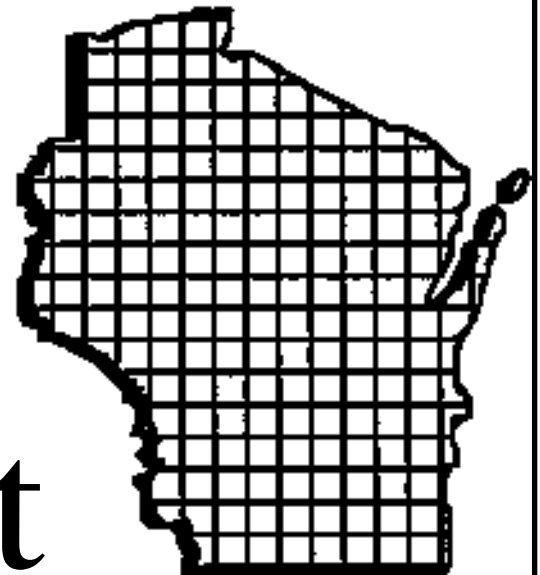


Wisconsin

Policy
Research
Institute

Report



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**Health Insurance
for Wisconsin
Public Schools**

*The Case for
Competitive Bidding*

REPORT FROM THE PRESIDENT:

Four years ago we published research on the costs of educational health insurance in Wisconsin. This study is an update on an issue that has exploded over the last four years. We asked two young economists with strong statistical and regression analysis backgrounds to help us formulate the data for this report. Dr. Scott Niederjohn is an Assistant Professor of Economics and Business at Lakeland College. Chad Cotti is an instructor and doctoral teaching assistant at the University of Wisconsin-Milwaukee. He has a Master's in Public Affairs from the LaFollette School of Public Policy at the University of Wisconsin-Madison and is completing his Ph.D. in Economics at the University of Wisconsin-Milwaukee. Both are visiting fellows at the Institute.

The results of this research show that the problem of health insurance costs in Wisconsin school districts is accelerating at an astonishing rate. The source of the problem is an archaic system where the teachers' union insurance company, the Wisconsin Education Association Insurance Corporation, has a virtual monopoly on the health insurance written in 78% of the school districts in the state. The problem with this is that there is almost no bidding of contracts, and in fact, the teachers' union itself has de facto veto power over any attempt to replace its insurance company in a school district.

In contrast, the costs for the state's health insurance policies, which are administered by the Employee Trust Funds (ETF), are growing at a much slower rate than the educational policies. In fact, it is estimated that, over the next year, the increases in the policies administered by ETF will increase only 5%.

As educational health care becomes a billion dollar problem in Wisconsin, our view is that we need a drastic change. Without immediate action we will have to either raise taxes or continue to lay off younger teachers to have any chance of balancing our school district budgets. If competition were introduced, which would allow school districts to participate in the state health insurance program, the savings across the state would be over \$100 million and allow 90% of the districts to lower their health benefit costs. If the savings were passed directly on to teachers, each teacher could receive an average annual increase of \$1,448 without any additional money coming from taxpayers.

Wisconsin school districts spend an enormous amount of money on health care benefits for our teachers, while ignoring the potential costs to taxpayers and the impact of lower salaries. This is a problem that must be solved in the next state budget.



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HEALTH INSURANCE FOR WISCONSIN PUBLIC SCHOOLS

The Case for Competitive Bidding

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CHAD COTTI

	PAGE
EXECUTIVE SUMMARY	1
INTRODUCTION	2
REASONS FOR CONCERN	2
THE CURRENT SYSTEM	4
FACTORS GOVERNING HEALTH INSURANCE PREMIUM COSTS	5
DOES WEAIC CHARGE MORE?	6
THE IMPACT OF INSURING PUBLIC SCHOOL TEACHERS THROUGH THE STATE EMPLOYEE POOL	12
CONCLUSION	15
APPENDIX A	16
APPENDIX B	29
APPENDIX C	34
NOTES	44

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EXECUTIVE SUMMARY

If Wisconsin public school teachers were allowed to select a health insurance plan in a manner similar to other state employees, there would be benefits to both teachers and taxpayers. Almost 90% of the school districts would lower their insurance costs. The total savings across the state is projected to be over \$100 million. If this were used to increase teacher salaries, the average teacher in Wisconsin could receive a salary increase of \$1,448 without any additional money coming from taxpayers.

Health insurance coverage for public school teachers in Wisconsin is determined through the collective bargaining process. This insurance coverage afforded teachers is the fastest growing portion of the budgets of many Wisconsin school districts. Unlike most government entities and private businesses, school districts rarely competitively bid health insurance coverage. The Wisconsin Education Association Insurance Corporation (WEAIC) writes health insurance coverage on teachers in approximately 78% of the districts in the state. In most districts, the carrier has been chosen through a no-bid process. This market dominance of WEAIC raises the disconcerting question of whether this dual role of insurer and labor union permits WEAIC to exert market power and charge premiums above what they would be in a competitive situation.

There are several factors that are part of this current dilemma. Governor Doyle's Task Force on Educational Excellence reported in June 2004 that Wisconsin teacher salaries are lagging behind those in neighboring states. In many cases, increases in insurance costs eat up virtually all of the dollars available for yearly total compensation adjustments. The average annual Wisconsin teacher health benefit costs in 2002-2003 were over 46% of the average annual base teacher salary, contrasted with 1984-1985 when health benefit costs averaged just 14% of average annual teacher salaries. In addition, U.S. Census Bureau data shows that Wisconsin provides the nation's second most generous fringe benefit package to public school teachers. Finally, the Qualified Economic Offer (QEO) law in Wisconsin allows school boards to avoid arbitration if total compensation offers, including salary and fringe benefits, increase over the prior year by 3.8% or more. In many cases, the increasing cost of health insurance is taking up all the money that might be available to give teachers higher salaries.

A reasonable approach to increasing teacher salaries, in this time of tight budgets and onerous property tax burdens, is to get control of school district health insurance costs. Businesses and government have understood for years that bidding health insurance typically leads to lower premiums. This report calculates the financial impact of the lack of competitive bidding for public school employee health insurance in Wisconsin, utilizing the State of Wisconsin employee health insurance pool as a model for reform.

The advantage of the state's system for negotiating affordable health care for their employees is further shown by the 2005 insurance premiums they will offer. In a time of soaring health insurance costs, the Department of Employee Trust Funds (ETF) has continued to proactively manage health insurance costs. The agency announced that 2005 health insurance premiums would increase by about 5%.

Analysis of the various determinants of the cost of health insurance in Wisconsin shows that districts that obtain group health care coverage through WEAIC pay a statistically significant higher price than other districts. It is possible that the lack of competitive bidding leads to a higher cost. This may lead to a market with little competition and afford WEAIC the ability to charge more for their policies than they would in a more competitive market. It is apparent that WEAIC owns a significant and unfair advantage over other insurance carriers.

The pricing of health insurance for teachers is compared with the health insurance that ETF purchases for state employees and for many local governments. Health insurance premiums for Wisconsin public sector employees on average are lower than those for Wisconsin public school teachers. Insurance premiums for Wisconsin public employees are secured utilizing an innovative competitive bidding system developed by ETF. This system is clearly more successful at constraining the increases in health insurance costs. While insurance costs negotiated by ETF rose by an average of 10.5% between 1998 and 2004 school district insurance premiums rose at an average rate of over 15%.

The money that the school districts could save by providing health insurance coverage through the state pool could either be returned to the taxpayers through a reduction in property taxes or used for other needs. The teachers would have more choices about their health insurance coverage than they currently do. A substantial raise in salary in exchange for moving to an insurance plan suitable for the governor of Wisconsin, in addition to significantly more choice in insurance coverage, seems like a straightforward decision for the state's teachers and those looking out for their best interest.

INTRODUCTION

Increases in health insurance costs continue to absorb greater portions of Wisconsin public school teachers' total compensation increases. A recent report issued by Governor Doyle's Task Force on Educational Excellence cited this problem as a major hurdle in attracting and retaining teachers. This report directly addresses this problem by studying options for controlling health insurance costs borne by Wisconsin school districts.

The Wisconsin Education Association (WEA) Insurance Corporation (WEAIC), an affiliate of the state's largest teachers' union, dominates the health insurance market for public school teachers. They write health insurance coverage on teachers in approximately 78% of districts in the state. In most districts, the carrier has been chosen through a no-bid process.¹ The market dominance of WEAIC raises the disconcerting question of whether this dual role of insurer and labor union permits WEAIC to exert market power and charge premiums above what they would be in a competitive situation.

This study tests this hypothesis using a proven statistical methodology, and finds evidence that, relative to other insurers in the market for teachers' health insurance, the premiums charged by WEAIC are high. Further, it is estimated that if public school teachers were included in the state employee health insurance pool, the savings on health insurance would exceed \$100 million per year statewide. If shared with the teachers, this would represent an average yearly salary increase of \$1,448 per Wisconsin public school teacher. The results of this study clearly demonstrate that establishing a system that allows school districts to competitively bid teacher health insurance carriers would significantly lower insurance premiums, and allow the teachers to benefit in the form of higher salaries.

REASONS FOR CONCERN

Governor Doyle's Task Force on Educational Excellence

On June 30, 2004, Governor Doyle's Task Force on Educational Excellence issued their final report.² This thoughtfully prepared document was developed in response to a daunting charge from the governor in which he asked the task force to study, and make recommendations for change on, wide ranging aspects of Wisconsin's public school system. This charge included reviewing existing barriers to academic achievement for students, studying ways to attract and retain quality teachers, and an analysis of issues relating to early childhood and special education in Wisconsin.

Not surprisingly, the section of the report that addressed teacher attraction and retention was centered on public school teacher compensation. The report included statistics that showed Wisconsin teacher salaries lagging behind other Great Lakes states, as well as a decline since 1989 in Wisconsin's rank among the fifty states in average teacher pay. In response to these, and other troubling statistics about Wisconsin public school teacher pay, the task force made a number of recommendations related to teacher compensation.

Rising Benefit Costs for Teachers

The task force, recognizing the interaction between salaries and health insurance costs in the total compensation bill, noted the challenge many school boards face in providing salary increases in an age of skyrocketing health insurance costs. In many cases, increases in insurance costs eat up virtually all of the dollars available for yearly total compensation adjustments.³ Data from the Wisconsin Association of School Boards (WASB) database shows that teacher health insurance costs have grown much faster than teacher salaries in recent years.⁴ In fact, the average annual Wisconsin teacher health benefit costs in 2002-2003 were over 46% of the average annual base teacher salary. In 1984-1985, health benefit costs averaged just 14% of average annual teacher salaries.

Wisconsin's National Rank in the Generosity of Teacher Benefits

In the Task Force report, no mention was made of Wisconsin teachers' national rank in the fringe benefit component of total compensation. U.S. Census Bureau data from 2001-2002 shows that Wisconsin provides the second

most generous fringe benefits in the nation, in terms of per-pupil costs, for teachers. As can be seen in Table 1, only New York teachers enjoy more lucrative benefit packages than educators in Wisconsin. In 2001-2002, Wisconsin taxpayers spent an average of \$1,397 per pupil on public school teacher benefits while the national average was \$884 per pupil.

The QEO and the Finite Dollars Available for Teacher Compensation

The cost of the lucrative fringe benefit packages afforded public school teachers in Wisconsin has been escalating rapidly in recent years. The Task Force made no recommendation that addressed health care costs; however, their report did express concern regarding salaries and recommended abolishing the current Qualified Economic Offer (QEO). This law allows school boards to avoid arbitration if total compensation offers, including salary and fringe benefits, increase over the prior year by 3.8% or more. Specifically, this law states that a school board can avoid arbitration with the teachers union if it offers a QEO. A valid QEO involves:⁵

- A total compensation (salary and fringe benefit) increase over the prior year of 3.8% as measured against the prior year's district-wide base compensation;
- Maintain all fringe benefits, as they existed 90 days prior to the expiration of the previous contract, and the district's percentage contribution to that package;
- If maintaining the fringe benefits costs more than 3.8% of total base compensation, the board may cut salaries; and
- Use the amount, if any, of the 3.8% remaining after fringe benefits are paid for salary increases; first to pay employees for additional years of service before providing any general across-the-board increases.

In addition to the suggestion that the QEO be lifted, the fourteenth recommendation in the report stated that "Increasing school employee health insurance costs must be addressed so that funding for fringe benefits does not make needed improvements in teacher salaries impossible for districts and their taxpayers."

The Task Force report maintained that eliminating the QEO law would pave the way for school districts to increase teacher salaries, as they would no longer be artificially constrained by state statute. However, recognizing that — given the current state of public school district finances, there is still only a finite dollar amount available for teacher compensation — this change may not have the impact that teachers desire. The Task Force offers no guidance on this critical issue.

