

State of Wisconsin Group Health Benefits Annual Report 2019



NOVEMBER 12, 2020

Wisconsin Department of Employee Trust Funds



Table of Contents

Background3

2019 Program Highlights.....6

New Medicare Advantage Plan Offered6

Telehealth Added as a Benefit6

Board Approved New Pre-Tax Savings Vendor6

Pharmacy Rebates, Program Savings Increase.....7

Exiting Health Plan Contracts Retired.....7

Well Wisconsin Program Supports Agencies & Their Champions.....7

Medical Benefits.....8

Health Insurance for Active Employees & Early Retirees8

Retirees with Medicare12

Pharmacy Benefits.....18

Dental Benefits22

Well Wisconsin24

Supplemental Benefits.....28

Life Insurance31

Health Savings & Employee Reimbursement Accounts34

Conclusion and 2020 Preview36

Background

The State of Wisconsin's Group Health Insurance Program (GHIP) benefits are governed by federal and state law. Programs are overseen by the Group Insurance Board (Board) and administered by the Department of Employee Trust Funds (ETF).

The GHIP is available to employees and retirees of:

- State agencies and authorities (State)
- The University of Wisconsin System (UW)
- The University of Wisconsin Hospitals & Clinics (UWHC)
- Local government employers who are part of the Wisconsin Retirement System and choose to participate.

The GHIP's medical benefits offer four different plan designs to State, UW, and UWHC employees. Employees in these programs can pick any of the following options:

IYC Health Plan	<ul style="list-style-type: none">• Local coverage• Second lowest premium• Lower cost when visiting providers
High Deductible Health Plan (HDHP)	<ul style="list-style-type: none">• Local coverage• Lowest premium• Higher cost when visiting providers
Access Health Plan	<ul style="list-style-type: none">• Nationwide coverage• Out-of-network benefits• Highest premium
Access HDHP	<ul style="list-style-type: none">• Nationwide coverage• Out-of-network benefits• Third highest premium

For local employers, the GHIP offers four different program options, with varying levels of out-of-pocket costs for employees. Each program has both a local coverage version as well as an Access Plan option with nationwide coverage.

Local Traditional Plan	<ul style="list-style-type: none"> •No deductible •Few copays •Highest premiums
Local Deductible Plan	<ul style="list-style-type: none"> •\$500 deductible per person •Few copays •Third highest premiums
Local Health Plan	<ul style="list-style-type: none"> •Similar benefits to state employee IYC Health Plan •Second highest premiums
Local HDHP	<ul style="list-style-type: none"> •Similar benefits to the state employee IYC HDHP •Lowest premiums

Local employers pick a program option from the list above. Their employees can choose either the local coverage plan or the Access Plan version of those program options.

When a State, UW, or UWHC employee retires, the employee can continue health insurance coverage. When the retiree turns 65, they are required to add Medicare coverage. With Medicare, the retiree can choose to keep their existing health plan and the same benefits they had while employed, or they can choose one of two other plans:

- Medicare Plus**
- Supplemental benefit plan
 - Covers the difference for services covered by Medicare
 - Does not cover services not covered by Medicare
 - Worldwide coverage

- Medicare Advantage**
- "Part C" plan
 - Covers Uniform Benefits as well as some supplemental benefits
 - Nationwide coverage

Some local employers may also offer health benefits in retirement; employees should check with their employers before retiring.

All employees and retirees have the same Uniform Pharmacy Benefit coverage, which offers a four-tier pharmacy benefit:



Employees and retirees can also elect basic dental benefits coverage with their health insurance through the Uniform Dental Benefit.

State, UW, and UWHC employees can also elect from several supplemental benefit programs such as accident coverage, dental, and vision plans. Supplemental programs administered by ETF were not yet available to local participants in 2019 except for the Group Life Insurance Program.

All employees, retirees, and their spouses have access to a uniform wellness program benefit, Well Wisconsin, that is administered through a single vendor. As a part of this program, participants can complete activities to receive a \$150 incentive, as well as participate in disease management and lifestyle coaching to help with healthy habits that contribute to their overall wellbeing.

2019 Program Highlights

New Medicare Advantage Plan Offered

2019 was the first year that a new Medicare Advantage plan was made available to GHIP retirees with Medicare coverage. The plan option, offered by United Health Care (UHC), provides nationwide coverage with the same Uniform Benefits offered by all plans that cover GHIP members.

Telehealth Added as a Benefit

ETF first added access to telehealth to the requirements for health plans in 2018, but formally added a new cost sharing level specifically for telehealth in 2019. Beginning in 2019, telehealth is available to all members in non-high deductible health plans (HDHPs) at \$0. Members in HDHPs can use telehealth too, paying lower costs up front than they would for in person visits until their deductible is met, then receiving those services at no cost.

Board Approved New Pre-Tax Savings Vendor

Following a successful request for proposals process, ETF implemented a new vendor for its health savings and employee reimbursement account programs.

ConnectYourCare (CYC) was the successful bidder, replacing Total Administrative Services Corporation (TASC). ETF worked throughout 2019 with CYC and TASC to ensure a successful transition of accounts, positioning the vendor to go live in January of 2020.

As a part of the onboarding process, CYC attended benefit fairs, provided more than 40 learning opportunities, and partnered with ETF to issue bulletins and fact sheets on the transition. Members reported they were generally satisfied with the support provided during the fall open enrollment period.

Pharmacy Rebates, Program Savings Increase

The Board's fully transparent, full-pass-through pharmacy benefit manager model continued to provide savings for employers and members in 2019. Under the Board's program, all rebates received from the pharmacy benefit manager are passed back to the Board and used to reduce premium rates for members. In 2019, the Board's total rebates received increased 11.5% over 2018, for a total of more than \$51 million dollars returned to the program.

Exiting Health Plan Contracts Retired

In addition to standing up a new Medicare Advantage vendor in 2019, ETF also finalized the close-out of eight contracts with health plans who chose to exit the program in 2018. ETF was able to successfully negotiate the transition of all members into a new program benefit, ensuring that anyone currently under care received any necessary support to make a move. All eight plans were closed out on time, as promised to members and the Board.

Well Wisconsin Program Supports Agencies & Their Champions

The Well Wisconsin Program, the Board's uniform wellness offering, continued to see consistently high satisfaction rates for health screenings, assessments, and disease management from members. There was a 70% increase in participation since the Board moved to a single wellness program vendor in 2017. In addition to the wellness benefit, ETF also supports employer wellness champions: employees at agencies whose position includes promoting wellness to colleagues. There were 77 wellness champions in 2019. ETF provided \$88,000 in grants to wellness champions to support employer wellness activities over the course of the year.

Medical Benefits

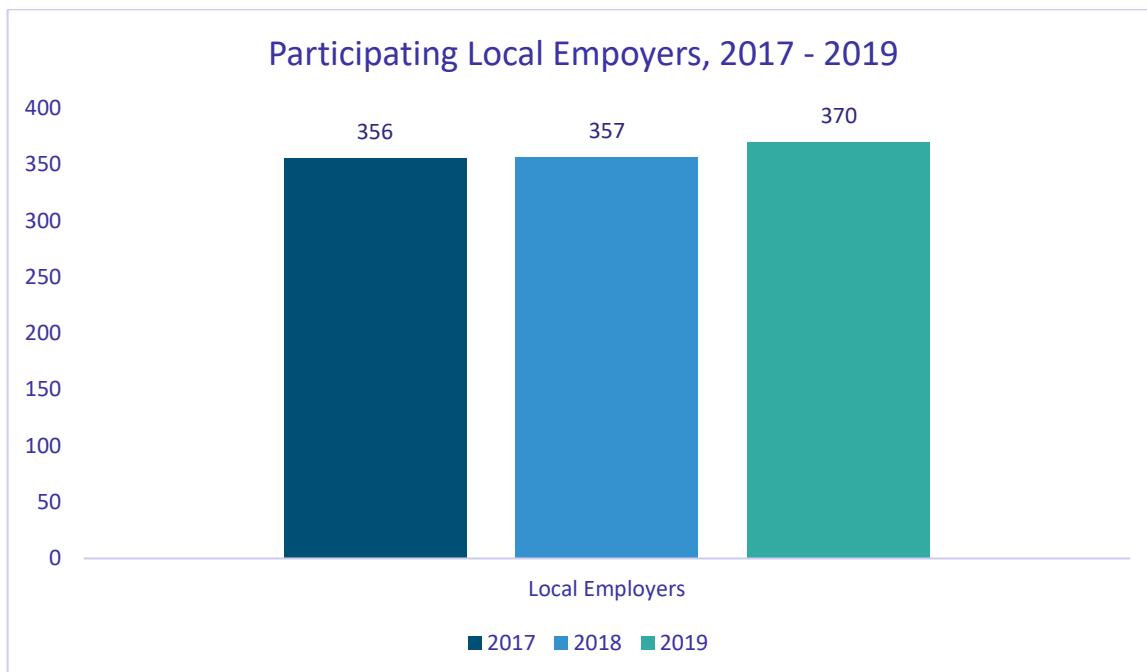
Health Insurance for Active Employees & Early Retirees

The GHIP provides high-quality health benefits to employees and their dependents. Many of those employees can opt to continue those benefits when they retire, even if they aren't yet Medicare-eligible. Benefits are provided by nine fully insured health plans; eight are Health Maintenance Organizations, which provide in-network benefits only. One plan offers a Preferred Provider Organization plan, which means that in-network benefits are favored, but there are some limited out-of-network benefits available.

All plans in the GHIP must offer the same service coverage under the Board's Uniform Benefits.

