plan (P04)	Local Co-Insurance Plan (P06)	Local High Deductible Health Plan (P07)
1/2016	236	110	11	3
1/2017	236	111	9	4
1/2018	232	108	11	9
1/2019	242	109	9	13
1/2020	234	115	13	19

Employers participating in the WPEG may choose to offer a single program option for all of their employees or, based on bargaining agreements, may choose a combination between the four plans for different work groups. There are three employers enrolled in two program options as of January 1, 2020. There are no employers electing to participate in all four program options.

The local Income Continuation Insurance (ICI) program continues to see growth. In 2019, nine new employers joined. As with the WPEG, the ICI program tends to attract smaller employers. There were no employers that filed a resolution to withdraw from the ICI program in 2019.

TABLE 4

PARTICIPATION IN THE WPEG & LOCAL ICI PLANS AS OF 01/01/2020

Category	WPEG Plan	ICI Plan
New Employers in CY2020	19	9
Employers Terminating in CY2019	10	0
Participating Cities	56	58
Participating Villages	118	63
Participating School Districts	5	0
Participating Special Districts	109	92
Participating Towns	81	35
Participating Counties	9	14
Total Employers	378	262

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Note: A 2019 audit of the local WRS employers that participate in the ICI program revealed 84.2% of their employees enrolled in ICI. Of the total 262 local WRS employers that participate in ICI (approximately 11,500 employees), 9,700 employees are projected to have ICI coverage.

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