

From: [REDACTED]
To: [ETF SMB Board Feedback](#)
Subject: Health insurance for retirees
Date: Friday, May 5, 2023 9:48:51 AM

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Hello,

My husband and myself are current retirees from the Wisconsin Department of Revenue.

I am wondering if the Employee Trust Funds has ever looked into the cost of offering a health insurance plan for Employee and Spouse? Right now, our only options are Single and Family. It would be much cheaper for my husband and I to each have Single plans; however, if one of us passed away, our individual "pot of money" would be lost. So, we only have the option to choose Family health insurance and pay the extra cost.

I know a number of employees, active and retired, that do not have any children and are forced to choose the higher priced Family option.

It would seem like it would be very beneficial for the Employee Trust Funds to look into adding the option of "Employee and Spouse" as a savings measure for employees and employers.

Thank you for giving me the opportunity to suggest this option.

Cynthia Lillge
[REDACTED]



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

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May 10, 2023

Cynthia Lillge
[REDACTED]

Dear Cynthia Lillge:

Thank you for your email to the Group Insurance Board (Board) regarding offering an “Employee+Spouse” health insurance plan.

In 2015, the Board’s actuary, Segal Consulting (Segal), examined the idea of expanding the current two-tier premium structure—“Single” and “Family”—to a four-tier premium structure: “Single,” “Employee+Spouse,” “Employee+Child(ren),” and “Family.” Segal’s analysis found that “Employee+Spouse” coverage would be more expensive under a four-tier structure if the Board were to make this change.

The analysis found that most of the couples on “Employee+Spouse” contracts would be older than the adults on “Family” contracts and adults on “Employee+Child(ren)” contracts. Increased age typically means an increased need for high-cost services. On the other hand, children on a “Family” contract are usually very low-cost to insure since they do not usually need high-dollar services. If the Board adopted an “Employee+Spouse” coverage level, it may still be more expensive than the two single policies because of this.

Furthermore, [Wis. Stat. § 40.52 \(1\)\(a\)](#) would need to be amended prior to changing from the current two-tier premium structure. This statute requires the Board to only offer “Single” and “Family” health insurance coverage.

Again, thank you for your email. If you have any other questions, comments, or concerns, please do not hesitate to contact me using the information below.

Sincerely,

Tricia Sieg, Pharmacy Benefits Program Manager
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