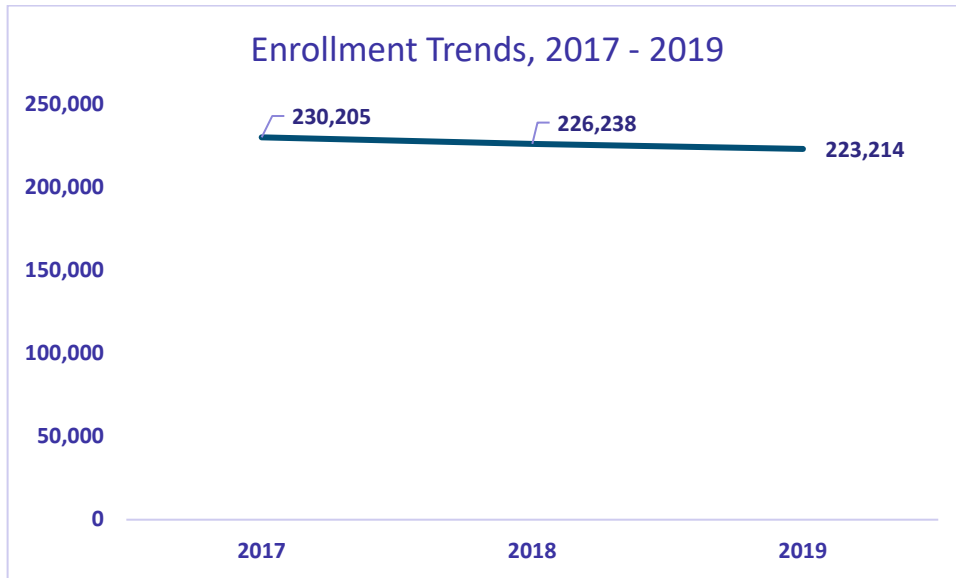
Employers

ETF is the administrator for GHIP benefits on behalf of state agencies, the University of Wisconsin System, UW Hospitals and Clinics, and participating local employers. In total, ETF served nine different payroll and benefits administrators at the state and university level, as well as 370 local employers in 2019. This is an increase of 13 new employers over the prior year.



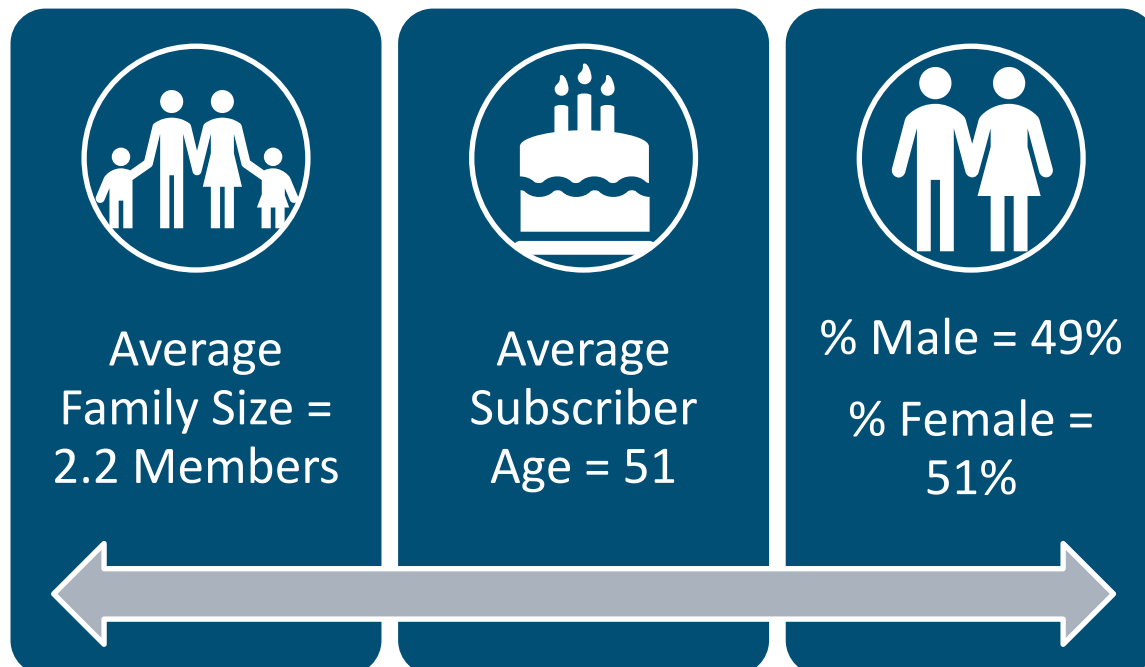
Enrollment

Participation in the GHIP continued a moderate decline in 2019, down 1.34% from 2018. In 2019, 223,214 active employees, non-Medicare retirees, and their dependents were enrolled in the benefit, and 85.4% of those people actually used it (e.g., went to the doctor, had a lab test, etc.).



Demographics

The demographics of the GHIP remained similar between 2018 and 2019:

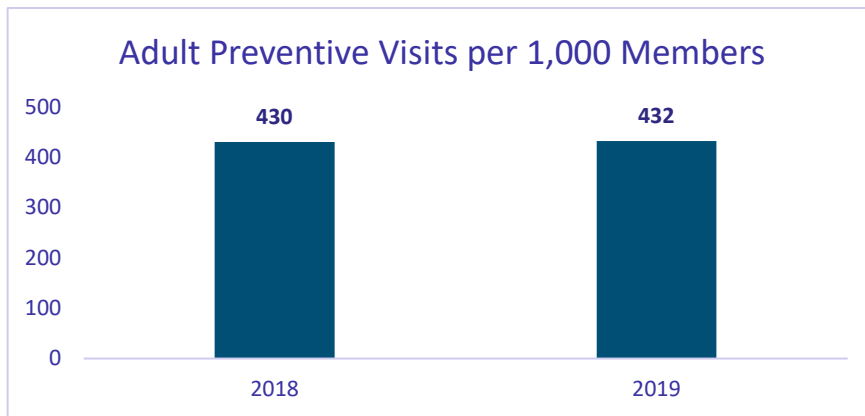


Compared to other similar government employers, the GHIP population is slightly older and has slightly more women.

Utilization & Cost Trends

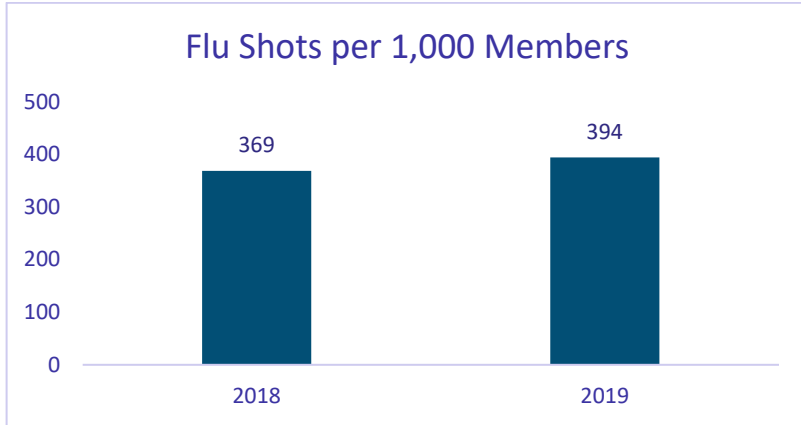
Using ETF's data warehouse, DAISI, ETF can track trends in how members use their benefits and identify opportunities.

One area of opportunity that ETF has identified for helping members improve their health is in preventive care. People who receive regular preventive care have better long-term health outcomes on average. ETF noticed a slight increase in the number of adult preventive visits per 1,000 members between 2018 and 2019.



ETF will continue to work with employers, health plans, and the wellness vendor to promote preventive care use.

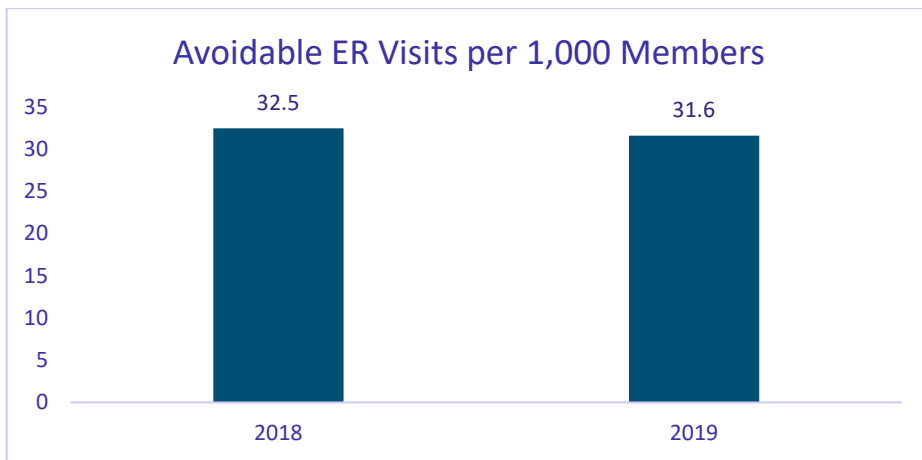
One specific preventive care service that is of particular interest and importance is flu shots. There was also an increase in flu shots received in 2019 per 1,000 members.



Telehealth became available to GHIP members in 2018 and was added formally as a benefit with specific cost sharing in 2019. Telehealth use by members has been small but is growing.

