Act 20
Health Insurance
Feasibility Study

Spousal Exclusion and
Employee Opt Out

STATE OF WISCONSIN

Department of Employee Trust Funds

Robert J. Conlin
SECRETARY

Office of State Employment Relations

Greg Gracz
DIRECTOR

June 30, 2014

THE HONORABLE SCOTT WALKER
GOVERNOR
115 EAST CAPITOL
MADISON WI 53702

THE HONORABLE ALBERTA DARLING
CO-CHAIR, JOINT COMMITTEE ON FINANCE
317 EAST STATE CAPITOL
MADISON WI 53707

THE HONORABLE JOHN NYGREN
CO-CHAIR, JOINT COMMITTEE ON FINANCE
309 EAST STATE CAPITOL
MADISON WI 53708

Dear Governor Walker, Senator Darling and Representative Nygren:

Wisconsin Act 20 requires the Secretary of the Department of Employee Trust Funds (ETF) and the Director of the Office of State Employment Relations (OSER) to conduct an actuarial study analyzing the feasibility of excluding from state employee health insurance coverage a spouse or domestic partner who has health insurance coverage available through his or her employer. Act 20 also requires ETF and OSER to evaluate the creation of an incentive payment program for state employees who opt not to take state health insurance coverage. ETF and OSER are directed to report the results to the governor and the joint committee on finance no later than June 30, 2014.

We respectfully submit the attached report for your review.

Sincerely,

Robert J. Conlin
Secretary
Department of Employee Trust Funds

Gregory L. Gracz
Director
Office of State Employment Relations

Deloitte.

State of Wisconsin Employee Trust Funds

Spousal Exclusion and Opt Out Incentive Actuarial Analysis

June 30, 2014

Spousal Exclusion and Opt Out Incentive - Actuarial Analysis

Executive Summary

As a provision in the 2013-15 Wisconsin State Budget (Act 20), the Department of Employee Trust Funds and Office of State Employment Relations (OSER) have been tasked with performing a study of options relating to the State Group Health Insurance program. ETF and OSER have contracted Deloitte Consulting to perform an actuarial analysis of the savings/(costs) and implications of, 1) excluding from healthcare coverage the spouses and domestic partners of state employees who are eligible to receive health coverage from their own employers and, 2) offering a $2,000 annual incentive payment to any state employee who, though eligible to receive health care coverage, elects not to receive that coverage.

Working Spouse/Domestic Partner Exclusion Analysis

We analyzed the impact of excluding from healthcare coverage the spouses and domestic partners of state employees who are eligible to receive health coverage from their own employers. We estimate that approximately 9,500 to 14,300 spouses and domestic partners would be excluded from coverage under this provision, resulting in approximately $75 million to $121 million in annual savings to the state which would be realized across all fund sources. Although the provision would create savings, it may result in increased employee turnover and increased difficulty recruiting and retaining qualified employees and elected officials, which could have financial costs and other impacts for the state. There would also be administrative costs related to verifying which spouses will be included versus excluded from coverage, which would offset some of the savings. In addition, spousal exclusions and surcharges are not very prevalent in the market, so there may be confusion and negative perception of the provision among employees. We recommend the state consider the potential negative consequences of this provision along with the savings in making a decision.

Opt Out Incentive Analysis

We also analyzed the impact of establishing an opt-out incentive for all employees who elect not to receive health care coverage. Currently, approximately 5% of all employees opt out of health coverage, which would create approximately $7 million in additional costs for the state. We also considered the number of employees who currently participate in the plan and would now elect to opt out to receive the $2,000 incentive payment. We assumed that approximately 1-5% of employees who are eligible for coverage under their spouse's employer will choose to opt out. This would create an additional cost of the incentive payments which would be offset by premium savings. We estimate the net impact would be approximately $3 million to $25 million dollars in savings. Including the additional cost of the incentive for employees who currently opt out, the total impact would range from approximately $4 million in additional costs to $18 million in savings. Although the provision does not require the state to verify that all employees that opt out have coverage elsewhere, we believe that the state should choose to verify coverage. Therefore, assuming the state chooses to verify evidence of other coverage, there will be administrative costs related to this task.

An opt out incentive may create savings; however, if only a small number of employees opt out in addition to the employees that are currently opting out, this may create an additional cost to the state. We recommend the state consider the scenarios where an additional cost may occur, as well as the scenarios where savings may occur in making a decision.