This report will fill the void left by the Task Force and address this vital question. A more reasonable approach to increasing teacher salaries, in this time of tight budgets and onerous property tax burdens, is to get control of school district health insurance costs. Surprisingly, the Task Force makes no mention of allowing school districts to competitively bid teacher health insurance coverage. Businesses and government have understood for years that bidding health insurance typically leads to lower premiums. This report will calculate the financial impact of the lack of competitive bidding for public school employee health insurance in Wisconsin, utilizing the State of Wisconsin employee health insurance pool as a model for reform.

TABLE 1 TOP FIVE STATES IN COSTS OF BENEFITS PER PUPIL FOR ELEMENTARY AND SECONDARY PUBLIC SCHOOL TEACHERS (2001-2002)

Rank	State	Benefit Cost Per Pupil
1	New York	\$1,601
2	Wisconsin	\$1,397
3	West Virginia	\$1,331
4	Maine	\$1,323
5	Massachusetts	\$1,315
	National Average	\$884

Source: U.S. Census Bureau

Health Insurance Providers for Public School Teachers

The WEA Insurance Corporation has a near monopoly over health care for teachers. Table 2 shows that 332 of Wisconsin's 426 school districts contract with WEAIC for their health insurance needs. This is approximately 78% of all districts, by far the most dominant player in the market. The next most popular insurance carrier is Wisconsin Physician Service Insurance Corporation (WPS), used by 4.2% of districts, followed by Blue Cross and Blue Shield

TABLE 2 WISCONSIN PUBLIC SCHOOL HEALTH INSURANCE CARRIERS IN 2004

Carrier	# of Districts	% of Districts
WEAIC	332	77.9%
WPS	18	4.2%
BCBSUW	16	3.8%
HUMANA	5	1.2%
OTHER	55	12.9%
TOTAL	426	100.0%

United of Wisconsin (BCBSUW) (3.8%), and Humana Wisconsin Health Organization Insurance Corporation (1.2%). The remaining 13% of districts use a number of other carriers.

The data in Table 2 does not tell the complete story about the health insurance market for public school districts. While 78% of all Wisconsin school districts choose WEAIC for their health insurance needs, about 82% (332 of 407 districts) of the districts whose teachers are represented by the Wisconsin Education Association Council (WEAC) use this insurance. Interestingly, the vast majority of school districts unionized by WEAC, which are the only districts eligible for WEAIC coverage, subscribe to the coverage.

THE CURRENT SYSTEM

School District Management

Wisconsin has 426 school districts, each of which is governed by a school board of between three and eleven elected members. The school boards are responsible for the overall management of the district. Overall management is defined as having the “possession, care, control, and management of school property and affairs of the school district.”⁶ The affairs of the district are broad and include levying the tax necessary for the operation of the district. A school district, through collective bargaining with the teachers’ union representing its teachers, establishes working conditions and wage and benefit compensation.⁷

One of the key aspects of “operation” is establishing a budget, which includes setting the salary and benefits of the district’s staff. School boards do not have full discretion in setting their budget. State law requires them to limit overall spending within revenue limits. Further, salary and benefits must comply with the QEO provisions. School boards have been forced to seek cost savings wherever they can. However, one aspect of their budget has been placed off limits to even consider cost saving options. As will be discussed below, collective bargaining provisions preclude school boards from competitively bidding health insurance.

The responsibilities of the school boards are broad and complex. They must stay current and informed about school laws, educational policy, legislative activity, and employee relations. There are organizations available to assist the school boards and help ensure they are aware of those items impacting the management of the school district. One of the resources available to them is the Wisconsin Association of School Boards (WASB), a non-profit membership organization that provides services to aid in each of the areas of responsibility listed above.

Founded in 1921 as the Wisconsin Association of High School and Graded School Boards, WASB has evolved into an organization providing a wide range of services. Of particular note to this report are the services related to employee relations and collective bargaining. The service may be limited to answering questions or be more comprehensive, such as representing the school board in contract administration, collective bargaining, mediation, or arbitration with teaching and support staff.⁸

WEAC and Public School Health Insurance

The Wisconsin Education Association Council (WEAC) was created as an educational service organization in 1853 with schoolteachers and administrators as its members. Following the passage of a collective bargaining law for public school teachers in the 1960s, WEAC evolved into a pro-active union representing its educator members in public policy and labor interests.⁹

Prior to 1970, most school districts provided teachers with group health insurance through a number of health insurance companies. Predictably, teachers and administrators wanted to explore options that would improve service and lower costs. Several districts attempted to take the insurance plan out for bid. However, for potential insurers to make a proper bid they needed to know not only the demographics of the group, but also the plan's provisions or types of services to be covered.¹⁰ This information about the group is required so that potential insurers can assess the risk of insuring the district and to price that insurance coverage based on the risk profile of the group. Unfortunately, many districts were stymied by some of the current insuring organizations' reluctance or inability to provide claims history.¹¹

Both labor and management found this balkanized market difficult. The chances of coming to an agreement on insurance benefits without having to go to arbitration or mediation were limited because of the uniqueness of health insurance policies from company to company. A potential solution was found by WEAC in creating its own insurance company.¹²

The WEA Insurance Corporation, a stock life insurance company, was incorporated in 1985 as an affiliate of a holding company with WEA Insurance Trust as its shareholder. The company is licensed only in Wisconsin, and currently writes group medical, dental, long-term and short-term disability, and long-term care insurance to Wisconsin school districts whose teachers' unions are affiliated with the National Education Association.¹³

Barriers School Districts Face When Changing Health Insurance Carriers Under Current State Law

School districts are technically free to solicit bids for health insurance coverage. In fact, state law requires that if a school district desires changing its health insurance carrier, it is required to solicit sealed bids.

However, in practice, school boards are severely limited in their ability to solicit competitive bids. This is because every aspect of health insurance coverage is subject to collective bargaining. The Wisconsin Employment Relations Commission (WERC) has established that even minute administrative matters must be bargained.¹⁴ This includes not only the overall coverage and employee cost sharing provisions, but also the manner in which the coverage is administered. Further, in many contracts, WEAC is actually named as the health insurance provider.

All of these factors have rendered it at least difficult, if not impossible, for school boards to move away from WEAC as the insurance carrier. Collective bargaining provisions have been used to solidify WEAC's near monopoly position in the teachers' health care market.

The benefits that can reaped by competitively bidding health insurance for public school districts are self-evident. Basic economic theory reveals that a competitive market for any good or service is most likely to result in the most efficient and cost-effective allocation of resources. Private sector employers, as well as governments, have long understood the potential cost savings of such a bidding strategy.

FACTORS GOVERNING HEALTH INSURANCE PREMIUM COSTS

Insurance Coverage Generosity

Group health insurance policies are contracts between insurance companies and the purchasers of the policies. Health insurance policies can differ considerably in a number of ways. One way is in the breadth of health care providers for whose services it will provide payment. At one extreme are policies that will provide indemnification to the insured for services provided by any qualified health care provider. These policies tend to place few restrictions on which physicians and hospitals the insured can use. Other health insurance plans provide coverage through a health maintenance organization (HMO). Policies of this type require that the insurer provide health care services to those insured by the policies. HMOs are considered managed care plans because they restrict coverage to care from providers that contract with the HMOs. This is how the HMO manage costs. Indemnity plans tend to be more expensive than HMO plans. In the year 2000, about 40% of all Americans were enrolled in HMO-type coverage while only about 10% were covered under indemnity plans.¹⁵ School districts in Wisconsin rarely provide group health insurance that restricts physician choice, although some districts do provide coverage that requires greater cost sharing when doctors outside of a network are used.

Cost Sharing

Cost sharing provisions are another way in which health insurance policies differ. Often, policies contain deductibles and coinsurance requirements. Some policies contain individual deductibles, others contain family deductibles, and many contain both. The deductible is the amount the insured must pay for services before the insurer will provide indemnification for the amount above the deductible. Deductibles are typically applied on a policy year schedule.

Coinsurance refers to the percentage of the cost of care above the deductible the insurer will pay. Typically, policies that contain a coinsurance clause also contain a stop-loss provision. The health insurance company pays in full the portion of a claim greater than the stop-loss until the policy limit is exhausted.

Appendix A in this report shows the average per person and family deductibles, average coinsurance rate, and the average stop-loss limit for health insurance coverage in Wisconsin school districts during the 2003-2004 year.¹⁶ This appendix also identifies the insurer for each district. This data shows that the most common per-person deductible is \$100. Family deductibles of \$200 and \$300 are both common. The highest deductibles, \$1000 for per-person and \$3000 per-family, are in the Norris school district. Coinsurance rates are frequently not reported by school districts. For those districts that did supply this information, they are typically either 10% or 20%. Many districts also fail to report out-of-pocket maximums. The maximums reported generally range from \$250 to \$1000.

The cost of group health insurance is influenced by several factors, including: the terms of the insurance contract, the risk characteristics of those insured, and the operating characteristics of the insurer. Of paramount interest to this study is whether or not different insurers, particularly WEAIC, charge more for coverage than other insurers operating in the market. To the extent that insurers operating in the market are offering a comparable product to a comparable risk population, a statistically significant higher price charged by WEAIC is consistent with, but not proof of, the exercise of market power. The hypothesis being tested by the following empirical model is whether WEAIC charges more for insurance coverage than other insurers in this market. This is a partial test of the theory that WEAIC derives market power from its affiliation with the teachers' union (WEAC) and the lack of competitive bidding by school districts for their health insurance providers.

DOES WEAIC CHARGE MORE?

WEAIC Versus ETF

It is useful to compare the pricing of health insurance for teachers with other public employees. The Department of Employee Trust Funds (ETF) purchases health insurance for state employees and for many local governments. Table 3 compares the average health insurance premiums for HMOs — offered in Dane County by ETF for Wisconsin public sector employees — to the average health insurance premiums for Wisconsin public school districts from 1998 to 2004.¹⁷ In addition, the average insurance premiums paid by Wisconsin school districts that utilize WEAIC coverage are also displayed in this table.¹⁸

These data reveal that, on average over the years sampled, health insurance premiums for Wisconsin public sector employees (as provided by ETF) are lower than those for Wisconsin public school teachers. In addition, the highest average premiums are paid by districts for WEAIC coverage. There could be a multitude of reasons for this finding, and it is these differences that will be discussed in the next section of this report.

More pertinent to the topic of discussion in this section are the differences in the average increases of health insurance premiums between the two groups over the sample years. These differences show the benefits of competitively bidding insurance carriers. As will be discussed in detail in the last section of this report, insurance premiums for Wisconsin public employees are secured utilizing an innovative competitive bidding system developed by ETF. It is clear from the data in Table 3 that this system is more successful at constraining the increases in health insurance costs. While insurance costs negotiated by ETF rose by an average of 10.5% between 1998 and 2004, school district insurance premiums rose at an average rate of over 15%.

The advantage of the state's system for negotiating affordable health care for their employees is further shown by the 2005 insurance premiums they will offer. In a time of soaring health insurance costs, ETF has continued to proactively manage health insurance costs. The agency announced that 2005 health insurance premiums would increase by about 5%.

TABLE 3 HEALTH CARE PREMIUM COST COMPARISONS

(1) Year	(2) Average Monthly Family Premium (State Plan HMO)	(3) Percent Increase of (2)	(4) School Year	(5) Average Monthly Family Premium For Wisconsin School Districts	(6) Percent Increase of (5)	(7) Average Monthly Family Premium For Wisconsin School Districts with WEAIC Coverage	(8) Percent Increase of (7)	(9) Consumer Price Index (CPI-W)	(10) Percent Increase of (9)
1998	\$525.59	--	1997-1998	\$518.17	--	\$550.18	--	159.7	--
1999	571.26	8.7%	1998-1999	557.58	7.6%	584.58	6.3%	163.2	2.2%
2000	616.9	8.0%	1999-2000	593.67	6.5%	622.68	6.5%	168.9	3.5%
2001	700.58	13.6%	2000-2001	668.67	12.6%	707.39	13.6%	173.5	2.7%
2002	787.15	12.4%	2001-2002	803.83	20.2%	849.65	20.1%	175.9	1.4%
2003	865.55	10.0%	2002-2003	1,085.17	35.0%	1,107.68	30.4%	179.8	2.2%
2004*	957.88	10.7%	2003-2004	1,189.23	9.6%	1,226.75	10.7%	183.2	1.9%
Average	\$717.84	10.5%		\$773.76	15.3%	\$806.99	14.6%		2.3%

Notes: (2) Average premium of Dane County plans from ETF
(5) WASB Database
(7) WASB Database
(9) CPI for urban wage earners and clerical workers (base period = 1982-1984) from Bureau of Labor Statistics

*The 2004 data are for the first half of the year.