Telehealth Visits, 2018 and 2019		
Visits in 2018	Visits in 2019	Percent Change
2,834	4,114	45.17%

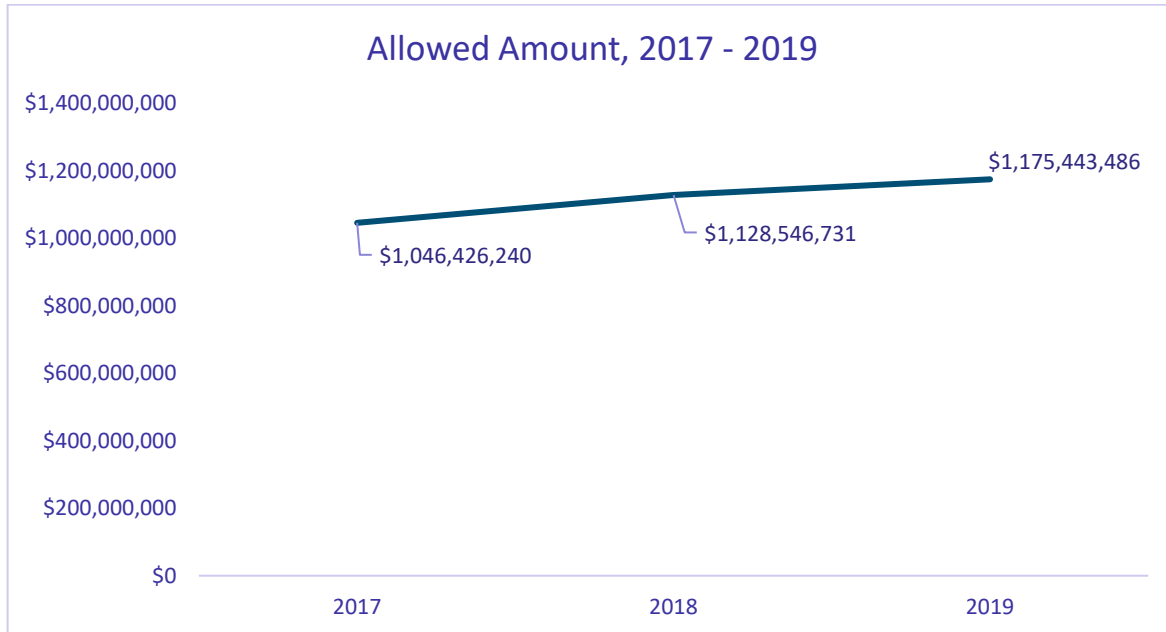
Another metric that ETF monitors related to care utilization is visits to the emergency room (ER). While members should always seek care based on their needs, high rates of ER visits can sometimes mean that other care wasn't available, that members didn't know when to visit the ER, or that chronic conditions were not being well-managed. These types of ER visits are often called "avoidable ER visits." Using an algorithm, ETF can track avoidable ER use.



There was a slight decrease in the number of avoidable ER visits occurring in 2019. ETF released a new video, [Get Medical Care When You Need It Fast](#), to help members

navigate their options for finding care. However, there is still room for improvement in this measure. The Board has asked ETF to learn more about why members use the ER and help them make more cost-effective care choices whenever possible.

These and other factors play into the overall costs of the GHIP. The chart below shows the overall cost allowed for medical services and paid by participating health plans in 2017 through 2019. Costs rose somewhat less sharply between 2018 and 2019.



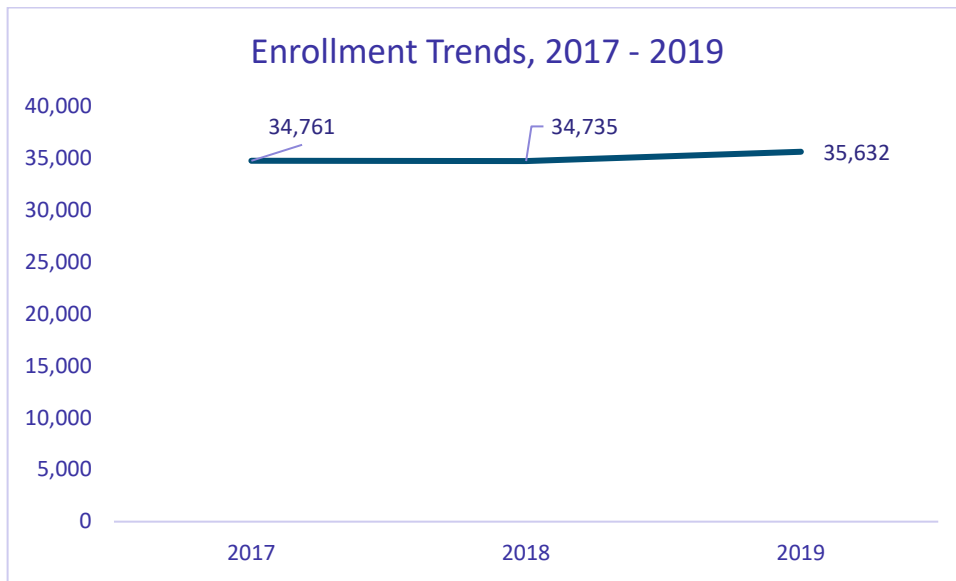
Retirees with Medicare

Retirees who continue their health insurance coverage into retirement are required to sign up for Medicare when they become eligible. Medicare allows retirees to spend less money out of pocket when they see a doctor or use other medical services.

Retirees can choose to continue their existing health plan or can select from two additional benefit designs. Medicare Plus is a Medicare Supplement plan that pays the additional costs of any services that Medicare covers. It also offers worldwide coverage for retirees who live overseas. New in 2019, the Board also offers a Medicare Advantage plan to retirees. This plan covers Uniform Benefits, as well as some supplemental benefits required by all Advantage plans. The Medicare Advantage plan offers coverage nationwide.

Enrollment & Demographics

The Medicare-age retiree population in the GHIP is smaller than the active and early retiree, but still a substantial number. In 2019, there were 35,632 members, and 96% of those members used their benefit at least once during the year.



Enrollment for Medicare retirees increased slightly over the past year, after being relatively flat between 2017 and 2018.

Average Family Size = 1.4 Members

Average Subscriber Age = 74.5

% Male = 43%
% Female = 57%

Demographics for Medicare retirees are a little different as well, as expected in the Medicare age group. Fewer Medicare retirees have dependents on their plans other than a spouse, which contributes to the smaller average family size.

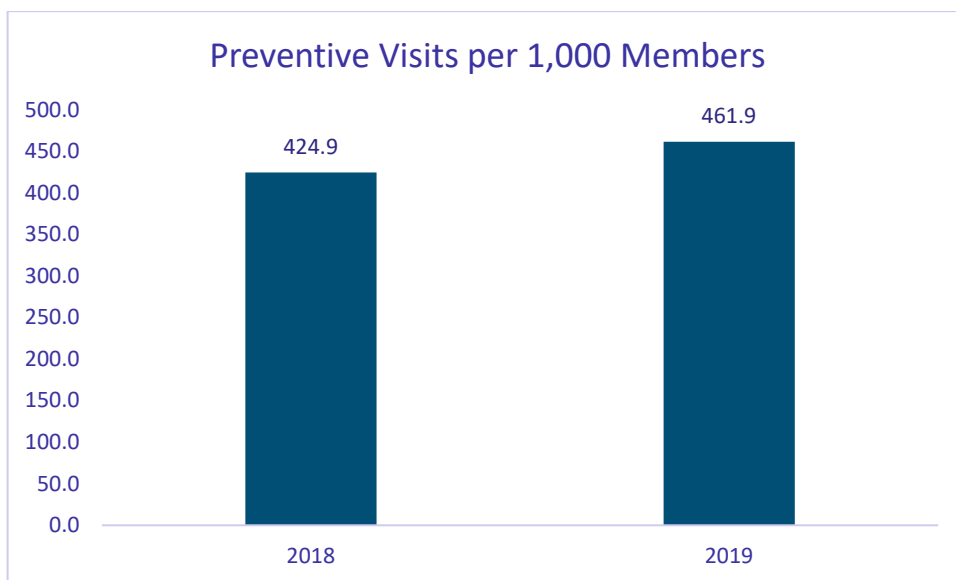
Benefits

Retirees in the GHIP who have Medicare can keep the same benefits they had when they were state employees and even reduce their costs. All of the health plans who offer benefits for GHIP members offer a coordinated Medicare plan where they pay all Uniform Benefit services that Medicare doesn't pay, as well as the difference in cost for many services.

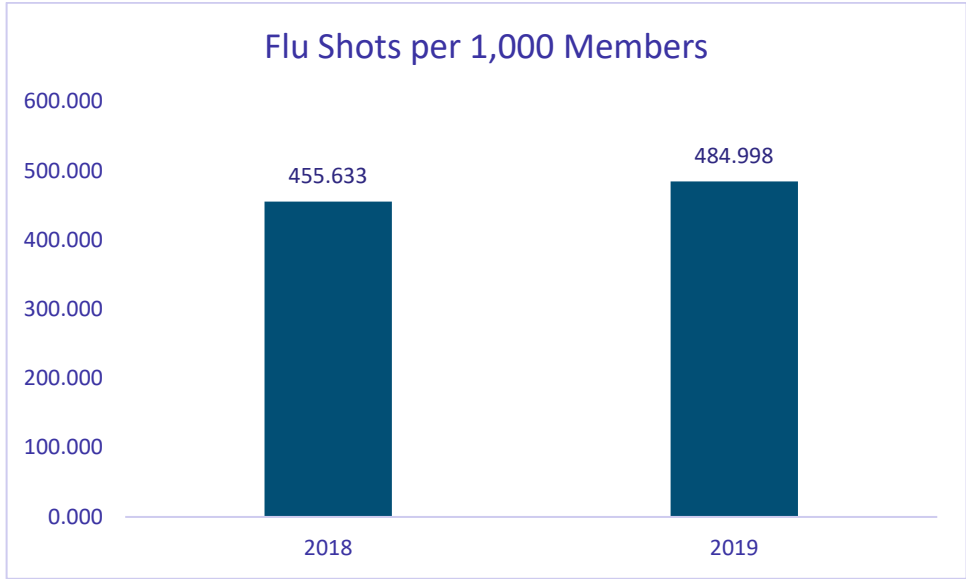
Utilization & Cost

The Medicare-coordinated, supplemental, and Advantage plans benefit from being able to share costs with Medicare in order to lower premiums and out-of-pocket expenses for retirees.

