



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #450

Participation in the Wisconsin Retirement System (HIRSP)

Bill Agency

[LFB 2007-09 Budget Summary: Page 342, #2]

CURRENT LAW

The Health Insurance Risk-Sharing Plan Authority (Authority) administers the health insurance risk-sharing plan, which offers health insurance coverage to Wisconsin residents who are unable to obtain adequate coverage in the private market because of their medical conditions, or who have lost their group health insurance coverage. The Authority was created by statute and is defined as a "public body corporate and politic." The Authority, which has four employees, does not receive any state funding. Instead, its costs are funded by policyholder premiums and by assessments on health insurance companies that conduct business in Wisconsin. Health care providers also contribute to the costs of the plan by accepting reduced reimbursement rates for the medical services they provide to HIRSP policyholders.

Under current law, the Authority is not included within the definition of a "state agency" for purposes of the Wisconsin Retirement System. As a result, the Authority's employees are not currently eligible to participate in the Wisconsin Retirement System, nor are they eligible to participate in the state health insurance plans or other state benefit plans. However, under current law, other authorities, including the Wisconsin Housing and Economic Development Authority, the Wisconsin Health and Educational Facilities Authority, the World Dairy Center Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, and the University of Wisconsin Hospitals and Clinics Authority, are included in the definition of "state agency" for that purpose.

GOVERNOR

Define the Authority as a "state agency" for all purposes of the Wisconsin Retirement System, thereby allowing its employees to participate in the state health insurance plan, pension plan, and other state benefit plans.

MODIFICATION

Modify the bill by including a nonstatutory provision to allow the Authority's current employees to become eligible for participation in the Wisconsin Retirement System, immediately on the bill's general effective date, when the Governor's provision to define the Authority as a "state agency" for those purposes would take effect.

Explanation: Subsequent to the introduction of the Governor's bill, the administration indicated that the bill should be revised to better reflect the Governor's intent. The administration has requested a change that would permit the Authority's current employees to be immediately eligible for participation in the Wisconsin Retirement System on the bill's general effective date. The requested nonstatutory language provision would apply only to the Authority's current employees, not to any future employees. Without this change, the current employees would be required to wait six months, after the enactment of the bill, before they became eligible for health insurance coverage under the state health insurance plan.

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