Regression Model

There is significant variation in the prices paid for teacher health insurance by Wisconsin school districts. This variation can be explained by differences in the policy requirements of the insurance policies, differences in the risk characteristics of the individuals insured, and differences in the operating characteristics of the insurers. We also wanted to evaluate whether the lack of competition in this market might affect costs. Is it possible that WEAIC is able to charge above-market prices for their insurance products because of their place at the contract negotiation table and the lack of a competitive bidding process available to school districts? An empirical analysis was conducted on the determinants of insurance prices for public school districts in Wisconsin. The statistical analysis presented in this section is based upon the methodology from a previous Wisconsin Policy Research Institute study.¹⁹ The analysis presented in this report updates this model for 2003-2004 school year data.

To test this hypothesis, data from a number of sources was obtained and analyzed. The data sources are reported in Table 4 for the 2003-2004 school year.

Ordinary least squares regression analysis techniques are used to study this data. A model of the following form was estimated:

$$Price_i = b_0 + b_1 * State\ Pool\ Premium + b_2 * FTE + b_3 * WEA + b_4 * WPS + b_5 * BC/BS + b_6 * HUMANA + b_7 * Deductible + b_8 * Average\ Age + b_9 * Percent\ Female + b_{10} * Percent\ White + b_{11} * Percent\ Black + b_{12} * Percent\ Hispanic + b_{13} * Family\ Coverage + e_i$$

where $Price_i$ is the total cost of health insurance paid by or on behalf of a school district employee covered under the group health insurance plan providing coverage for teachers in district i . The price used in this estimation is the sum of the costs paid by the district and the employee for health insurance covering the employee. Insurance companies typically charge less for individual coverage than for family coverage. Our data include observations for both

TABLE 4 DATA SOURCES

Variable	Source
Insurance Premium	WASB School District Settlement Database
State Pool Premium	State of Wisconsin Department of Employee Trust Funds
Full Time Equivalent Employees (FTE)	DPI Database
WEAIC	WASB School District Settlement Database
WPS	WASB School District Settlement Database
BCBSUW	WASB School District Settlement Database
HUMANA	WASB School District Settlement Database
Deductible	WASB School District Settlement Database
Average Age	DPI Database
Percent Female	DPI Database
Percent White	DPI Database
Percent Black	DPI Database
Percent Hispanic	DPI Database
Family Coverage	WASB School District Settlement Database

individual and family coverage. The models intercept term is b_0 . The b_1 through b_{13} terms represent parameter estimates and the error term is e_j . A summary of the basic methodology for this statistical model will be presented below.²⁰ The variables used to explain the variation in health insurance premiums come from a number of categories.

First, differences in demographic characteristics that are expected to influence insurance premium prices are included in this model. As the average age of an insured population increases, it is expected that premiums for this employee group will increase as well. To control for this factor, the model includes the average age of full-time employees in each district as an explanatory variable. In addition, insured groups with larger percentages of female employees tend to exhibit higher premium costs, partly due to the costs of pregnancy. In order to control for this factor, a variable is included in the estimation that measures the percentage of full-time employees that are female in each district. To account for the differences in premium prices across races, a series of variables are included to measure the percentage of employees that are white, black, hispanic, or another race. Finally, a variable is included to proxy the size of the district with the expectation that larger districts have the power to negotiate lower premium costs. This variable is measured by the number of Full Time Equivalent Employees (FTEs) in each district.

Next, differences in policy characteristics are controlled for. While it is impossible to control for every difference between insurance policies used by Wisconsin school districts, data was gathered on some of the important measurable characteristics of these policies. First, it is expected that there will be a difference in price between policies that cover only employees and those that cover both employees and their families. To control for this difference, a categorical variable is included in the model that indicates whether or not the policy includes family coverage. With the expectation that higher deductibles are present in less valuable policies, a measure of the deductible cost by district is also included in the model. Lastly, a series of variables that control for the insurance company providing the health care coverage in each district is included in the model. Assuming that each insurer sells a similar insurance policy across the districts they serve, this variable will control for the differences in policy design across insurers.

Health care services prices also vary across geographic regions. To control for these variations, the premiums for the state employee health insurance program operated by ETF are used to proxy the price of health care services in different regions of the state. These state premiums differ by county and the model uses the least expensive insurance policy available in the county where a school district's administrative offices are located to control for this phenomenon. It is expected that this variable will have a positive relationship with the district insurance premium data.

The last group of variables included in this model control for the actual insurer writing the insurance policy in the school district. As mentioned earlier, the majority of school districts use WEAIC; however, Blue Cross Blue Shield United of Wisconsin, Humana and WPS are also active in this market. A variable is also included to control for all other carriers used by Wisconsin school districts. Because the model controls for the major factors that are thought to affect health insurance premiums, a statistically significant positive sign on one of the insurer variables will provide evidence that, in comparison to other insurers operating in the public school teacher insurance market, the insurer charges higher premiums.

This model will not answer the question of why these premiums are higher. This answer could be related to differences in the actual characteristics of the policies offered (that the model did not control for), differences in administrative or overhead costs of the insurer, or the exertion of market power in an insurance market that rarely utilizes a competitive bidding system to allocate insurers. Of interest in this study is whether there is evidence that WEAIC, which dominates this niche insurance market, charges statistically significant higher premiums than other insurers operating in this market.

Regression Model Results

Ordinary least squares regression was used to estimate the model. Log transformations of the district premiums and state pool premiums were used to account for the non-linearity of the data. The R^2 of the model is 0.932, suggesting that over 93% of the variation in district premium prices are explained by the control variables discussed in the previous sections. A number of the variables are statistically significant and have the expected signs. Descriptive statistics for the variables used in this analysis appear in Table 5. Table 6 reports the results from the regression analysis.

TABLE 5 DESCRIPTIVE STATISTICS

Variable	Mean	Standard Deviation	Minimum	Maximum
Number of FTEs	163.801	418.741	9.330	7448.900
State Pool Premium	718.471	303.884	375.500	1087.500
District Premium	853.883	354.800	224.860	1577.820
Deductible	157.080	179.523	0	3000.000
Family Coverage (1 if family policy, otherwise 0)	0.500	0.500	0	1.000
WEA (1 if WEA, otherwise 0)	0.780	0.410	0	1.000
WPS (1 if WPS, otherwise 0)	0.040	0.200	0	1.000
BCBS (1 if BCBS, otherwise 0)	0.040	0.200	0	1.000
HUMANA (1 if HUMANA, otherwise 0)	0.010	0.110	0	1.000
OTHERCAR (1 if OTHERCAR, otherwise 0)	0.120	0.330	0	1.000
Average age of FTEs	43.282	2.271	34.333	52.747
Percent of FTEs that are Female	0.696	0.076	0.389	1.000
Percent of FTEs that are White	0.990	0.024	0.710	1.000
Percent of FTEs that are Black	0.002	0.013	0	0.216
Percent of FTEs that are Hispanic	0.002	0.008	0	0.061

The regional difference in health insurance costs, as measured by the state employee premium, is positively signed and statistically significant. As expected, the cost of health care services in different counties is highly correlated with the insurance premium paid by the school districts for group coverage.

TABLE 6 REGRESSION ANALYSIS OF HEALTH INSURANCE PREMIUM VARIATION (N=797, R²=0.932)

Variable	Parameter Estimate	Standard Error
Intercept	4.165***	0.618
State Pool Premium	0.198**	0.084
FTE	-9.46 E-5***	0.000
WEA	0.184***	0.013
WPS	0.011	0.023
BCBS	-0.041*	0.024
HUMANA	0.020	0.039
Deductible	-3.11 E-5	0.000
Average Age	0.013***	0.002
Percent Female	0.193***	0.055
Percent White	0.061	0.274
Percent Black	2.713***	0.656
Percent Hispanic	2.002***	0.672
Family Coverage	0.662***	0.076

Table Notes: * = significant at the 10% level, ** = significant at the 5% level, *** = significant at the 1% level,

A number of the demographic variables are statistically significant as well. As expected, there is a significant negative association between the size of the district (measured by the number of FTEs) and insurance premium costs. This suggests that larger districts can negotiate better prices for their employees. In addition, the average age variable was statistically significant and positive. This result provides support for the hypothesis that districts with older employees, on average, pay more for their group health insurance. The model also showed, as expected, that districts with more female employees tend to pay higher health insurance costs. A number of the race composition variables also showed significant influences on the price of insurance coverage.

Of the two variables included to control for policy characteristics of the insurance plans, only the family coverage measure was significant. As predicted, family coverage was associated with higher premiums. The deductible variable, which was a proxy measure for the level of cost sharing in the insurance plans, did not turn out to be statistically significant. This may be because there was little variation in this data.

Of the insurer variables, those representing Blue Cross and Blue Shield and WEAIC are significant. The analysis suggests that districts purchasing insurance coverage from Blue Cross and Blue Shield pay a statistically significant and lower price for insurance than other districts. Blue Cross and Blue Shields' operating efficiency may explain this, or it is also possible they provide coverage that is not as broad.

The indicator variable for WEAIC is positively associated with the price of insurance coverage and highly significant. This suggests that districts that obtain group health care coverage through WEAIC pay a statistically significant higher price than other districts. The analysis does not explain why WEAIC charges a higher price. It is possible that the coverage provided is more service intensive and costs more to administer. It is also possible that the lack of competitive bidding leads to a higher cost. This may lead to a market with little competition and afford WEAIC the ability to charge more for their policies than they would in a more competitive market.

WEAIC and Negotiation Irregularities

While the previous empirical analysis concluded that WEAIC charges more than their competitors for health insurance to Wisconsin public school districts, the data cannot determine that WEAIC pricing is due to its market power position. However, examples of irregularities in the health insurance bargaining process by WEAIC in recent years raises further questions about the competitiveness of this insurance market.

Consider the 1995-1997 contract negotiation between the Wisconsin Cooperative Educational Service Agency #2 (CESA #2) and the CESA Employees for Equity Association (Teachers Association) and the CESA Special Education Program Aides (Aides Association). The primary issue in this negotiation was whether the CESA #2

should be allowed to switch its health benefit plan from a plan provided by WEAIC to a plan with equal or better benefits provided by the Trustmark Insurance Company.²¹ The Board recognized that this was a change in the *status quo* of wages, hours, and working conditions. It had offered the Teachers Association a substantial *quid pro quo* for this change. First, it had offered teachers a second day of personal leave. Second, the Board had offered to increase the Wisconsin Retirement System contribution for teachers. Teachers with 6 to 10 years of service with CESA #2 were to receive an additional 1% above the statutory employer and employee contributions toward the Wisconsin Retirement System. Teachers with 11 or more years of service would receive an additional 2%. Teachers were also to be allowed to continue in the group health insurance plan after retirement. Lastly, the Board offered pay raises of 1.98% in 1995-1996 and 3% in 1996-1997. This is in comparison to the Teachers Association final offer of 0.47% and 2.78% salary increases in the respective school years.

CESA #2's interest in switching insurance carriers dated back to the 1994-95 school year. CESA #2's health insurance costs were substantially higher than most school districts in the area. School districts that had formerly contracted with CESA #2 for teachers were regularly hiring those teachers themselves. Grant-funded programs, such as the Jefferson County Head Start program, were in danger of being lost due to high insurance costs.

CESA #2 hired Greg Bass of Health Care System Consultants, Inc., an insurance expert, in the spring of 1995 to review group health insurance program services and costs. The district also asked that WEAIC provide them with its health benefit claims experience information. CESA #2 wanted to review existing claims data to be certain that the carrier was not charging them for benefits for persons no longer employed by the district. CESA #2 also was considering using that information to request bids from competing insurance carriers. WEAIC resisted this request for information, warning that it would charge the CESA experience-rated premiums as opposed to the pool-rated premiums it had charged in the past, for this information. CESA #2 insisted upon getting their experience data. WEAIC provided some, but not all, of the data. WEAIC kept its promise to respond to the request for experience data with experience-rated health insurance premiums. As a result, the CESA #2 experienced substantial health insurance rate increases in 1995-1996. Mr. Bass testified in the proceedings that he had never before seen an insurance carrier raise its premiums in response to an employer request for experience data. Upon consideration of the fact that WEAIC is actually employed by the CESA #2, and not those insured by the policy, this response is even more perplexing.

While Mr. Bass testified as never having seen an insurance company respond to a request for experience data in this manner, this problem with obtaining health benefit claims experience from WEAIC is not rare. In fact, several school districts have recently filed a complaint with the Office of the Commissioner of Insurance (OCI), claiming that WEAIC's practice of removing schools from the pool when they asked for experience information constituted a charge for the experience information.²² The OCI agreed with this complaint;²³ however, the Dane County Circuit Court reversed this decision. An appeal to the Court of Appeals was started by the OCI but later dropped.

