

State of Wisconsin Group Health Benefits Annual Report 2020

APRIL 30, 2021

Wisconsin Department of Employee Trust Funds



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Introduction

2020 presented a host of challenges to the Group Health Insurance Program (GHIP). The Department of Employee Trust Funds (ETF) and the Group Insurance Board sought to maintain the same high-quality benefits experience that has come to characterize the GHIP, while balancing affordability during a time of uncertainty, and ensuring flexibility for members to get the care they needed while staying safer at home.

This document provides the third annual snapshot of the health, life, dental, pharmacy, and supplemental benefits programs that ETF administers on behalf of the Board. It provides a view into how the GHIP met the challenges posed by the COVID-19 pandemic, and the impact in terms of the Healthcare Triple Aim: health, quality, and cost.

2020 Program Highlights

Maintained Benefits, Security for Public Workers

2020 brought a host of unknowns and new challenges to public workers as they tried to maintain the essential services they provide to Wisconsin residents in the midst of a pandemic. The Board's programs met the needs of public employees and their families with a combination of reliability and flexibility. ETF worked with the Board's contracted health plans to ensure that members were aware of their care options during shutdown, including when in person services closed and when they began to re-open again. ETF also negotiated substantial savings on behalf of the Board on premium rates that members will continue to benefit from in 2021.

New Virtual Benefit Fair Options Enhance Member Experience

Employers traditionally conduct onsite health fairs, where members can meet with representatives from the various benefit plans offered by the Board. Given the limits in 2020 on in-person gatherings, ETF helped employers pivot to offering online presentations by both vendors and ETF benefits experts. ETF hosted more than 100 sessions for employees and employers to allow them opportunities to ask questions about benefits and services. Feedback from these sessions indicated that even when employees are allowed to gather again at agencies, they want these virtual options to continue.

Telehealth Use Skyrockets, Expands Access

During the Safer at Home period, many provider offices closed to limit exposure and hospitals began transitioning their operations to support patients who were sick with COVID-19. The Board's programs saw dramatic increases in the use of telehealth, both from plans' contracted telehealth vendors and from providers that had traditionally been brick-and-mortar based. While telehealth use did decrease as providers began to open back up, a significant portion of services continued to be provided by telehealth through the rest of 2020, as members came to appreciate the convenience of receiving care from home.

Health Screening Home Kit Allows Members to Stay Safer at Home

When some public workers began transitioning to working at home and physician sites closed, it looked like members would have fewer opportunities to complete their biometric screenings as a part of their Well Wisconsin incentive. To ensure members could still keep up with their screenings and earning their incentives, the Board implemented at-home screening kits, where members could mail a simple finger stick blood test and receive much of the same information they would have received at an onsite screening event. This option helped members stay engaged with their health and on track with their wellness goals, without having to venture to onsite screening events.

Vaccine Coverage Added to the Pharmacy Benefit

In 2020, the Board implemented a critical expansion of access to vaccines, which could not have come at a more necessary time. Starting with this program year, members could receive all vaccines that are covered by the benefit plan and offered by a pharmacy at a Navitus pharmacy, at the same coverage levels offered by the medical plan. This added convenience and opportunity for members to stay current with vaccines at a time where other in person care opportunities were limited.

Background

The State of Wisconsin 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• 2nd 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• 3rd highest premium

For local government 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.

<p>Local Traditional Plan</p>	<ul style="list-style-type: none"> •No deductible •Few copays •Highest premiums
<p>Local Deductible Plan</p>	<ul style="list-style-type: none"> •\$500 deductible per person •Few copays •3rd highest premiums
<p>Local Health Plan</p>	<ul style="list-style-type: none"> •Similar benefits to state employee IYC Health Plan •2nd highest premiums
<p>Local HDHP</p>	<ul style="list-style-type: none"> •Similar benefits to the state employee IYC HDHP •Lowest premiums

Local government 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 government 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.

New in 2020: Supplemental dental plans became available to local government employer groups for the first time through the Board’s programs.

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.

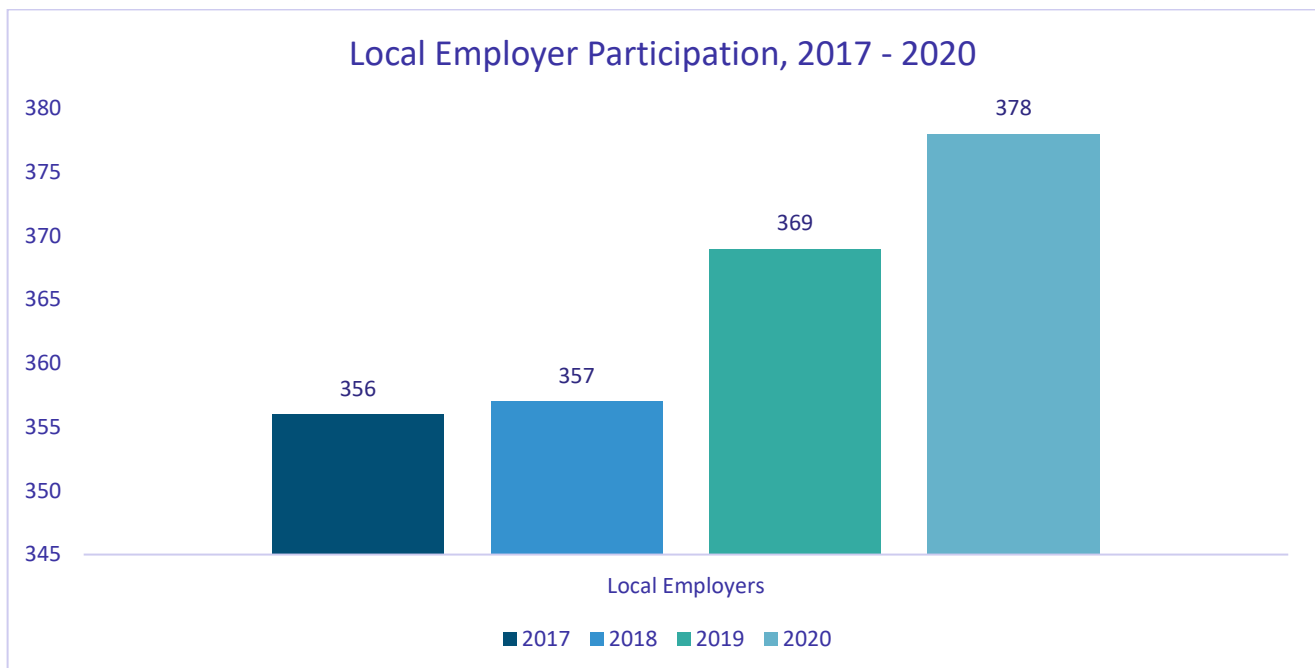
Medical Benefits

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.

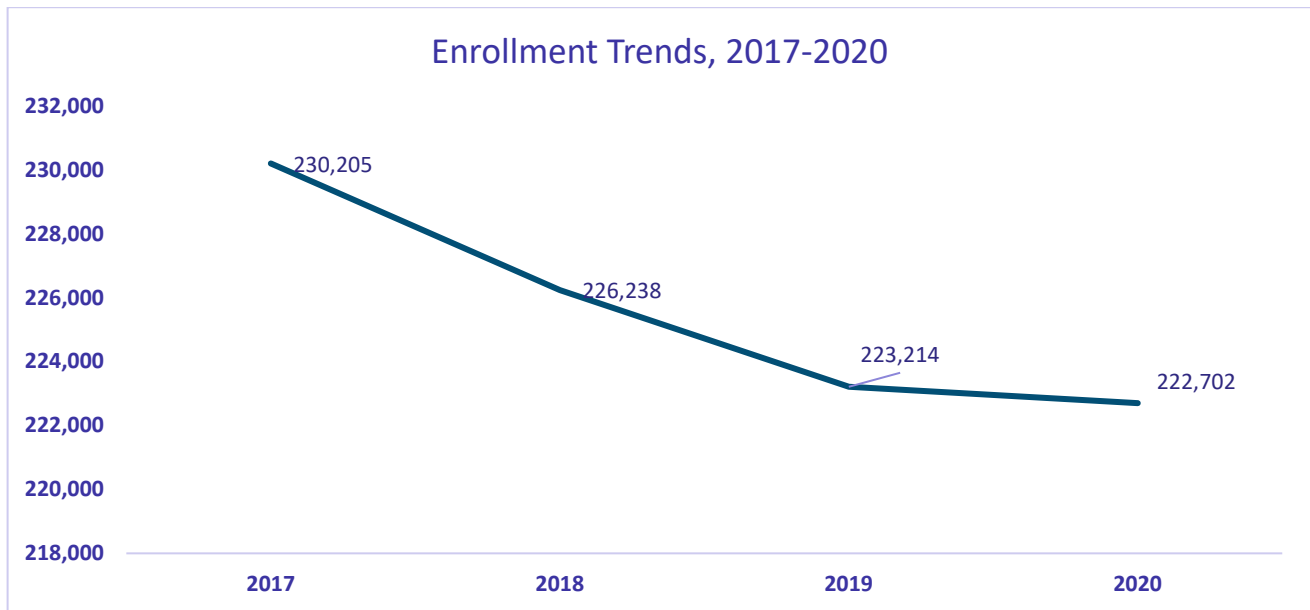
Employers

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 378 local employers in 2020. Enrollment in the local government employer portion of the program has steadily increased in recent years.



