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Correspondence Memorandum

Date: January 31, 2024

To: Group Insurance Board

From: Alene J. Kleczek, Director
 Employer 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.

There are 1,639 local employers who participate in the Wisconsin Retirement System (WRS) and are eligible to participate in the Department of Employee Trust Funds' (ETF's) insurance programs. Of those, 926 local employers participate in one or more insurance programs.

Annually, ETF provides the Group Insurance Board (Board) with an update of local government employers that have either joined or withdrawn participation in the Wisconsin Public Employers Group Health Insurance Program (WPE GHIP) and the Income Continuation Insurance Plan (ICI) only. This is a subset of the insurance programs that the Board oversees. For example, 756 employers offer life insurance. These employers currently interact directly with ETF's third-party administrator for this benefit. Some of these employers may offer only life insurance and are not reflected in this memo.

As part of the implementation of the Insurance Administration System (IAS) and reporting enhancements, we are improving reporting of local employer activities which will be reflected in future memos once available.

The information below gives an opportunity to review the popularity of the health program options, evaluate the effectiveness of the four local program options, and understand the growth opportunities based on employer categories, such as school districts and counties.

Reviewed and approved by Anne Boudreau, Deputy Administrator, Division of Retirement Services
 Electronically Signed 02/16/2024

Board	Mtg Date	Item #
GIB	02.21.24	10J

Table 1. PARTICIPATION IN THE WPE GHIP AND LOCAL ICI PLANS AS OF JAN 1, 2024

As of	Employer Participation	Annual Percent Change
January 2020	379 employers	-
January 2021	395 employers	+4.22%
January 2022	410 employers	+3.79%
January 2023	429 employers	+4.63%
January 2024	441 employers	+2.80%

Activity for the WPE GHIP program in 2023 through Jan. 1, 2024, included:

- 70 employers inquired about participating in the WPE GHIP.
 - Nine employers, with 50 or more employees, were large enough to be required to complete the underwriting process.¹ Of these, eight employers completed underwriting and five joined the WPE GHIP.
 - 61 employers, with 49 or fewer employees, were not required to complete the underwriting process. Of these, 11 employers joined the WPE GHIP.
- Overall, 16 employers joined the WPE GHIP and 54 chose not to participate.
- Three employers withdrew from the WPE GHIP effective Dec. 31, 2023.

WPE GHIP has four plan designs (program options), each with a dental and non-dental version. Table 2 shows a summary of the number of new employers and employers who changed benefits or withdrew between Jan. 2, 2023, and Jan. 1, 2024.

Table 2. PARTICIPATION IN WPE GHIP OPTIONS AS OF JAN 1, 2024

Description	Local Traditional Plan		Local Deductible Plan		Local Co-Insurance 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 as of Jan 1, 2023	133	108	68	70	11	5	20	16	431*
Employers joining WPE GHIP and selecting this option in 2023	4	2	3	2	0	1	1	3	16

¹ Underwriting requirements are stipulated in the Wisconsin Public Employer Underwriting and Surcharge Policy effective Jul. 1, 2018. See the [May 16, 2018, board memo](#) for details.

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Description	Local Traditional Plan		Local Deductible Plan		Local Co-Insurance 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 in WPE GHIP switching to this option as of Jan 1, 2024	2	0	2	2	1	0	1		9
Employers withdrawing from WPE GHIP or switching from this option as of Dec 31, 2023	0	-2	-2	-2	0	-2	-1	-3	-12
Employers enrolled as of Jan 1, 2024	139	108	71	74	12	3	21	17	445*

* 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. Four employers enrolled in two program options as of Jan. 1, 2024.

Table 3 shows the employer participation totals from 2020 to 2024.

Table 3. PARTICIPATION IN WPE GHIP OPTIONS

As of	Local Traditional Plan (P02/P12)	Local Deductible Plan (P04/P14)	Local Co-Insurance Plan (P06/P16)	Local High Deductible Health Plan (P07/P17)
January 2020	234	115	13	19
January 2021	236	121	15	25
January 2022	238	131	16	27
January 2023	241	138	16	36
January 2024	247	145	15	38

The local ICI program continues to see growth, with 40 new employers joining in 2023. Like the WPE GHIP, the ICI program tends to attract smaller employers. No employer filed a resolution to withdraw from the ICI program in 2023.

Table 4. PARTICIPATION IN WPE GHIP AND ICI PLANS AS OF JAN 1, 2024

Category	WPE GHIP Plan	ICI Plan
New Employers (Jan 2, 2023 – Jan 1, 2024)	16	21
Employers Terminating in 2023	3	0
Participating Cities	65	68
Participating Villages	132	90
Participating School Districts	9	0
Participating Special Districts	122	105
Participating Towns	98	48
Participating Counties	13	17
Total Employers	441	349

A 2019 audit of the local WRS employers participating in the ICI program revealed that 84.2% of their employees enrolled in ICI. Using that same calculation, of the total 349 local WRS employers currently participating in the ICI program (approximately 13,222 employees), 11,133 employees are projected to have ICI coverage.

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