

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-6153/1</b>	<b>Introduction Number</b> <b>AB-1154</b>	
<b>Description</b> health insurance for school district employees		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs		
<b>Local:</b>		
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

ETF 3/25/2022

LRB Number	21-6153/1	Introduction Number	AB-1154	Estimate Type	Original
<b>Description</b> health insurance for school district employees					

### Assumptions Used in Arriving at Fiscal Estimate

The bill requires municipal employers to offer a health insurance plan that is offered by the Group Insurance Board to eligible employees of a school district.

Under the current structure of the State of Wisconsin's Group Health Insurance Program (GHIP), municipal employers, including school districts, are allowed to opt into the program offered by the Group Insurance Board (GIB). This bill would require that all municipal employers offer the GHIP to school district employees.

According to prior analysis done by Horizon Government Affairs in 2021, there are approximately 400 school districts in Wisconsin that could be eligible for inclusion in the GHIP. Under the bill, ETF assumes that all such school districts would be required to offer the GHIP to their employees. Given the current structure of the GHIP, ETF also assumes that school district retirees will be included as eligible beneficiaries.

#### Policy

ETF expects that there would be both initial and ongoing policy support required to ensure that school districts are enrolled according to the new law, as well as existing statutory requirements. ETF would hire one additional full-time employee to handle school district as well as local municipal policy issues, including enrollment, eligibility, and benefit plan design.

#### Employer Services

Adding all school districts would effectively double the number of municipal employers in the GHIP. As such, additional staffing would be required both for set up and ongoing support of new employer accounts. ETF would hire one additional employer trainer and one additional employer case manager to onboard new groups, train them on how the programs work, and assist with questions.

#### Communications

The current bill is silent on whether the enrollment period or plan years would need to align with the school year calendar or the GHIP's current annual calendar, and so it is assumed that the new school district groups would conform to the GHIP's annual program year. ETF would need an additional communications specialist position to assist the Employer Services trainer in developing informational materials, onboarding new employees and employers, and explaining benefits throughout the employee life course.

If ETF is required to allow school districts a different enrollment calendar, ETF anticipates that additional communications, employer services, finance, and policy resources would be needed to maintain a second annual open enrollment period.

#### IT/Data

Regardless of how many employers join the GHIP under this bill, resources will be needed to enable 400 new employers to use ETF's IT systems. ETF is in the process of implementing a new Insurance Administration System (IAS), and new school districts would need to be onboarded into that new system. Their enrollment data would also need to be extracted and included in the ETF data lake to be used for program analytics. ETF will need to hire one additional FTE to facilitate both the loading of these

employers into the system and the maintenance of the resultant data over time.

#### Annual Program Costs

As noted above, ETF estimates it will need six additional positions to manage the increased workload due to the participation of Wisconsin School Districts in the Group Health Insurance Program. Costs for these employees would be funded through the administrative fee assessed by ETF as part of health insurance premiums.

The costs for salary, fringe and supplies and services are below.

- 1.0 FTE – Employee Benefit Plan Policy Advisor – \$82,400
- 2.0 FTE – Trust Fund Specialist Employer Services – \$131,500
- 1.0 FTE Communications Specialist – \$54,800
- 1.0 FTE – Data Services Specialist – \$101,900
- Total Annual Costs: \$370,600

ETF is unable to estimate the fiscal impact of this change to school districts; according to the analysis done by HGA in 2021, many districts have much higher deductibles than the current plans offered through the GHIP. Some districts pay higher premiums, while others pay lower premiums than are offered by the GHIP, irrespective of the deductibles offered. Additional information would be needed from school districts in order to determine whether moving to the GHIP would result in increases or decreases to districts' overall costs.

#### **Long-Range Fiscal Implications**