POWRS

Protect Our Wisconsin Retirement Security

DATE: August 3, 2017

TO: GIB and ETF Boards; Sec. Bob Conlin; Office Strategic Health Policy, Lisa Ellinger, Tara Pray

FROM: POWRS Steering Committee

RE: Medicare Advantage: Active Employees/Annuitants Want Input/Answers

Few decisions are more important to annuitants and active employees approaching Medicare age than health care. It should not be surprising therefore that those who closely followed what happened during the recent self-insurance debate have equally important concerns about the transparency and direction of ETF/GIB as work on the Medicare Advantage initiative continues

A January 30, 2017 memo from ETF's Office of Strategic Health Policy to GIB makes clear that the goals of the Medicare Advantage initiative are:

- 1) Expand Medicare offerings that have lower monthly premium costs
- 2) Deliver high quality, high value services
- 3) Offer excellent benefit packages
- 4) Provide participant choice

POWRS and all of the groups we work with broadly agree with these goals, but, in the wake of what happened with self-insurance (dubious cost guesstimates, poor transparency, excessive secrecy, etc.), we remain broadly skeptical of current Medicare Advantage proposals. We realize Medicare Advantage plans cannot be offered without private sector health insurers making a profit, but annuitants and actives approaching Medicare age deserve to know: What exactly will be sacrificed to generate that profit?

At the May 24, 2017 GIB meeting, a commitment to survey annuitants/actives on matters of interest and concern regarding Medicare Advantage Plans was reconfirmed. We have heard nothing on this promise since May 24. WHY? August 2017 was initially selected as the month to release an RFP soliciting potential vendors for a future statewide Group Health offering. Where is the survey and when will both individuals and organizations have a chance to respond to it?

Medicare Advantage plans vary widely, and there is no guarantee that changes made by Group Health via this initiative will be what annuitants/active employees both need and deserve. Haven't annuitants and active employees earned the right to be consulted on changes to their health insurance? We believe it is way past time for ETF to conduct the promised survey. It would not only provide valuable information, it would signal ETF's commitment to transparency and the people whose lives depend upon it.

A speedy response on this important matter is respectfully requested.