

High Deductible Health Plan Product Strategy

Item 9B – Group Insurance Board

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Informational item only

No Board action is required

Legislative & Regulatory Review

- State Law
 - Requires the Board offer a HSA-qualified HDHP
 - Limits services that can be added to the plan
- Federal Law (Internal Revenue Code)
 - Minimum deductible amounts
 - Limits other services payable before deductible
 - Allows chronic care pre-deductible

Additional Limits & Interpretations

- Board-sponsored HSA only available to state employees
- “Dual enrollment requirement” for state employees
 - May inadvertently limit overall HDHP enrollment

Employer HDHPs in Other States

States for Comparison

California

1

Illinois

2

Minnesota

3

Michigan

4

North
Carolina

5

Wisconsin vs. California



State	Wisconsin
Offers HDHP	Yes
Annual Medical Deductibles Individual /Family	\$1,500 / \$3,000
Annual Medical Out-of-Pocket Limit (OOPL) Individual /Family	\$2,500 / \$5,000
HSA Employer Contributions Individual /Family	\$750 / \$1,500

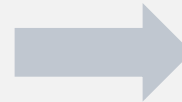


State	California
Offers HDHP	No
Annual Medical Deductibles Individual /Family	Not Applicable
Annual Medical Out-of-Pocket Limit (OOPL) Individual /Family	Not Applicable
HSA Employer Contributions Individual /Family	Not Applicable

Wisconsin vs. Illinois



State	Wisconsin
Offers HDHP	Yes
Annual Medical Deductibles Individual /Family	\$1,500 / \$3,000
Annual Medical Out-of-Pocket Limit (OOPL) Individual /Family	\$2,500 / \$5,000
HSA Employer Contributions Individual /Family	\$750 / \$1,500



State	Illinois
Offers HDHP	Yes
Annual Medical Deductibles Individual /Family	\$1,500 / \$3,000
Annual Medical Out-of-Pocket Limit (OOPL) Individual /Family	\$3,000 / \$6,000
HSA Employer Contributions Individual /Family	\$500 / \$1,000

Wisconsin vs. Minnesota



State	Wisconsin
Offers HDHP	Yes
Annual Medical Deductibles Individual /Family	\$1,500 / \$3,000
Annual Medical Out-of-Pocket Limit (OOPL) Individual /Family	\$2,500 / \$5,000
HSA Employer Contributions Individual /Family	\$750 / \$1,500



State	Minnesota
Offers HDHP	Yes
Annual Medical Deductibles Individual /Family	\$1,500 / \$3,000
Annual Medical Out-of-Pocket Limit (OOPL) Individual /Family	\$3,600 / \$7,200
HSA Employer Contributions Individual /Family	\$500 / \$1,000

Wisconsin vs. Michigan



State	Wisconsin
Offers HDHP	Yes
Annual Medical Deductibles Individual /Family	\$1,500 / \$3,000
Annual Medical Out-of-Pocket Limit (OOPL) Individual /Family	\$2,500 / \$5,000
HSA Employer Contributions Individual /Family	\$750 / \$1,500

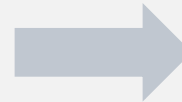


State	Michigan
Offers HDHP	Yes
Annual Medical Deductibles Individual /Family	\$1,500 /\$3,000 in-network \$3,000 /\$6,000 out-of-network
Annual Medical Out-of-Pocket Limit (OOPL) Individual /Family	\$4,000 /\$8,0000 in-network \$8,000 /\$16,000 out-of-network
HSA Employer Contributions Individual /Family	\$750 / \$1,500

Wisconsin vs. North Carolina

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State	Wisconsin
Offers HDHP	Yes
Annual Medical Deductibles Individual /Family	\$1,500 / \$3,000
Annual Medical Out-of-Pocket Limit (OOPL) Individual /Family	\$2,500 / \$5,000
HSA Employer Contributions Individual /Family	\$750 / \$1,500



State	North Carolina
Offers HDHP	Yes
Annual Medical Deductibles Individual /Family	\$5,000 /\$10,000 in-network \$10,000 /\$20,000 out-of-network
Annual Medical Out-of-Pocket Limit (OOPL) Individual /Family	\$6,540 /\$12,900 in-network \$12,900 /\$25,800 out-of-network
HSA Employer Contributions Individual /Family	Not Applicable / HSA is not required with the HDHP