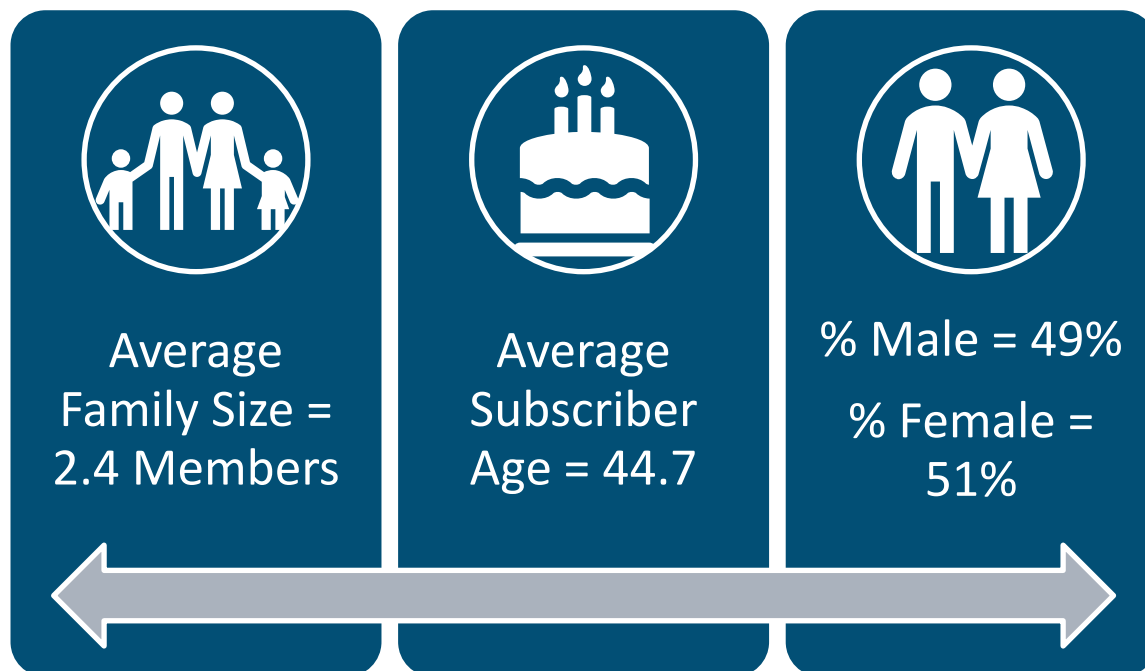
Enrollment

Participation in the GHIP declined slightly in 2020, down -0.23% from 2019. In 2019, 222,702 active employees, non-Medicare retirees, and their dependents were enrolled in the benefit. Service utilization was down significantly, from 90% in 2019 to 84.11% in 2020.



Demographics

The demographics of the GHIP also changed slightly in 2020:

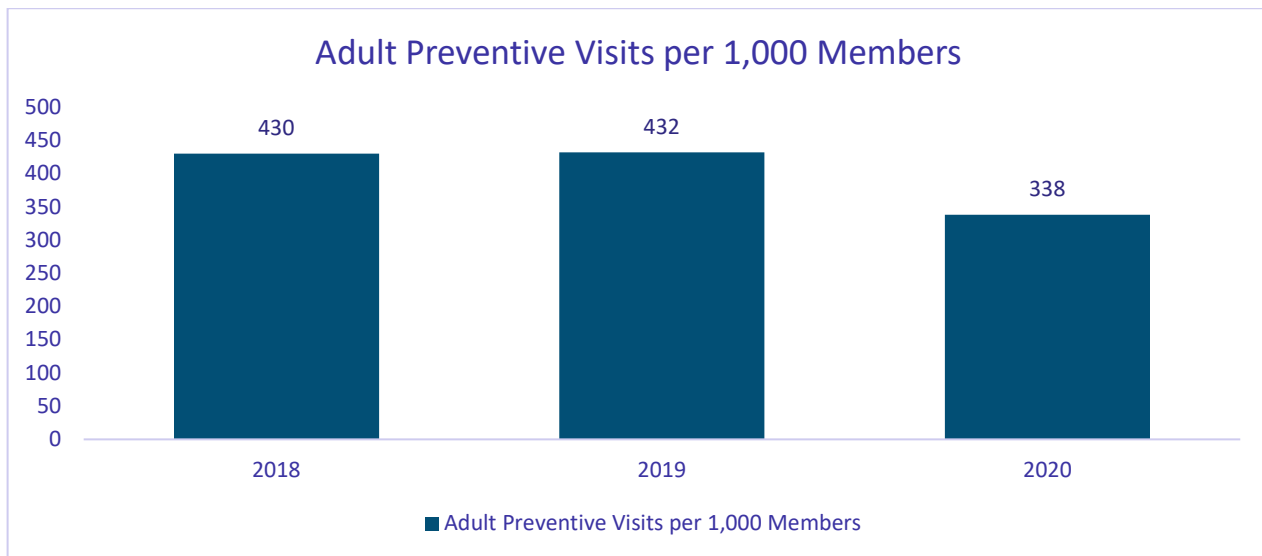


Average family size increased from 2.2 to 2.4, and the average subscriber age decreased to 44.7.

Utilization & Cost Trends

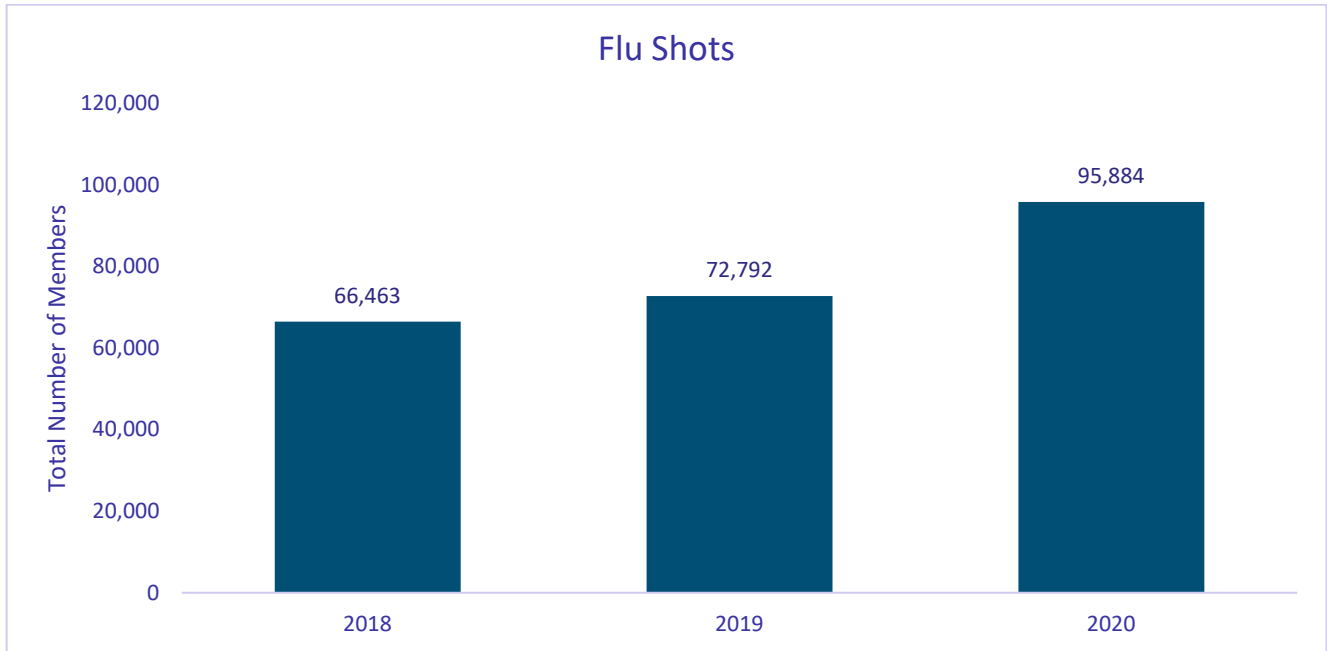
Using ETF’s data warehouse, DAISI, ETF can track trends in how members use their benefits and identify opportunities.

In 2020, ETF reported that preventive care use among members was an area previously identified as having room for improvement. As noted then, people who receive regular preventive care have better long-term health outcomes on average. Acknowledging that for several months of 2020 care access was limited, ETF has noted a substantial change in preventive care use in 2020—only three out of ten adult members received a preventive visit in 2020, compared to four out of ten in 2019.

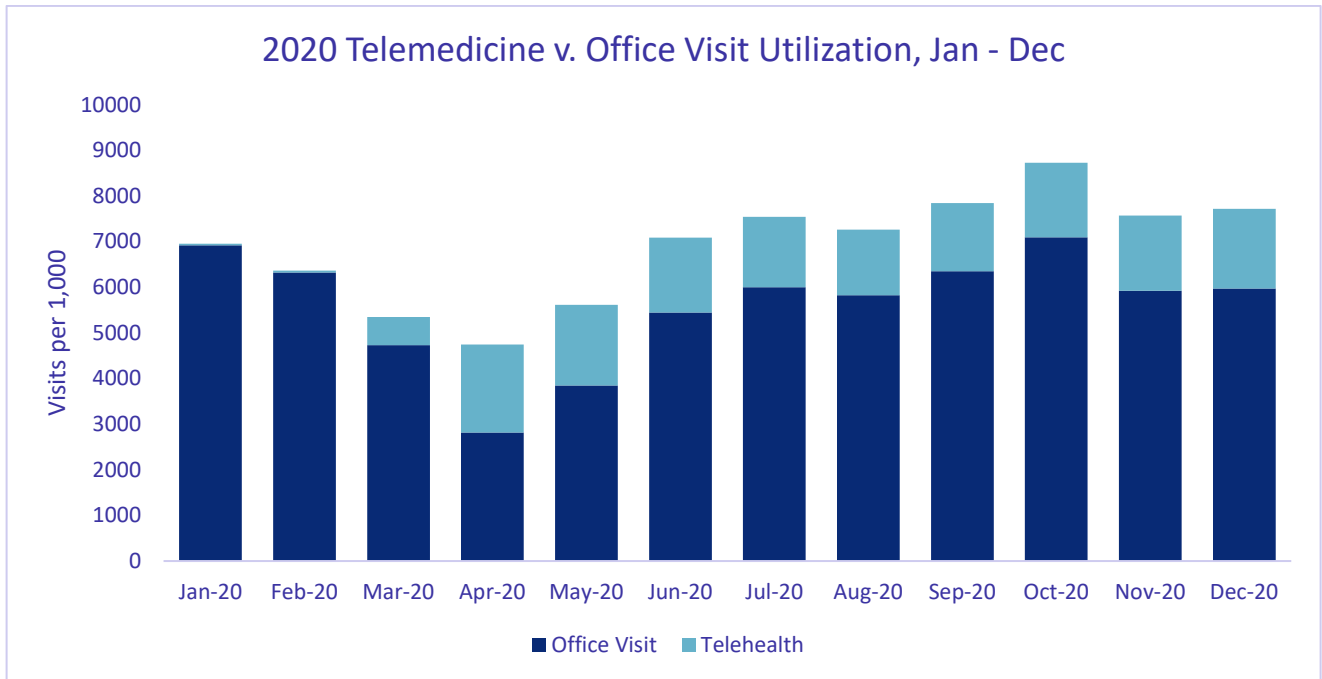


ETF will continue to work with employers, health plans, and the wellness vendor to promote preventive care use.

