



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1024/7  
RAC:wlj:ph

DOA:.....Waterman, BB0347 – State Employee Health Savings Accounts  
**FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION**

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

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*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.

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***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.** 40.02 (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).

**SECTION 5.** 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 6.** 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 7.** 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 health savings accounts established under s. 40.515.

**SECTION 8.** 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 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; high-deductible health plan.** (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 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)