

## *Protect Our Wisconsin Retirement Security (POWRS)*

MEMORANDUM

March 18, 2018

TO: Group Health Insurance Board (GIB)

FROM: POWRS

RE: Serious Medicare Advantage Initiative Failings and Deep Concerns

For the better part of 2017, Employee Trust Funds (ETF) made it clear that they would be developing a fair and open appraisal of Medicare Advantage health plan opportunities. That did not happen. On Wednesday, March 21st, it appears the GIB not only intends to finally release Medicare Advantage survey information for the first time, but then immediately announce an "intent to award contract" with most the discussion in closed session. We view this as a clear violation of ethical standards for the fair and honest appraisal of a program change that could have profound effects on state employees and retirees.

*We are formally asking the GIB to cancel agenda item 4 regarding the "intent to award" until such time as survey results have been fairly and widely distributed to all partner organizations of the WCOA and such groups as POWRS, AFT-W, and WI Alliance of Retired Americans. Moreover, because such organizations have, once again, been prevented from participating in deliberative meetings where the full range of questions can be asked, it is imperative that an open dialogue format be created **BEFORE** any awarding of contracts occurs and is announced.*

To be sure, in early August 2017, POWRS sent a letter to Sec. Conlin regarding the planned Medicare Advantage Survey and we got a response from the Secretary that said, "*We plan to release both the survey and Medicare Advantage request for proposals early this fall. The survey results will provide insights into what retirees value most in a MA plan and be used in evaluating the strengths of vendor proposals and future program changes*".

So, that was the ETF plan in early August, but what really happened? The survey was finally released in mid-November (hardly early fall) and results were never shared with the WCOA or any other organization at separate meetings. Everyone finds out survey results on the same day and at the same time of the "intent to award" notice. Moreover, in the survey summary provided by ETF, there is no indication of the statistical validity of the survey. 1500 people received the survey, but how many responded by class? Finally, it must be noted that no attempt was made to fully educate respondents with the strengths and dangers of Medicare Advantage programs. We find this omission very alarming. Health care plans are complicated and by not providing fully vetted Medicare Advantage information, the results of the survey must be questioned!

The potential adding of a Medicare Advantage option is no small matter. Medicare Advantage plans are "outside" of CMS control and insurance providers are given wide flexibility in making annual benefit/cost changes. POWRS takes the position that any Medicare Advantage plan must

first be a voluntary choice and that ETF/GIB cannot artificially or deliberately manipulate current conventional program benefits or costs to force or induce health plan changes. We need a fair "apples to apples" comparison!

Cc Joint Survey Committee on Retirement Systems, Joint Finance Committee, WCOA