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Department of Employee Trust Funds
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Correspondence Memorandum

Date: August 11, 2025
To: Group Insurance Board
From: Tarna Hunter, Director
Office of Budget and Management
Subject: Legislative Update and 2025-2027 Biennial Budget Update

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

2025-2027 Biennial Budget

On June 3, 2025, Governor Evers signed the 2025-2027 State Budget ([2025 Act 15](#)) into law. Upon review of the budget bill, we have identified a number of provisions affecting the Department of Employee Trust Funds (ETF) and/or its benefit programs. Some of the highlights include:

- **General Wage Adjustments** – Provides general wage adjustments for most state employees of 3% on July 1, 2025, and an additional 2% on July 1, 2026.
- **Full Funding of Salary and Fringe Benefits** – Continues full funding of ETF's current operations. The proposed ETF 2025-27 budget consists of an overall funding increase of approximately 55%.
- **Pension Administration Replacement Project** – Provides one-time funding of \$71,000,000 to support the replacement of ETF's antiquated Pension Administration System.
- **Vacant Position** – Deletes 1.0 FTE Trust Fund Specialist position that has been vacant for more than 12 months.

Pamela L Henning

Reviewed and approved by Pam Henning, Assistant Deputy Secretary
Electronically Signed 08/11/2025

Board	Mtg Date	Item #
GIB	08.13.25	9G

Other State Legislation

[**2025 SB 174**](#) and [**2025 AB 184**](#) 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.

2025 SB 174 was introduced by Sen. Jacque and referred to the Senate Committee on Insurance, Housing, Rural Issues and Forestry. 2025 AB 184 was introduced by Rep. Franklin and referred to the Assembly Committee on Insurance.

[**2025 SB 203**](#) and [**2025 AB 173**](#) include the following provisions related to the regulation of pharmacy benefit managers (PBM) and their interactions with pharmacies and pharmacists which may impact the Group Health Insurance Program:

- Changes to the regulation of prescription drug charges and choice of providers.
- Provides that a PBM owes a fiduciary duty to a health plan.
- Changes with respect to drug formularies, including limiting changes and providing more transparency.
- Restricts the PBM from collecting fees from pharmacies.
- Provides pharmacies may join preferred or non-preferred networks.
- Restricts requiring the use of mail order pharmacies.
- Prohibits copay accumulator programs for drugs that do not have a generic alternative.
- Prohibits a PBM from retaliating against a pharmacy or pharmacist for reporting an alleged violation of certain laws.
- Prohibits a PBM from taking certain actions with respect to 340B covered entities.
- Makes several changes to audits of pharmacists and pharmacies.

2025 SB 203 was introduced by Sen. Felzkowski and referred to the Senate Committee on Health. 2025 AB 173 was introduced by Rep. Novak and referred to the Assembly Committee on Health, Aging and Long-Term Care.

[2025 SB 249](#) and [2025 AB 248](#) provides immediately upon a term expiring for an appointed position in a statewide department, agency, board, office, commission, authority, or other body in state government created or authorized to be created by the constitution or any law, but not including the legislature and the courts., a vacancy is created.

2025 SB 249 was introduced by Sen. Bradley and referred to the Senate Committee on Licensing, Regulatory Reform, State and Federal Affairs. 2025 AB 248 was introduced by Rep. Allen and referred to the Assembly Committee on State Affairs.

[2025 SB 251](#) and [2025 AB 246](#) require health insurance policies and plans that provide coverage of prescription drugs to cover prescription drugs and related medical supplies for the treatment of asthma. This bill requires policies and plans to limit the amount of cost-sharing for the coverage provided to no more than \$25 per one-month supply for each prescription drug prescribed to treat asthma and to no more than \$50 per month for all related medical supplies.

2025 SB 251 was introduced by Sen. Dassler-Alfheim and referred to the Senate Committee on Health. 2025 AB 246 was introduced by Rep. Snodgrass and referred to the Assembly Committee on Health, Aging and Long-Term Care.

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

[2025 SB 311](#) and [2025 AB 308](#) prohibit the use of state, local, or certain federal funds to subsidize, reimburse, or otherwise provide compensation for any health care services provided to individuals who are not lawfully present in the United States.

2025 SB 311 was introduced by Sen. Wanggaard and referred to the Senate Committee on Licensing, Regulatory Reform, State and Federal Affairs. 2025 AB 308 was introduced by Rep. Dallman and referred to the Assembly Committee on State Affairs.

[2025 SB 271](#) and [2025 AB 355](#) establish a statutory right to abortion access and repeal numerous existing abortion restrictions. The following provisions affect the GHIP.

- Requires that each health care coverage plan offered by the GIB that includes maternity coverage must also provide coverage for abortion and any medically necessary services related to abortion.
- Repeals current statutory provisions that prohibit the GIB from offering abortion coverage.

2025 SB 271 was introduced by Sen. Roys and referred to the Senate Committee on Government Operations, Labor and Economic Development. 2025 AB 355 was introduced by Rep. Subeck and referred to the Assembly Committee on Health, Aging and Long-Term Care.

[2025 SB 342](#) and [2025 AB 338](#) mandate that health insurance policies and self-insured governmental health plans provide coverage for at least 28 appointments or visits with a mental health care provider each policy year for the treatment of mental health or substance use disorders. Additionally, the bill stipulates that these plans cannot require prior authorization for such appointments. The Office of the Commissioner of Insurance is required to prepare a preliminary actuarial estimate to assess the average cost impact of this coverage on qualified health plans. If the estimate indicates an increase of more than 10 percent, the coverage requirements will not be enforced.

2025 SB 342 was introduced by Sen. Roys and referred to the Senate Committee on Insurance, Housing, Rural Issues and Forestry. 2025 AB 338 was introduced by Rep. Vining and referred to the Assembly Committee on Insurance.