Introduction

As a provision in the 2013-15 Wisconsin State Budget (Act 20), the Department of Employee Trust Funds (ETF) and Office of State Employment Relations (OSER) have been tasked with performing a study of options relating to the State Group Health Insurance program. ETF and OSER have contracted Deloitte Consulting ("we" or "us") to perform an analysis of the savings/(costs) and implications of implementing the following:

1. Excluding from health care coverage under subchapter IV of chapter 40 of the statutes the spouses and domestic partners of state employees who are eligible to receive health coverage from their own employers.

2. Offering $2,000 annual incentive payment to any state employee who, though eligible to receive health care coverage under subchapter IV of chapter 40 of the statutes, elects not to receive that coverage.

The analysis reviewed the impact of these provisions on the active employees and their dependents in the State Group Health Insurance program. Graduate assistants and retirees were excluded from the analysis. The analysis also focused on the impact to the current Alternate Health Plan, not the High Deductible Health Plan (HDHP) or a self-insured health plan. In addition to the analysis of the two provisions listed above, we have also compiled a summary of similar programs which have been implemented by other state government employers.

Working Spouse/Domestic Partner Exclusion Analysis

Our analysis of the savings/(costs) and implications of implementing a working spouse and domestic partner ("spouse") exclusion takes into account the following considerations that this provision would have on the State Group Health Insurance program:

1. The impact of the exclusion on the current membership pool, causing spouses who are eligible to receive health care coverage through their own employers to migrate out of the State Group Health Insurance Program.

2. The potential premium savings to the state resulting from the migration of members out of the State Group Health Insurance program, and the subsequent change in risk to the current pool from this migration.

3. Other considerations which should be taken into account as potential risks and indirect costs which could result from this provision.

Membership Migration

The implementation of a spousal exclusion will cause a migration in membership out of the current State Group Health Insurance Program. The resulting change in the size and mix of the pool after the exclusion will drive the savings/(costs) to the program. In order to assess the impact of this migration, it is necessary to start with the current membership pool in the absence of a spousal exclusion as the basis for the program. Using census data provided by ETF, the following characterization of the current State Group Health Insurance pool was developed:

Table 1

Single Contracts	Family Contracts			Total Contracts
	Employee + Spouse	Employee + Children	Employee + Spouse + Children	
	17,632	4,416	20,310	
19,981	42,358			**62,339**

Additionally:

- 6,155 employees are covered as a spouse on a family plan with another state employee
- 37,942 total covered spouses and domestic partners
- 2.6 members per contract on average (member/contract ratio)
- 2.6 children per contract with children (Employee + Children only; Employee + Spouse + Children)

Two forms of migration are expected to occur as a result of implementing a spousal exclusion. The first, and largest, is the migration of working spouses who are eligible to receive health coverage from their own employers outside of state employee coverage. A benchmarking analysis from a commercial employer implementing a spousal exclusion provision estimated the percentage of their covered spouses that would be eligible for health care coverage under their own employer is approximately 45%[1]. For the purposes of this analysis, we have assumed that the provision would exclude coverage for spouses who are eligible for other health insurance coverage unless the other health insurance coverage offered provides inferior benefits to an 80/20% coinsurance and $1,500 individual annual deductible. Given that spousal exclusions have recently become a more popular cost savings mechanism for employers; there are few credible analyses to estimate the portion of spouses that would be eligible for coverage under their own employer. Due to the limited number of publicly available surveys related to this assumption, we have estimated that 45% would be on the high-end of the range of reasonable values for the state of Wisconsin. Therefore, we are assuming approximately 30-45% of covered spouses, excluding those families where both spouses are state employees, are eligible to receive health care coverage through their own employer. We estimate that approximately 9,500 to 14,300 spouses will migrate out of state coverage as a result of this provision.

The second form of migration occurs when a subscriber terminates their contract to obtain health care coverage through the employer of their working spouse. An employee may choose to do this if he or she prefers to have consistency in health coverage with his or her spouse (favoring one family contract over two single contracts on different plans). However, due to the state's relatively strong plan design paired with moderate employee contributions, we estimate that this migration will be minimal. We have assumed 0-5% of subscribers that will choose to terminate their contract and obtain coverage under a family plan from the excluded spouse's employer. We estimate that approximately 0 to 1,600 members will terminate their family contract as a result of this provision.