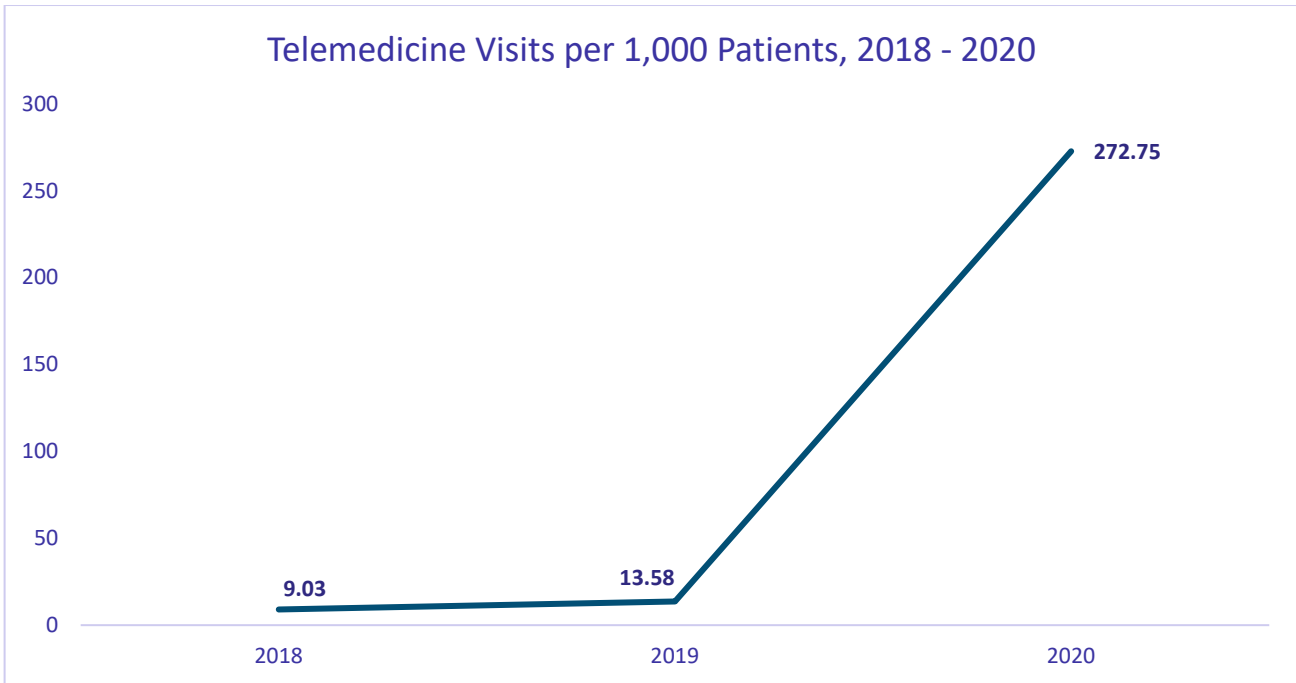
Flu vaccines were another area called out as having potential for improvement in prior years. Unlike some other areas of care, members in 2020 did a great job of finding opportunities to get their flu vaccines and avoiding a dual-pandemic during the fall and winter of 2020. As a result, flu vaccines billed through the GHIP were up 31.72%, not including the drive-through onsite opportunities provided by Well Wisconsin.



Telemedicine became available to GHIP members in 2018 and was added formally as a benefit with specific cost sharing in 2019. 2020 was a significant year for telemedicine; many members used it in the early months of the pandemic, and the rates of use continue to be well above pre-pandemic levels.

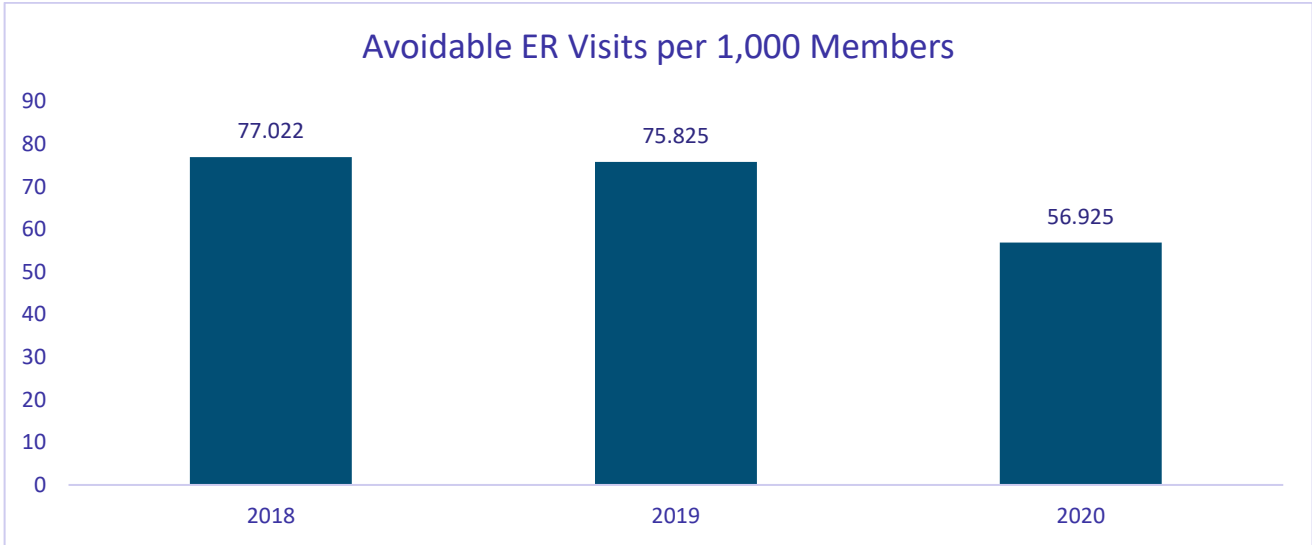


The following chart shows the year over year trend in the telehealth visits per thousand in 2018, 2019, and 2020.



These charts only capture telehealth that was billed through claims systems and may not capture telehealth that was provided by a plan’s vended service, so claims use may be slightly higher. Most plans did indicate, though, that the uptick in telehealth use was mostly due to brick and mortar providers moving to telehealth services during the pandemic.

ETF continues to monitor emergency room (ER) utilization as a part of the Board’s initiative to reduce avoidable ER visits and help members find more appropriate and affordable sites of care.



It should be noted that the rate of visits per thousand in this report differs from the 2019 report—this is due to a change in the definitions used by IBM Watson Health (the Board’s data warehouse vendor) to classify avoidable visits. However, the same trends appear between years. There is a notable reduction in avoidable ER visits between 2019 and 2020; some of this is likely due in part to the pandemic and individuals reducing all care seeking behavior.

Allowed amounts also increased in 2020, approximately 2.92% over 2019¹. This is a slower increase than the prior year, but still notable given the reduction in overall services received in 2020.

¹ Note: Numbers for 2018 and 2019 are different than those first appearing in the 2019 Annual Report; this is due to a change in the reporting time of the report and the resultant change in the paid claims reported to the DAISI Data Warehouse.



Retirees with Medicare

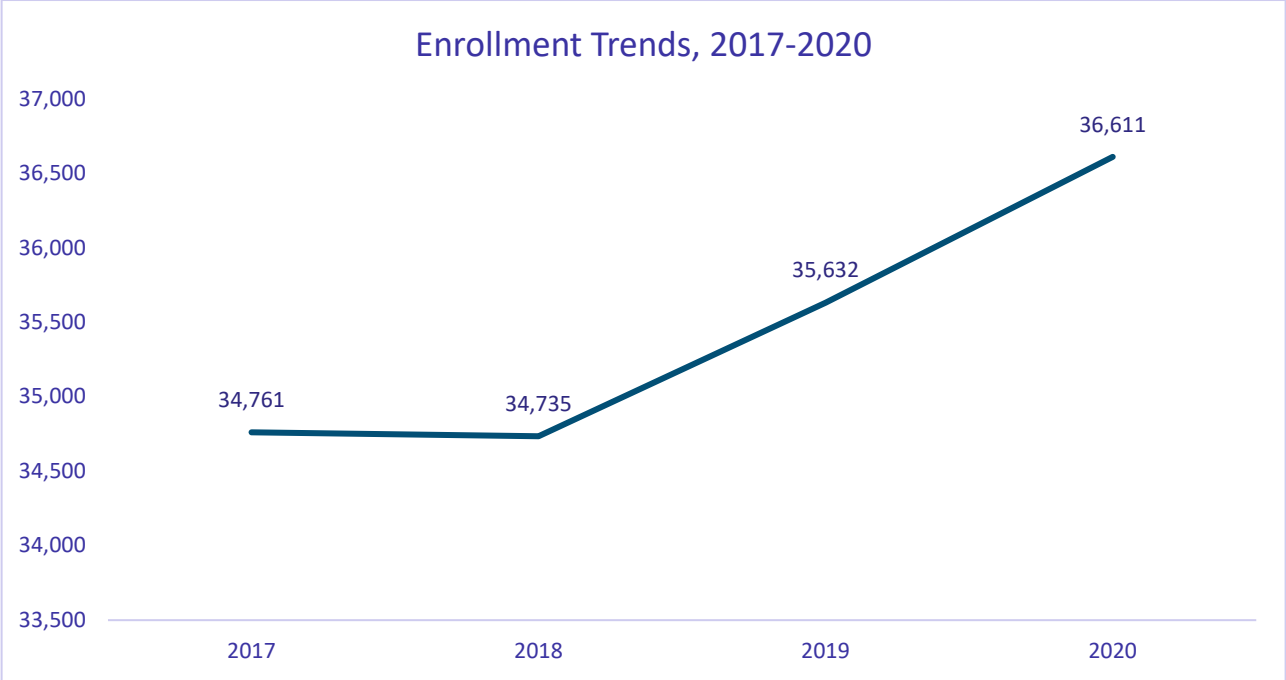
Retirees who continue their health insurance coverage into retirement are required to sign up for Medicare when they become eligible. Medicare allows retirees to spend less money out of pocket when they see a doctor or use other medical services.