ETF tracks similar utilization patterns in preventive care, immunization, telehealth, and ER use for the Medicare population. Below are charts showing use per 1,000 members for 2018 and 2019.



Medicare retirees saw an 11% increase in preventive visits in 2019. This is a very positive outcome for this group and will help retirees in managing their health.



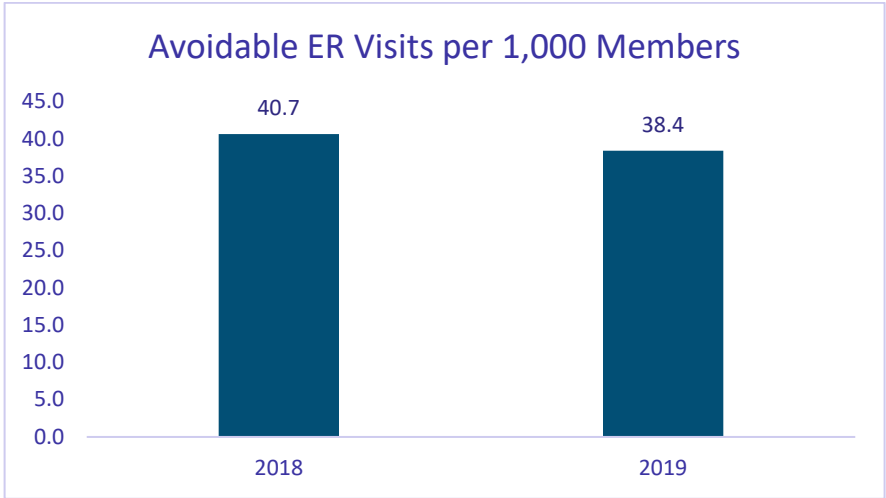
Similarly, in flu vaccines, Medicare retirees showed an increase in 2019 that was greater than the non-Medicare population. This is another positive outcome that will help retirees to stay healthy during cold and flu season.

While retirees were not early adopters of telehealth, their use of the service also grew between 2018 and 2019.

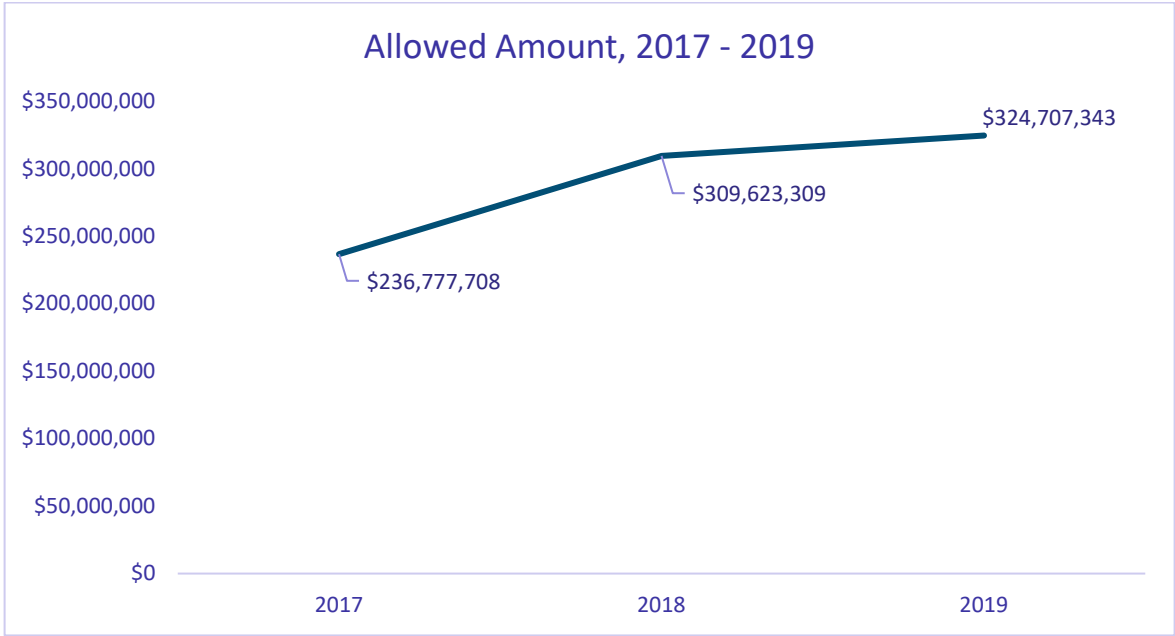
Telehealth Visits, 2018 and 2019		
Visits in 2018	Visits in 2019	Percent Change
161	280	73.91%

ETF expects this trend to continue as Medicare allows more coverage of telehealth services.

In ER use, there was a more significant reduction in avoidable ER visits by Medicare retirees, down almost 3% from the prior year.



Allowed amount medical trends for retirees also continued to increase, but at a somewhat slower rate between 2018 and 2019 than for non-Medicare retirees. An important feature of Medicare plans for the GHIP is that all plans coordinate with Medicare to pay first for all covered services. This means that the actual costs to health plans, and therefore the actual cost of Medicare premiums, is reduced.



Changes in 2019

2019 marked the first year that a Medicare Advantage product was available to ETF’s Medicare-eligible retirees. Medicare Advantage, offered by UHC, has lower premiums but still offers the same robust Uniform Benefits available to employees. The first year

of Medicare Advantage was a great success, with 6,691 members making the change to join the Advantage plan.

Pharmacy Benefits

The Board’s Pharmacy Benefit program helps members save on a variety of generic and specialty prescription drugs. Prescriptions are grouped into four different member cost tiers. The benefit includes coverage for members with and without Medicare.

Pharmacy benefits are administered by a separate vendor than the medical benefits, Navitus Health Solutions (Navitus), but are closely coordinated to ensure members receive the best care at the best price. The Pharmacy Benefit program not only provides coverage to members at a retail pharmacy, but also provides access to a mail order pharmacy service that sends maintenance medications directly to members at home, saving them time and money.

Participation

All GHIP members are automatically enrolled in the pharmacy benefit. Participants who do not yet have Medicare (active employees, early retirees, and their dependents) are enrolled in the commercial product. Retirees with Medicare are enrolled in an Employer Group Waiver Plan (EGWP). The benefits of the commercial plan and the EGWP are essentially the same; the EGWP is designed to work with Medicare Part D coverage to help retirees save money on premiums and at the pharmacy.

Plan Type:	Commercial	Medicare	Total
Number of Eligible Participants:	204,871	21,131*	236,002
Participants Who Used the Pharmacy Benefit:	152,306	32,612*	184,918
Total Prescriptions Filled:	1,868,285	936,772	2,805,057
Total Cost (plan & participant):	\$248,856,892	\$125,255,704	\$374,112,596

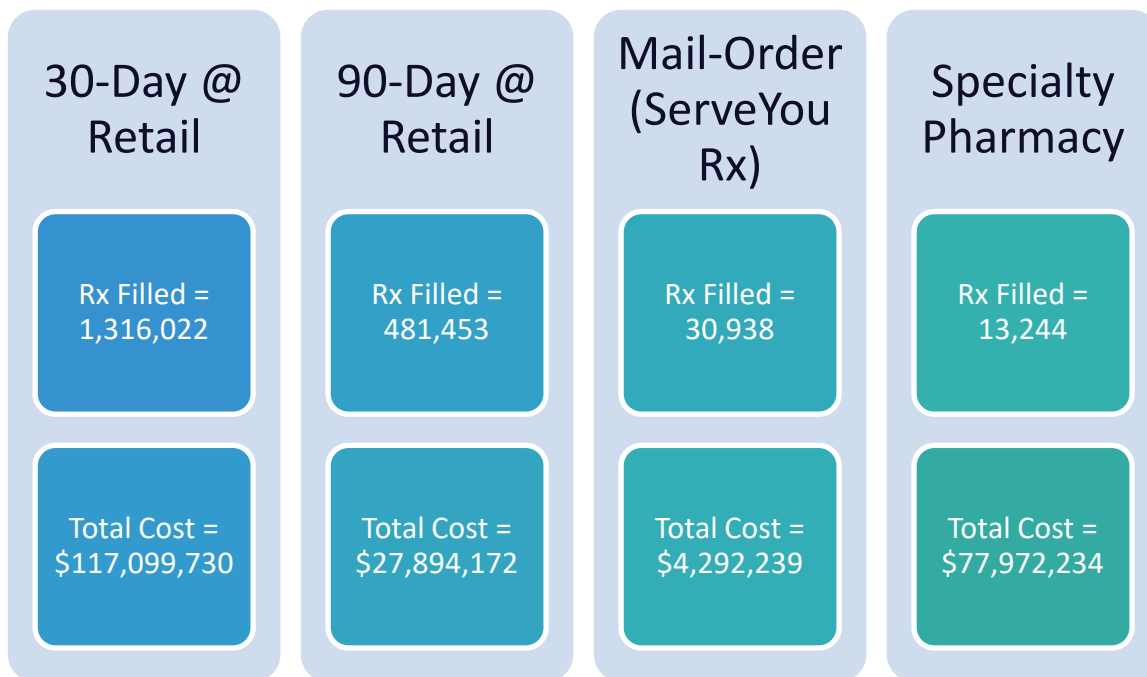
**The number of eligible participants is an average over the year, while the number of participants using the benefit is a total.*

Where Participants Get Prescriptions

Participants have several options for filling prescriptions. The most common way GHIP participants fill prescriptions is for a 30-day supply at a retail pharmacy, but participants can also fill maintenance medications for 90 days at a retail pharmacy, or they can take advantage of Navitus’s mail order prescription service, ServeYouRx.