In total, the spousal exclusion provision is expected to result in a migration of approximately 9,500 to 15,900 total members, representing a net reduction in total membership. This membership reduction is comprised of almost entirely of working spouses, with only a small percentage being employees or dependent children. Exhibit 1 in the Appendix contains an illustrative example of the expected migration under a scenario assuming 45% of spouses are eligible for health care coverage under their own employer and 5% of subscribers choose to leave state coverage for coverage under the excluded spouse's employer.

Premium Savings Summary

As a result of the membership migration, the state will experience a change in both the volume of premium payments and the risk of the population. The total premium payments for the current membership pool can be calculated using the current census data and premium rates, excluding the employee contributions. The total annual cost for the current pool is approximately $938 million or an average of $493 per-member-per-month (PMPM).

As discussed, the spousal exclusion is expected to result in a net reduction in the size of the membership pool. The reduced size in the membership pool translates to a reduction in the total premium payments for the state. We estimate the membership reduction will be approximately 9,500 to 15,900 members, which will generate approximately $56 million - $94 million in annual premium savings to the state, which would be distributed across all fund sources.

In addition to the premium savings, we must also consider the impact to the risk of the pool after these members are excluded. We estimated the impact to the risk pool by categorizing members into four risk classes and making an assumption of the relative risk of each class. Using findings from external research[4] and our own actuarial judgment, the following assumptions for relative risk factors were assigned to each of these classes:

- Policyholder = 1.0 ("base")
- Child Dependent = 0.42
- Working Spouse = 1.1
- Non-working Spouse = 1.2

Using these relative risk factors, it is estimated the average risk impact to the current pool will decrease by approximately 2.0% to 2.9%. Therefore, the membership pool after the spousal exclusion is expected to have a lower average cost PMPM compared to the current membership pool. The driver of the improved risk for the pool results from the large percentage of working spouses which are assumed to have a higher average cost migrating out of the current membership pool and dependent children which are assumed to have a lower average cost remaining in the current membership pool. This decrease in the average cost of the pool is expected to generate approximately $19 million to $27 million in annual savings to the state.

The total savings for the state is then calculated by adding the savings from the reduction in net premium (i.e. employer premium contribution) payments and the savings from the reduced risk of the membership pool. Thus, we estimate implementing a spousal exclusion will generate approximately $75 million to $121 million in savings. The table below summarizes the estimated total annual premium savings over the range of key assumptions:

Table 2

% of Employees Opting Out to Obtain Coverage Through Excluded Spouse's Coverage	Percentage of Spouses Eligible for Other Coverage			
	30%	35%	40%	45%
0%	$75,362,493	$88,030,030	$100,728,472	$113,457,932
1%	$76,408,155	$89,251,455	$102,126,089	$115,032,171
5%	$80,590,800	$94,137,153	$107,716,555	$121,329,127

Other Considerations

All employers must balance the goals of controlling benefit costs and attracting and retaining a competitive workforce. Regardless of tenure, most employees seek out the most favorable benefits package. This provision may result in increased employee turnover and increased difficulty recruiting and retaining qualified employees and elected officials, which could have financial costs and other impacts for the state. This provision may also impact retirements unless accompanied by changes to the accumulated sick leave conversion credit programs to preserve spousal benefits when an employee retires or dies while actively employed. Those benefits include access to health insurance coverage and use of an employee's sick leave credits to pay premiums. The 2014 Health Employer Survey from Towers Watson[5] found that nationally approximately 10% of employers require spouses to purchase health insurance coverage from their employer's plan before enrolling in their spouses plan. If it is assumed that Wisconsin follows the national distribution, employees could easily seek other employers who offer coverage for spouses to save on health care costs.

The 2013 Kaiser Family Foundation Employer Health Benefits Survey[2] found that, on average, national health care premiums are $5,884 for single coverage and $16,351 for family coverage annually. In addition, average annual employee contributions are $999 for single coverage and $4,565 for family coverage. For employees whose spouses were previously on a family contract and have children, this would be a new health care expense in addition to their current family premium contribution. Employees whose spouses were previously on a family contract and don't have children would be able to change to single coverage, but would have to pay single contributions for two separate health care plans. The employer portion of the premium will be a new expense for the employers of these excluded spouses. For the state of Wisconsin, approximately 15.9% of employers are public sector and 84.1% are private sector[3]. Thus, most of the additional cost will be passed on to private sector employers.

