



STATE OF WISCONSIN
Department of Employee Trust Funds
 Robert J. Conlin
 SECRETARY

Wisconsin Department
 of Employee Trust Funds
 PO Box 7931
 Madison WI 53707-7931
 1-877-533-5020 (toll free)
 Fax 608-267-4549
 etf.wi.gov

CORRESPONDENCE MEMORANDUM

DATE: January 22, 2021

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ETF provides the Group Insurance Board (GIB) with an update of local government employers that have either joined or withdrawn participation in the Wisconsin Public Employers Group Health Insurance Program (WPE GHIP) and the Income Continuation Insurance Plan (ICI) during the prior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

The chart below outlines the changes in employer participation.

| As of Year | Employer Participation | Percent Change |
|------------|------------------------|----------------|
| 1/2017 | 356 employers | --- |
| 1/2018 | 357 employers | +0.28% |
| 1/2019 | 369 employers | +3.36% |
| 1/2020 | 378 employers | +2.44% |
| 1/2021 | 394 employers | +4.23% |

Activity for the WPE GHIP program in 2020 through January 1, 2021, included:

- 60 employers inquired about participating in the WPE GHIP.
 - 14 employers were large enough to be required to complete the underwriting process in 2020¹.
 - 6 employers, with 50 or more employees, completed underwriting and 2 joined the WPE GHIP.
 - 46 employers, with 49 or fewer employees, were not required to complete the underwriting process.
 - 17 employers, with 49 or fewer employees, joined the WPE GHIP
 - 5 of these 17 were non-Wisconsin Retirement System (WRS) employers.

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

Electronically Signed 2/2/21

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- Overall, of the 60 employer inquiries, 19 employers joined the WPE GHIP and 41 employers declined participation.
- 3 employers withdrew from the WPE GHIP effective December 31, 2020.

¹ Underwriting requirements are a result of the *Wisconsin Public Employer Underwriting and Surcharge Policy* effective July 1, 2018. See the [May 16, 2018 board memo](#) for details.

There are four plan designs, or program options, available in the WPE GHIP. Each plan design contains a dental and non-dental version. Table 1 provides a summary of the number of new employers and employers who changed benefits or withdrew between January 1, 2020 and January 1, 2021. Table 2 provides the employer participation totals from 2017 – 2021.

TABLE 1
PARTICIPATION IN WPE GHIP PROGRAM OPTIONS (P) AS OF 1/1/2021

| Description | Local Traditional Plan | | Local Deductible Plan | | Local Health 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 1/1/2020 | 108 | 126 | 49 | 66 | 9 | 4 | 11 | 8 | 381* |
| Employers that joined and selected this option in calendar year 2020 | 4 | 0 | 4 | 3 | 0 | 1 | 4 | 3 | 19 |
| Employers that switched to this option as of 1/1/2021 | 4 | 0 | 1 | 1 | 1 | 1 | 1 | 0 | 8 |
| Employers withdrawing or switching from this option as of 12/31/2020 | -2 | -4 | -1 | -1 | -0 | -1 | -1 | -1 | -11 |
| Total Employers Enrolled in this option as of 1/1/2021 | 114 | 122 | 53 | 68 | 10 | 5 | 15 | 10 | 397* |

* Three employers are enrolled in two program options (0055-000, 0066-000, 1402-000)

TABLE 2
PARTICIPATION IN WPE GHIP PROGRAM OPTIONS
(Combined Dental and No-Dental)

| As of Year | Local Traditional Plan | Local Deductible Plan | Local Health Plan | Local High Deductible Health Plan |
|------------|------------------------|-----------------------|-------------------|-----------------------------------|
| 1/2017 | 236 | 111 | 9 | 4 |
| 1/2018 | 232 | 108 | 11 | 9 |
| 1/2019 | 242 | 109 | 9 | 13 |
| 1/2020 | 234 | 115 | 13 | 19 |
| 1/2021 | 236 | 121 | 15 | 25 |

Beginning in 2012, employers were provided the opportunity to continue participating in the WPE GHIP under either 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 three employers enrolled in two program options as of January 1, 2021.

The local Income Continuation Insurance program continues to see growth. In 2020, 9 new employers joined. As with the WPE GHIP, the ICI program tends to attract smaller employers. There were no employers that filed a resolution to withdraw from the ICI program in 2020.

TABLE 3
PARTICIPATION IN THE WPE GHIP & LOCAL ICI PLANS AS OF 01/01/2021

| Category | WPE GHIP Plan | ICI Plan* |
|---------------------------------|---------------|-----------|
| New Employers in CY2020 | 19 | 13 |
| Employers Terminating in CY2020 | 3 | 0 |
| Participating Cities | 57 | 59 |
| Participating Villages | 121 | 68 |
| Participating School Districts | 7 | 0 |
| Participating Special Districts | 112 | 95 |
| Participating Towns | 88 | 39 |
| Participating Counties | 9 | 15 |
| Total Employers | 394 | 276 |

* A 2019 audit of the local WRS employers that participate in the ICI program, revealed 84.2% of their employees enrolled in ICI. Using that same calculation, of the total 276 local WRS employers that participate in the ICI program today (approximately 12,096 employees), 10,185 employees are projected to have ICI coverage.

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