CESA #2 sent a request for proposals to about twenty insurance carriers. Eight expressed interest, but six ultimately withdrew from the bidding because of WEAIC's delay in providing experience data and refusal to provide all of the information requested. The Trustmark Insurance Company submitted the best bid. It offered to design a plan with benefits equal to or better than the existing WEAIC plan. The family rate for Trustmark in 1995-1996 remained below the 1994-1995 WEAIC rate. The Board put language in its final offer to each of the Associations guaranteeing that such benefits will be equal to or better than the benefits under the current plan.

The Board's bargaining committee presented this information to the bargaining committees for the Teachers Association and Aides Association at their initial bargaining session on May 4, 1995. Eight meetings were held, including meetings with Greg Bass, Trustmark representatives, and representatives from WEAIC. On December 12, 1995, both the Teachers and Aides Associations refused to give further consideration to a change to the Trustmark Insurance Company plan. The Board filed for arbitration with both groups shortly after that. After several mediation sessions with a Commissioner and over a year of correspondence and telephone discussions, an impasse was called.

In the end, the arbitrator awarded CESA #2 the ability to change insurance carriers.²⁴ The arbitrator stated in his decision, "As the change in health insurance is guaranteed to have benefits equal to or greater than the current plan, I find the *quid pro quo* stated above sufficient to compensate the employees for any hardship in the change in health insurance may cause." What is difficult to understand is why a union that is concerned about the welfare of its employees would fight an offer seemingly in these same employees' best interest.

THE IMPACT OF INSURING PUBLIC SCHOOL TEACHERS THROUGH THE STATE EMPLOYEE POOL

The cost of obtaining health insurance through WEAIC is demonstrably higher than other carriers. Yet, in spite of costing more, WEAIC is the carrier of choice for 78% of Wisconsin school districts. It is apparent that WEAIC owns a significant and unfair advantage over other insurance carriers. Unlike other public and private entities in Wisconsin, school district choices of health insurance carriers is affected by the relationship between WEAIC (the health insurer) and WEAC (the teachers' union).

Consider the following:

- WEA Insurance Trust (the umbrella organization which contains the health insurance company, WEAIC) is the only health insurance carrier included at the bargaining table when school district contracts are negotiated with teachers.
- School districts cannot change from WEAIC without agreement from the teachers' union, most of which are represented by WEAC.
- WEAIC is reluctant to readily make available important data needed for school districts to solicit competitive bids.

Without change, school districts will continue paying excessive health insurance prices. WEAIC will resist changes that have yielded lower costs for other governmental units.

How the ETF System Works

Reforms in the process, which determines the health insurance coverage of public school teachers, could be adopted by school districts to create a more competitive environment for the health insurance market. These reforms would have to center on a system that encourages school districts to competitively bid for their health insurance carriers. A proxy for a health insurance market for public school teachers that provides service through a competitive bidding strategy is the state health insurance pool for Wisconsin public employers. Employee Trust Funds (ETF), a subdivision of the Wisconsin Retirement System (WRS), operates this pool. Employees statewide receive their coverage from this pool system.

The interesting and innovative method in which this pool operates creates a more traditional supply and demand market. The supply side of the market is established each year as the ETF collects bids and premiums from health insurers whose policies meet certain state-identified standards. The policies can range from full indemnity coverage to HMO coverage. Qualifying plans must meet the established state standards to provide extensive coverage. State employees can select from among all of the plans that are available in their county. The ETF categorizes policy options into one of three tiers based on the relative efficiency with which the plan is able to provide benefits and quality of service. The state guarantees that each employee will have access to at least one policy in both the tier one and tier three categories regardless of county of residence.

Subsequently, to establish the demand side of the market, employees select a plan from the available choices in their respective county of residence. This individualized choice creates an environment in which insurers have incentive to offer the highest quality plans at the lowest possible prices in order to be competitive. This system stands in stark contrast to the options currently available to school districts, which generally offer a single plan.

Allowing public school teachers to select their own individual health insurance policy would be a significant departure from the current collective bargaining system. Even with these changes, school districts and unions would still need to negotiate the dollar amount each employee would be required to contribute towards each respective tier plan, similar to the manner in which state employee unions bargain under Wisconsin statutes.

Many local governments participate in the health care plans offered by ETF. However, only the Monona Grove school district and Yorkville J2 school district already participate in the Wisconsin public employer's group health insurance plan.²⁵ In addition, the Wisconsin Retirement System already operates the retirement program for public school teachers in Wisconsin.

If school district employees chose to join the state health insurance pool, the advantage that WEAIC has would no longer exist. Of course, WEAIC would still be able to compete in the health care market by developing a competitive insurance policy for state employees and offering it as another option within the current state plan.²⁶

More Choices for Teachers

It should be noted that joining the state plan would provide teachers with significantly more choices than they currently have. They would have the ability to choose an indemnity type plan through the state (like many teachers have today) or they could choose one of the generous HMO options available and enjoy a lower premium.²⁷ In other words, such a reform is not equivalent to forcing teachers into a poor health insurance plan to save money. In fact, Wisconsin's governor and state legislators use this state health insurance plan.

It might be argued that such a reform would provide a substantial incentive for attracting bright young teachers into the profession. It is likely that most young teachers, often in good health, would be interested in a reform that would allow them to make their own health care choices. Instead of these young teachers being forced into expensive health care options that their unions choose, they would be able to select less expensive options and enjoy this savings in the form of higher salary. Wisconsin public employees benefit from this choice as 93.5% of all active state employees are enrolled in one of the state's HMO plans.²⁸

Advantages for School Districts

The difference in the cost of health insurance that local school districts currently pay and what they would pay if they joined the state plan is significant. If coverage were obtained through the state plan most districts would significantly save on the cost of health insurance. We are able to calculate the potential savings by calculating the difference between the employer's contribution of total state pool premiums and the employer's contribution of the premiums paid by the school districts. State premiums are available in the "It's Your Choice" guide provided each year to Wisconsin state employees and the district premiums are available from WASB. The survey instrument that the WASB uses in collecting this information is included in Appendix B.

Appendix C reports the total estimated cost difference for each school district if it participated in the state employee health insurance pool, and the estimated savings per FTE.²⁹ A precise estimate of the total savings that is possible through a change to the state plan would require information on the number of employees choosing individual or family coverage. For the purposes of producing an estimate of the potential savings, the assumption is made that one-third of the employees choose single coverage and the remaining two-thirds choose family coverage. The savings estimates will be off to the extent that the number of employees in any district health insurance plan differs from the number of FTEs reported in the Department of Public Instruction (DPI) database. The state employee premiums that are used in this analysis are those for the benefit year 2004. Similarly, the school districts' premiums are those from the 2003-2004 benefit year.

Three hundred eighty out of the 426 school districts, 89.2%, would lower their health insurance cost if they switched to the state insurance plan. Based on the outlined assumptions, the Milwaukee Public Schools would save \$5,117,478 per year by transferring to the state plan. The Kenosha school district would save \$7,677,174 and the Racine school district \$8,134,320 per year.³⁰ After summing the total savings and losses across all 426 school districts, the estimated tax dollar savings for the state as a whole is \$100,953,535.³¹

TABLE 7 DISTRICTS THAT WOULD SAVE THE MOST MONEY MOVING HEALTH COVERAGE TO THE STATE POOL

Rank	School District	Savings	Current Carrier
1	Racine	\$8,134,320	SELF FUND
2	Kenosha	\$7,677,174	WEA
3	Milwaukee	\$5,117,478	UNITED
4	Waukesha	\$4,045,241	WEA
5	Madison Metropolitan	\$2,436,971	VARIOUS
6	West Allis-West Milwaukee	\$2,198,433	WEA
7	Burlington Area	\$1,633,128	WEA
8	Oconomowoc Area	\$1,629,275	SELF FUND
9	Janesville	\$1,629,107	SELF FUND
10	Mukwonago	\$1,482,364	WEA

Table 7 reports the ten districts that would achieve the greatest savings, if they were to participate in the state pool. The table clearly shows that significant savings can be attained in many school districts. The table also reports the insurer providing coverage in each of these districts. Of the fifty districts that would save the most by changing to the state plan, WEAIC is the current insurer in thirty-four cases.

There is insufficient basis in this study to conclude that the estimated savings reported for each of the school districts represents excess profits earned by the insurers. It is possible that the estimated savings that a district could obtain through participation in the state pool may be due to the insurer earning excess profits on the policy through monopolistic behavior. However, the estimated saving may be attributable to differences in depth and quality of coverage obtainable through the state pool and that which is currently provided to the district's employees. The estimated savings may also be attributed to the differences in anticipated health care costs between the employees in a particular district and the employees in the state pool.

Advantages for Taxpayers and Teachers

The money that the school districts would save by providing health insurance coverage through the state pool could either be returned to the taxpayers through a reduction in property taxes or used for other needs. Under current state law, most of the savings would result in higher salaries provided the overall compensation increase remains at or below 3.8%. The last column of Appendix C reports the amount of money by which teacher's salaries in each district could be increased, if the savings resulting from this change in health care selection were used to increase teacher's salaries. It is also true that by moving teachers' health insurance to the state plan, it is likely that, over time a smaller portion of their increases in total compensation would be assigned to benefits. The competitive bidding system would help to control future increases in these benefit costs as well.

TABLE 8 DISTRICTS THAT WOULD SAVE THE MOST MONEY MOVING HEALTH COVERAGE TO THE STATE POOL ON A PER FTE BASIS

Rank	School District	Savings per FTE	Current Carrier
1	Burlington Area	\$6,160	WEA
2	Paris J1	\$6,092	WEA
3	Linn J6	\$5,718	WEA
4	Washington-Caldwell	\$5,634	WEA
5	North Cape	\$5,398	WEA
6	Sharon J11	\$5,394	WEA
7	Oconomowoc Area	\$5,389	SELF FUND
8	Union Grove J1	\$5,358	WEA
9	Williams Bay	\$5,176	WEA
10	Racine	\$5,097	SELF FUND

In fact, for 2005 ETF was quite successful in holding insurance cost increases for state employees to around 5% over the 2004 level,³² significantly below the national average. The yearly per teacher increase would be \$1,012 in Madison; \$687 in Milwaukee; \$351 in Green Bay; \$4,639 in Kenosha; and \$5,097 in Racine. The average yearly potential increase in salary for a public school teacher in the state would be \$1,448.

Table 8 reports the ten districts that would be able to increase teacher salaries by the greatest amount, if the savings from participating in the

state pool were passed on to the teachers in the district. The largest potential increase (\$6,160) is in the Burlington Area school district. The table also reports the current insurer in each of these districts. WEAIC provides insurance in eight of these ten districts.

Appendix C shows that some districts, such as Sheboygan and Middleton-Cross Plains, would end up paying more for health insurance for their teaching staff if they shifted to coverage through the state employee pool. Table 9 reports the ten districts whose health insurance costs would increase the most by join the state insurance plan. The table also reports the current insurance carrier for each respective school district. It is interesting to note that only six of the top 25 districts ranked by losses are currently insured by WEAIC.

TABLE 9 DISTRICTS THAT WOULD LOSE THE MOST MONEY MOVING HEALTH COVERAGE TO THE STATE POOL

Rank	School District	Savings	Current Carrier
1	Sheboygan Area	-\$1,720,887	BCBS
2	Middleton-Cross Plains	-\$1,383,958	UNITY
3	Appleton Area	-\$1,101,804	WEA
4	Wausau	-\$981,281	BCBS
5	Pulaski Community	-\$736,244	PREVEA
6	De Pere	-\$530,929	WEA
7	Menasha	-\$457,713	NETWORK
8	Wisconsin Rapids	-\$426,977	WEA
9	Chippewa Falls	-\$338,550	GHC
10	Rice Lake Area	-\$320,665	BCBS

CONCLUSION

A recent report by Governor Doyle's Task Force on Educational Excellence identified Wisconsin teacher compensation as a major problem in the attraction and retention of quality educators. The report highlighted the troubling quandary of rising health insurance costs for school districts eating into teacher salary increases.

This report provides a potential solution to this critical problem. The health insurance market for Wisconsin school districts is dominated by the WEA Insurance

Corporation. WEIC writes the insurance plans for over 78% of Wisconsin school districts. This study shows that WEIC charges more for health insurance coverage than other carriers. This is likely attributable to the exertion of market power through WEIC's affiliation with the union (WEAC) or to the fact that they provide more extensive coverage.

Reform that would foster competition in the market for teachers' health insurance would serve the interests of Wisconsin's taxpayers and teachers. A model for reform is the health insurance pool for state employees. This plan is administered by the Department of Employee Trust Funds. If health insurance for teachers was provided through ETF, savings that could accrue to school districts are estimated to be over \$100 million per year. If the savings were passed on to Wisconsin's teachers, the average teacher in the state would potentially receive a pay raise of \$1,448. A substantial raise in salary in exchange for moving to an insurance plan suitable for the governor of Wisconsin, in addition to significantly more choice in insurance coverage, seems like a straightforward decision for the state's teachers, and those looking out for their best interest.

