



STATE OF WISCONSIN
Department of Employee Trust Funds
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Correspondence Memorandum

Date: July 25, 2023
To: Group Insurance Board
From: Tarna Hunter, Government Relations Director
 Office of the Secretary
Subject: 2023–2025 Biennial Budget and Legislative Update

This memo is for informational purposes only. No Board action is required.

2023–2025 Biennial Budget

On June 5, 2023, Governor Evers signed the 2023-2025 State Budget ([2023 Act 19](#)) into law. Upon initial review, a number of provisions affecting the Department of Employee Trust Funds (ETF) and/or Wisconsin Retirement System (WRS) benefit programs have been identified. Overall, this was a successful budget for ETF. Staff are continuing to analyze the bill and will provide additional information as warranted. Some of the highlights include:

- **Modernization-Related Ongoing IT Expenses** – Provides 7.0 FTE (4.0 permanent and 3.0 project positions) and a permanent increase to base funding of \$3.6 million in FY 2024 and \$8.1 million in FY 2025 to support increases for ongoing operational IT expenses associated with the Insurance Administration System (IAS), data management and consulting/contractor costs related to replacing outdated legacy IT systems.
 - Note: Because of veto concerns, the Legislature removed the provision that specified ETF may request positions and funding for modernization through the passive review process. The Legislature is supportive of ETF’s modernization needs and ETF will still be able to use another legislative venue (through the s. 13.10 process) to request positions and funding for modernization.
- **Critical Customer Service Functions** – Provides 5.0 FTE Trust Funds Specialists to maintain basic, critical customer service functions for members and employers related to significant increases in the member and employer populations that ETF serves.

Pamela L Henning

Reviewed and approved by Pam Henning, Assistant Deputy Secretary
 Electronically Signed 07/25/2023

Board	Mtg Date	Item #
GIB	07.26.23	2

- **Mandatory LAB Actuarial Audit** – Provides one-time funding of \$17,000 SEG in FY 2024 and \$174,000 SEG in FY 2025 to contract with the Legislative Audit Bureau (LAB) for the actuarial audit of the Wisconsin Retirement System that is statutorily required at least once every five years and for actuarial services related to performing a Governmental Accounting Standards Board valuation audit related to the retiree life insurance and sick leave programs.

Other State Legislation

[2023 SB 63](#) and [2023 AB 62](#) allow insured individuals to choose whether they would like their insurer to pay their dental care provider directly or pay the bill themselves and be reimbursed by the insurer.

2023 SB 63 was introduced by Sen. Stroebel and referred to the Senate Committee on Insurance and Small Business. 2023 AB 62 was introduced by Rep. Brooks and referred to the Assembly Committee on Insurance.

[2023 SB 100](#) and [2023 AB 103](#) require health insurance policies that offer prescription drug benefits to apply amounts paid by or on behalf of an individual covered under the policy or plan for brand name prescription drugs to any cost-sharing requirement or to any calculation of an out-of-pocket maximum amount of the policy or plan.

2023 SB 100 was introduced by Sen. Jacque and referred to the Senate Committee on Insurance and Small Business. 2023 AB 103 was introduced by Rep. Tittl and referred to the Assembly Committee on Health, Aging and Long-Term Care.

ETF met with the sponsoring legislative offices of 2023 SB 100 and 2023 AB 103 and will work with the offices to modify language to exempt the GHIP from the bill if the GIB approves implementing the Access Guidance Service Program.

[2023 SB 121](#) and [2023 AB 117](#) require health insurance policies to provide coverage for supplemental breast screening examinations or diagnostic breast examinations for an individual who is at increased risk of breast cancer. Additionally, health insurance policies may not charge a cost-sharing amount for a supplemental breast screening examination or diagnostic breast examination.

2023 SB 121 was introduced by Sen. Cabral-Guevara and referred to the Senate Committee on Health. 2023 AB 117 was introduced by Rep. Gustafson and referred to the Assembly Committee on Health, Aging and Long-Term Care.

On July 12, 2023, the Senate Committee on Health held a public hearing on 2023 SB 121.

[2023 SB 152](#) and [2023 AB 159](#) include the following requirements and limitations on health insurance coverage in the event the federal Patient Protection and Affordable Care Act no longer preempts state law on the topic:

- Health plans must accept every individual in this state who applies for coverage, regardless of whether any individual or employee has a preexisting condition.
- A health plan offered on the individual or small employer market or a self-insured governmental health plan may not vary premium rates for a specific plan on any basis except age, tobacco use, area in the state, and whether the plan covers an individual or a family.
- A health benefit plan or a self-insured governmental health plan may not impose a preexisting condition exclusion.
- A health benefit plan or a self-insured governmental health plan is prohibited from imposing an annual or lifetime limit on the dollar value of benefits under the plan.
- The Affordable Care Act exempts certain plans from complying with the act's provisions. Similarly, any health benefit plan that is exempt from a provision of the Affordable Care Act is exempt from complying with the corresponding provision of this bill.

2023 SB 152 was introduced by Sen. Jacque and referred to the Senate Committee on Insurance and Small Business. 2023 AB 159 was introduced by Rep. Magnafici and referred to the Assembly Committee on Insurance.

[2023 SB 341](#) and [2023 AB 340](#) require health insurance plans to cover maternity and newborn care, as specified by the commissioner of insurance by rule. The bill specifies a list of requirements that the commissioner must follow when establishing the maternity and newborn care benefit, including certain limitations on cost sharing.

2023 SB 341 was introduced by Sen. Roys and referred to the Senate Committee on Insurance and Small Business. 2023 AB 340 was introduced by Rep. Vining and referred to the Assembly Committee on Health, Aging and Long-Term Care.

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