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. 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.

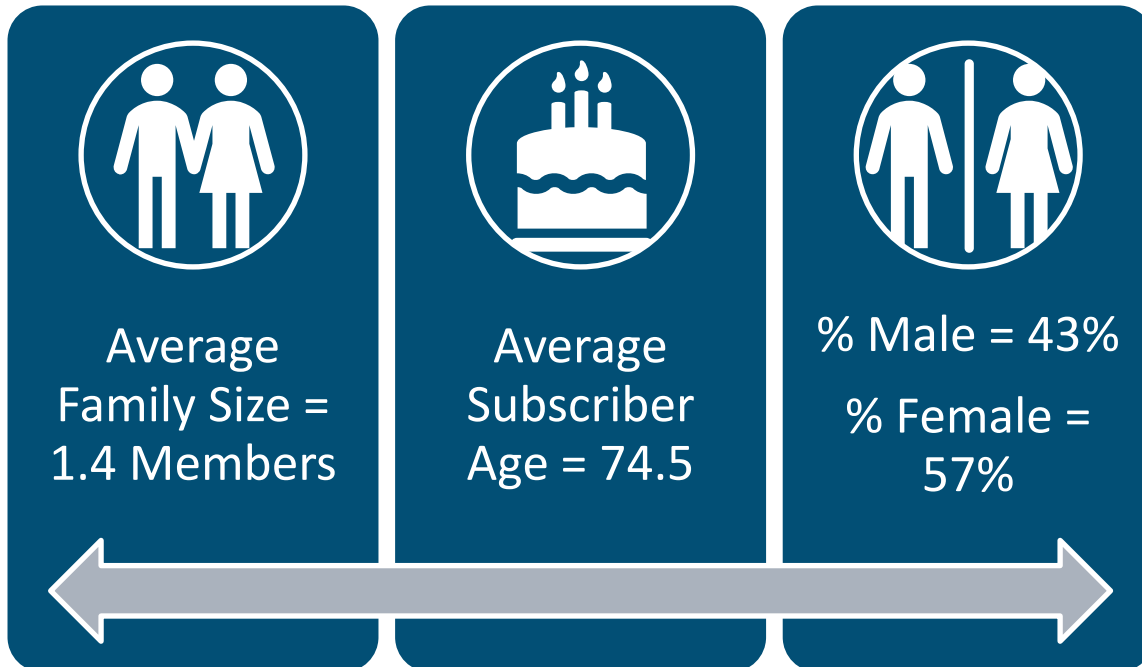
Enrollment & Demographics

The Medicare-age retiree population in the GHIP is smaller than the active and early retiree, but still a substantial number. In 2020, there were 36,611 members, an

increase of 2.75% over the prior year. Many more Medicare retirees maintained their service use in 2020, with 95% accessing benefits in 2020 (down only 1% from 2019).



Demographics for Medicare retirees are a little different, 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.



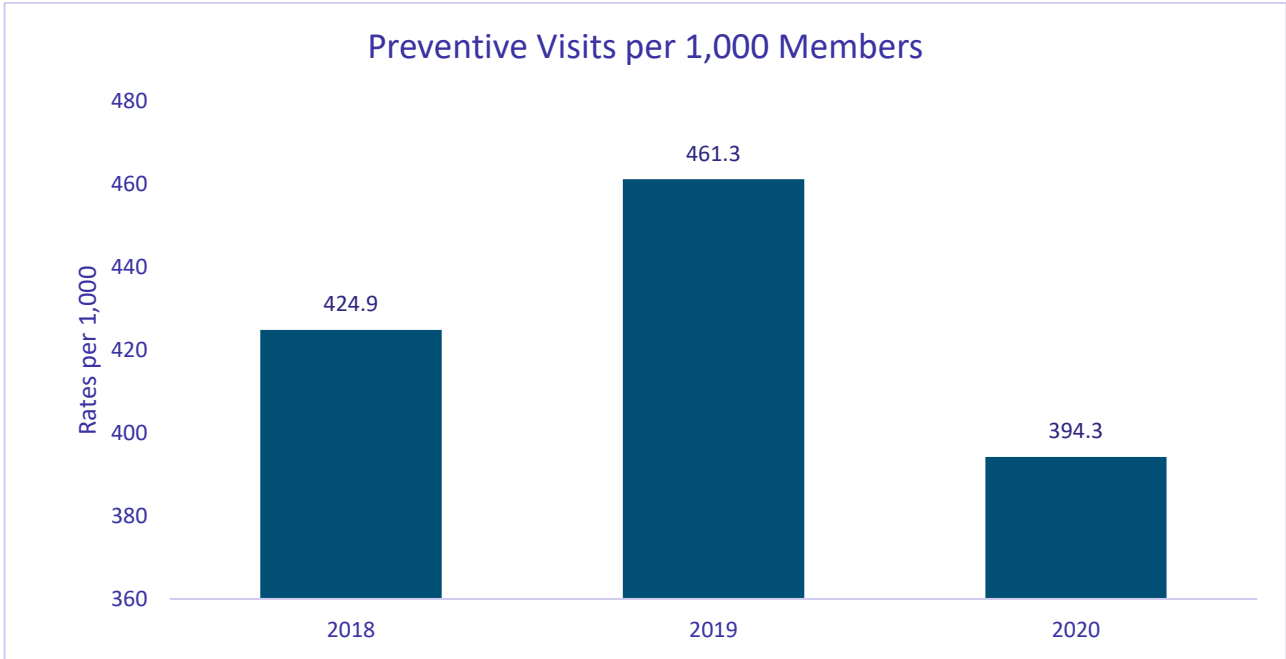
Benefits

Retirees in the GHIP who have Medicare can keep the same benefits they had when they were state employees, and even reduce their out-of-pocket 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 Trends

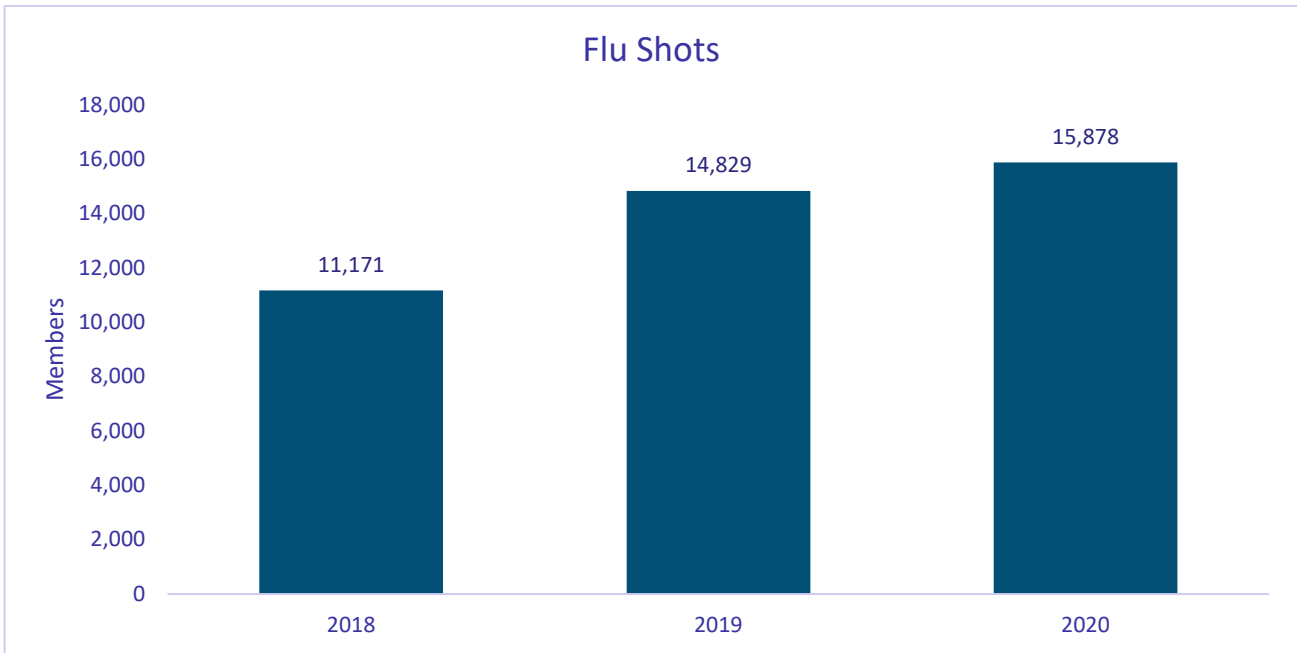
The Medicare-coordinated, Medicare Plus, and Medicare Advantage plans benefit from being able to share costs with Medicare in order to lower premiums and out-of-pocket expenses for retirees.

