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Correspondence Memorandum

Date: October 13, 2023

To: Group Insurance Board

From: Arlene Larson, Federal Health Programs and Policy Manager
 Luis Caracas, Health Plan Policy Advisor
 Office of Strategic Health Policy

Subject: Request for Proposals to select one or more vendors to provide Medicare Advantage and Medicare Plus options

The Department of Employee Trust Funds (ETF) recommends the Group Insurance Board (Board) authorize ETF to prepare and issue a Request for Proposals (RFP) to select one or more vendors to provide Medicare Advantage and Medicare Plus options.

Background

At its March 2018 meeting ([Ref. GIB | 03.21.18 | 4](#)), the Board selected UnitedHealthcare (UHC) as the vendor to offer the Medicare Advantage plan to retirees in the State of Wisconsin Group Health Insurance Program (GHIP) following a competitive RFP process where more than one vendor could have been selected. The initial contract term began June 1, 2018 with coverage effective January 1, 2019 through December 31, 2021. There were options to renew the contract for two additional, two-year periods extending through December 31, 2025. The Board opted to exercise both extensions ([Ref. GIB | 11.18.20 | 11](#) and [Ref. GIB | 11.17.21 | 12B](#)) and now all have been exhausted. Therefore, a Medicare Advantage RFP is needed.

Currently, national carriers dominate the group Medicare Advantage market in Wisconsin. Several regional carriers are successful in the individual Medicare Advantage market, and therefore may be interested in offering a group Medicare Advantage product for state and local retirees. However, these carriers are approved by the Centers for Medicare and Medicaid Services (CMS) on a county-by-county basis and do not currently offer the broad service areas available through the national carriers. ETF recommends soliciting and reviewing both national and regional bids. Offering more than one vendor may be desirable to encourage competitive pricing and innovation.

Eileen K. Mallow

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
 Electronically Signed 10/17/2023

Board	Mtg Date	Item #
GIB	11.15.23	12A

In addition to providing Medicare Advantage, UHC has been administering the Medicare Plus plan since January 1, 2023. UHC was awarded this contract when WEA Trust exited the GHIP after the Board’s review of the “Vendor Options for Access, State Maintenance, and Medicare Plus Plans” materials and discussion in closed session at the Board’s August 17, 2022, meeting. The announcement of WEA Trust’s departure from the health insurance market in June 2022 resulted in an abbreviated plan selection and implementation period. To better control onboarding and offboarding of a vendor for this unique plan, ETF recommends that Medicare Plus be included in the RFP. The award of this RFP should also create a long-term contract with a vendor for this plan.

If the Board approves the release of an RFP for Medicare Advantage and Medicare Plus, ETF will develop and release an RFP with the intent to contract with one or more vendors that commit to:

- Offer Medicare plans that have low monthly premium costs.
- Deliver high quality, high value services.
- Offer excellent benefit packages.
- Provide participant choice.

RFP Considerations

ETF believes the goals above can be achieved by contracting with one or more vendors. This could include awarding a contract to a vendor or vendors with a nationwide network, as well as Medicare Advantage regional vendor(s) with more limited provider networks. The competitive model used in the GHIP (i.e., having multiple contracted health plans) has resulted in lower premium increases compared to other employer groups, over time. Introducing competition into the Medicare Advantage plan may have the same impact. UHC was the clear winner for the last RFP, where competitors were not able to provide a broad provider network and services at UHC’s cost. However, the market has changed since 2018 and better alternatives may be available. The proposed contract(s) resulting from the RFP will be for an initial three-year period, with coverage effective January 1, 2026, through December 31, 2028, with two optional, two-year extensions permitted.

Procurement and Implementation Timeline

ETF will present the Board with a recommendation after the RFP evaluation committee has concluded its review of proposals. An approximate timeline of next steps appear in Table 1 below.

Table 1. RFP Timetable

Month/Year	Action
November 2023	Board approves issuing RFP for Medicare Advantage and Medicare Plus plans
March 2024	ETF issues RFP
July 2024	Proposals due from vendors

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Month/Year	Action
February 2025	RFP results reviewed by the Board and Board approves recommended vendor(s) to contract with, pending finalized rates with the vendors(s) and CMS approval if needed
April 2025	CMS announces Medicare Advantage 2026 subsidy payments
May 2025	Finalize premium rates with the recommended vendor(s) and execute contract(s)
July 2025	Launch member education and communications plan if needed
September/October 2025	Open enrollment period for plan year 2026
January 1, 2026	Coverage begins for enrolled members

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