APPENDIX A

School District Health Plan Features, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee		
		Single	Family	Employee Share	Max out of Pocket	
					Single	Family
Abbotsford	SECURITY	0	0			
Adams-Friendship Area	WPS	0	0	10		
Albany	WEA	100	200			
Algoma	WEA	100	200			
Alma	WEA	100	300			
Alma Center	WEA	100	300			
Almond-Bancroft	WEA	100	300			
Altoona	WEA	25	75			
Amery	WEA	250	500			
Antigo	BC/BS	500	1000		1000	2000
Appleton Area	WEA	100	200	5		
Arcadia	WEA	100	200			
Argyle	WEA	100	200	10		
Arrowhead UHS	WEA	100	200			
Ashland	self	250	500	10		
Ashwaubenon	Self	0	0			
Athens	WEA	100	200	5		
Auburndale	WEA	100	200			
Augusta	WEA	100	300			
Baldwin-Woodville Area	WEA	100	300			
Bangor	WEA					
Baraboo	WEA	100	200			
Barneveld	WEA	0	0			
Barron Area	ValleyHlth	0	0			
Bayfield	WEA	100	300	20	500	2000
Beaver Dam	WEA	0	0	10		
Beecher-Dunbar-Pembine	WEA	100	300			
Belleville	WEA					
Belmont Community	WEA	100	200			
Beloit	Self PPO	150	350	20	2500	
Beloit Turner	WEA	100	200			
Benton	WEA	100	200			

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee		
		Single	Family	Employee Share	Max out of Pocket	
					Single	Family
Berlin Area	WEA	250	500			
Big Foot UHS	WEA	100	300			
Birchwood	WEA	100	300		100	300
Black Hawk	WEA	100	200	5		
Black River Falls	WEA	0	0			
Blair-Taylor	WEA	100	200	10	600	1200
Bloomer	WEA	100	300			
Bonduel	WEA	100	300			
Boscobel Area	WEA	100	300			
Boulder Junction J1	WEA	100	250			
Bowler	WEA					
Boyceville Community	WEA	100	200	7		
Brighton #1	WEA	100	200	10		
Brillion	TOUCHPOINT	0	0			
Bristol #1	WEA	100	300			
Brodhead	WEA	100	200			
Brown Deer	WEA	0	0			
Bruce	WEA	100	200			
Burlington Area	WEA	100	200			
Butternut	NWSEB/SELF	100	200			
Cadott Community	WEA	250	500			
Cambria-Friesland	WEA	100	200			
Cambridge	WEA	100	200			
Cameron	WEA	100	200	20	500	1000
Campbellsport	WEA					
Cashton	WEA	0	0			
Cassville	WEA	100	300			
Cedar Grove-Belgium	WEA	100	300	6	339	759
Cedarburg	WEA	100	200			
Central/Westosha UHS	WEA	250	500			
Chetek	WEA	100	200	10	250	500
Chilton	WPS	100	200	20		
Chippewa Falls	GHC	100	200		400	1000
Clayton	BCBS	300	600			

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee		
		Single	Family	Employee Share	Max out of Pocket	
					Single	Family
Clear Lake	WEA	250	500	10		
Clinton Community	WEA	100	250			
Clintonville	WPS	100	200			
Cochrane-Fountain City	WEA	100	300	20	500	1000
Colby	SECURITY	50	100			
Coleman	WEA	100	300			
Colfax	WEA	100	200			
Columbus	WPS	200	600			
Cornell	WEA	500	1000			
Crandon	WEA	250	500			
Crivitz	WEA	100	300			
Cuba City	WEA	100	200	6		
Cudahy	SELF	100	200	10	150	300
Cumberland	WEA	100	300			
D C Everest Area	WPS	250	500			
Darlington Community	WPS	200	400			
De Forest Area	WEA	0	0			
De Pere	WEA	100	200			
De Soto Area	WEA	0	0			
Deerfield Community	GHC					
Delavan-Darien	WEA	100	500			
Denmark	WEA	100	200			
Dodgeland	WEA	100	250			
Dodgeville	WEA	0	0			
Dover #1	WEA	100	200	10	1000	
Drummond Area	WEA	100	200			
Durand	WEA	100	300			
East Troy Community	WEA	100	200			
Eau Claire Area	VALLEY	0	0			
Edgar	WEA	100	200			
Edgerton	WEA	100	200			
Elcho	WEA	100	300			
Eleva-Strum	WEA	100	200		100	200
Elk Mound Area	BCBS	100	300			

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee		
		Single	Family	Employee Share	Max out of Pocket	
					Single	Family
Elkhart Lake-Glenbeulah	WEA	100	200			
Elkhorn Area	WEA	100	300			
Ellsworth Community	WEA	100	300			
Elmbrook	HUMANA	100	200	20	1500	3000
Elmwood	WEA	100	300			
Erin	WEA	0	0			
Evansville Community	WEA	0	0			
Fall Creek	WEA	200	500			
Fall River	WEA	0	0			
Fennimore Community	UNITY	0	0			
Flambeau	SECURITY	100	200			
Florence	WEA	250	500		500	1000
Fond du Lac	WEA	0	0	5		
Fontana J8	WEA	100	200			
Fort Atkinson	BCBS	100	200			
Fox Point J2	WEA	100	200			
Franklin	WEA	100	200		100	200
Frederic	WEA	100	200	10		
Freedom Area	WEA	100	200			
Friess Lake	WEA	0	0			
Galesville-Ettrick-Trempealeau	WEA	100	200			
Geneva J4	BCBS	250	500			
Genoa City J2	WEA	100	300			
Germantown	WEA	250	500	3		
Gibraltar Area	WEA	100	200			
Gillett	WEA	100	300	10	250	500
Gilman	WEA	100	200			
Gilmanton	WEA	250	500			
Glendale-River Hills	WEA					
Glenwood City	WEA	100	200	6		
Glidden	SELF	100	200			
Goodman-Armstrong	WEA	100	200	5	100	200
Grafton	WEA	0	0			

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee		
		Single	Family	Employee Share	Max out of Pocket	
					Single	Family
Granton Area	WEA	100	300			
Grantsburg	WEA	100	300			
Green Bay Area	WAUSAU BEN	100	300	20	1000	1800
Green Lake	WEA	250	500			
Greendale	WEA	0	0	12		
Greenfield	Self	0	0		500	1200
Greenwood	WEA	100	200	10	250	500
Hamilton	SELF	0	0		500	1200
Hartford J1	WEA	100	200	5		
Hartford UHS	WEA	0	0			
Hartland-Lakeside J3	WEA	100	200	10	1751	3500
Hayward Community	ATRIUM	0	0			
Herman #22	WEA	100	300			
Highland	WEA	100	300	10		
Hilbert	WEA	100	200			
Hillsboro	WEA	100	300	7		
Holmen	WEA					
Horicon	WEA	100	200			
Hortonville	DUAL PLANS	0	0			
Howards Grove	WEA	0	0			
Howard-Suamico	WEA	100	200			
Hudson	WEA	100	200		1000	
Hurley	WEA	100	200			
Hustisford	WEA	0	0			
Independence	WEA	0	0			
Iola-Scandinavia	WEA	100	200		750	1500
Iowa-Grant	WEA	100	200	8		
Ithaca	WEA	0	0			
Janesville	SELF	100	300	20		
Jefferson	SELF/WPS	100	200	10	2000	4000
Johnson Creek	WEA	100	200			
Juda	WEA	0	0			
Kaukauna Area	WEA	0	0			
Kenosha	WEA	100	300			

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee		
		Single	Family	Employee Share	Max out of Pocket	
					Single	Family
Kettle Moraine	WEA	0	0			
Kewaskum	WEA	100	200			
Kewaunee		100	200			
Kickapoo Area	WEA	100	200			
Kiel Area	WPS	100	200		600	1200
Kimberly Area	WEA	0	0			
Kohler	WEA	100	300			
La Crosse	WEA					
La Farge	WEA					
Lac du Flambeau #1	WEA	100	200			
Ladysmith-Hawkins	SECURITY	0	0			
Lake Country	WEA	100	250			
Lake Geneva J1	BCBS	100	200	20		
Lake Geneva-Genoa City UHS	BCBS	100	200	20		
Lake Holcombe	WEA	100	200			
Lake Mills Area	WEA	0	0			
Lakeland UHS	WEA	100	200			
Lancaster Community	SELF	100	200	20	600	1200
Laona	WEA	100	200			
Lena	WEA	100	200			
Linn J4	WEA	0	0			
Linn J6	WEA	100	300	20	500	1000
Little Chute Area	WEA	100	300			
Lodi	WEA	0	0	10	600	1200
Lomira	WEA	100	200			
Loyal	SECURITY	300	800			
Luck	WEA	250	500	10		
Luxemburg-Casco	WEA	100	200	10		
Madison Metropolitan	GHC/WPS	0	0			
Manawa	WEA	100	200			
Manitowoc	SELF (HUM)	0	0	20	600	1200
Maple	ATRIUM	250	500		500	1000
Maple Dale-Indian Hill	WEA					

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee		
		Single	Family	Employee Share	Max out of Pocket	
					Single	Family
Marathon City	WEA	100	300			
Marinette	WEA	0	0			
Marion	WEA	250	500		18	35
Markesan	SELF	100	300	20	2000	5000
Marshall	WEA	250	500			
Marshfield	SECURITY	100	300	5		
Mauston	WEA	0	0			
Mayville	WEA	100	200			
McFarland	DEAN	0	0			
Medford Area	SECURITY	0	0			
Mellen	EGS	100	200	10		
Melrose-Mindoro	WEA	100	300	10		
Menasha	NETWORK	0	0			
Menominee Indian	WEA	100	300			
Menomonee Falls	WEA	0	0	5		
Menomonie Area	HUMANA	100	300	10	400	1200
Mequon-Thiensville	WEA	100	200			
Mercer	WEA	100	200			
Merrill Area	WEA	100	200			
Merton Community	WEA	100	200			
Middleton-Cross Plains	UNITY	0	0			
Milton	WEA	100	200			
Milwaukee	UNITED	0	0			
Mineral Point	WEA	100	200			
Minocqua J1	WEA	100	200	5		
Mishicot	PREVEA	300	600		300	600
Mondovi	WEA					
Monona Grove	NAVITUS	0	0			
Monroe	WEA	100	200			
Montello	WEA	100	200			
Monticello	WEA	0	0			
Mosinee	SECURITY	0	0			
Mount Horeb Area	WEA	100	200			
Mukwonago	WEA	0	0			

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee Employee Share	Max out of Pocket	
		Single	Family		Single	Family
Muskego-Norway	WEA	0	0			
Necedah Area	WEA	0	0			
Neenah	BCBS	150	450			
Neillsville	WEA	100	200			
Nekoosa	WEA	100	300			
Neosho J3	WEA	250	500			
New Auburn	WEA	250	500			
New Berlin	Medco	100	200	20	500	1000
New Glarus	WEA	25	75		500	1000
New Holstein	WEA	100	300			
New Lisbon	WEA	0	0			
New London	WEA	250	500			
New Richmond	WEA					
Niagara	WEA	100	200			
Nicolet UHS	WEA	100	200			
Norris	HUMANA	1000	3000		2000	6000
North Cape	WEA	0	0			
North Crawford	WEA					
North Fond du Lac	WEA	100	200			
North Lake	WEA	100	200			
Northern Ozaukee	WEA					
Northland Pines	WEA	0	0			
Northwood	WEA					
Norwalk-Ontario-Wilton	WEA					
Norway J7	WEA	0	0			
Oak Creek-Franklin	WEA					
Oakfield	WEA	100	250			
Oconomowoc Area	WEA	250	500		250	500
Oconto	WEA	0	0			
Oconto Falls	WEA	100	200			
Omro	WEA	0	0			
Onalaska	WEA	0	0			
Oostburg	WEA	0	0			
Oregon	WEA	100	200			