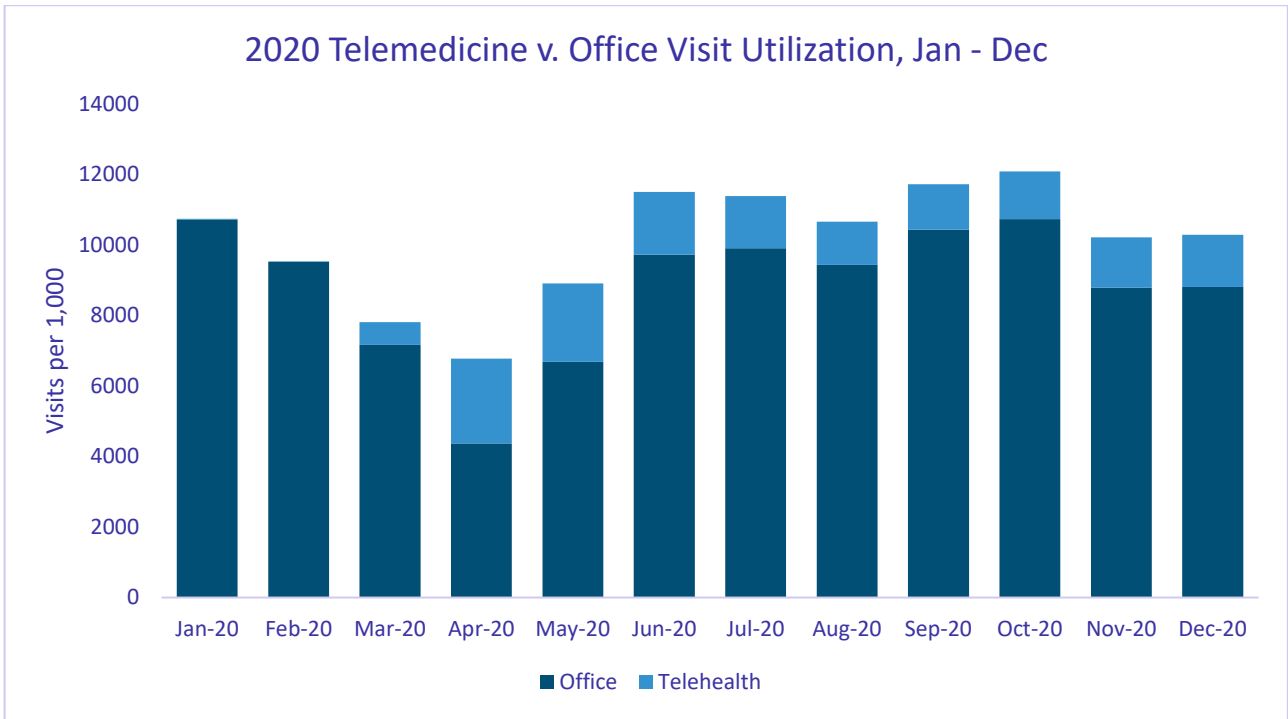
ETF tracks similar utilization patterns in preventive care, immunization, telehealth, and ER use for the Medicare population. Below are charts showing use per 1,000 members for 2018, 2019, and 2020.



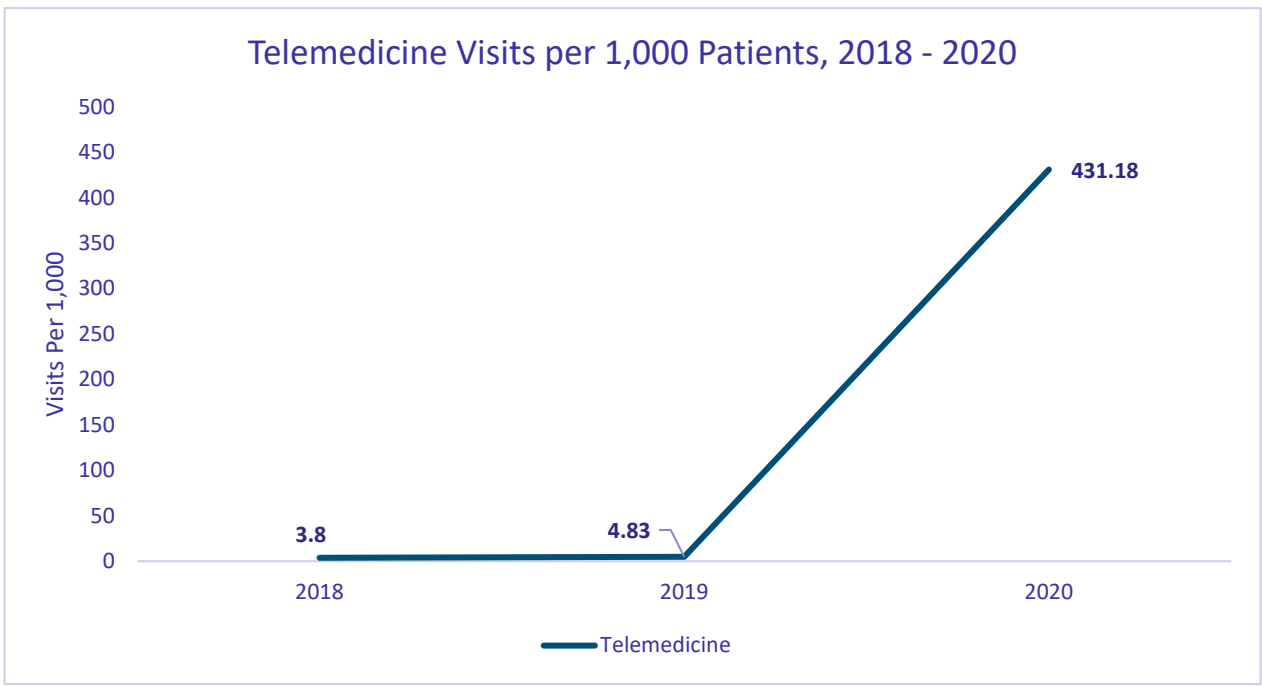
While Medicare retirees continued in general to access their benefits consistently in 2020, there was a sharp decline in preventive visits in 2020, as expected. It will be important to work with these members, many of whom have greater healthcare needs, to reinstate care.

In flu vaccines, Medicare retirees showed an increase in use between 2019 and 2020. This represented an increase of 14.71% over the prior year.

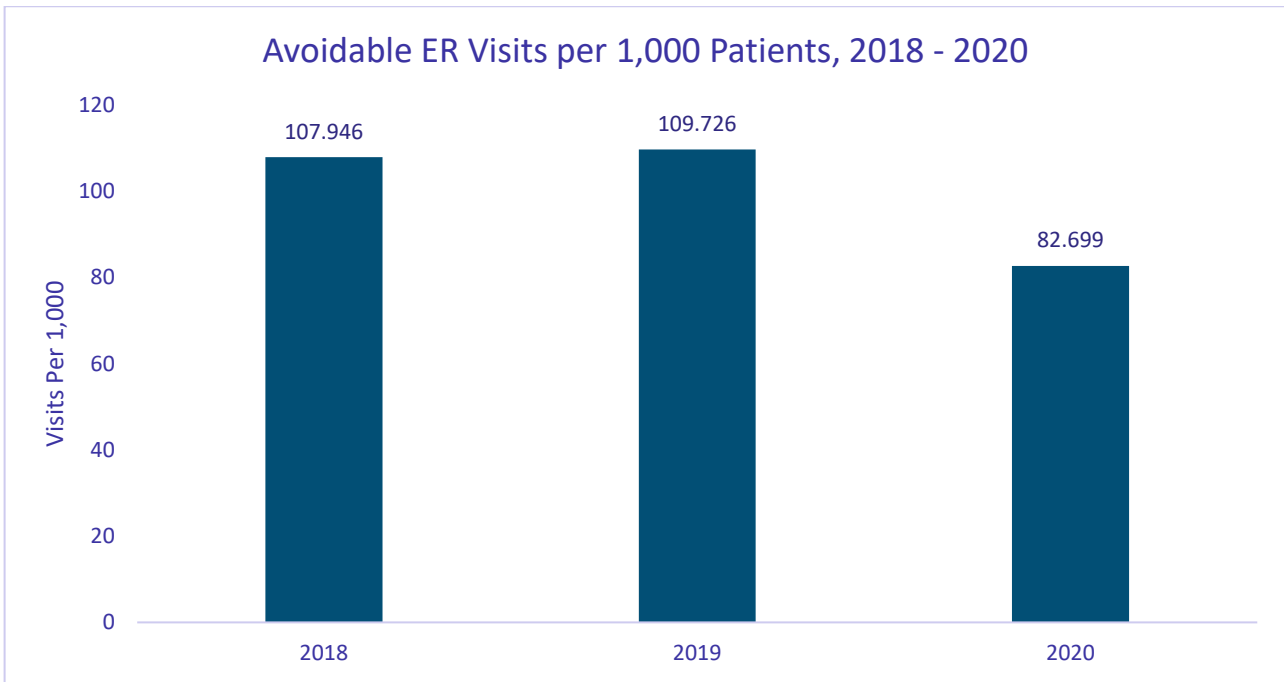




Similar to their active and early retiree counterparts, Medicare retirees saw drastic increases in their telemedicine use during 2020, as compared to prior years. In fact, Medicare retirees had significantly higher rates of use per 1,000 patients than their non-Medicare counterparts.