This provision could also have a larger impact on different regions of the state. For example, in a county with a large portion of state employees, the other employers in that county may see a noticeable increase in health care costs after spouses are excluded from coverage through the state. The counties that may see the largest impact are Dane, Columbia, Grant, Juneau and Dunn.

Administrative Costs

There will be administrative costs related to verifying which spouses will be included versus excluded from coverage. Many employers with similar provisions require a signature to verify that any spouses that are being enrolled are eligible for coverage and are not eligible to be covered by their employer. In addition to a signature, other employers typically include a warning stating what the consequences would be if the employer discovers the employee falsified this information. The administrative costs associated with this method would depend on the state's ability to incorporate such verifications and warnings into the current benefits system.

Summary of Practices from Other State Employers

In addition to the savings/cost analysis, ETF and OSER requested that we review spousal exclusion or surcharge practices from other state government employers. We completed a detailed review of the information that was publicly available for all 50 state government employers. Although we researched all 50 state government employers, there may be additional states with spousal exclusion practices that we were unable to find in our research. The table below summarizes our findings:

Table 3

State	Spousal Exclusion	Spousal Surcharge	Description & Source
Alabama		Yes[6]	There is a spousal surcharge of $50 per month for all active and retired employees whose spouse is a dependent unless: 1) Spouse is eligible for other coverage, but the lowest cost single premium option is more than $255; 2) Spouse is employed, but not eligible for other coverage or not offered group health benefits; 3) Spouse is unemployed or retired and not covered or eligible for any other group health benefits; 4) Spouse's current or former employer offers benefits, but the enrollment rules do not allow spouse to enroll by 1/1/2014
Nevada	Yes[10]		Spouses are excluded from state coverage if they are eligible for health coverage through their current employer, as long as the other coverage is not defined as "significantly inferior coverage" as determined by the state
Oregon		Yes[14]	There is a spousal surcharge of $50 per month if the spouse waives other employer coverage when available
Pennsylvania	Yes[16]		Spouses/domestic partners who are eligible for medical or supplemental benefit coverage through their own employer must take their employer's coverage as primary coverage regardless of any employee contribution the spouse/domestic partner must pay and regardless of whether the spouse/domestic partner had been offered an incentive to decline such coverage. Coverage for such Dependent spouse/domestic partner is limited to secondary coverage. This rule does not apply for those spouses/domestic partners who are self-employed

Our review found that Alabama and Oregon have a $50 per month surcharge for spouses who are eligible for other health insurance coverage, Pennsylvania offers only secondary coverage for spouses who are eligible for other health insurance coverage and Nevada excludes coverage unless the other health insurance coverage offered is significantly inferior. The potential savings in this analysis assumed the spousal exclusion policy would exclude all spouses who are eligible for other health insurance coverage unless the other health insurance coverage offered provides inferior benefits to an 80/20% coinsurance and $1,500 individual annual deductible.

Opt Out Incentive Analysis

Our analysis of the savings/(costs) and implications of an opt out incentive takes into account the following considerations that this provision would have on the State Group Health Insurance program:

1. The cost of the incentive to the employees that currently opt out, as well as the employees who currently participate in the plan and would now elect to opt out

2. The potential premium savings to the state resulting from additional employees opting out to receive the incentive

3. The change in the aggregate risk level of the pool after additional employees opt out of the program to receive the incentive

Cost of the Incentive

Data provided by ETF indicates that approximately 15% of the state's otherwise eligible employees do not participate in the health care plan. Approximately 65% of these employees are ineligible because their spouse is also a state employee and is covered under the health care plan. This leaves approximately 5%, or 3,286 contracts, that opted not to be covered by the state's plan and are

presumably covered elsewhere. The provision requires that the state pay an incentive of $2,000 to employees with single or family coverage. Our calculation for this cost was divided into two sections, current opt outs and new opt outs.

First, we need to reflect the cost for the 5% of employees that currently opt out. These employees are currently receiving no payment for opting out. Assuming they are average risk, the annual cost would be approximately $6,572,000.

