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Wisconsin Dept. of Administration: LFB memo affirms self-insurance will save state taxpayers

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Madison, Wisconsin – Today, the Legislative Fiscal Bureau (LFB) outlined how the State of Wisconsin can avoid paying an entire federal tax by switching to self-insurance. The $18 million ObamaCare tax will be eliminated for the hardworking Wisconsin taxpayers if the state changes the way it pays for state employee healthcare. In addition to avoiding an $18 million tax, LFB estimates that moving to self-insurance will save the state between $29.7 million and $64.2 million in general purpose revenue over the biennium.

"Governor Walker's budget reforms government to make it more accountable to the taxpayers," said Secretary Scott Neitzel. "While the LFB uses lower estimates, they conclude the saving from self-insurance are real and amount to tens of millions of dollars."

The LFB memo also affirms that reducing the maximum amount of reserves would only result in one-time savings which save less than moving to self-insurance. Savings from self-insurance are structural and ongoing. Moving to self-insurance does not preclude the Group Insurance Board from responsibly drawing down reserves to reduce premium costs for the state and its employees.

Moving the state to self-insurance remains the best option to save the most taxpayer dollars, avoid a ObamaCare tax, and provide the least disruption to state employees.

A copy of the LFB Memo can be found here.