

Sen. Darling and Rep. Nygren: JFC rejects self-insurance proposal

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Contact(s): State Senator Alberta Darling (R-River Hills) [608-266-5830](tel:608-266-5830)
State Representative John Nygren (R-Marinette) [608-266-2343](tel:608-266-2343)

Madison, Wisconsin - Thursday, State Senator Alberta Darling (R-River Hills) and State Representative John Nygren (R-Marinette), Co-Chairs of the budget-writing Joint Finance Committee, released the following statement regarding the Committee's decision to reject the proposed move from Wisconsin's fully-funded health care model to self-insurance:

"Leading up to the budget, we have had serious concerns about the validity of projected savings from the proposed move to self-insurance. Data from the non-partisan Legislative Fiscal Bureau (LFB) shows that our concerns are founded and that savings would not be nearly as much as originally predicted. This has left the Joint Finance Committee (JFC) in a position to have to fill a significant budgeting hole.

"It is for this reason that we've decided to reject the governor's proposed move to self-insurance and, instead, work within our existing fully-funded framework to ensure healthcare stability and savings for state employees. Specifically, we are directing the Group Insurance Board (GIB) to draw down their excessively high reserves and explore plan design changes to determine savings to state agencies and employees. Through these changes, we are expecting \$63.9 million in savings — a few million more than the governor's original projection and without limiting access to benefits.

"We are also moving to increase legislative oversight of the GIB's processes. It's our firm belief that legislators need to be an active part of discussions concerning

potentially risky changes to the State of Wisconsin's healthcare coverage. The GIB shouldn't be able to make decisions without public representation or approval. We want to ensure there is a checks-and-balances system in place before widespread changes are made on the backs of state employees and agencies.

"As State Legislators, we are elected to serve our constituents across the state. Thousands of Wisconsinites benefit from our current, fully-funded, competitive healthcare market. Our decision today ensures state employees will continue to have access to this premier market while improving upon our state's efficiency and increasing savings.

"As the budget process continues, we look forward to reviewing the GIB's alternatives to self-insurance."