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**CORRESPONDENCE MEMORANDUM**

**DATE:** August 31, 2011  
**TO:** Employee Trust Funds Board  
Teacher's Retirement Board  
Wisconsin Retirement Board  
**FROM:** Lisa Ellinger, Administrator, Division of Health Insurance  
Arlene Larson, Manager, Self-Insured Health Plans  
**SUBJECT:** Recent Group Insurance Board Action

**This memo is for informational purposes only. No Board action is required.**

This memo provides highlights from several recent meetings of the Group Insurance Board (GIB).

At GIB meetings in June and August, the Board took actions in response to 2011 Wisconsin Acts 10, 13 and 32. Health insurance premium rates for the majority of employees and retirees covered under the state's Group Health Insurance Program will be reduced approximately 3.3% next year. This is due to a number of factors. The 3.3% premium reduction reflects overall savings to the plan of \$142 million for 2012. The \$142 million is attributed to:

- \$47 million in savings achieved through ETF staff negotiations with the plans during the competitive bid process,
- \$65 million in savings achieved by the 5% benefit reduction required by Act 10; and,
- \$30 million in savings through use of a draw down of pharmacy reserves to offset employer and member costs.

At its June 7, 2011, meeting, the GIB also set the It's Your Choice (IYC) enrollment period for October 3-28, a four-week period. Last year was the first time the IYC enrollment was offered over a period of four weeks and it was well received by employers and subscribers. The extra time gave employees and annuitants time to make decisions and electronically enter their health insurance change information into the myETF Benefits system. Some employers performed the data entry for their members.

Reviewed and approved by Lisa Ellinger, Administrator, Division of Insurance Services.

  
Signature \_\_\_\_\_ Date 9/6/11

Board	Mtg Date	Item #
JI	9.15.11	5F