



STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: April 13, 2021
To: Group Insurance Board
From: Arlene Larson, Manager of Federal Health Programs & Policy
Korbey White, Health Program Manager
Office of Strategic Health Policy
Subject: Board Strategic Initiative Update: Wisconsin Public Employers

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

Background

At the November 13, 2019, Group Insurance Board (Board) meeting, the Board approved exploring an initiative that could lead to improvements in the Wisconsin Public Employers (WPE) Group Health Insurance Program (GHIP) (Ref. [GIB | 11.13.19 | 6](#)). ETF staff gathered an Employer Advisory Council (Council) to obtain up-to-date information directly from local employers on ways to improve their GHIP experience.

ETF hosted three meetings with the Council in March. The purpose was to learn their views on the strengths and weaknesses of the GHIP compared to the commercial market, and how they would like to see the GHIP changed. The discussion focused on premium rate setting, benefits, and communication. Employers were also asked what type of health insurance offerings they would want to make available to employees within the next two to five years. Per a request from one of the employers, ETF also provided an overview of the Income Continuation Insurance (ICI) Program that led to a discussion on that benefit.

ETF selected which employers to invite to the Council from a list of respondents to a previous local employer survey. Eight local employers representing every region of Wisconsin were invited. Five of these employers currently participate in the GHIP. Three of these employers do not. When selecting employers to join the Council, ETF also chose a range of employers based upon their number of employees, so that both large and small groups were represented.

Benefits Meeting

After presenting the current benefits available under the WPE GHIP, ETF asked for their thoughts on strengths and weaknesses and how to improve the GHIP.

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy

Electronically Signed 5/3/21

| Board | Mtg Date | Item # |
|-------|----------|--------|
| GIB | 5.12.21 | 7B |

Large employers wanted to know if ETF would allow them to offer more than one program option to their employees and retirees. They felt they had staff that would be able to manage and communicate the complexity of offering both a High Deductible Health Plan (HDHP) and non-HDHP plan to their members. ETF explained that while the current enrollment system was not able to offer this, ETF's modernizations effort may be able to facilitate this in the future. With regards to the HDHP, employers felt it would be more attractive for them to offer another HDHP with higher out of pocket costs in the future.

Employers were asked what they thought about the GHIP. They appreciate the benefits offered. They stated it was a critical component in recruiting and retaining employees. Employers responded that cost is critical, and they value the GHIP's premium stability. Some small employers joined the GHIP because of the benefits it provides at a more reasonable cost than what they could find in the open market. Employers like that ETF evaluates participating health plans and that ETF manages the administration of renewals, new health plans, and other services. A large employer requested that ETF explore changing to a four-tier premium rate system that is for individual, family, individual + spouse and individual + child or children. ETF discussed that the current two-tier rate structure was due to the statutes and that periodically the Board's consulting actuary reviews this to determine if ETF should recommend a change to the statutes. In the past, due to the demographics of the program, no changes were sought. ETF and Segal are exploring another review.

Rates, Wellness and Communication Meeting

After presenting information about the renewal process for the WPE GHIP, ETF asked for the Council's thoughts on strengths and weaknesses. Employers would like to have the renewal rates in August in preparation for their budget projections. Staff presented a plan to provide estimated rates in June after receipt of preliminary bids and renewal information from Navitus Health Solutions. ETF will nuance the information to say that this is pre-negotiations and show information about how rates have come down from preliminary bids to final rates over the past several years. Employers agreed that this plan would be helpful to them. Employers stated that they felt premium rates are good, compared to the benefits offered. Some Council members had previously worked with plans offered by the open market and came from the private sector. They expressed favorable impressions of the GHIP.

ETF then presented information about the current wellness program, Well Wisconsin, administered by WebMD. With regards to Well Wisconsin, employers think it's a great program, but commented that many employees don't understand how to participate, and smaller employers feel unequipped to explain. Employer education on the wellness program was welcomed, since they had overlooked the mailers that were sent to employees' homes. Employers would like to get assistance to reinforce materials sent from Well Wisconsin.

Staff then opened a discussion on how employers would like ETF to communicate to them.

1. Employers like the Employer News sent out by ETF.
2. Employers rely heavily on the Decision Guides and frequently refer their employees to the website, especially during open enrollment.
3. Employers find the *Local Employer Health Insurance Standards, Guidelines and Administration Manual* very helpful for most of the information they need regarding the GHIP.

Income Continuation Insurance (ICI), Open Market and Future State Meeting

Per an earlier request from a Council member, ETF presented an overview of the ICI Program. Employers that currently do not participate in the ICI program were very interested in joining when the premium holiday was explained to them. ETF has sent employers interested in joining the ICI program instructions and information on how to become a participating employer

The Council also discussed employers' impressions of the commercial market. Employers reiterated that the ability to offer more than one benefit design makes those markets attractive. Employers appreciate the commercial market's offer of a four-tier premium structure to attract younger employees without children.

Finally, ETF asked employers about their health insurance plans over the next two to five years. Employers currently in the WPE expect to remain in it, due to the administrative support offered by ETF. Employers appreciate that ETF has opened enrollment opportunities into supplemental benefits like dental and vision. This lowers the employer's administrative burden and employees appreciate the benefits. Employers would like to see more supplemental benefits offered as an option, in particular a flexible spending account and possible a health savings account. One employer requested that the GHIP allow employees who do not participate in the Wisconsin Retirement System (WRS) to participate in the GHIP.

Next Steps

1. ETF is currently working to improve communications with employers. ETF is updating the new employer website and some health insurance forms. Further updates are planned in the future.
2. Regarding the timing of renewal rates, ETF is planning to provide preliminary health plan and pharmacy benefit increases prior to negotiations, in mid-to-late June. Preliminary rates are received from health plans prior to their Best and Final Offer (BAFO) each year; therefore, ETF will work to clearly state that final premiums are expected to change and why.
3. Due to changes in family demographics, ETF will discuss a four-tier structure with Segal.
4. ETF expects to issue a local employer survey using the information gathered from these meetings as its foundation.

Staff will be at the Board meeting to answer any questions.