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee		
		Single	Family	Employee Share	Max out of Pocket	
					Single	Family
Osceola	WEA	250	500			
Oshkosh Area	WEA	100	300			
Osseo-Fairchild	WEA	100	200			
Owen-Withee	WEA	100	200			
Palmyra-Eagle Area	WEA	250	500			
Pardeeville Area	WEA	100	200			
Paris J1	WEA	100	200			
Park Falls	WEA	0	0			
Parkview	WEA	100	200		600	1200
Pecatonica Area	WEA	100	200	5	561	1265
Pepin Area	WEA	100	300			
Peshtigo	WEA	100	200			
Pewaukee	WEA					
Phelps	WEA	100	200			
Phillips	WEA	0	0			
Pittsville	SECURITY	0	0			
Platteville	WPS	200	400		373	969
Plum City	WEA	100	300	7		
Plymouth	WPS	100	200			
Port Edwards	WEA	100	300			
Port Washington-Saukville	WEA	0	0		1100	2200
Portage Community	WEA	0	0			
Potosi	WEA	0	0			
Poynette	WEA					
Prairie du Chien Area	WEA	100	200			
Prairie Farm	MBA	100	200			
Prentice	WEA	100	200			
Prescott	WEA	250	500			
Princeton	WEA	100	300			
Pulaski Community	PREVEA	250	750			
Racine	Self	0	0			
Randall J1	WEA	250	500			
Randolph	WEA	100	200			
Random Lake	WEA	100	200			

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee		
		Single	Family	Employee Share	Max out of Pocket	
					Single	Family
Raymond #14	WEA	100	300			
Reedsburg	WEA	0	0			
Reedsville	BCBS	100	200	20	500	1000
Rhineland	WEA	0	0			
Rib Lake	WEA	0	0			
Rice Lake Area	BCBS	0	0			
Richfield J1	WEA	100	200			
Richland	WPS	0	0			
Richmond	WEA	100	200			
Rio Community	WEA	100	200			
Ripon	WEA					
River Falls	WEA	100	300			
River Ridge	SELF	0	0			
River Valley	WEA	0	0			
Riverdale	WEA	100	200			
Rosendale-Brandon	WEA	0	0			
Rosholt	WEA					
Royall	WEA	0	0			
Rubicon J6	WEA	100	300	20	500	1000
Saint Croix Central	WEA					
Saint Croix Falls	WEA	100	300	10		
Saint Francis	HUMANA	300	600			
Salem	WEA	100	300			
Sauk Prairie	DEAN	0	0			
Seneca	WEA	0	0			
Sevastopol	WEA	100	200			
Seymour Community	WEA	100	200	5		
Sharon J11	WEA					
Shawano-Gresham	WPS	100	200			
Sheboygan Area	BCBS/MEDCO	200	400	20	600	1400
Sheboygan Falls	WPS	100	200	20	2600	5200
Shell Lake	WEA	100	300			
Shiocton	WEA	0	0			
Shorewood	WEA	0	0			

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee Employee Share	Max out of Pocket	
		Single	Family		Single	Family
Shullsburg	WPS	100	200			
Silver Lake J1	WEA					
Siren	WEA	100	200	10		
Slinger	WEA	0	0			
Solon Springs	NWS EBPT	100	200			
Somerset	WEA	100	200			500
South Milwaukee	WEA	100	200			
South Shore	WEA	100	200			
Southern Door	WEA	100	200			
Southwestern Wisconsin	SELF	100	300		1600	4000
Sparta Area	WPS	0	0			
Spencer	WEA	100	200			
Spooner	WEA	100	200			
Spring Valley	WEA	100	200			
Stanley-Boyd Area	WEA	100	200			
Stevens Point Area	WEA	100	200	10	250	500
Stockbridge	WEA	0	0			
Stone Bank	WEA	100	200			
Stoughton Area	MED.BEN	25	75	20	400	1000
Stratford	WEA			10		
Sturgeon Bay	WEA	100	200			
Sun Prairie Area	WEA	0	0			
Superior	ATRIUM	250	500	20	1000	2000
Suring	WEA	100	200	20	500	1000
Swallow	WEA	100	200			
Thorp	WEA	250	500	6		
Three Lakes	WEA	100	300			
Tigerton	WEA	100	200			
Tomah Area	WEA	0	0			
Tomahawk	WEA	0	0			
Tomorrow River	WEA	100	300	5		
Trevor Grade	WEA	100	200			
Tri-County Area	WEA	100	300	20	500	1000
Turtle Lake	WEA	100	300			

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee		
		Single	Family	Employee Share	Max out of Pocket	
					Single	Family
Twin Lakes #4	WEA	100	200			
Two Rivers	WPS	200	400	10	500	1000
Union Grove J1	WEA	250	500			
Union Grove UHS	WEA	0	0			
Unity	WEA					
Valders Area	WEA	100	300	8		
Verona Area	WEA	100	300			
Viroqua Area	WEA	0	0			
Wabeno Area	WEA	250	500	8		
Walworth J1	WEA	250	500			
Washburn	WEA	50	150			
Washington	WEA	100	200			
Washington-Caldwell	WEA	100	300			
Waterford Graded	WEA	0	0			
Waterford UHS	WEA	0	0			
Waterloo	WEA	100	200	20	600	1200
Watertown	WPS/SELF	200	600			
Waukesha	WEA	0	0			
Waunakee	WEA	100	200			
Waupaca	WEA	100	200			
Waupun Area	WEA	100	200			
Wausau	BCBS	0	0			
Wausaukee	BCBS	100	300			
Wautoma Area	WEA	100	100			
Wauwatosa	SELF	100	200			
Wauzeka-Steuben	WEA	100	300	10	300	500
Webster	WEA	100	300			
West Allis-West Milwaukee	WEA	0	0			
West Bend	SELF	100	300	5	200	
West De Pere	WEA	100	300			
West Salem	WEA	0	0			
Westby Area	WEA	0	0			
Westfield	WEA	100	200			
Weston	WEA	100	300	9		

APPENDIX A (CONT.) — SCHOOL DISTRICT HEALTH PLAN FEATURES, 2003-2004

School District	Carrier	Deductible Paid by Employee		Co-Insurance Paid by Employee		
		Single	Family	Employee Share	Max out of Pocket	
					Single	Family
Weyauwega-Fremont	WEA	100	300			
Weyerhaeuser	WEA	100	300		500	1000
Wheatland J1	WEA	100	300	10		
White Lake	WEA	100	200			
Whitefish Bay	WEA	250	500			
Whitehall	WEA	0	0		600	1800
Whitewater Unified	WEA	100	200	10	250	500
Whitnall	HUMANA	0	0			
Wild Rose	WEA	100	300			
Williams Bay	WEA	500	1000			
Wilmot Grade	WEA	250	500			
Wilmot UHS	WEA	250	500			
Winneconne Community	WEA	0	0			
Winter	WEA	100	300	20	500	1000
Wisconsin Dells	WEA	100	200			
Wisconsin Heights	SELF	100	200		400	1000
Wisconsin Rapids	WEA	100	300	20	500	1000
Wittenberg-Birnamwood	WEA	100	200			
Wonewoc-Union Center	WEA	100	300			
Woodruff J1	WEA	100	200	10	600	1200
Wrightstown Community	WEA	100	200			
Yorkville J2	ETF					

APPENDIX B

WASB 2003-04 TEACHER BENEFIT SURVEY

School District: _____ **Date:** _____

Reported by: _____ **Position:** _____ **Phone:** _____

INSTRUCTIONS

2003-04 surveys are available online at: <http://www.wasb.org/employee/survey0304.html>.

Complete this survey as soon as your 2003-04 insurance rates are known.

If the district is not yet settled with the teachers union, but the insurance rates are known, please complete all of the survey questions on which the district and the union proposals agree. If the district is not settled, please indicate which benefits are currently in dispute:

_____ Health	_____ Retirement
_____ Life	_____ Early Retirement
_____ Long Term Disability	_____ Long Term Care
_____ Dental	

If you feel that there is not enough space provided, please feel free to attach information or use the back of this survey. We thank you in advance for your participation.

MAILING

Please return the requested information to: Wisconsin Association of School Boards
122 W. Washington Avenue, Suite 400
Madison, WI 53703

QUESTIONS

Should you have any questions regarding this survey, contact any member of the WASB Employee Relations Staff at (608) 257-2622 or (877) 705-4422 (toll-free).

COMMENTS

APPENDIX B (CONT.)

A. HEALTH INSURANCE

1.	MONTHLY Premium	Single	Family
	Total Cost:	\$ _____	\$ _____
	District Pays	\$ _____	\$ _____

NOTE: If there is more than one premium rate during the plan year, please list them and the effective dates for each in the Comments Section.

NOTE: If your district offers more than one health plan, please list that information in the Comments Section.

- 2.** Is there a deductible? Yes ____ No ____
- a. If yes, how much? Per person \$ _____ Per family \$ _____
- b. Is the deductible reimbursed by the district? Yes ____ No ____
- c. Does the deductible apply...
- To all major medical expenses? Yes ____ No ____
- “Up front” on all insurance? Yes ____ No ____
- 3.** Is there a co-pay feature? Yes ____ No ____
- (e.g., Employee pays 20% of the cost of health care services after paying the deductible up to \$2,000)
- a. What % does the **EMPLOYEE** pay? %
- b. Up to what maximum dollar amount? Single \$ _____ Family \$ _____
- 4.** Prescription Drug Co-Pay/Card:
- | | | | |
|------------|-----------------------|--------------|--------------|
| Two-Tier | \$ _____ | \$ _____ | |
| | (Generic) | (Brand Name) | |
| Three-Tier | \$ _____ | \$ _____ | \$ _____ |
| | (Alternative/Generic) | (Preferred) | (Brand Name) |
- 5.** Name of Carrier:
- 6.** Renewal date:
- 7.** Is the plan self funded? Yes ____ No ____
- 8.** Do you offer cash or a tax sheltered annuity to teachers not taking health insurance?
- Yes ____ No ____ Explain: _____
- 9.** Do you offer a Section 125 Flexible Spending Account? Yes ____ No ____
- Please identify the administrator of the 125 plan:

APPENDIX B (CONT.)

2. Employer portion (Example 6.5%) _____%
3. How was the WRS Act 11 credit used?
 _____ Unfunded Liability _____ Current Liability
 _____ Both Unfunded & Current Liability _____ Have not spent

G. TEACHERS' WORK YEAR

1. Paid student days _____
2. Paid inservice and workdays _____
3. Paid teacher convention days
 a. State convention _____
 b. Regional convention _____
4. Paid holidays _____
5. Other paid days _____
6. TOTAL number of paid days _____
7. According to the contract language, how many days are made up by teachers when schools are closed for any reason?

H. TEACHERS' WORKDAY

Elementary

Secondary

- | | | | |
|----|---|-------|-------|
| 1. | Time teachers arrive at school | _____ | _____ |
| 2. | Time teachers leave school | _____ | _____ |
| 3. | Length of duty free lunch (minutes) | _____ | |
| 4. | Are teachers allowed to leave early on Fridays or days before holiday/vacation? | | |
| | Yes _____ No _____ | | |

I. CREDIT REIMBURSEMENT

Are teachers reimbursed for the cost of taking additional coursework?

Yes _____ No _____

	Undergrad.	Graduate
Per semester credit	\$ _____	\$ _____
Maximum per year	\$ _____	\$ _____

J. PER DIEM SUBSTITUTE TEACHER PAY

1. Negotiated Yes _____ No _____
2. Per day rate \$ _____
3. Long term \$ _____ after _____ days on job

APPENDIX C

School District	Potential Yearly Savings	Savings per FTE
Abbotsford	-\$179,635	-\$3,471
Adams-Friendship Area	\$270,592	\$1,497
Albany	\$127,099	\$2,925
Algoma	\$56,398	\$953
Alma	\$66,988	\$1,976
Alma Center	\$125,427	\$2,538
Almond-Bancroft	\$96,345	\$2,049
Altoona	\$243,725	\$1,976
Amery	\$193,094	\$1,361
Antigo	\$290,063	\$1,121
Appleton Area	-\$1,101,804	-\$962
Arcadia	\$154,700	\$1,881
Argyle	\$47,051	\$1,493
Arrowhead UHS	\$423,980	\$3,009
Ashland	-\$107,305	-\$546
Ashwaubenon	-\$7,357	-\$29
Athens	\$102,660	\$2,060
Auburndale	\$29,210	\$412
Augusta	\$76,450	\$1,400
Baldwin-Woodville Area	\$226,370	\$2,236
Bangor	\$65,310	\$1,062
Baraboo	\$139,188	\$599
Barneveld	\$115,146	\$2,828
Barron Area	\$115,356	\$944
Bayfield	\$83,775	\$1,637
Beaver Dam	\$153,774	\$561
Beecher-Dunbar-Pembine	\$95,750	\$3,214
Belleville	\$115,436	\$1,456
Belmont Community	\$86,937	\$2,406
Beloit	\$1,058,030	\$1,805
Beloit Turner	\$417,496	\$4,715
Benton	\$69,093	\$2,319
Berlin Area	\$127,163	\$905
Big Foot UHS	\$226,549	\$5,050
Birchwood	\$32,302	\$1,006
Black Hawk	\$129,187	\$2,449
Black River Falls	-\$124,041	-\$766
Blair-Taylor	\$53,244	\$866
Bloomer	\$218,541	\$2,570
Bonduel	\$123,591	\$2,055
Boscobel Area	\$189,096	\$2,405
Boulder Junction J1	\$86,003	\$3,519
Bowler	\$125,227	\$2,449
Boyceville Community	\$89,489	\$1,171
Brighton #1	\$34,215	\$2,396

APPENDIX C (CONT.)

