From:	
То:	ETF SMB Board Feedback
Subject:	HSA Employer Contribution
Date:	Friday, September 22, 2023 9:37:21 AM

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Good Morning,

In light of the announcement of increased monthly premiums for both employers and employees under the traditional health insurance plans, and the increased deductible for High Deductible plans, I'm wondering if the Board discussed increasing the Employer HSA contribution? It has remained the same for a decade, with record inflation essentially resulting in a decreased contribution by the Employer the last several years.

Thank you for any information you can provide.

Kaylee Herfel





## STATE OF WISCONSIN Department of Employee Trust Funds A. John Voelker

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

November 8, 2023

Kaylee Herfel

Dear Kaylee Herfel:

Thank you for your email to the Department of Employee Trust Funds (ETF) regarding the increase Health Savings Account (HSA) employer contribution. We have provided some information on the determination of the HSA employer contribution below. After your review, if you find you still have questions, please feel free to contact me using the details at the end of this response.

In your inquiry, you asked if the Group Insurance Board (Board) has considered increasing the annual HSA employer contribution for the 2024 plan year due to inflation and the increase in the deductible for the high-deductible health plan (HDHP). Unfortunately, the Board does not have the authority to set the HSA employer contribution.

By Wis. Stat. § 40.515, the Department of Administration (DOA), Division of Personnel Management (DPM) determines and sets the HSA employer contribution each year. Please see underlined section (emphasis mine) of the excerpt below:

40.515 Health savings accounts; high-deductible health plan.

(1) In addition to the health care coverage plans offered under s. 40.51 (6), beginning on January 1, 2015, the group insurance board shall offer to all state employees the option of receiving health care coverage through a high-deductible health plan and the establishment of a health savings account. Under this option, each employee shall receive health care coverage through a high-deductible health plan. <u>The state shall make contributions into each employee's health savings account in an amount specified by the administrator of the division of personnel management in the department of administration under s. 40.05 (4) (ah) 4. In designing a high-deductible health plan, the group insurance board shall ensure that the plan may be used in conjunction with a health savings account.</u>

Kaylee Herfel November 8, 2023 Page 2

For the 2024 plan year, the HSA employer contribution will remain at \$750 for individual coverage and \$1,500 for family coverage. For more information, see the classification & compensation bulletin from DPM, which can be found here: <u>DPM-0603-CC</u>.

Thank you again for taking the time to share your feedback. If you have additional questions that were not addressed in this response, please feel free to reach out to me using the information in my signature below.

Sincerely,

Xiong Vang, HSA & ERA Accounts Program Manager Office of Strategic Health Policy Department of Employee Trust Funds <u>Xiong2.Vang@etf.wi.gov</u> (608) 266-5875