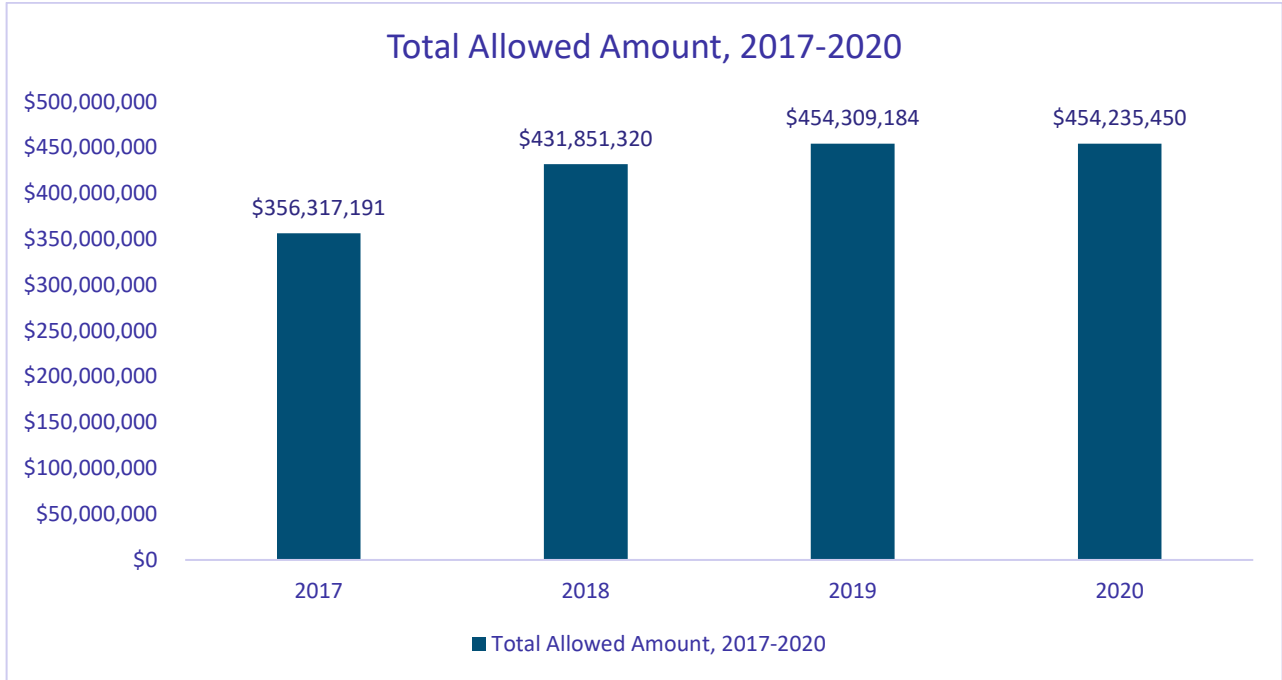


Lastly in ER use, the same change in classification of what is considered an avoidable visit affects the Medicare retiree group too, and in this case causes there to be a slight increase in avoidable ER visits from 2018 to 2019. Like the non-Medicare group, there is a substantial drop in avoidable ER visits per 1,000 members in 2020. This caused many people to seek other (sometimes virtual) sites of care.



Though allowed amount trends did increase slightly, there was a leveling-off of trends in 2020 (-0.2%), following an increase of 5.2% between 2018 and 2019². 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.

² Note: Numbers for 2018 and 2019 are different than those first appearing in the 2019 Annual Report; this is due to a change in the reporting time of the report and the resultant change in the paid claims reported to the DAISI Data Warehouse.



Changes in 2020

The most significant planned change for 2020 was the addition of bariatric surgery as a covered benefit for members. The Board approved adding coverage for members with body mass indices (BMIs) of 35 or greater, subject to plan medical management and approval criteria. However, due to the COVID-19 pandemic—as well as preparatory periods that members must undergo in some cases to qualify for bariatric surgery—there has not been significant use of this benefit. Future annual reports will look at the use and outcomes of these services.

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*:	207,195	33,253	240,448
Participants Who Used the Pharmacy Benefit:	150,216	33,286	183,502
Total Prescriptions Filled:	1,819,848	927,902	2,747,750
Total Cost (plan & participant):	\$246,358,620	\$132,262,537	\$378,621,157

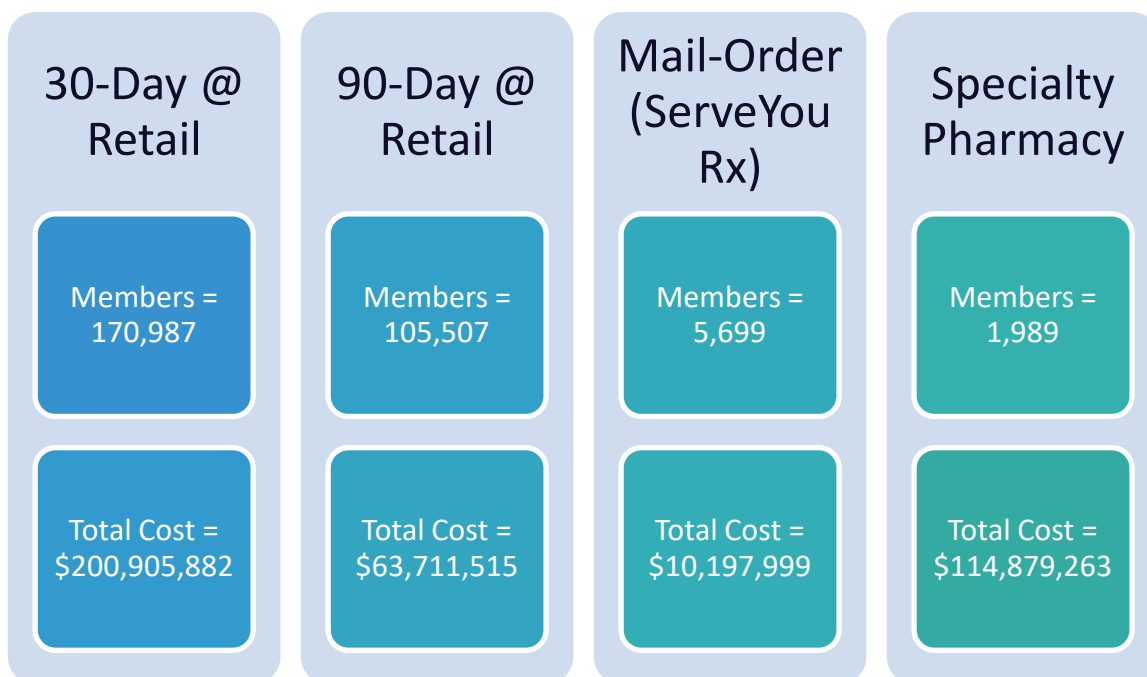
**The number of eligible participants is an average over the year, while the number of participants using the benefit is a total.*

Where Participants Get Prescriptions

Participants have several options for filling their prescriptions. The most common way is for a 30-day supply at a retail pharmacy, but they can also fill maintenance medications for 90 days at a retail pharmacy, or take advantage of Navitus' 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, and UW Specialty Pharmacy offers in-pharmacy pickup for members who prefer to go to a retail pharmacy.

Below is a breakdown of where participants filled their prescriptions in 2020:



Cost Trends

The 2020 plan paid per member per month cost was up just under \$8 over 2019, or an increase of 10.9%, for the non-Medicare program. This was mostly driven by price inflation and changes to the drugs members take. Only 2.4% of the increase was driven by increased utilization by members.

For members enrolled in Medicare, costs increased by approximately \$26 per month, or a similar 10.7% increase. This change was also primarily driven by price inflation and changes to the drugs members take. 2.6% of the increase was driven by utilization.

Changes in 2020

Starting January 1, 2020, non-Medicare members gained the ability to receive their vaccines at pharmacies; Medicare members have been able to receive vaccines through their pharmacy benefit for several years.

In the first year of the benefit change, 28,079 members received a vaccine from a pharmacy. The most common vaccine received from a pharmacy was the flu shot (25,312 vaccines), followed by the shingles vaccine (3,396). The total paid for these claims in 2020 was \$1.5M.

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 whether to add the low-cost UDB to their health insurance premiums. Local government employees and retirees whose employer chooses to offer UDB can opt in as well. Below is the total enrollment for the Uniform Dental Plan in 2020:



