

From: [Benzaid](#)
To: [ETF SMB Board Feedback](#)
Subject: Health Insurance
Date: Sunday, October 23, 2022 4:49:52 PM

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To whom it may concern

I sent the following message to ETF to get more specific info, and I was told that the best person to contact is the liaison of the group insurance board.

Here is my message:

Hello

We would appreciate it if you could give us more info about our ETF health insurance.

In 2022, My wife and I were on MedicarePlus with WEA Trust. Although it was expensive, it gave us PEACE OF MIND. No copays, no coinsurance, no deductibles. Whatever Medicare did not cover, WEA covered with no questions asked.

Unfortunately, starting in 2023, WEA will not be a provider anymore. We did enroll, again, in **MedicarePlus**. We were disappointed to learn that **UnitedHealthcare** is the only company that will offer MedicarePlus. We are aware that UnitedHealthcare also offers a Medicare Advantage plan.

We could not help notice that the premium for the UnitedHealthcare Medicare Advantage was **DOWN for 2023**. \$444 per month to \$430 per month for family coverage.

But the **premium for MedicarePlus** went **UP**. In 2022 WEA Trust premium was \$754 per month and in 2023 the United Healthcare premium will be \$771 per month for family coverage.

My wife and I feel that it is UNFAIR that we already have to use so much more of our sick leave benefits to get a **Medicare supplement policy** or Medigap when there are several medicare supplement companies that give the **same or better coverage** at a much lower premium.

My questions are

1. If the companies you contract with have to provide **UNIFORM BENEFITS**, why is there such a **big difference in premiums** between Medicare Advantage and MedicarePlus. **AN ADDITIONAL \$340 per month for coverage provided by the SAME COMPANY.**

Of course we could just enroll in Medicare Advantage and that would solve the problem. However we do not want a **FOR PROFIT** health insurance company to have the last word on our health care such as referrals, treatments, etc. We want to stick with original Medicare and a Medicare supplement so that our doctors will decide our health needs. I would not bring this up if the difference in premiums were reasonable, but at this rate, our sick leave benefits will vanish much faster, just **because we choose original Medicare and Medigap.**

2. Has ETF considered other Medicare supplement providers with more reasonable rates. I am thinking here, for example, about the nonprofit WPS insurance company. I checked their premiums and for an equivalent Medicare supplement coverage, it would be around 400 per month for covering my wife

and I.

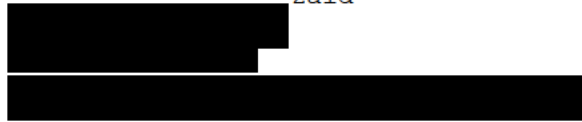
3. Under the uniform benefits assumption, UnitedHealthcare Medicare Advantage coverage and UnitedHealth care MedicarePlus coverage should basically be the same, in fact Medicare Advantage touts additional benefits such as hearing and vision, etc. Why then such a HUGE DIFFERENCE IN PREMIUMS FROM THE SAME COMPANY.

I wish to talk to someone that would give us additional info that would help clarify the situation.

Thank you

Sincerely,

zaid

A large black rectangular redaction box covers the signature and contact information of the sender.



STATE OF WISCONSIN
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SECRETARY

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October 31, 2022

Zoubir and Kim Benzaid
[REDACTED]

MID: [REDACTED]

Dear Mr. and Mrs. Benzaid:

Thank you for your October 23, 2022, email to the Group Insurance Board (Board). You expressed concern over health insurance premium rates for Medicare Plus when compared to the It's Your Choice Medicare Advantage (IYC-MA) in the State of Wisconsin Group Health Insurance Program and asked about alternatives. I appreciate the opportunity to respond.

The Department of Employee Trust Funds (ETF) and the Board share your concerns about the rising cost of health insurance. ETF works very hard to limit premium increases and has been successful in controlling them for the group as a whole. It should be noted that the overall state health insurance premium increase for plan year 2023 is 4%. For 2022, average state premium increase is 3%.

Rates are determined in competitive circumstances with health plans every year. Plans that participate in the Board's program send ETF renewal rates based on financial assessments of their administrative costs, provider contracts, utilization of health care services, and the demographics of their enrollees. The Board's actuary, Segal, reviews the bids and other data supplied by the plans. Every attempt is made to have plans only submit rates that are justified by their claims experience. The Board's program has had lower premium increases compared to other employer groups, especially given that the GHIP continues to offer consistently high benefits.

You asked why the rates for the IYC-MA plan are so much lower than for Medicare Plus. It's important to note that the federal government subsidizes the cost of Medicare Advantage plans based on a star-rating system administered by Medicare. Plans can be rated from zero to five stars (five being the best). Medicare rewards plans that have shown they help members to effectively manage their illnesses. Plans with the highest rating get the highest amount of subsidy. The plan UnitedHealthcare (UHC) offers to state retirees is rated at five stars.

You commented about the additional benefits that the IYC-MA plan includes beyond Uniform Benefits. Medicare Advantage plans are permitted by Medicare to offer additional benefits like transportation; meals; and assistance with activities of daily living for about 30 days after an inpatient stay, which helps members transition to living at

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home again. Vendors who offer these additional benefits may receive a higher star rating. If that occurs, the vendors may receive more federal subsidies. Medicare does not require that these benefits be offered, however. If the Board were to add benefits like this to Medicare Plus or the Health Plan Medicare option offered by all other participating health plans, premium costs would go up to cover the expense.

You expressed concern that UHC was selected to offer Medicare Plus. The Board typically selects one vendor to administer this plan, since the benefits and worldwide provider access are required. Offering more than one vendor with everything except for rates being identical could be confusing to members and discourage vendors from bidding on the program. After WEA Trust notified ETF that they would not be offering health insurance in 2023, ETF and vendors who were capable of administering Medicare Plus began to discuss options. Ultimately, only UHC and Anthem Blue Cross & Blue Shield (Anthem) expressed intent to bid on the program. The Board selected UHC in part due to its experience offering Medicare supplements and willingness to follow the existing contract. Anthem requested many material changes to the health plan contract. If those changes had been agreed to, they may have impacted all participating health plans.

You asked why the Medicare premiums in our program are at times higher than commercially available Medicare supplements. The GHIP offered to retirees of the State is a comprehensive plan that typically contains higher benefits than many Medicare supplements. For example, our plan includes coverage for Medicare deductibles and coinsurance on prescription drugs, including the Medicare Part D coverage gap. If a lower benefit option were also offered in the program, adverse selection would likely occur; retirees who use fewer services would select plans with lesser benefits while higher utilizers would choose plans with richer benefits. Over time, this can negatively impact the premiums for the richer plan. The Board had permitted this for employees in the past. The result was that the rates for the richer plan increased significantly and threatened the long-term sustainability of the option. Thereafter, the Board took action to standardize benefits for premium stability.

Again, thank you for taking the time to write to the Board with your concern. If you have additional questions, please feel free to contact me via email at arlene.larson@etf.wi.gov or phone at (608) 264-6624.

Sincerely,

Arlene Larson, Manager of Federal Program and Policy
Office of Strategic Health Policy
Department of Employee Trust Funds

cc: Renee Walk