Several of us attended the ACE meeting about the state's "self insurance" proposal for employee health insurance.  We were fortunate to have a panel with Rep. Chris Taylor, an insurance expert from the UW School of Business, and a rep from the HMOs.  These three have been able to dig out details that the administration would just as soon keep in the dark.

Short version: There are no in-state constituent groups pushing for this, but it would help national health insurance giants (who would administer the plan) at the expense of providers, consumers, and taxpayers.  One can assume there is some dark money behind this, but no proof discovered as of yet.

Slightly longer version:  An earlier study by Deloitte-Touche said there would likely be no real savings.  So, of course, DOA hired another consulting group, Segal Consulting of Atlanta.  These consultants had a more ambiguous conclusion that DOA interprets as a green light.  The professor said that self-insurance could make sense if the only current options in the state were already from the giants (Humana, Aetna, etc.).  He said that the competition between HMOs in much of our state keeps quality up and prices down.  Self-insurance would destroy that competition.  The in-state HMOs have, obviously, been lobbying against this.

The original plan was for DOA to just push this through with no public or legislative input.  The legislative push-back was not strong enough to require full legislative approval, but, as a compromise, the Joint Finance Committee will have to sign off on the project.

One feature that Walker finds appealing is that, once the switch is made, the State will collect premiums for several months before claims start rolling in.  This can be timed for Walker's re-election bid, so he can pretend that his superb management skills have boosted the balance in the General Fund.

Jim Newton