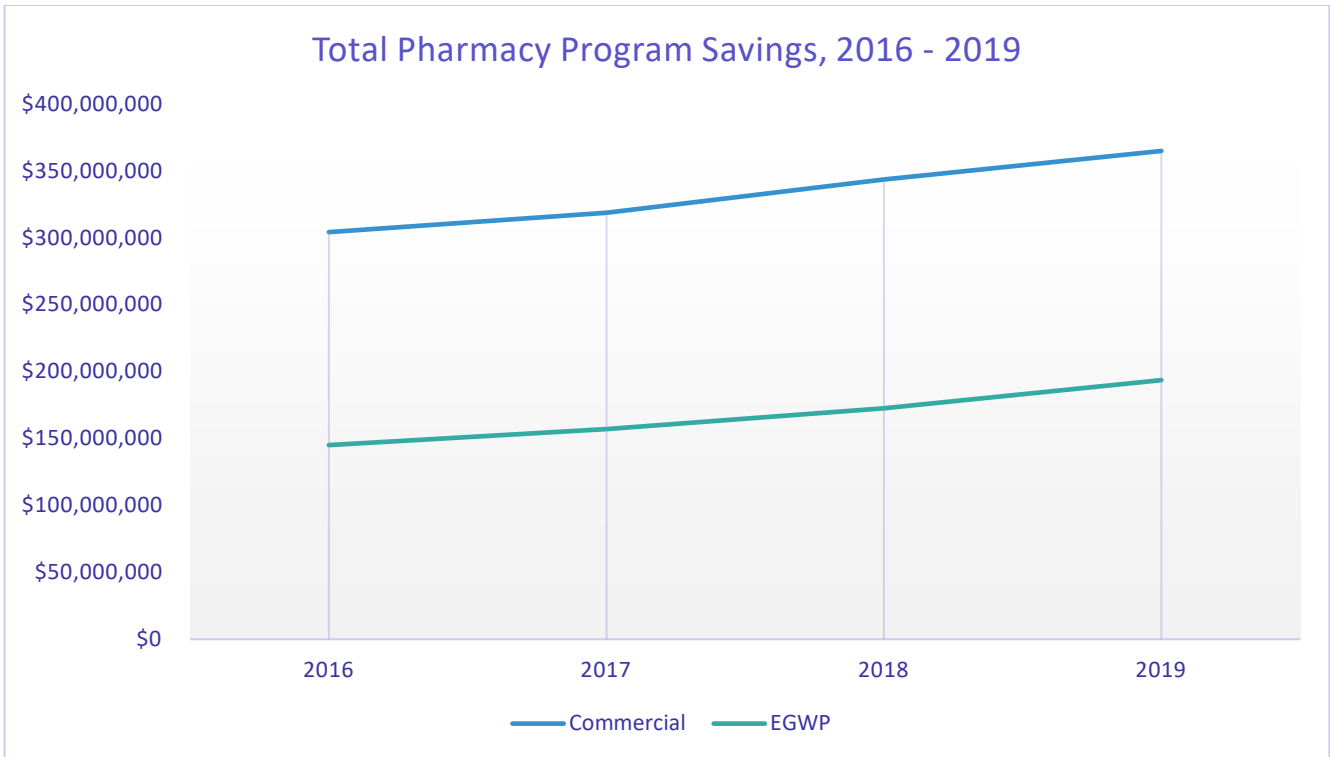
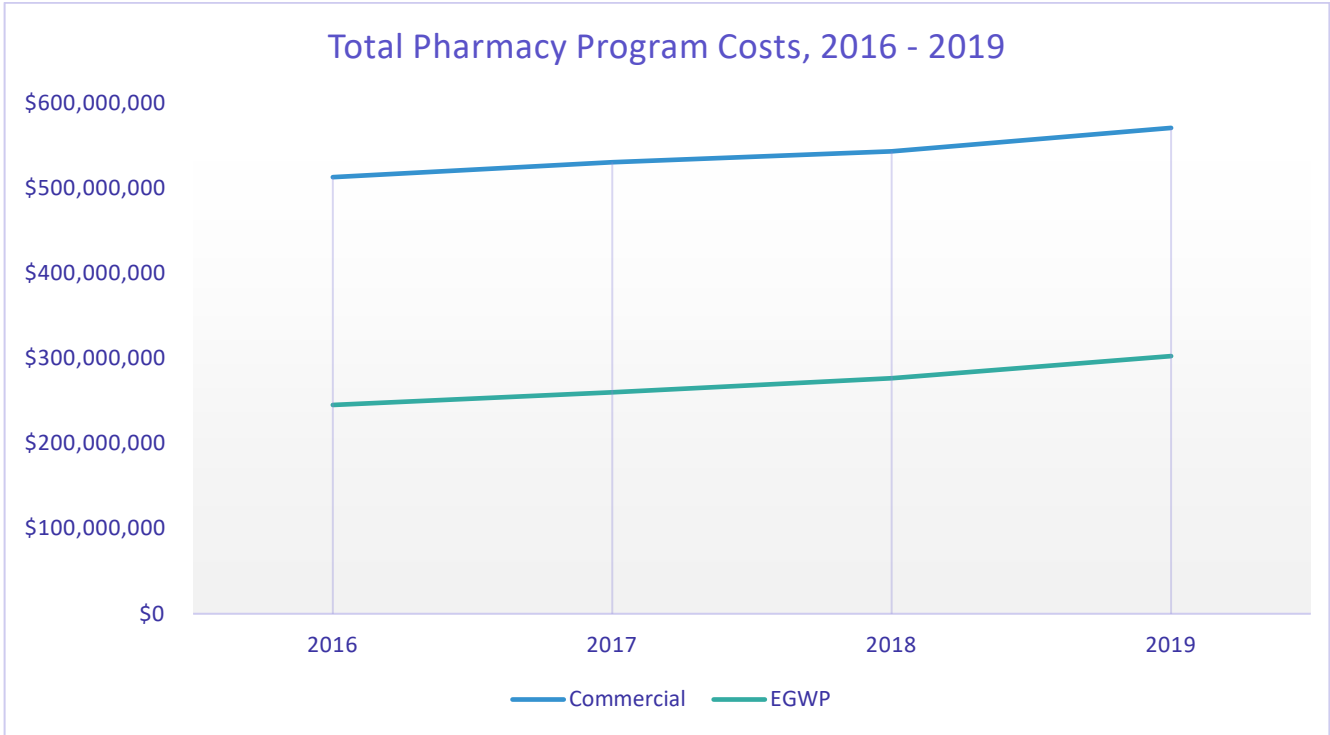
Members who take specialty drugs (sometimes called biologics) receive their medication through specialty pharmacies. Most use either Lumicera or UW Specialty Pharmacy to receive those drugs; both deliver directly to members’ homes; UW Specialty Pharmacy offers in-pharmacy pick up for members who prefer to go to a retail pharmacy.

Below is a breakdown of where participants filled their prescriptions in 2019:



Cost & Savings Trends

The overall cost of the pharmacy benefit has increased over the past four years, similar to national trends. The savings realized by the program through its fully transparent, full-pass-through model have also continued to rise, and this has helped to offset costs for both employers and members.



Changes in 2019

The Board approved a change to cost sharing for Level 3 “dispense as written” (DAW-1) drugs, which went into effect in 2019. When a prescriber writes “DAW-1” on a

prescription, it tells the pharmacist filling the prescription that the drug may not be substituted for a lower-cost generic equivalent. In many cases, these prescriptions are for drugs that are non-preferred, brand name drugs, which means that they are in Level 3 of the formulary and are much more expensive for both the plan and for participants. Starting in 2019, members with DAW-1 prescriptions paid the coinsurance (40%, up to \$150), plus the difference between the cost of the alternative drug available at a lower coverage level. This change was made to encourage members who can to take lower-cost, preferred alternative medications. Members who cannot take the alternative medications for a health reason may ask their prescribers to submit a Food and Drug Administration MedWatch form to Navitus, describing why the member cannot take an alternative medication. Once the form is submitted, the member would only have to pay the coinsurance rate.

The table below shows the number of prescriptions filled in each cost sharing level in 2019, the total cost of those prescriptions, and the proportion of both fills and costs that each level represented in 2019. In 2019, the change to Level 3 drug costs saved the plan \$2.3 million.

Cost Sharing Level	Level 1	Level 2	Level 3	Level 4
Rx Filled	2,350,361	375,650	53,976	25,070
% of Rx Filled	84%	13%	2%	<1%
Total Cost of Rx Filled	\$77,946,891	\$120,801,162	\$17,719,741	\$157,644,801
% of Total Cost	21%	32%	5%	42%

Dental Benefits

The Uniform Dental Benefit (UDB) provides basic dental coverage to employees and retirees who enroll in the GHIP. UDB covers diagnostic services like x-rays, preventive cleanings and exams, and basic fillings. It also provides some coverage for children’s orthodontic services. The UDB is administered by a single vendor, Delta Dental of Wisconsin (Delta), for all members who enroll in the plan.

Participants

Participants who have the plan offered to state and UW employees and retirees can choose to add the low-cost UDB to their health insurance premiums. Local employees and retirees whose employers choose to offer UDB can opt in as well.