Second, we need to calculate the number of employees who currently participate in the plan and would now elect to opt out. There are approximately 17,670 employees with single coverage who are not married and approximately 6,150 employees where both spouses are employed by the state. We have assumed that both of these categories of employees will not opt out of health insurance coverage due to a lack of other affordable health insurance options and the state's relatively strong plan design paired with moderate employee contributions. For the remaining employees who have not already opted out and do not fall into the categories above, we have assumed an additional amount of approximately 1-5% will opt out due to the availability of other coverage that costs less than the $2,000 incentive payment. Even though there is no provision in the bill which requires an employee to show evidence of other coverage elsewhere, we would expect that the Federal Individual Mandate would discourage any employees from opting out without having other coverage. Therefore, we assume no impact due to employees opting out without other available coverage. This results in an annual cost to the state of approximately $7 million to $10 million. There is little reliable data to validate the 1-5% opt out assumption and it is possible that there would be more opt outs.

We do not believe that any employees will opt out of state health insurance coverage to receive subsidized coverage on the exchange. Based on the state plan's current employee contribution levels, an employee's annual W2 income would have to be approximately $11,130 in order to receive subsidized exchange coverage that would cost less than the $2,000 incentive payment. Given the very low annual income amount to qualify for subsidies, we have assumed that no employees will opt out to receive subsidized coverage on the exchange.

Premium Savings

The premium savings for encouraging employees to opt out of the current plan is the savings from these employees' claims that the state normally would pay via the plan's premiums, (less employee contributions). The calculation of this savings is based entirely on the assumption of how many employees would decide to opt out. As stated above, we assumed that an additional 1-5% of employees would disenroll from the program. This results in annual premium savings of approximately $7 million to $35 million.

Risk to the Current Pool

It is our belief, and a common underwriting assumption, that offering employees an incentive to opt out of an insurance program promotes adverse selection. This means that the healthiest people will opt out because they realize that they are subsidizing the pool and are willing to take on more risk. Typically this risk factor is significant. However, there are two factors that mitigate some of the risk. First, we would expect that the Federal Individual Mandate would discourage employees from opting out without having other coverage. Second, as mentioned above, the state has approximately 5% of active employees already opting out of the health coverage and approximately 10% more employees are forced to opt out due to the fact their spouse is already enrolled in the plan. Some of the potential anti-selection has already occurred in that group. We assumed that the expected claims cost of the opt out employees would be between 50-80% of the average for the current group. The overall cost of the

potential anti-selection varies based on the assumption of how many employees decide to opt out of coverage.

After analyzing all of the information from above, we have split our estimates of the annual savings/(cost) into two separate matrices. Table 4 summarizes the cost of providing the incentive to all employees who currently opt out of coverage.

Table 4

	Current Opt-Outs *3,286 Contracts*
Cost of Opt-Out Incentive for Current Opt-Outs	($6,572,000)

Table 5 summarizes the cost of providing the incentive to new employees who chose to opt out of coverage, offset by the savings in premiums for these employees.

Table 5

Expected Claims of Additional Opt Outs as a Percentage of Average	Additional Opt Outs		
	1% *390 Contracts*	3% *1,160 Contracts*	5% *1,930 Contracts*
50%	$3,253,000	$9,759,000	$16,265,000
80%	$4,992,000	$14,977,000	$24,961,000

Table 6 summarizes the savings/(cost) of providing the incentive to employees who are currently opting out as well as new employees who chose to opt out.

Table 6

Expected Claims of Additional Opt Outs as a Percentage of Average	Current Opt Outs = 5%, *3,286 contracts*		
	Additional Opt Outs		
	1% *390 Contracts*	3% *1,160 Contracts*	5% *1,930 Contracts*
50%	($3,319,000)	$3,187,000	$9,693,000
80%	($1,580,000)	$8,405,000	$18,389,000

Administrative Costs

Although the opt out incentive provision does not require the state to verify that all employees that opt out have coverage elsewhere, we believe that the state should choose to verify coverage anyway. Therefore, assuming the state chooses to verify evidence of other coverage, there will be administrative costs related to this task. Many employers with similar provisions require a signature to verify that any employees that are opting out have coverage elsewhere. In addition to a signature,

other employers typically include a warning stating what the consequences would be if the employer discovers the employee falsified this information. The administrative costs associated with this method would depend on the state's ability to incorporate such verifications and warnings into the current benefits system.

