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CORRESPONDENCE MEMORANDUM

DATE: October 16, 2003
TO: Group Insurance Board
FROM: Arlene Larson Manager, Self-Insured Health Plans
SUBJECT: Local Annuitant Health Plan Rates 2004

This memo is for the Board's information only. No action is required.

Attached are the rates for the Local Annuitant Health Plan (LAHP) effective January 1, 2004. LAHP is a fully insured plan provided by the Standard Plan administrator, Blue Cross & Blue Shield United of Wisconsin, pursuant to s. 40.51(10). It is available on an individual basis to local government annuitants. This year's overall rate increase is 0.9%.

LAHP was authorized in the statutes on July 1, 1988 as a health insurance program for retired local government employees and their dependents. The program is designed to offer individual coverage to those retiring local government employees who are not offered a group plan by their municipal employer. The program is voluntary. There is a copay plan for those under age 65, and a Medicare supplement for those over 65.

As many municipalities offer coverage for their annuitants, LAHP insures a very small population and is subject to adverse selection. The rates are provided annually in November, following the establishment of Medicare deductibles for the following year.

Encl.

Reviewed and approved by Tom Korpady, Division of Insurance Services.

Signature

Date

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