

Letter 2 with Response

From: [jenpeter](#)
To: [ETF SMB Board Feedback](#)
Subject: Increase in health insurance LAHP
Date: Tuesday, August 25, 2020 8:58:04 AM

I was told by ETF to send inquiry to you:

As someone who has been working for over 30 years. I was planning to retire in 2021. I see the teachers were offered a nice package insurance wise while we get a 30% increase forcing me to now look elsewhere. The over \$800 /mo. Was looking difficult enough. Now this increase of over \$200 more a month is disheartening and outrageous. It's like you make it almost impossible to retire. Most people cant afford \$1085/mo plus other insurance related expenses. It seems if some only get as 2.7% increase its extremely lopsided when LAHP have a 30%. Where is the fairness in that. How do you guys come to that conclusion? I don't think I've heard of a 30% increase in health insurance. Now I have to look elsewhere and every retirement meeting I went to said they were going to keep it affordable. Very disappointed with how our retired people who have dedicated their lives to working now are unable to retire.

Sent from my Samsung Galaxy smartphone.

From: [ETF SMB Board Feedback](#)
To: [jenpeter](#)
Cc: [Mallow, Eileen K - ETF](#)
Bcc: [Stamm, Brian - ETF](#); [Young, Kathryn - ETF](#)
Subject: RE: Increase in health insurance LAHP
Date: Thursday, September 24, 2020 3:46:00 PM

Dear Ms. Peter,

Thank you for reaching out to the Department of Employee Trust Funds (ETF) regarding the change in rates for the Local Annuitant Health Plan (LAHP) for plan year 2021. We understand your concerns regarding the change in price, and what seems like conflicting messages. I will provide some information below to help explain. If after reading the information you still have questions, please feel free to let me know.

Over the past few years, ETF has seen a significant increase in enrollment for LAHP, which had once been a very small plan. At the same time, we also noticed that the amount of money being collected for health insurance premiums in this plan was not enough to cover the amount of services that members in the plan needed. Without addressing the difference between the amount of money being collected and the cost of services, the plan over time would become unsustainable. At our [May](#) and [June](#) Group Insurance Board meetings, we discussed the sustainability of this plan with the Board, including recommendations from the Board's Actuaries, and options for how we could keep the plan solvent and still provide the quality benefits members need. The Board decided that they did not want to reduce benefits for this plan, so they needed to increase the amount of premiums being paid to ensure the plan would stay solvent.

Please note that the full premium amounts you pay will be offset when you are age 65 and/or eligible to enroll in Medicare. Your health plan will coordinate with your Medicare Parts A, B, and D coverage.

Thank you again for your email and voicing your concerns regarding the change in rates for the LAHP for plan year 2021. If you have any further questions, please feel free to reach out to me for assistance. I can be reached via email at Eileen.Mallow@etf.wi.gov or phone at (608) 267-0732.

Sincerely,

Eileen Mallow, Director
Office of Strategic Health Policy
Department of Employee Trust Funds

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