HSA Use in the Market

Average Contributions in HSA Market

- A survey of the top 100 providers in the HSA market was completed by Devenir


HSA Contributions	Average
Employee Contribution	\$1,184
Employer Contribution	\$658

State	Wisconsin
HSA Contribution Limits (2021) Individual /Family	\$3,600 / \$7,200
HSA Employer Contributions Individual /Family	\$750 / \$1,500

New HSA Accounts

- Health plan and employer referrals accounted for 78% of new HSA accounts

New Accounts Attributed to Various Partnerships in 2021 YTD	Percentage (%)
Health Plan Referrals	41%
Direct Employer Referrals	37%
Insurance Agent Referrals	8%
Administrator / TPA Referral	5%
Other	1%



Considerations

HDHP Demographics

- Only 12.7% of members are in an HDHP (up from 11.7% in 2020)
- HDHP members tend to be younger on average than IYC Health Plan members
- HDHP members are more likely to choose individual v. family coverage

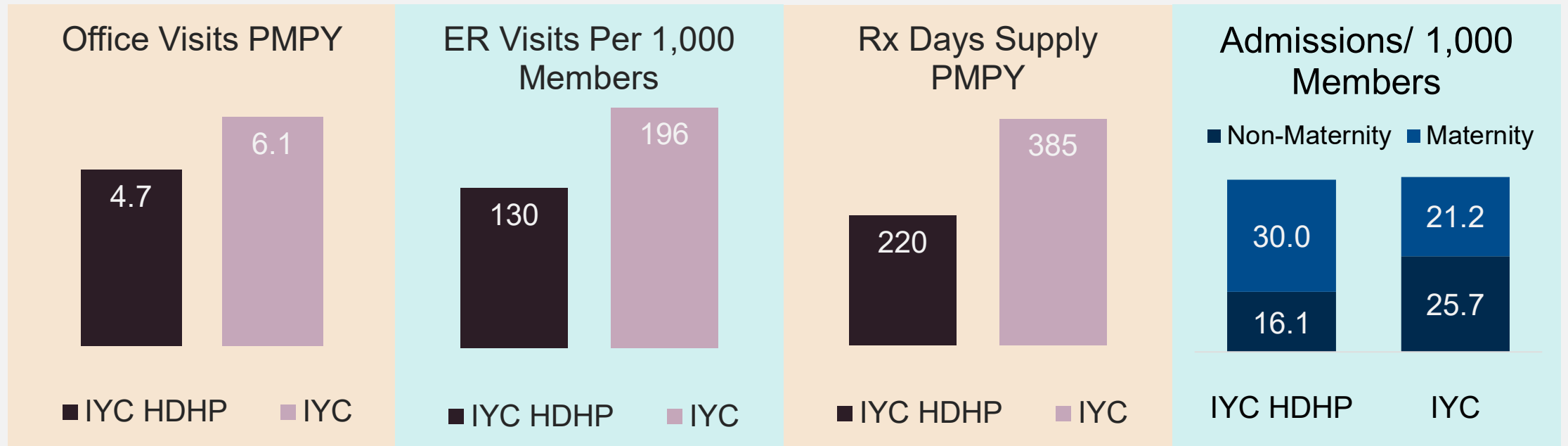
Plan Migration Trends

- Less than 2% of members switched plan designs in 2021

2021 Plan Selection	2021 Plan Design Selection				
		IYC	IYC HDHP	Access	Access HDHP
	IYC	99.3%	8.7%	16.2%	11.2%
	IYC HDHP	0.6%	91.0%	0.6%	19.1%
	Access	0.1%	0.1%	82.5%	4.1%
	Access HDHP	0.0%	0.2%	0.7%	65.6%
	Total	100%	100%	100%	100%

Analysis by IBM Watson Health

HDHP Service Utilization



Analysis by IBM Watson Health

Stakeholder Input Strategy

- Internal Stakeholders

- Employer Services Section
- Contact Management Center
- Member Services Bureau

- External Stakeholders

- Health Plans
- State Employers
- Local Government Employers
- Optum
- Navitus

Options to Consider

Allow local employers to offer multiple program options

Allow local employers to participate in HSA

Change dual enrollment requirement

Create more education around HDHP/HSA option

“Evergreen” HSA enrollment

Not Under Consideration

HSA funding policy

- Not within the scope of Board authority

Chronic condition coverage pre-deductible

- Not required, only allowed, by federal law
- Change would either increase program premiums or require higher deductibles



Questions?