

## OPEN LETTER TO WISCONSIN GROUP INSURANCE BOARD REGARDING POTENTIAL SELF-INSURANCE PLAN

Prepared by POWRS (Protect our Wisconsin Retirement Security)

December 5, 2016

Dear Board Members:

POWRS has been following discussions and events related to the potential development of a self-insurance plan to replace the current HMO-based system. Our investigations have led us to conclude that the upcoming repeal of the ACA (Affordable Care Act), plus unpredictable consequences and risks of changing insurance plans on the entire health insurance/provider marketplace, makes this a perilous time to make such a change.

It would seem far more prudent to defer change at this time, continue background studies, and keep the current HMO-based system in effect . . . a system that has an astonishingly low average rate increase of 1.6% for 2017.

An ACA repeal will certainly throw the entire health insurance marketplace into unknown territory. There is no way to predict what the next Congress will enact in its place. Moreover, much of the zeal for insurance change in Wisconsin was based on the potential to save \$18 million annually from related ACA payments. It seems likely this will no longer be on the table.

Having our entire national system in serious flux while the Wisconsin Group Health Insurance System is going through its own upheaval hardly seems wise or justified at this time. Fourteen Wisconsin health provider organizations made this concern very clear in their letter to you, Joint Finance, and Governor Walker on November 14th when they said: *"The potential repercussions for the state, for taxpayers, for state employees, for Wisconsin health care organizations, and for the Wisconsin economy are significant and could be far-reaching."*

Sincerely,

POWRS

POWRS Steering Committee: Philip Anderson, William Franks, Joyce Luedke, Kay Johnson, Kathleen Marsh, Patrick Murphy, Roger Springman

POWRS is a statewide group of activist volunteers who protect the Wisconsin Retirement System (WRS) and seek retirement security for all. Follow POWRS on FaceBook at "POWRS".



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**  
**Robert J. Conlin**  
SECRETARY

801 W Badger Road  
PO Box 7931  
Madison WI 53707-7931

1-877-533-5020 (toll free)  
Fax 608-267-4549  
etf.wi.gov

December 9, 2016

KATHLEEN MARSH  


Dear Ms. Marsh:

Thank you for taking the time to share your observations and feedback regarding the current structure of the state's group health insurance program and the evaluation of switching from a self-funded to self-insurance model.

Your letter will be shared with the Group Insurance Board along with other comments that we have received regarding this topic.

Sincerely,



Sara C. Brockman  
Health Policy Advisor

CC 16-073