D-Note

State of Wisconsin
2013 - 2014 LEGISLATURE

LRB-1024/3 4
RAC:wlj:rs
stays RMR

DOA:.....Waterman, BB0347 – State Employee Health Savings Accounts

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

Do Not Gen

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

RETIREMENT AND GROUP INSURANCE

State employees receive health insurance through plans offered by the Group Insurance Board (GIB). This bill requires GIB, beginning on January 1, 2015, to offer a health care coverage option that consists of a high-deductible health insurance plan and a health savings account. Federal law authorizes the establishment of health savings accounts, under which individuals and their employers may make tax-exempt contributions that can be used for the payment of medical expenses. Federal law sets annual contribution limits. As a condition of establishing a health savings account, an individual must be covered under a high-deductible health insurance plan. The specific requirements of the high-deductible plans are set in federal law, but generally require the payment of deductibles and certain out-of-pocket expenses before an individual's medical services are covered under the plan. The bill also requires the state to make contributions into an employee's health savings account in an amount determined annually by the Director of the Office of State Employment Relations.

For further information see the ***state*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.515 (1) (tm) of the statutes is created to read:

20.515 **(1)** (tm) *Health savings account plan.* All moneys deposited in the public employee trust fund relating to the establishment and operation of health savings accounts under s. 40.515 to be used for the payment of expenses relating to health savings accounts.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 20.921 (1) (a) 6. of the statutes is created to read:

20.921 **(1)** (a) 6. Payment into a health savings account established for that officer or employee under s. 40.515.

SECTION 3. 40.02 (37m) of the statutes is created to read:

40.02 **(37m)** "Health savings account" means a health savings account described in 26 USC 223.

SECTION 4. 40.03 (2) (ig) of the statutes is amended to read:

40.03 **(2)** (ig) Shall promulgate, with the approval of the group insurance board, all rules required for the administration of the group health, long–term care, income continuation or life insurance plans established under subchs. IV to VI and health savings accounts under subch. IV.

SECTION 5. 40.03 (6) (k) of the statutes is created to read:

40.03 **(6)** (k) Shall establish health savings accounts for state employees who select a high–deductible health plan under s. 40.515 for their health care coverage plan.

SECTION 6. 40.04 (12) of the statutes is created to read:

40.04 **(12)** The department shall establish and maintain separate health savings accounts in the fund to which shall be credited all moneys received from

employees and employers in connection with each health savings account and from which moneys shall be paid for allowable expenses under a health savings account.

SECTION 7. 40.05 (4) (ah) of the statutes is amended to read:

40.05 **(4)** (ah) Annually, the director of the office of state employment relations shall establish the amount that employees are required to pay for health insurance premiums in accordance with the maximum employer payments under par. (ag) and shall determine the amount of contributions, if any, that the state must contribute into an employee's health savings account under s. 40.515.

SECTION 8. 40.515 of the statutes is created to read:

40.515 Health savings accounts. (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. The state shall make contributions into each employee's health savings account in an amount specified by the director of the office of state employment relations under s. 40.05 (4) (ah). 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.

(2) The group insurance board may contract with any person to provide administrative and other services relating to health savings accounts established under this section.

(3) The group insurance board may collect fees from state agencies to pay all administrative costs relating to the establishment and operation of health savings accounts established under this section. The group insurance board shall develop a

methodology for determining each state agency's share of the administrative costs. Moneys collected under this subsection shall be credited to the appropriation account under s. 20.515 (1) (tm).

(4) Beginning on January 1, 2015, to the extent practicable, any agreement with any insurer or provider to provide health care coverage to state employees under s. 40.51 (6) shall require the insurer or provider to also offer a high–deductible health plan that may be used in conjunction with a health savings account.

(END)

Insert 3–9:

SECTION 1. 40.05 (4) (ah) 4. of the statutes is created to read:

40.05 **(4)** (ah) 4. Annually, the director shall determine the amount of contributions, if any, that the state must contribute into an employee's health savings account under s. 40.515.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1024/4dn
RAC:wlj:rs

stays

Date

Mickie Waterman:

This version of the draft harmonizes the treatment of s. 40.05 (4) (ah) 4. with the treatment of s. 40.05 (4) (ah) in LRB-0459. If LRB-0459 is not included in the budget bill, I will need to redraft.

Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
E-mail: rick.champagne@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1024/4dn
RAC:wlj:ph

February 3, 2013

Mickie Waterman:

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State of Wisconsin
2013 – 2014 LEGISLATURE

LRB-1024/4 5
RAC:wlj:ph
stays RMR

DOA:.....Waterman, BB0347 – State Employee Health Savings Accounts

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

pb

Do Not Gen

AN ACT ...; ~~relating to:~~ the budget.

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40.02 **(37m)** "Health savings account" means a health savings account described in 26 USC 223.

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40.03 **(2)** (ig) Shall promulgate, with the approval of the group insurance board, all rules required for the administration of the group health, long–term care, income continuation or life insurance plans established under subchs. IV to VI and health savings accounts under subch. IV.

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40.03 **(6)** (k) Shall establish health savings accounts for state employees who select a high–deductible health plan under s. 40.515 for their health care coverage plan.

SECTION 6. 40.04 (12) of the statutes is created to read:

40.04 **(12)** The department shall establish and maintain a separate account in the fund to which shall be credited all moneys received from employees and employers in connection with ~~each~~ health savings accounts (5) established under s. 40.515

SECTION 7. 40.05 (4) (ah) 4. of the statutes is created to read:

40.05 **(4)** (ah) 4. Annually, the director shall determine the amount of contributions, if any, that the state must contribute into an employee's health savings account under s. 40.515.

SECTION 8. 40.515 of the statutes is created to read:

40.515 Health savings accounts. (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. The state shall make contributions into each employee's health savings account in an amount specified by the director of the office of state employment relations 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.

(2) The group insurance board may contract with any person to provide administrative and other services relating to health savings accounts established under this section.

(3) The group insurance board may collect fees from state agencies to pay all administrative relating to the establishment and operation of health savings accounts established under this section. The group insurance board shall develop a methodology for determining each state agency's share of the administrative costs.

Moneys collected under this subsection shall be credited to the appropriation account under s. 20.515 (1) (tm).

(4) Beginning on January 1, 2015, to the extent practicable, any agreement with any insurer or provider to provide health care coverage to state employees under s. 40.51 (6) shall require the insurer or provider to also offer a high–deductible health plan that may be used in conjunction with a health savings account.

(END)

State of Wisconsin
2013 - 2014 LEGISLATURE

LRB-1024/5 6
RAC:wlj:jf
Stays RMR

DOA:.....Waterman, BB0347 - State Employee Health Savings Accounts

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

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AN ACT ...; **relating to:** the budget.

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(END)

Insert 2–12:

SECTION ~~1.~~ 40.02 (37r) of the statutes is created to read:

40.02 **(37r)** "High–deductible health plan" has the meaning given in 26 USC 223 (c)~~(2)~~

Insert 3–7:

and the amount that employees are required to pay for health insurance premiums for a high–deductible health plan under s. 40.515

State of Wisconsin
2013 - 2014 LEGISLATURE

LRB-1024/8 7
RAC:wlj:rs
stays RMR

DOA:.....Waterman, BB0347 – State Employee Health Savings Accounts

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SECTION 4. 40.02 (37r) of the statutes is created to read:

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SECTION 5. 40.03 (2) (ig) of the statutes is amended to read:

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40.05 **(4)** (ah) 4. Annually, the director shall determine the amount of contributions, if any, that the state must contribute into an employee's health savings account under s. 40.515 and the amount that employees are required to pay for health insurance premiums for a high–deductible health plan under s. 40.515.

SECTION 9. 40.515 of the statutes is created to read:

40.515 Health savings accounts. (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. The state shall make contributions into each employee's health savings account in an amount specified by the director of the office of state employment relations 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.

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(END)

State of Wisconsin
2013 - 2014 LEGISLATURE

LRB-1024/7
RAC:wlj:ph

DOA:.....Waterman, BB0347 – State Employee Health Savings Accounts

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(END)