Primary Subscribers

92,535

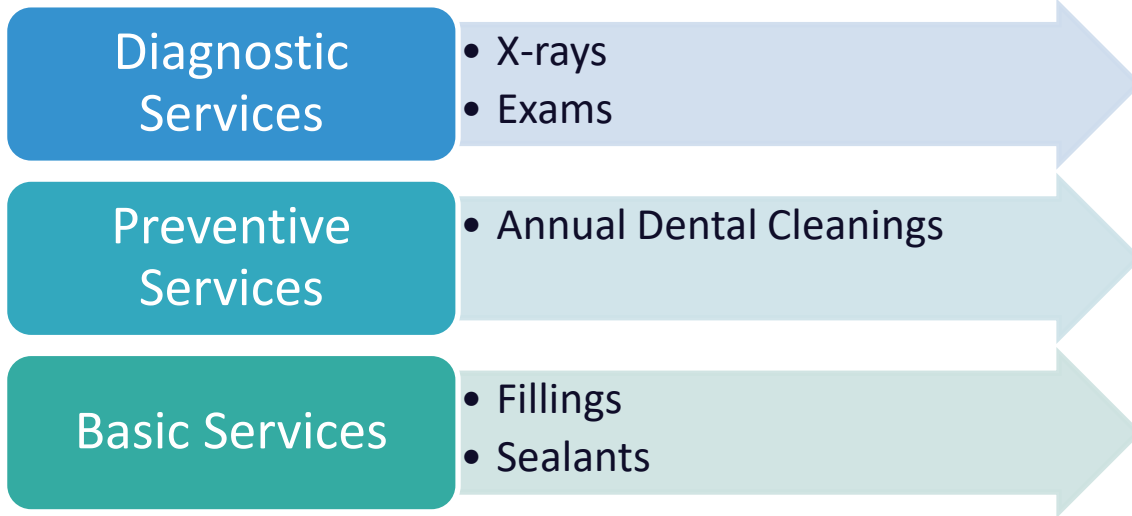


Dependents

108,459

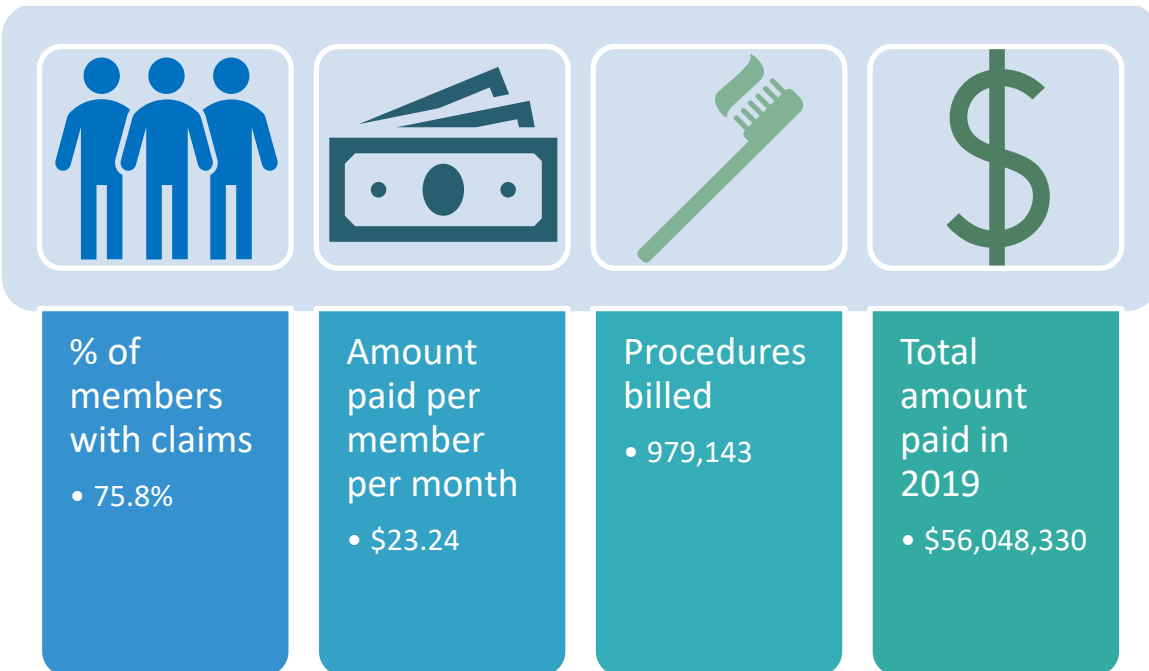
Features

The UDB covers diagnostic, preventive, and basic services for all members. It also covers orthodontic services for children under 19 years of age. The coverage has no deductible or waiting period and it has an annual benefit maximum of \$1,000 per person. Orthodontics coverage has an additional \$1,500 lifetime maximum benefit, with 50% coverage.



Visits & Services

75.8% of participants had at least one claim for dental services in 2019:



Well Wisconsin

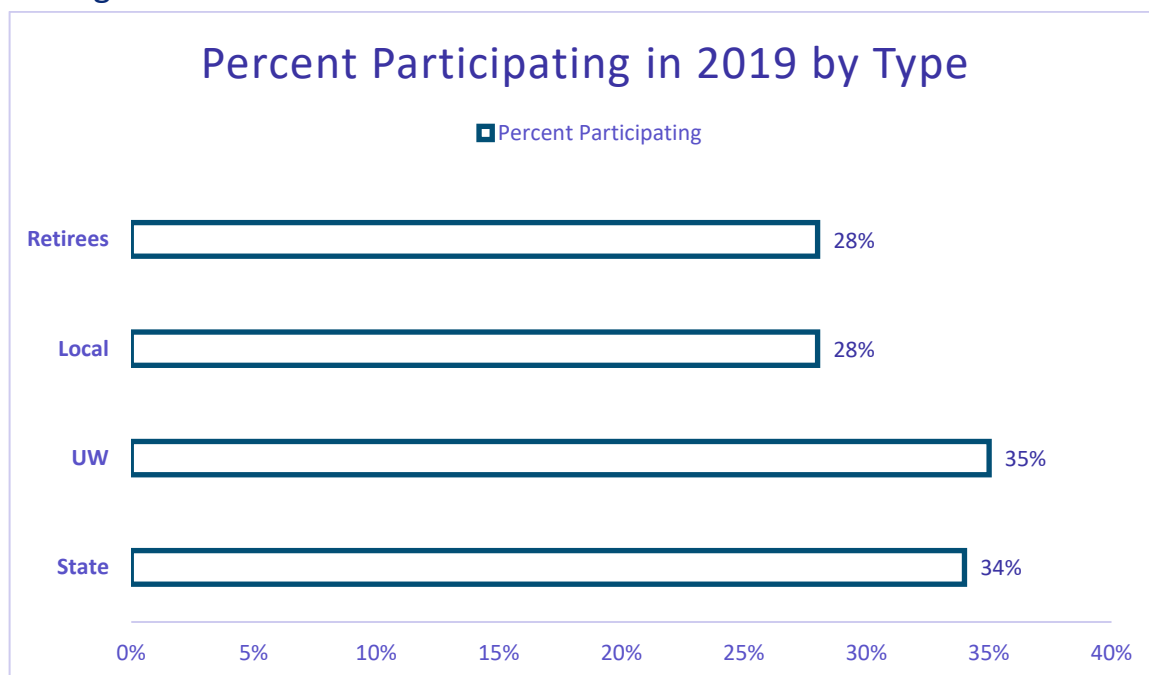
The Well Wisconsin Program is designed to improve the health and well-being of employees and their spouses through education and activities that support a healthy lifestyle. Participants can earn a \$150 incentive each year by completing a health screening, a health assessment questionnaire, and a well-being activity.

The Well Wisconsin Program is administered by a single wellness vendor for all participants, The StayWell Company (StayWell). StayWell provides access to health coaching, disease management, flu vaccine clinics, an online portal and educational materials, and communications and customer service support.

Incentive Participation

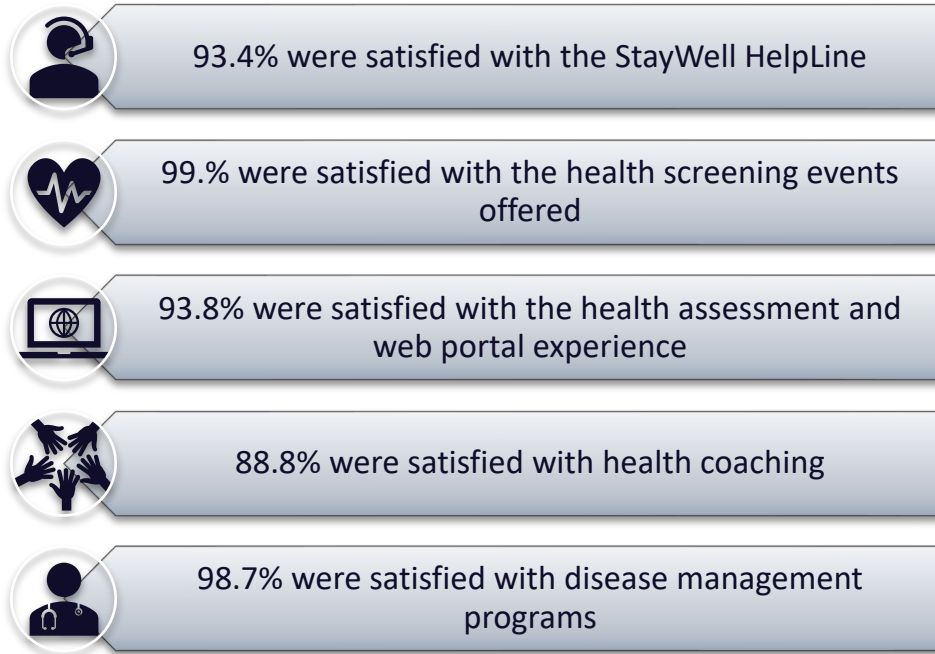
The number of eligible employees, retirees, and spouses who have participated in Well Wisconsin since StayWell became the administrator has increased 70% since 2017. StayWell’s goal for overall participation in 2019 was 32% of eligible participants achieving the \$150 incentive payment; actual incentive participation came in just short at 29% (48,784).

