

Chapter ETF 40 HEALTH CARE BENEFITS

ETF 40.01 Continued coverage of a dependent.

ETF 40.10 Public employers health insurance.

ETF 40.01 Continued coverage of a dependent.

(1) A surviving insured dependent of an employee or annuitant who was covered under the health care coverage program at the time of his or her death shall continue coverage, either single or family, if within 90 days after the death of the insured employee or annuitant, the department receives an application for health care coverage from the surviving dependent.

(2) Coverage under this section shall be effective on the first day of the calendar month following the date of death of the insured employee or annuitant.

(3) Premiums for a surviving dependent who has acted pursuant to this section shall be paid:

(a) From accumulated leave credits until exhausted, for surviving dependents of a state employee or state annuitant only; then

(b) By deductions from any annuity that the surviving dependent is receiving from the Wisconsin retirement system. If there is no annuity or the annuity is insufficient to allow premium deductions; then

(c) Directly to the insurance carrier or department.

History: Cr. Register, January, 1987, No. 373, eff. 2-1-87.

ETF 40.10 Public employers health insurance.

(1) An employee of an employer, other than the state, shall be eligible for health insurance under s. 40.51 (7), Stats., if the requirements of ss. 40.02 (46) and 40.22, Stats., or of s. 40.19 (4) (a), Stats., are satisfied.

(2) The employer shall pay an employer contribution toward the gross health insurance premium based on the lowest cost qualified plan in the service area of the employer, as follows:

(a) For insured part-time employees who are appointed to work less than 1,044 hours per year, an amount not less than 25% of the lowest cost qualified plan.

(b) For eligible employees not specified in par. (a) or (c), an amount between 50% and, except as provided in par. (d), 105% of the lowest cost qualified plan.

(c) For a retiree, surviving dependent or an eligible employee on leave of absence or layoff, an employer contribution is optional.

(d) The 105%-of-cost limitation in par. (b) does not apply to an employer that establishes an arrangement for contributing towards the premiums for employee health insurance under s. 40.51 (7), Stats., under which all of the following apply:

1. The employer contributions towards employee health insurance premiums are based upon the tier into which each available health plan is placed by the group insurance board.

2. The employee required contribution to the health insurance premium for single coverage is the same dollar amount for all plans in the same tier, regardless of the total premium. The

employee required contribution to the health insurance premium for family coverage is the same dollar amount for all plans in the same tier, regardless of the total premium.

3. The employee's required contribution to the health insurance premium for a plan classified in a higher cost tier, as compared to a plan in the next lowest cost tier, increases by at least \$20 per month for single coverage and \$50 per month for family coverage.

4. The employer contribution towards the premium of each qualified plan in the service area of the employer shall be an amount at least equal to the applicable minimum contribution under par. (a), (b) or (c). The employer contribution is determined by subtracting the employee contribution amount for the plans in that tier from the total plan premium for the type of coverage.

Example. Assume there are only two qualified plans in the service area of the employer. One plan is a Tier 1 plan, the other is a Tier 2 plan, and the single and family premiums are shown in the following table:

**Table 1
Premium rates for 2 hypothetical qualified plans**

Plan	Tier	Single	Family
A	1	\$400.00	\$900.00
B	2	\$410.00	\$1,000.00

Under the tiered arrangement, a full-time employee's premium payment for Plan A (and all Tier 1 plans that might be available, but not qualified) may be between \$0 and a maximum of \$190 for single coverage, depending on whether the employer is contributing the minimum amount allowed, or more. The employer must contribute no less than \$200 towards single coverage, but under these circumstances must contribute at least \$210 towards single coverage premium for Tier 1 plans, because that is the lowest amount that is at least equal to one-half of the lowest cost plan and also sufficient to assure both 1) that the employee contribution for single coverage under the Tier 2 plan will be at least \$20 higher than the Tier 1 amount and 2) that the remainder, paid by the employer, will be at least \$200. The employer contribution towards family coverage must be at least \$450. This is one-half of the lowest cost plan premium for family coverage and is also sufficient to assure that the difference between the employee premiums for the Tier 1 and Tier 2 coverage is at least \$50.

(e) The group insurance board, with the advice of the actuary, may classify a health plan offered to local government employees in a tier that is different than that of the health plan of the same name as offered to state employees.

History: Cr. Register, December, 1987, No. 384, eff. 1-1-88; **CR 04-075: am.** (2) (b), cr. (2) (d) and (e) Register November 2004 No. 587, eff. 1-1-05.