Primary Subscribers

94,174

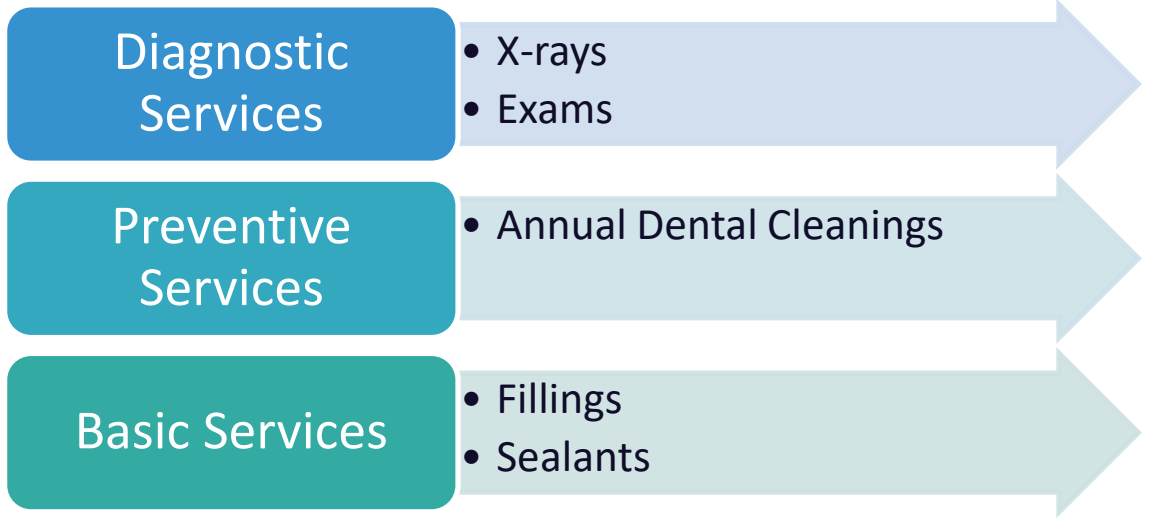


Total Membership

204,206

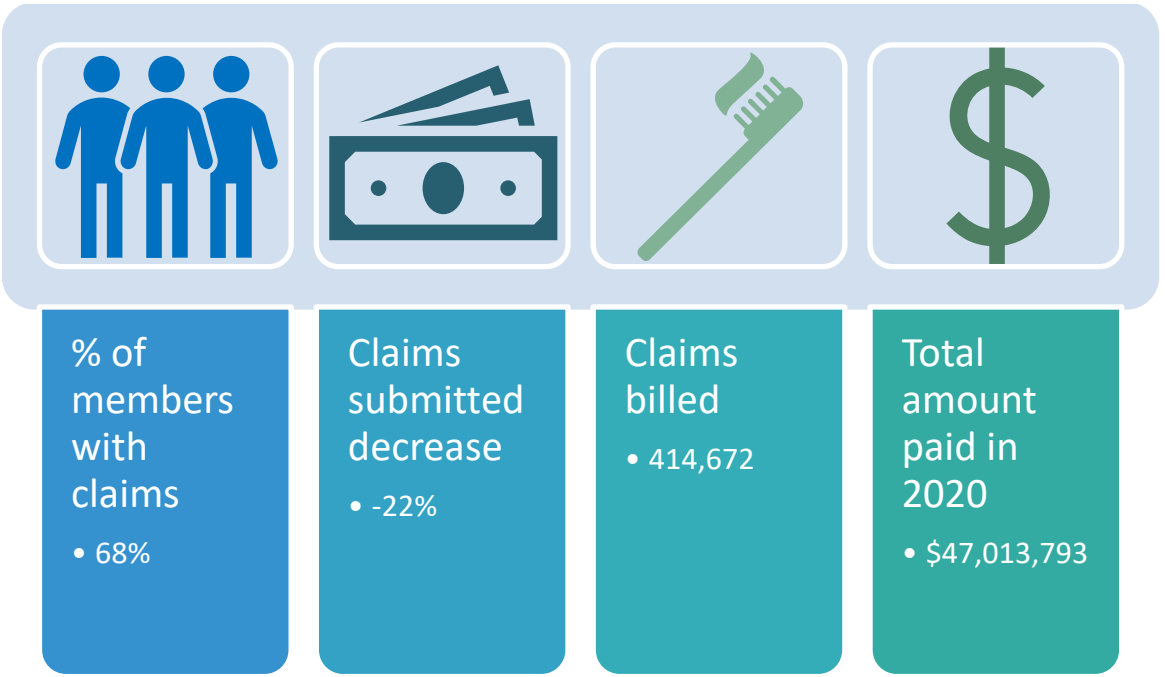
Features

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

68% of participants had at least one claim for dental services in 2020, down from 75.8% in 2019:



Well Wisconsin

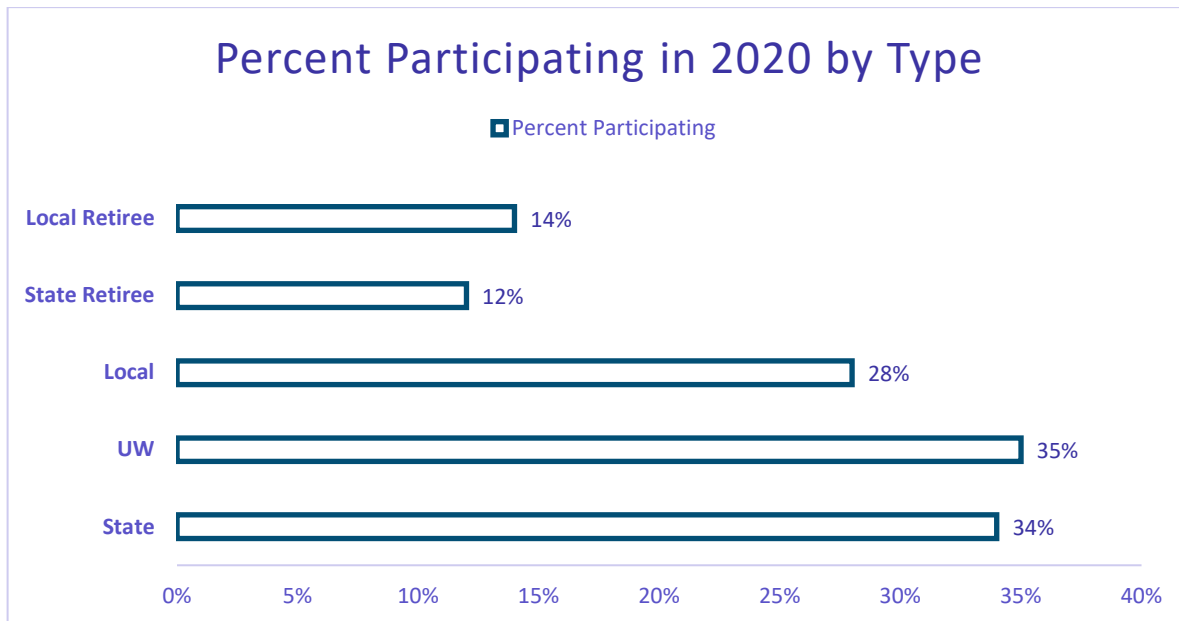
Well Wisconsin is designed to improve the health and well-being of employees and their spouses through education and activities that support a healthy lifestyle. Participants can earn a \$150 incentive each year by completing a health screening, a health assessment questionnaire, and a well-being activity. In 2020, the program added new options for the health screening,

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 shot clinics, an online portal, and educational materials, as well as communications and customer service support.

Incentive Participation

StayWell’s goal for overall participation in 2020 was 32% of eligible participants achieving the \$150 incentive payment; actual incentive participation was 25.6%. This is lower than the 2019 participation rate, attributed to the pandemic.

Participation varies by group and participation among groups remained the same in 2020:



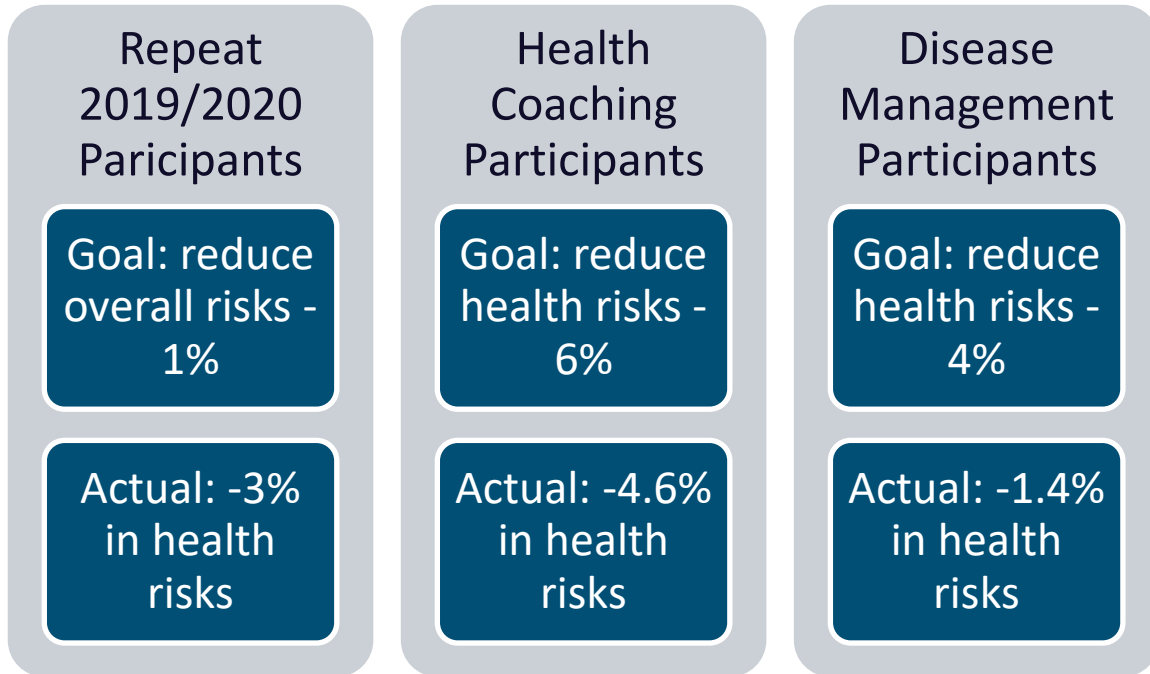
Program Satisfaction

The Well Wisconsin program continues to report high levels of satisfaction among those who participate in the program. The 2020 program goal was to reach and maintain a satisfaction rate of 90% in nearly all measured categories.



Health Outcomes and Risks

The main 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.



Risks improved across categories for 2020; Well Wisconsin exceeded its goal for repeat participants and made improvements across all other categories. There were some changes in the health risk assessment in each year, and ETF and StayWell are examining whether those changes had any impact on answers.

Culture of Wellness

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

In 2020, ETF:

- Supported 91 employer Wellness Champions designated by their agencies to work on agency wellness as a part of their regular work duties, an increase from 77 in 2019.
- Supported 19,589 participants, who found ways to engage despite the pandemic.
- Added large local government employers to the annual wellness grant opportunity.

-
- Sponsored attendance for 76 Wellness Champions at the annual Wellness Council of Wisconsin conference, up from 59 in 2019.
 - Sponsored 25 employer memberships to the Wellness Council of America and the Wellness Council of Wisconsin, up from 16 in 2019.

ETF and StayWell will continue to leverage existing channels to communicate with all employers more regularly throughout the year regarding wellness opportunities and will design wellness competitions that are easy to implement at employer sites.

