

From: [Tim Lundquist](#)
To: [ETF SMB Board Feedback](#)
Cc: [Mallow, Eileen K - ETF](#); [John Nygren](#)
Subject: Letter from Wisconsin Association of Health Plans to Group Insurance Board - Agenda Item 10D
Date: Tuesday, February 21, 2023 8:12:53 AM
Attachments: [20230221 WAHP Letter to GIB - Rate Setting Timeline.pdf](#)

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Good Morning:

Please find attached to this email a comment letter from the Wisconsin Association of Health Plans to members of the Group Insurance Board regarding Agenda Item 10D, the new rate setting timeline.

Please let me know if you have any questions.

Thanks,

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February 21, 2023

To: Members, Group Insurance Board
From: John Nygren, Wisconsin Association of Health Plans
Tim Lundquist, Wisconsin Association of Health Plans
Re: New Rate Setting Timeline (Agenda Item 10D)

The Wisconsin Association of Health Plans is the voice of twelve community-based health plans that collectively provide coverage in every county of the state to employers, individuals, and government programs. Association member health plans are proud to partner with the Department of Employee Trust Funds (Department) to offer high-quality, high-value health care coverage to over 80% of the individuals served by the Group Health Insurance Program (GHIP). As vendor-partners, Association member health plans play a critical role in ensuring GHIP participants access the right care, at the right time, and at a cost they can afford.

The Wisconsin Association of Health Plans appreciates the opportunity to provide comment to the Group Insurance Board (GIB) regarding the new rate setting timeline. We previously shared health plans' concerns regarding the proposal with Department staff, and also wanted to give the GIB the collective benefit of member health plan perspectives.

***Data Loss** – The central concern raised by member health plans regarding the proposed change relates to the loss of data to inform the bid-negotiation process – specifically, the loss of meaningful claims experience. The Department is proposing to complete the rate setting process so that final Group Insurance Board approval of renewals is granted in May. This is three months earlier than the current timeline, in which renewals are approved in August. Changing the timeline as proposed means the Department and health plans will lose the benefit of several months of claims experience, which we believe will negatively impact the bid-negotiation process.*

For example, if the proposed timeline is implemented for Plan Year 2025, health plans will be asked to submit preliminary bids in February 2024. By doing so, health plans and the Department will lose the ability to determine how assumptions made in 2023 are developing in the first few months of 2024. In fact, the revised timeline will ask health plans to make business decisions and understand the claims experience relevant to their bids for Plan Year 2025 before the fourth quarter of 2023 is even fully understood, given the time necessary for claims run-out. This is particularly troubling given the fact the fourth quarter of the year often sees the highest utilization, as enrollees seek care before their cost sharing resets on January 1.

***Risk** - The increased lead time between the bid-negotiation process and the beginning of the relevant plan year also creates additional risk for participating health plans. This adds to the potential for downstream instability for the GHIP and program participants. The GHIP is generally an at-risk program and health plans always make a variety of*

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assumptions regarding their expected costs during the bid-negotiation process. However, the loss of claims experience, paired with the earlier deadline for estimating future costs, will introduce greater uncertainty to the bid-negotiation process. As an example, if implemented, the revised timeline will require health plans and the Department to estimate factors such as utilization, trend, and provider contracting for services that may occur as far into the future as 23 months after preliminary bids were submitted.

The uncertainty created by the revised timeline is particularly challenging for health plans with lower enrollment, as these plans can naturally experience higher claims variability year-over-year. Regional health plans of all sizes have served for decades as the backbone of a managed competition model that continually delivers GHIP participants a choice of high-quality, high-value health plans. The Wisconsin Association of Health Plans supports program parameters in the GHIP that make it easier, not harder, for community-based health plans to continue serving their friends and neighbors.

We appreciate your consideration of health plan perspectives on these issues.