Participation varies by group, with the State and UW employee groups exceeding the 2019 goal:



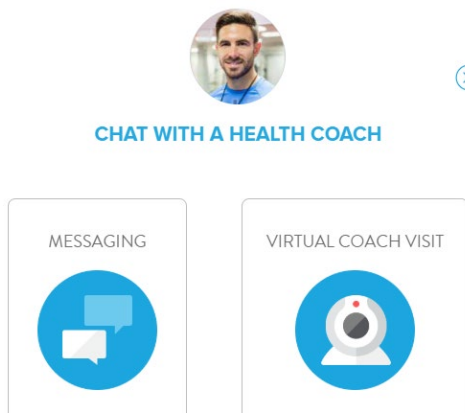
Program Satisfaction

The Well Wisconsin Program continues to report high levels of satisfaction among those who participate in the program. The 2019 program goal was to reach and maintain a satisfaction rate of 90% in all measured categories.



To continue to improve on these programs, StayWell planned to launch a new digital coach chat and virtual meetings with a coach.

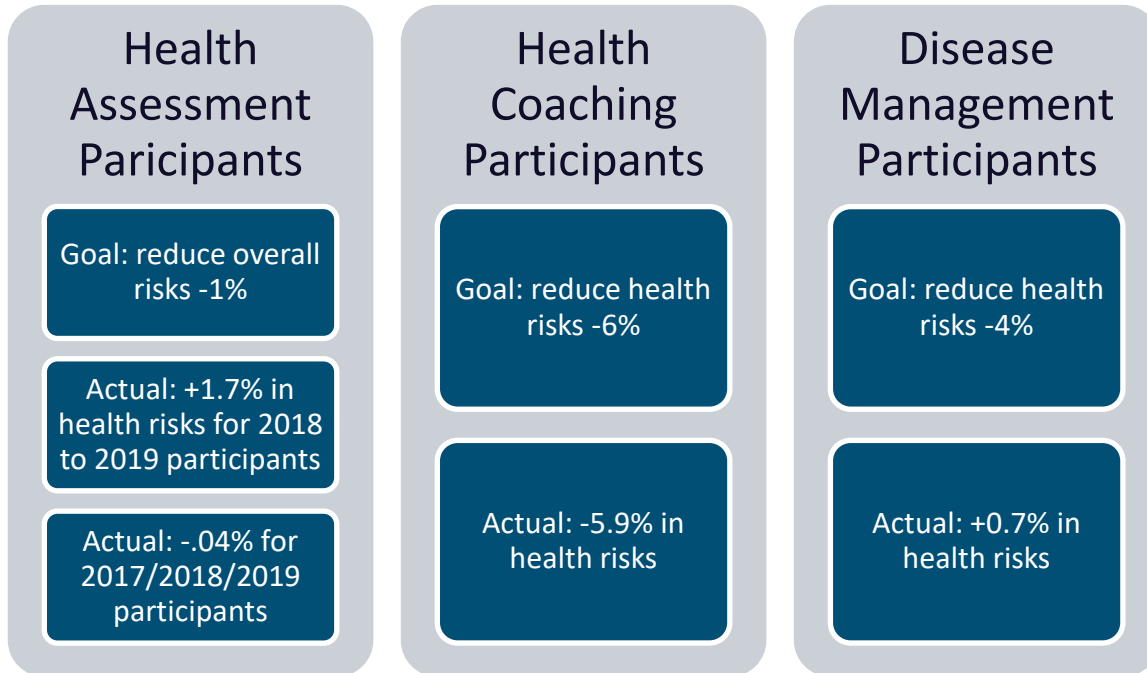
Screen Shot: Chat With A Coach via StayWell



StayWell will continue to add new online resources via a new web portal and mobile app.

Health Outcomes and Risks

The primary goal of the Well Wisconsin Program is to reduce overall health risks. To determine progress, ETF monitors the risks as recorded by the StayWell health assessment (for repeat participants), the risk scores of health coaching participants, and the risk scores for disease management participants.



Among longer-term program participants (those participating in all three program years with StayWell) there is a slight decrease in risk score. Health coaching participants also were very close to the stated goal for risk reduction. There is room for continued improvement among newer health assessment participants, as well as in disease management participants. ETF and StayWell will continue to work with members on ways they can improve their health and wellbeing. ETF will also look for ways to continue partnering with employers and other GHIP vendors to address broader determinants of health.

Culture of Wellness

Wellness has a major opportunity to help employers create an overall culture of wellness in the workplace that can help to support employees in main and/or improve their health. ETF supports employers by providing technical and grant support to employers to provide onsite wellness events.

In 2019, ETF:

- Supported 77 employer Wellness Champions designated by their agencies to work on agency wellness as a part of their regular work duties.
- Awarded \$88,000 in grants to state agencies and universities to support their onsite wellbeing efforts.
- Sponsored attendance for 59 Wellness Champions at the annual Wellness Council of Wisconsin conference.
- Sponsored 16 employer memberships to the Wellness Council of America and the Wellness Council of Wisconsin.

ETF sees opportunities to provide similar support to local employers by creating a local employer wellness champion network. ETF will also work to design wellness competitions that are easily implemented within employer locations using the new portal.

Supplemental Benefits

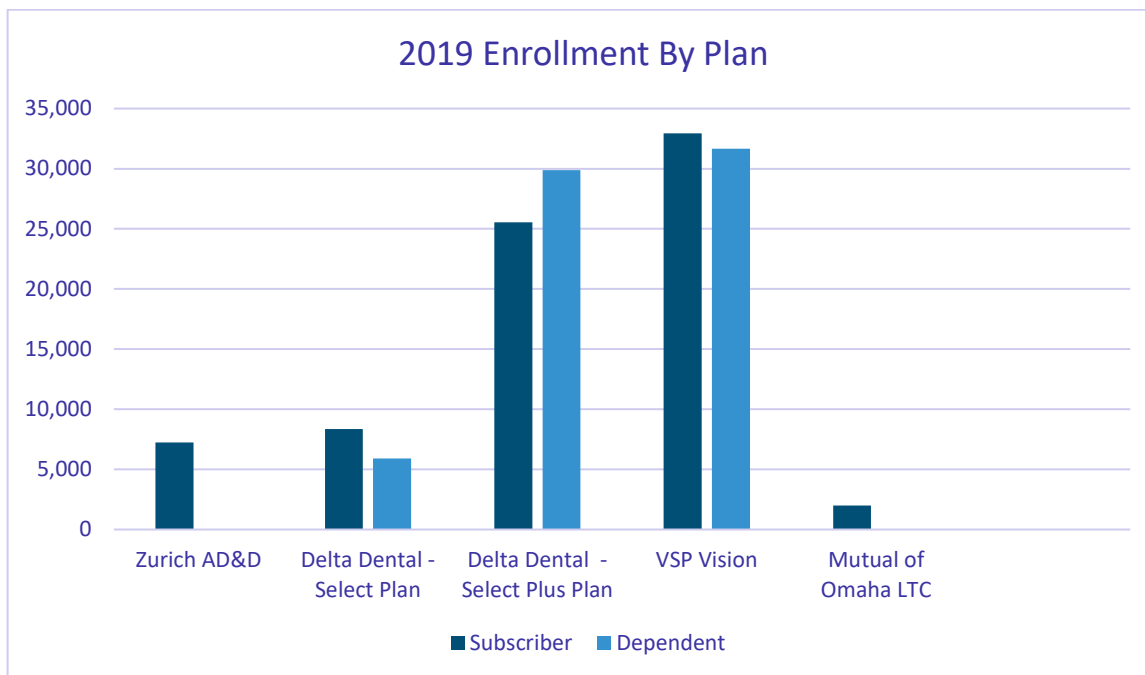
Supplemental benefit programs are paid for in full by those who elect to participate. In 2019, supplemental benefits were only available to state and UW employees and retirees. ETF continued to enact the Board-approved plan to streamline supplemental benefits, which reduced the number of vendors and plan designs offered. Under the new guidelines, supplemental plans reduced the amount of benefit overlap, standardized available benefits, lowered the number of plans offering overlapping benefits, and eased administrative complexity.

Participation

Four different vendors offered five supplemental plans to state employees and retirees in 2019:

- Zurich: Accidental Death & Dismemberment (AD&D)
- Delta Dental of Wisconsin (Delta): Supplemental Dental
- Mutual of Omaha/HealthChoice: Long Term Care (LTC)
- Vision Service Plan (VSP): Vision Care

The chart below shows the enrollment in each plan by 2019 for subscribers and dependents.



**Zurich and Mutual of Omaha did not track dependent coverage*

Dental Plans

Supplemental dental insurance policies from Delta were new in 2019. Both new plans offered coverage for:

- Crowns
- Bridges
- Dental implants
- Dentures
- Root canals
- Oral surgery
- Other major dental procedures

The difference between the two plans is the level of coverage.



Vision Plan

The supplemental vision insurance offered by VSP includes allowances for yearly vision exams, frames, lenses, and contacts for members who need vision correction.

This VSP policy also offered discounts on laser vision correction, sunglasses, and lens enhancements.

AD&D Plan

In 2019 Zurich provided supplemental AD&D insurance to active state employees only. Coverage levels were based on multiples of salary and provided payments for specific amputation injuries as well as accidental death.