Supplemental Benefits

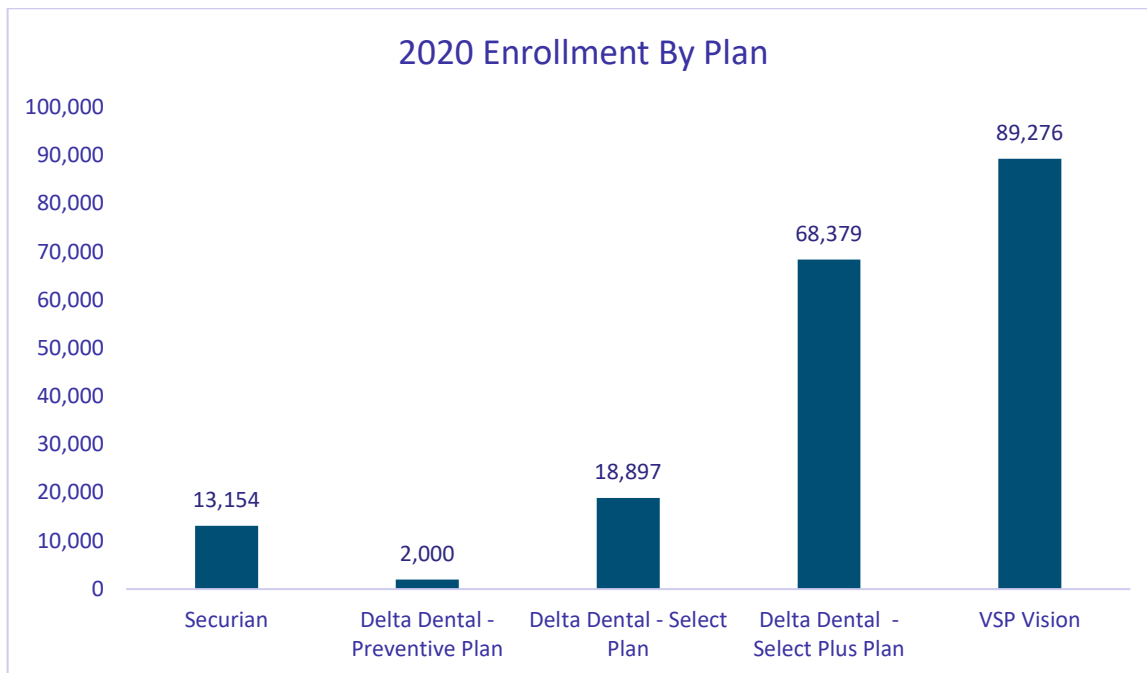
Supplemental benefit programs are paid for in full by the employees and retirees who elect to participate. 2020 brought new opportunities for local government employers to enroll their employees in the supplemental dental plans. The Board also added an additional supplemental dental plan through Delta Dental, which provides similar benefits to Uniform Dental for employees who are not GHIP medical benefit members.

Participation

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

- Securian: Accident Plan
- 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 2020 for subscribers and dependents. In all products, there was an increase in enrollment over 2019.



Vision Plan

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

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

Accident Plan

In 2020, Securian became the new vendor for the Accident Plan, which takes the place of the Accidental Death & Dismemberment (AD&D) plan offered by Zurich in prior years. The benefit expands the range of injuries that a member can be reimbursed for. Retired or former employees can keep their plan until age 70 if they choose. The benefit was well-received in its first year, though some members were concerned that the benefit maximums weren't as high as the former AD&D plan. However, across the board, members were positive about the affordability of the new plan, and enrollment over the prior product nearly doubled.

Long-Term Care Insurance

LTC insurance was provided by Mutual of Omaha through a local broker, HealthChoice. Coverage in 2020 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 to provide peace of mind. 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 2020 varied over 2019, with some segments increasing while others decreased:

Basic Plan

- State = 86,425, +1.2% from 2019
- Local = 123,676, +0.3% from 2019

Supplemental Plan

- State = 39,629 Members, -0.2% change from 2019
- Local = 28,837 Members, +0.3% from 2019

Additional Plan

- State = 27,348 Members, +0.7% from 2019
- Local = 35,843 Members, -1.4% from 2019

Spouse & Dependent Plan

- State = 23,609, +1.2% from 2019
- Local = 31,946, -1.9% from 2019

Average Age in 2020

The average member age in 2020 was 49.6 among state participants and 48 among local participants, which was nearly identical to 2019.

Claims Costs in 2020

2,976 claims were paid in 2020. The total amount paid out by the Life Insurance benefit in 2020 was \$77,214,546. 99.76% of claims were paid within 10 calendar days of receiving the claim.

Average Age of Death

- 75 years

Gender Mix of Members

- Male = 46%
- Female = 54%

Gender Mix of Claims Paid

- Male = 60%
- Female = 40%

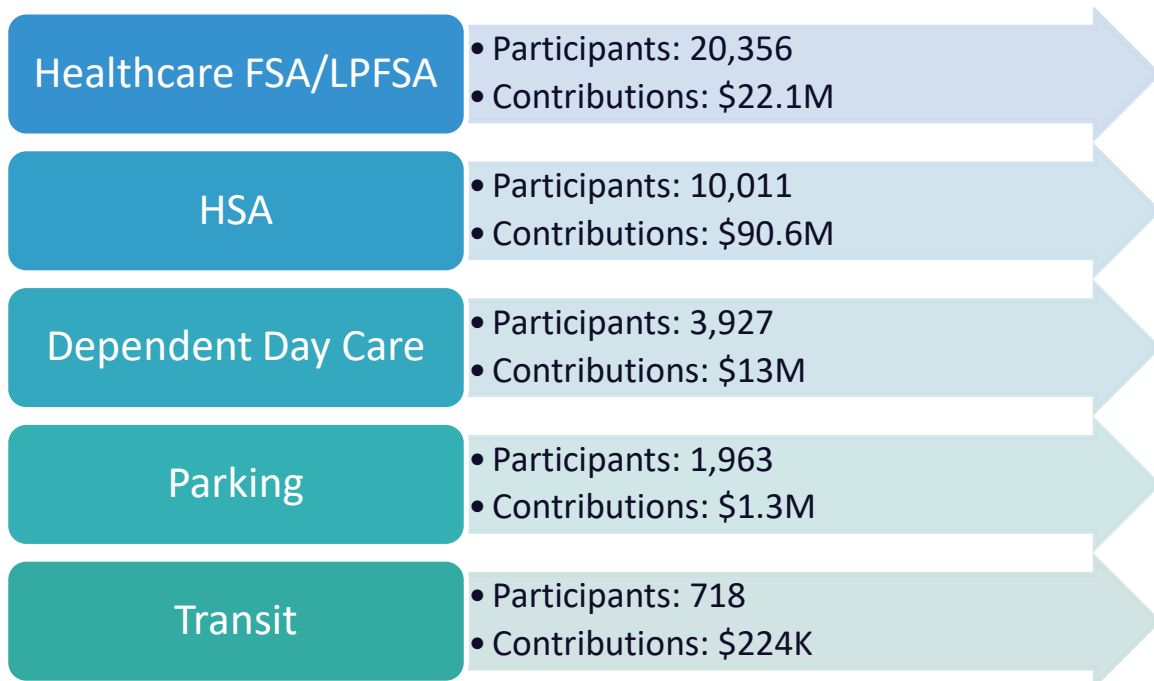
Health Savings & Employee Reimbursement Accounts

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) product. Employee reimbursement accounts (ERA) include flexible spending accounts (FSA), limited-purpose flexible spending accounts (LPFSA), parking & transit accounts, and dependent daycare accounts.

2020 was the first year that these programs were administered by ConnectYourCare. Following a successful transition, members and employers reported high levels of satisfaction with the new vendor and its portal products.

Participation & Contributions

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

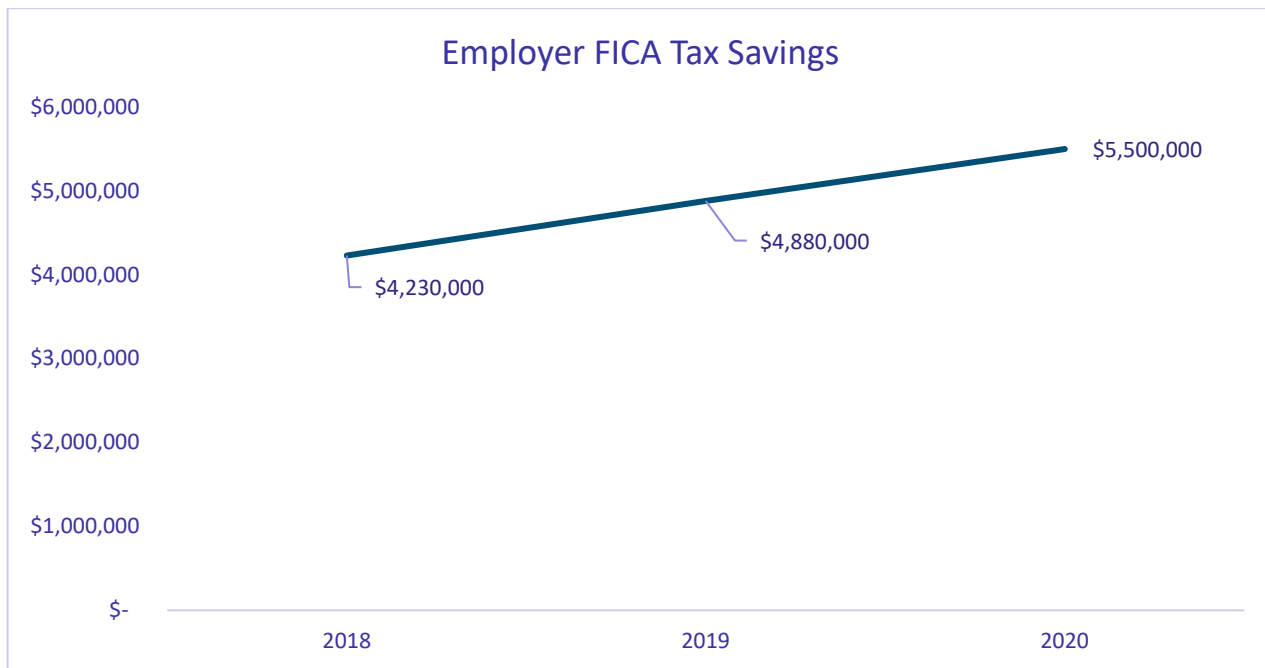


Despite the pandemic, enrollment across programs increased 3.2%, and the amount of money contributed increased 103%. Employees are estimated to have saved \$21.6 million in taxes during 2020, an increase of 13% over the prior year.

Employer Tax Savings

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

The chart below shows employer tax savings over the past three years.



At the beginning of 2020, ETF expected programs to achieve 7.5% total increase in tax savings for both employers and employees enrolled in the programs; the actual estimated increase in savings was closer to 13%.

Conclusion & 2021 Preview

The GHIP demonstrated extraordinary value in 2020 for members as they faced uncertainty and untold stressors. The Board and ETF look forward to continuing to maintain quality and services that support public employees.

Looking ahead to 2021, ETF will be able to share more information on:

- Wellness programming
- Continued supplemental benefits expansion
- COVID-19 and benefits access
- Group Insurance Board strategic initiatives

Questions regarding this report can be sent to:

ETFSMInsuranceSubmit@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.

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