Summary of Practices from Other State Employers

In addition to the savings/cost analysis, ETF and OSER requested that we review opt out incentives from other state government employers. We completed a detailed review of the information that was publicly available for all 50 state government employers. Although we researched all 50 state government employers, there may be additional states with opt out incentives that we were unable to find in our research. The table below summarizes our findings:

Table 7

State	Opt out Incentive	Description & Source
California	Yes[7]	State employees that have coverage through another source may opt to receive cash in lieu of health and dental coverage or for health coverage only. State employees will receive $155 per month if they decline both the State-sponsored health and dental plans and $130 per month if they decline only the State-sponsored health plan
Illinois	Yes[8]	State employees who opt out of state health insurance coverage are eligible to receive a financial incentive of $150 per month
Kentucky	Yes[9]	State employees may elect to waive coverage and elect the Waiver Health Reimbursement Account (HRA). With this option employees will receive $175 per month up to $2,100 annually to pay for qualified medical expenses
New Jersey	Yes[11]	State employees who are covered as a dependent under their spouse's or domestic partner's employer provided health benefits coverage may waive health benefits coverage provided by the State and be reimbursed up to 25% of the amount saved by the employer or $5,000, whichever is less
New York	Yes[12]	State employees who have other employer-sponsored group health insurance benefits may opt out of the State health insurance benefits and receive an annual opt out incentive payment of $1,000 for individual coverage and $3,000 for family coverage
Oklahoma	Yes[13]	State employees who opt out of state health insurance coverage will receive $150 per month that can be used to pay for vision coverage, FSA contributions, and/or added to the employee's net pay as taxable income
Oregon	Yes[15]	State employees who opt out will receive a monthly opt out amount determined by the Board and prorated for part-time employees according to hours worked compared with full-time
South Dakota	Yes[17]	State employees who opt out of state health insurance coverage (through Creditable Coverage from spouse or another job) will receive a $300 annual credit which is placed in an account that can be used to pay medical claims
Texas	Yes[18]	State employees who opt out of state health insurance coverage (must have equivalent or better coverage) are eligible to receive up to $60 annually towards dental premiums and/or voluntary accidental death and dismemberment (AD&D) premiums

We found that California, Illinois, Kentucky and Oklahoma offer opt out incentives between $150 and $175 per month. New Jersey offers the richest incentive of 25% of employer contributions up to $5,000 annually. New York is the only state that offers different incentives for single coverage ($1,000 annually) versus family coverage ($3,000 annually). South Dakota and Texas provide a small incentive to be used towards medical claims or other types of coverage (i.e., dental, AD&D). The bill requires that the state pay a stipend of $2,000 to employees with single or family coverage. The incentive included in the bill is similar to the most common incentive offered by four other states. This incentive appears to be a mid-range incentive as two states offer a less rich incentive and only one state offers a richer incentive.

* *

If you have any questions, please do not hesitate to contact Tim Gustafson at (312) 486-2265 or tigustafson@deloitte.com.