Long-Term Care Insurance

LTC insurance was provided by Mutual of Omaha through a local broker, HealthChoice. Coverage in 2019 was available to state active employees, retirees, their spouses and the parents of members and spouses. Long-term care insurance is the only employee-pay-all offering that has premiums based on a person's age, gender, and health at the time of enrollment. LTC policies offered in this program are individual policies, rather than group policies.

Life Insurance

The Board has offered life insurance since 1958, making it the longest-running benefit program offered to employees and retirees. Program participants can choose from a variety of affordable coverage options. Benefits are administered by Securian Financial Group.

The Group Life Insurance Program offers four different term life policies:

- Basic Plan: pays out employee's prior year earnings rounded to the highest \$1,000.
- Supplemental Plan: pays an additional year of earnings at the same rate as the initial year.
- Additional Plan: coverage in addition to the Basic Plan at up to three times the prior year's earnings.
- Spouse & Dependent Plan: participants may choose from two levels of coverage with fixed dollar values.

Participants can keep the Basic Plan into retirement; the Supplemental and Additional plans end when a retiree turns 65.

Enrollment

Enrollment in the majority of life insurance programs increased in 2019:

Basic Plan

- State = 85,36 Members, +1.6% from 2018
- Local = 123,257 Members, +1.6% from 2018

Supplemental Plan

- State = 39,723 Members, 0.0% change from 2018
- Local = 28,754 Members, +1.6% from 2018

Additional Plan

- State = 27,151 Members, +0.8% from 2018
- Local = 36,370 Members, +1.2% from 2018

Spouse & Dependent Plan

- State = 23,329, +1.2% from 2018
- Local = 32,571, -0.8% from 2018

Average Coverage Amounts in 2019

The average member age in 2019 was 49.6 among state participants and 47.9 among local participants. The average amount at which members were covered ranged by group:

Average Coverage Amount by Participant Type, State and Local, 2019		
	State	Local
Active	\$187,153	\$137,273
Retired	\$53,643	\$38,255
Total	\$134,460	\$99,554

Claims Costs in 2019

2,538 death claims were paid in 2019, at a total dollar amount of \$63,993,577. Nearly 100% (99.25%) of claims were paid within 10 calendar days of receiving the claim.

Average Age of Death

- 77 years

Gender of Decedents

- Male = 58%
- Female = 42%

Average Paid Claim

- State = \$32,185
- Local = \$19,300

Main Causes of Death

- State = Cancer/Tumor
- Local = Heart Disease/Disorder

Health Savings & Employee Reimbursement Accounts

The health savings and employee reimbursement accounts offered by the Board let members grow their savings while paying less for medical and everyday expenses. The Health Savings Account (HSA) is offered in conjunction with the Board’s qualified high-deductible health plan (HDHP). Employee reimbursement accounts (ERA) include flexible spending accounts (FSA), limited-purpose flexible spending accounts (LPFSA), parking and transit accounts, and dependent daycare accounts.

2019 was the final year that the programs were administered by Total Administrative Services Corporation (TASC). ConnectYourCare (CYC) began transitioning accounts from TASC in late 2019, following its successful bid services.

Participation and Contributions

Participation in the HSA and ERA accounts remained strong in 2019. The table below shows participation and contributions as of the fourth quarter of 2019:

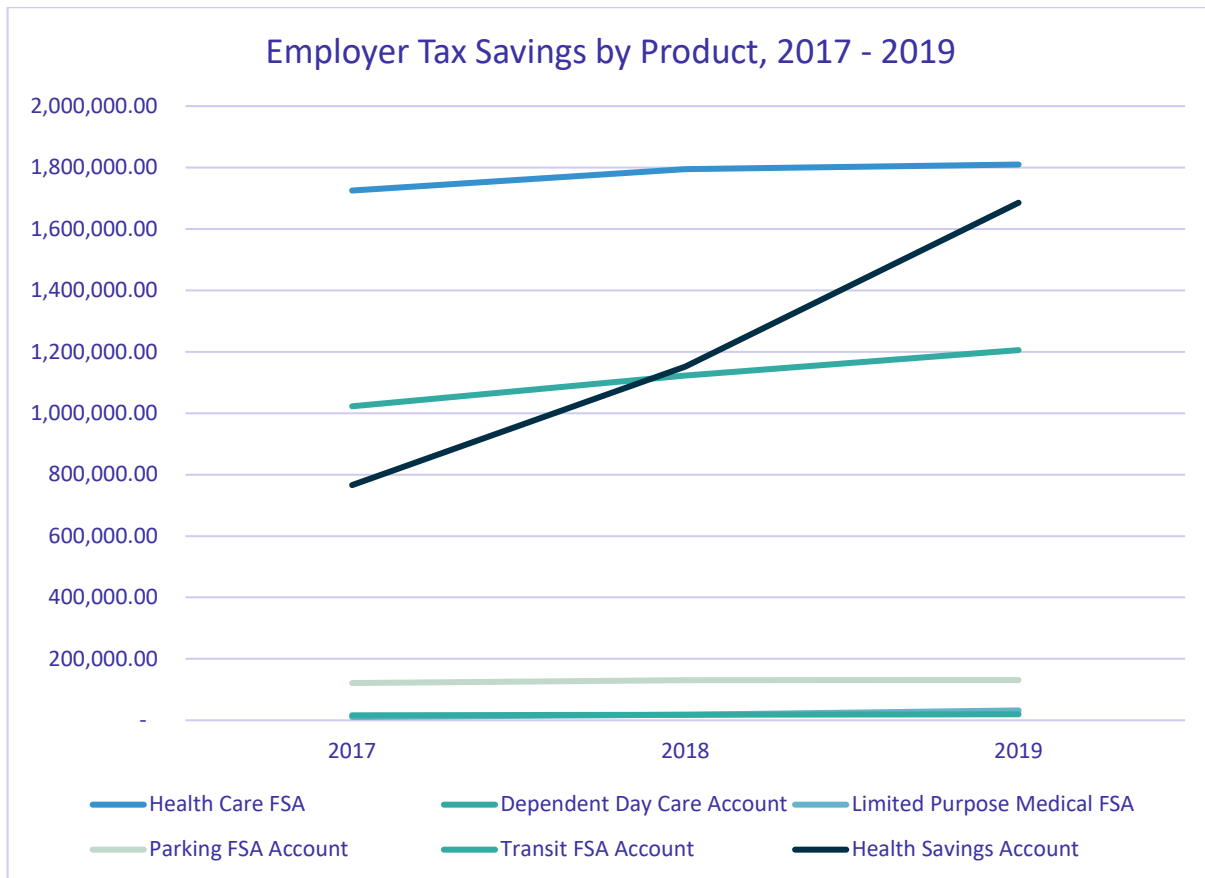
Account Type	Number of Participants	Q4 Contributions	Estimated Employee Savings*	Employer FICA Savings
FSA	20,312	\$22,982,054	\$7,097,303	\$1,809,812
Dependent Day Care	3,890	\$15,377,634	\$4,727,263	\$1,205,452
Limited Purpose FSA	806	\$409,409	\$125,856	\$32,093
Parking	2182	\$1,664,311	\$514,120	\$131,101
Transit	786	\$250,152	\$76,701	\$19,559
HSA	7,851	\$22,049,434	\$6,609,483	\$1,685,418
Totals	35,827	\$62,732,994	\$19,150,726	\$4,883,435

*Employee tax savings estimates as based on a 30% total tax rate (federal, state, and FICA combined). Individual taxes and savings will vary.

Employer Tax Savings

An important savings element for employers that offer the HSA and ERA programs is in the payroll taxes that employers pay, since these contributions are pre-tax.

The chart below shows employer tax savings for each type of account over the past three years.



The largest increase in savings to employers was through the HSA program, which was primarily due to more employees enrolling in the HDHP and taking advantage of the HSA. In total, the HSA and ERA programs saved employers a total of \$4,883,435 in taxes in 2019, a 15.3% increase over the prior year.

New Vendor in 2020

CYC was awarded a contract for services for all HSA and ERA accounts starting in 2020, and much of 2019 was spent building the pathway to a successful transition. ETF looks forward to describing the outcome of that transition in a future report.

Conclusion and 2020 Preview

2019 proved another successful year for the Group Health Insurance Program. The GHIP was able to maintain premium rates and improve services for members and their dependents.

Looking ahead to 2020, ETF will be able to share more information on:

- Bariatric surgery coverage
- Pilot programs
- Supplemental benefits offered to local employers
- COVID-19 and benefits access
- Group Insurance Board strategic initiatives

Questions regarding this report can be sent to:

ETFSMBInsuranceSubmit@etf.wi.gov

Sources

Health and claims related data: DAISI Data Warehouse and Analytics Tool administered by IBM Watson Health

Vendor information provided by: Navitus Health Solutions, The StayWell Company, LLC, Delta Dental of Wisconsin, and Securian Financial Group, Inc.

ETF complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-877-533-5020, Wisconsin Relay 711.

LUS CEEV: Yog tias koj hais lus Hmoob, cov kev pab txog lus, muaj kev pab dawb rau koj. Hu rau 1-877-533-5020, Wisconsin Relay 711.

STAY CONNECTED

- **Call Us:**
1-877-533-5020
or 608-266-3285
Wisconsin Relay: 711
- **Visit Us:**
4822 Madison Yards Way
Madison, WI 53705-9019
- **Write Us:**
P.O. Box 7931
Madison, WI 53707
- **Visit Our Website:**
etf.wi.gov
- **Follow Us on Twitter:**
[@wi_etf](https://twitter.com/wi_etf)
- **Sign Up for Emails:**
<https://public.govdelivery.com/accounts/WIDETF/subscriber/new>