School District	Potential Yearly Savings	Savings per FTE
Brillion	-\$139,014	-\$1,901
Bristol #1	\$181,278	\$4,496
Brodhead	\$365,184	\$4,065
Brown Deer	\$88,542	\$683
Bruce	\$179,137	\$3,194
Burlington Area	\$1,633,128	\$6,160
Butternut	-\$3,604	-\$165
Cadott Community	\$110,700	\$1,611
Cambria-Friesland	\$94,853	\$2,483
Cambridge	\$149,868	\$1,889
Cameron	\$53,781	\$777
Campbellsport	\$155,153	\$1,365
Cashton	\$61,825	\$1,156
Cassville	\$96,187	\$2,962
Cedar Grove-Belgium	\$10,059	\$143
Cedarburg	\$936,355	\$4,341
Central/Westosha UHS	\$370,786	\$4,814
Chetek	\$46,857	\$589
Chilton	-\$115,899	-\$1,140
Chippewa Falls	-\$338,550	-\$1,027
Clayton	-\$89,733	-\$2,210
Clear Lake	\$50,149	\$912
Clinton Community	\$509,109	\$4,637
Clintonville	\$408,516	\$2,823
Cochrane-Fountain City	\$121,066	\$1,993
Colby	\$90,090	\$1,049
Coleman	\$161,853	\$2,549
Colfax	\$84,095	\$1,336
Columbus	-\$4,742	-\$45
Cornell	\$42,363	\$872
Crandon	\$272,075	\$3,318
Crivitz	\$223,476	\$3,371
Cuba City	\$187,816	\$2,883
Cudahy	\$907,355	\$3,815
Cumberland	\$59,733	\$628
D C Everest Area	-\$87,863	-\$226
Darlington Community	\$106,712	\$1,393
De Forest Area	\$543,596	\$2,212
De Pere	-\$530,929	-\$2,262
De Soto Area	\$103,677	\$2,082
Deerfield Community	-\$12,317	-\$182
Delavan-Darien	\$600,663	\$3,163
Denmark	\$52,728	\$426
Dodgeland	\$163,721	\$2,157
Dodgeville	\$303,738	\$2,601

APPENDIX C (CONT.)

School District	Potential Yearly Savings	Savings per FTE
Dover #1	\$30,864	\$3,308
Drummond Area	\$94,553	\$1,971
Durand	\$245,694	\$2,569
East Troy Community	\$322,727	\$2,478
Eau Claire Area	-\$145,782	-\$164
Edgar	\$109,306	\$2,060
Edgerton	\$345,321	\$2,244
Elcho	\$60,159	\$1,469
Eleva-Strum	\$74,698	\$1,220
Elk Mound Area	\$96,066	\$1,527
Elkhart Lake-Glenbeulah	\$85,894	\$1,730
Elkhorn Area	\$375,489	\$2,073
Ellsworth Community	\$360,424	\$2,537
Elmbrook	\$857,823	\$1,480
Elmwood	\$66,126	\$1,992
Erin	\$81,519	\$2,759
Evansville Community	\$373,726	\$2,746
Fall Creek	\$209,173	\$3,087
Fall River	\$71,929	\$1,941
Fennimore Community	\$11,854	\$189
Flambeau	\$160,040	\$2,736
Florence	\$174,051	\$2,885
Fond du Lac	\$575,256	\$1,057
Fontana J8	\$117,791	\$4,656
Fort Atkinson	-\$9,292	-\$42
Fox Point J2	\$190,090	\$2,576
Franklin	\$903,383	\$2,825
Frederic	\$132,474	\$2,717
Freedom Area	\$160,780	\$1,435
Friess Lake	\$28,850	\$1,148
Galesville-Ettrick-Trempealeau	\$93,860	\$830
Geneva J4	\$18,793	\$1,558
Genoa City J2	\$192,162	\$4,543
Germantown	\$807,375	\$2,833
Gibraltar Area	\$68,178	\$1,057
Gillett	\$142,431	\$2,028
Gilman	\$108,077	\$2,475
Gilmanton	-\$12,051	-\$490
Glendale-River Hills	\$367,545	\$4,465
Glenwood City	\$117,911	\$1,623
Glidden	\$42,957	\$1,614
Goodman-Armstrong	\$75,006	\$3,280
Grafton	\$749,538	\$4,680
Granton Area	\$100,372	\$3,009
Grantsburg	\$129,386	\$1,770

APPENDIX C (CONT.)

School District	Potential Yearly Savings	Savings per FTE
Green Bay Area	\$596,038	\$351
Green Lake	\$23,011	\$598
Greendale	\$442,309	\$2,640
Greenfield	\$384,351	\$1,537
Greenwood	\$110,412	\$2,465
Hamilton	\$990,350	\$3,450
Hartford J1	\$359,133	\$2,780
Hartford UHS	\$294,678	\$2,446
Hartland-Lakeside J3	\$525,773	\$4,923
Hayward Community	-\$112,965	-\$665
Herman #22	\$26,975	\$2,753
Highland	\$73,457	\$2,313
Hilbert	\$63,305	\$1,538
Hillsboro	\$73,290	\$1,427
Holmen	\$8,361	\$33
Horicon	\$176,824	\$2,207
Hortonville	-\$74,380	-\$335
Howards Grove	\$52,522	\$668
Howard-Suamico	\$233,210	\$689
Hudson	\$499,822	\$1,476
Hurley	\$108,195	\$1,739
Hustisford	\$99,219	\$2,785
Independence	\$39,783	\$1,287
Iola-Scandinavia	\$42,654	\$667
Iowa-Grant	\$276,944	\$3,199
Ithaca	\$74,547	\$1,986
Janesville	\$1,629,107	\$1,810
Jefferson	\$409,882	\$2,678
Johnson Creek	\$180,606	\$3,366
Juda	\$62,210	\$2,147
Kaukauna Area	-\$160,874	-\$590
Kenosha	\$7,677,174	\$4,639
Kettle Moraine	\$1,095,183	\$3,397
Kewaskum	\$320,405	\$2,282
Kewaunee	\$110,433	\$1,220
Kickapoo Area	\$32,669	\$739
Kiel Area	-\$141,993	-\$1,252
Kimberly Area	\$113,780	\$439
Kohler	\$40,270	\$1,003
La Crosse	\$934,892	\$1,383
La Farge	\$63,471	\$1,964
Lac du Flambeau #1	\$141,732	\$2,365
Ladysmith-Hawkins	\$152,922	\$1,577
Lake Country	\$163,705	\$3,636
Lake Geneva J1	\$363,199	\$2,758

APPENDIX C (CONT.)

School District	Potential Yearly Savings	Savings per FTE
Lake Geneva-Genoa City UHS	\$257,083	\$2,758
Lake Holcombe	\$157,694	\$3,678
Lake Mills Area	\$227,607	\$2,301
Lakeland UHS	\$187,830	\$2,433
Lancaster Community	\$117,224	\$1,152
Laona	\$75,371	\$2,621
Lena	\$117,302	\$3,047
Linn J4	\$13,304	\$1,046
Linn J6	\$74,337	\$5,718
Little Chute Area	\$102,255	\$889
Lodi	\$36,272	\$274
Lomira	\$197,504	\$2,313
Loyal	\$20,562	\$378
Luck	\$51,461	\$1,029
Luxemburg-Casco	\$132,554	\$953
Madison Metropolitan	\$2,436,971	\$1,012
Manawa	\$186,361	\$2,615
Manitowoc	-\$229,250	-\$565
Maple	\$70,971	\$729
Maple Dale-Indian Hill	\$174,236	\$3,333
Marathon City	\$153,834	\$2,907
Marinette	\$455,205	\$2,307
Marion	\$64,763	\$1,181
Markesan	\$10,600	\$154
Marshall	\$283,301	\$2,663
Marshfield	\$332,118	\$1,157
Mauston	\$297,583	\$1,981
Mayville	\$251,577	\$2,510
McFarland	-\$271,197	-\$1,616
Medford Area	-\$80,814	-\$461
Mellen	\$34,342	\$1,093
Melrose-Mindoro	\$76,769	\$1,159
Menasha	-\$457,713	-\$1,637
Menominee Indian	\$416,584	\$3,477
Menomonee Falls	\$1,247,283	\$3,693
Menomonie Area	-\$50,627	-\$201
Mequon-Thiensville	\$1,119,065	\$3,671
Mercer	\$53,131	\$2,675
Merrill Area	\$192,876	\$750
Merton Community	\$273,844	\$4,095
Middleton-Cross Plains	-\$1,383,958	-\$2,877
Milton	\$851,733	\$4,019
Milwaukee	\$5,117,478	\$687
Mineral Point	\$138,828	\$2,157
Minocqua J1	\$76,625	\$1,426

APPENDIX C (CONT.)

School District	Potential Yearly Savings	Savings per FTE
Mishicot	-\$174,752	-\$1,912
Mondovi	\$163,793	\$1,975
Monona Grove	\$80,406	\$322
Monroe	\$291,896	\$1,145
Montello	\$175,160	\$2,619
Monticello	\$138,268	\$3,505
Mosinee	\$71,375	\$495
Mount Horeb Area	\$405,760	\$2,459
Mukwonago	\$1,482,364	\$4,153
Muskego-Norway	\$729,160	\$2,203
Necedah Area	\$129,801	\$1,946
Neenah	\$483,068	\$1,044
Neillsville	\$263,165	\$2,719
Nekoosa	\$57,378	\$480
Neosho J3	\$47,107	\$2,692
New Auburn	\$56,611	\$1,861
New Berlin	\$661,799	\$1,922
New Glarus	\$162,286	\$2,439
New Holstein	\$119,743	\$1,170
New Lisbon	\$181,927	\$3,098
New London	\$67,351	\$348
New Richmond	\$326,246	\$1,863
Niagara	\$57,038	\$1,329
Nicolet UHS	\$241,816	\$2,204
Norris	-\$5,705	-\$363
North Cape	\$70,177	\$5,398
North Crawford	\$55,981	\$1,079
North Fond du Lac	\$170,982	\$1,852
North Lake	\$90,932	\$2,632
Northern Ozaukee	\$207,760	\$3,146
Northland Pines	\$237,108	\$1,760
Northwood	\$73,111	\$1,889
Norwalk-Ontario-Wilton	\$104,995	\$1,776
Norway J7	\$54,293	\$4,312
Oak Creek-Franklin	\$980,056	\$2,855
Oakfield	\$124,264	\$2,494
Oconomowoc Area	\$1,629,275	\$5,389
Oconto	\$118,581	\$1,080
Oconto Falls	\$205,069	\$1,287
Omro	\$131,202	\$1,315
Onalaska	-\$38,625	-\$180
Oostburg	-\$73,383	-\$1,034
Oregon	\$228,631	\$778
Osceola	\$129,470	\$1,108
Oshkosh Area	-\$242,485	-\$297

APPENDIX C (CONT.)

School District	Potential Yearly Savings	Savings per FTE
Osseo-Fairchild	\$59,914	\$714
Owen-Withee	\$54,657	\$938
Palmyra-Eagle Area	\$273,317	\$2,721
Pardeeville Area	\$174,843	\$2,468
Paris J1	\$78,278	\$6,092
Park Falls	\$182,862	\$2,639
Parkview	\$420,509	\$4,619
Pecatonica Area	\$122,882	\$2,828
Pepin Area	\$69,654	\$2,496
Peshtigo	\$217,424	\$2,534
Pewaukee	\$518,998	\$3,254
Phelps	\$23,591	\$1,229
Phillips	\$146,535	\$1,536
Pittsville	-\$2,897	-\$46
Platteville	\$42,908	\$331
Plum City	\$27,113	\$825
Plymouth	-\$200,344	-\$1,053
Port Edwards	\$80,162	\$1,735
Port Washington-Saukville	\$572,049	\$2,915
Portage Community	\$294,734	\$1,431
Potosi	\$193,962	\$4,464
Poynette	\$150,481	\$1,740
Prairie du Chien Area	\$209,627	\$1,863
Prairie Farm	\$10,900	\$331
Prentice	\$100,213	\$2,110
Prescott	\$103,821	\$984
Princeton	\$57,969	\$1,404
Pulaski Community	-\$736,244	-\$2,791
Racine	\$8,134,320	\$5,097
Randall J1	\$248,803	\$4,508
Randolph	\$112,518	\$2,498
Random Lake	\$104,508	\$1,193
Raymond #14	\$146,608	\$4,436
Reedsburg	\$445,610	\$2,242
Reedsville	-\$40,935	-\$663
Rhineland	\$531,973	\$2,134
Rib Lake	\$32,228	\$668
Rice Lake Area	-\$320,665	-\$1,571
Richfield J1	\$168,805	\$4,720
Richland	\$314,640	\$2,256
Richmond	\$153,095	\$4,372
Rio Community	\$119,886	\$2,539
Ripon	\$224,651	\$1,703
River Falls	\$233,793	\$1,078
River Ridge	\$211,195	\$3,366

APPENDIX C (CONT.)