Sincerely,

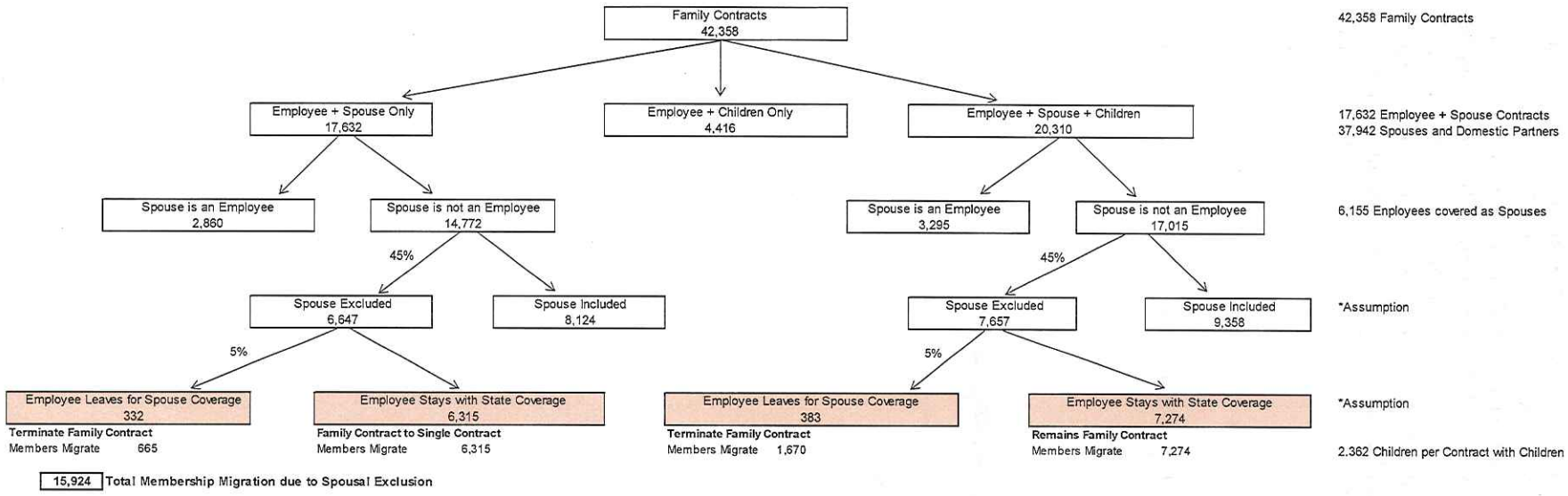
Timothy D. Gustafson

Timothy D. Gustafson, FSA, MAAA
Deloitte Consulting, LLP

Appendix

Exhibit 1

Illustrative example of the expected migration under a scenario assuming 45% of spouses are eligible for health care coverage under their own employer and 5% of subscribers choose to leave state coverage for coverage under the excluded spouse's employer.



References

1 Assumption for percentage of working spouses eligible for other coverage was developed in consideration with a benchmarking analysis sited in the UPS Working Spouse Eligibility FAQ for its employees regarding the employer's recent implementation of a spousal exclusion provision. http://capsules.kaiserhealthnews.org/wp-content/uploads/2013/08/UPS-Spousal-Coverage.pdf

2 National average premiums and employee contributions for health care coverage statistics are from the Kaiser Family Foundation Employer Health Benefits Survey. http://kaiserfamilyfoundation.files.wordpress.com/2013/08/8465-employer-health-benefits-20131.pdf

3 State of Wisconsin private versus public employer distribution is from a George Mason University study. http://mercatus.org/sites/default/files/Hall-Real-Private-Sector-text-v1.pdf

4 Assumptions for relative cost of working spouses and non-working spouses were developed in consideration of a report titled "The Cost of Spousal Health Coverage" in the Employee Benefit Research Institute monthly newsletter dated January 2014. http://www.ebri.org/pdf/notespdf/EBRI_Notes_01_Jan-14_SpslCvg-RetPlns.pdf

5 Current percentage of employers that require spouses to purchase health insurance coverage from their employer's plan before enrolling in their spouses plan was from the 2014 Health Employer Survey from Towers Watson http://www.towerswatson.com/en-US/Insights/IC-Types/Survey-Research-Results/2014/03/towers-watson-nbgh-employer-survey-on-purchasing-value-in-health-care

6 Alabama spousal exclusion summary http://www.alseib.org/pdf/2014QA.pdf

7 California opt out incentive summary http://www.calhr.ca.gov/employees/Pages/cash-options-coben.aspx

8 Illinois opt out incentive summary https://www2.illinois.gov/cms/Employees/benefits/StateEmployee/Pages/OptOutwithFinancialIncentive.aspx

9 Kentucky opt out incentive summary https://personnel.ky.gov/Pages/OEFAQs.aspx

10 Nevada spousal exclusion summary http://www.ncsl.org/research/health/state-employee-health-benefits-ncsl.aspx; "Nevada - MPD_PY2014.pdf"

11 New Jersey opt out incentive summary http://www.ncsl.org/research/health/state-employee-health-benefits-ncsl.aspx; "New Jersey - hb0505.pdf"

12 New York opt out incentive summary http://www.ncsl.org/research/health/state-employee-health-benefits-ncsl.aspx; "New York - NYPE_ACT_SET_Choices_2014.pdf"

13 Oklahoma opt out incentive summary http://www.ncsl.org/research/health/state-employee-health-benefits-ncsl.aspx; "Oklahoma - 2014_Guide.pdf"

14 Oregon spousal exclusion summary http://www.oregon.gov/DAS/PEBB/Pages/SPDPWaivesOC.aspx

15 Oregon opt out incentive summary http://www.oregon.gov/DAS/PEBB/Pages/2013benefits/optdec.aspx#Medical_Opt_Out

[16] Pennsylvania spousal exclusion summary
http://www.ncsl.org/research/health/state-employee-health-benefits-ncsl.aspx; "Pennsylvania – 1344852568.pdf"

[17] South Dakota opt out incentive summary
http://benefits.sd.gov/Files/2013/health/eligibilityselectingcoverage.pdf

[18] Texas opt out incentive summary
http://www.ers.state.tx.us/Employees/Health/Opt out_Credit/