School District	Potential Yearly Savings	Savings per FTE
River Valley	\$338,553	\$2,567
Riverdale	\$221,045	\$3,011
Rosendale-Brandon	\$114,520	\$1,383
Rosholt	\$56,495	\$1,042
Royall	\$185,929	\$2,956
Rubicon J6	\$46,488	\$3,444
Saint Croix Central	\$207,845	\$2,677
Saint Croix Falls	\$64,380	\$783
Saint Francis	\$197,784	\$1,957
Salem	\$362,552	\$4,588
Sauk Prairie	-\$52,248	-\$230
Seneca	\$105,251	\$3,102
Sevastopol	\$34,576	\$604
Seymour Community	\$24,688	\$144
Sharon J11	\$163,610	\$5,394
Shawano-Gresham	\$10,186	\$45
Sheboygan Area	-\$1,720,887	-\$2,074
Sheboygan Falls	-\$152,530	-\$1,093
Shell Lake	\$51,776	\$955
Shiocton	\$68,930	\$1,067
Shorewood	\$570,474	\$3,310
Shullsburg	\$74,248	\$1,951
Silver Lake J1	\$215,271	\$4,685
Siren	\$71,980	\$1,459
Slinger	\$479,666	\$2,585
Solon Springs	-\$11,230	-\$270
Somerset	\$190,839	\$2,030
South Milwaukee	\$673,503	\$2,362
South Shore	\$72,527	\$3,038
Southern Door	\$46,319	\$403
Southwestern Wisconsin	\$57,130	\$933
Sparta Area	\$265,691	\$1,186
Spencer	\$207,700	\$3,400
Spooner	\$144,023	\$1,127
Spring Valley	\$62,849	\$1,004
Stanley-Boyd Area	\$255,703	\$2,956
Stevens Point Area	\$726,795	\$1,225
Stockbridge	\$35,483	\$1,394
Stone Bank	\$103,215	\$3,617
Stoughton Area	\$354,742	\$1,185
Stratford	\$98,056	\$1,655
Sturgeon Bay	\$172,733	\$1,510
Sun Prairie Area	\$76,215	\$181
Superior	-\$306,771	-\$841
Suring	\$79,602	\$1,473

APPENDIX C (CONT.)

School District	Potential Yearly Savings	Savings per FTE
Swallow	\$96,751	\$3,497
Thorp	\$80,438	\$1,573
Three Lakes	\$137,521	\$2,215
Tigerton	\$85,743	\$2,336
Tomah Area	\$204,178	\$812
Tomahawk	\$200,670	\$1,514
Tomorrow River	\$116,628	\$1,502
Trevor Grade	\$133,295	\$4,065
Tri-County Area	\$293,638	\$4,309
Turtle Lake	\$8,120	\$160
Twin Lakes #4	\$121,490	\$3,983
Two Rivers	-\$195,399	-\$1,070
Union Grove J1	\$255,794	\$5,358
Union Grove UHS	\$246,707	\$4,645
Unity	\$191,323	\$1,970
Valders Area	\$104,537	\$1,162
Verona Area	\$200,277	\$487
Viroqua Area	\$119,609	\$1,060
Wabeno Area	\$121,904	\$2,488
Walworth J1	\$129,284	\$3,229
Washburn	\$86,823	\$1,387
Washington	\$7,573	\$604
Washington-Caldwell	\$100,685	\$5,634
Waterford Graded	\$315,311	\$2,671
Waterford UHS	\$321,845	\$4,304
Waterloo	\$180,923	\$2,302
Watertown	\$863,228	\$3,216
Waukesha	\$4,045,241	\$4,106
Waunakee	\$232,114	\$983
Waupaca	\$266,173	\$1,199
Waupun	\$646,691	\$3,088
Wausau	-\$981,281	-\$1,378
Wausaukee	\$175,772	\$3,063
Wautoma Area	\$312,341	\$2,334
Wauwatosa	\$1,311,865	\$2,379
Wauzeka-Steuben	\$29,723	\$809
Webster	\$97,524	\$1,413
West Allis-West Milwaukee	\$2,198,433	\$3,262
West Bend	\$347,698	\$713
West De Pere	\$125,957	\$847
West Salem	\$165,056	\$1,274
Westby Area	\$99,698	\$964
Westfield	\$193,438	\$1,799
Weston	\$71,089	\$1,958
Weyauwega-Fremont	\$264,292	\$2,889

APPENDIX C (CONT.)

School District	Potential Yearly Savings	Savings per FTE
Weyerhaeuser	\$47,748	\$1,811
Wheatland J1	\$179,448	\$3,843
White Lake	\$43,595	\$1,782
Whitefish Bay	\$465,799	\$2,171
Whitehall	\$102,516	\$1,591
Whitewater Unified	\$661,488	\$4,185
Whitnall	\$41,255	\$224
Wild Rose	\$186,174	\$3,105
Williams Bay	\$230,603	\$5,176
Wilmot Grade	\$47,320	\$3,563
Wilmot UHS	\$300,773	\$3,563
Winneconne Community	-\$57,098	-\$467
Winter	\$40,428	\$970
Wisconsin Dells	\$200,394	\$1,441
Wisconsin Heights	\$123,418	\$1,206
Wisconsin Rapids	-\$426,977	-\$867
Wittenberg-Biramwood	\$172,412	\$1,570
Wonewoc-Union Center	\$123,673	\$3,410
Woodruff J1	\$111,165	\$2,159
Wrightstown Community	\$53,472	\$654
Yorkville J2	\$76,605	\$2,763

NOTES

1. According to the Wisconsin Association of School Boards.
2. This report is available at: <http://edexcellence.wisconsin.gov/final_report.asp>
3. According to the Wisconsin Association of School Boards.
4. These data are available at: <<http://www.wasb.org/employee/inscosts.pdf>>
5. A description of the QEO law can be found in: <http://edexcellence.wisconsin.gov/final_report.asp>
6. *Wisconsin Statutes* Chapter 120.
7. *Wisconsin Statutes* Chapter 120.
8. For more information about the Wisconsin Association of School Boards please see: <www.wasb.org>
9. More information is available at the WEAC website: <www.weac.org>
10. For small groups, such as those with fewer than 50 or 100 employees, the plans could be community or pool-rated, based simply on the ages and genders of the employees. Larger groups typically are experience-rated and also require the history of medical claims.
11. Testimony of Gregg Bass at arbitration hearing of CESA #2, 1998.
12. The Wisconsin Education Association, Inc. (WEA), a not-for-profit corporation, was established as a result of a special act of the Wisconsin Legislature. Its principle functions are real estate ownership and trustee appointments. In 1970, a holding company was formed by WEAC. Affiliates of this holding company include the WEA Insurance Trust, the WEA Tax Sheltered Annuity Trust, the WEAC Member Benefit Trust, and the WEA Property and Casualty Insurance Company.
13. State of Wisconsin Office of the Insurance Commissioner, *Report of the Examination of WEA Insurance Corporation*, December 2001.
14. Section 111.70 *Wis. Stat.*
15. Bureau of Labor Statistics Survey of Benefit Plans: <www.BLS.gov>
16. In many cases all of this information is not available as it was not supplied by the school district; however, it is also true that the majority of school districts do not have any coinsurance by employees after the up front deductible and, as a result, the out-of-pocket maximum is the same as the deductible.
17. Employee Trust Funds charges premiums over a calendar year for Wisconsin public sector employees while public school districts operate on an academic year.
18. Data for public school districts were obtained from the WASB database. All districts do not report data every year so the sample of analysis may change by year.
19. "Health Insurance For Public School Teachers In Wisconsin A Good Value for Taxpayers or a Case of Market Abuse," *Wisconsin Policy Research Institute Report*, Volume 13, Number 8, December 2000.
20. A more detailed theoretical explanation of this model can be found in: "Health Insurance For Public School Teachers In Wisconsin A Good Value for Taxpayers or a Case of Market Abuse", *Wisconsin Policy Research Institute Report*, Volume 13, Number 8, December 2000.
21. The history of this arbitration is reconstructed from the CESA 2 Control Brief dated February 26, 1998 and the arbitration decision #29020-A available at: <http://werc.wi.gov/interest_awards/int_pre-99_vol_2_of_2/int29020.pdf>
22. In violation of 632.797 *Wis. Stat.*
23. *Wisconsin Education Association Council v. Office of the Commissioner of Insurance*, Case Number 02—CV-1654 (Wisconsin Circuit Court Dane County, March 24, 2003)
24. <http://werc.wi.gov/interest_awards/int_pre-99_vol_2_of_2/int29020.pdf> CESA #2 has since changed insurance coverage back to WEA Insurance Corporation for unknown reasons.
25. Although small, estimated differences in the employer's share of contribution still arise from the potential shift to the state pool because our estimation uses state employee premiums as opposed to the premiums offered to local government employees. In addition, the data from the WASB on school district premiums are based on an academic year while the state plan is based on a calendar year.
26. Currently, the WEA Insurance Corporation only offers their insurance products to Wisconsin public school teachers affiliated with the National Education Association. The WEA Insurance Corporation is not prevented from expanding their business to compete in the state employee pool by their charter/articles of incorporation.

27. Employee Trust Funds measures the level of satisfaction among users of their health insurance products. The 2003 ETF Health Care Report Card finds little difference in satisfaction levels between the state's indemnity plan option and the average state HMO option, when ranking either the quality of health care or the quality of health plan. When users were asked to rank from zero to ten "overall how people rated their health plan" the average HMO rated an 8.17 while the indemnity plan rated 8.39. When addressing the issue of "overall how people rated their health care" the indemnity plan rated at 8.63 and the HMO rated 8.53. This report card is available at:
<http://www.etf.wi.gov/publications/dc_content/dc_all_2004_report_cards.pdf>
28. This information is available from the 2004 "Group Health Insurance Fact Sheet" available from ETF at:
<<http://etf.wi.gov/>>
29. The savings that a district would achieve is based on a comparison of the employers monthly contribution towards the health insurance premium.
30. Calculation of these values: the savings or losses per year per employee in each district, when current premium levels are compared to the best value alternative state plan premiums by county, are multiplied by each respective district's number of full-time employees (FTEs), as reported by Department of Public Instruction (DPI), for both single and family plans. One third of subsequent savings or losses for each district from single plans is summed with two thirds of the subsequent savings or losses from family plans to acquire an estimation of savings or losses for each district. In a few cases, the best value alternative state plan used for district calculations is listed by the ETF as a limited provider for that county. The inclusion of limited providers in those few counties does not significantly change the overall findings of the report.
31. Calculation of this value: the savings or losses per year per employee in each district, when current premium levels are compared to the best value alternative state plan premiums by county, are multiplied by each respective district's number of full-time employees (FTEs), as reported by DPI, for both single and family plans. One third of subsequent savings or losses for each district from single plans is summed with two thirds of the subsequent savings or losses from family plans to acquire an estimation of savings or losses for each district. This saving or loss is then summed across all 426 DPI public school districts to obtain the potential net savings to the state.
32. In 2005, state employee health insurance costs will only rise by about 5%. See the press release from Employee Trust Funds at: <<http://etf.wi.gov/>>

ABOUT THE INSTITUTE

The **Wisconsin Policy Research Institute** is a not-for-profit institute established to study public-policy issues affecting the state of Wisconsin.

Under the new federalism, government policy increasingly is made at the state and local levels. These public-policy decisions affect the life of every citizen in the state. Our goal is to provide nonpartisan research on key issues affecting Wisconsinites, so that their elected representatives can make informed decisions to improve the quality of life and future of the state.

Our major priority is to increase the accountability of Wisconsin's government. State and local governments must be responsive to the citizenry, both in terms of the programs they devise and the tax money they spend. Accountability should apply in every area to which the state devotes the public's funds.

The Institute's agenda encompasses the following issues: education, welfare and social services, criminal justice, taxes and spending, and economic development.

We believe that the views of the citizens of Wisconsin should guide the decisions of government officials. To help accomplish this, we also conduct regular public-opinion polls that are designed to inform public officials about how the citizenry views major statewide issues. These polls are disseminated through the media and are made available to the general public and the legislative and executive branches of state government. It is essential that elected officials remember that all of the programs they create and all of the money they spend comes from the citizens of Wisconsin and is made available through their taxes. Public policy should reflect the real needs and concerns of all of the citizens of the state and not those of specific special-interest groups.