

From: [REDACTED]
To: [ETF SMB Board Feedback](#)
Subject: High Increase in Monthly Charge for Medicare Advantage by United Healthcare
Date: Monday, September 25, 2023 5:28:58 PM

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Just wanting to share my concern in the sticker shock that my monthly cost for insurance has gone up for the year 2024. And you are stating that: "The Medicare Advantage rate increase for the 2024 plan year works out to be about \$50 per member per month". Not according to my math. Last year I paid \$368.00 and this year the cost is \$521.86. That is an increase of \$153.86 per month. That seems like a really high percentage jump. We are going to pay almost 50% more a month for the same coverage. I still have some money left to pay my insurance but that will run out this year for me. I have been told that I can get almost the same coverage for \$99.00 a month for each myself and husband. I wanted to stay with the state plan but this seems like retired people are being taken advantage of. So much for our golden years.

Kathleen Svoboda
Retired UWRF Employee

Sent from [Mail](#) for Windows



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October 3, 2023

Kathleen Svoboda
[REDACTED]

Dear Kathleen Svoboda:

Thank you for your September 25, 2023, email to the Group Insurance Board (Board) and the Department of Employee Trust Funds (ETF) regarding your concerns about the increase in premium rates for UnitedHealthcare's (UHC's) It's Your Choice (IYC) Medicare Advantage plan offered in the State of Wisconsin Group Health Insurance Program (GHIP).

We share your concerns about the rising cost of health insurance. ETF works very hard to limit premium increases and has been quite successful in controlling them for the group over time. Plans who have been accepted into the GHIP formulate an offer to ETF of renewal rates based upon financial assessments of their administrative costs, provider contracts, the 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. We make every attempt to have plans only submit rates that are justified by their claims experience. We believe that our system has resulted in lower premium increases compared to other employer groups, especially given that the GHIP continues to offer consistently high benefits.

The renewal bid process was different this summer however, for a few reasons.

1. Post COVID-19 claims utilization continues to grow as people are receiving delayed care.
2. Inflation has affected all elements of health care including provider wages, medical supplies, etc.
3. Reserves: The Board has been artificially reducing premium rates for the past seven years by using excess claims reserves. This is called buying-down the premiums. Reserves are typically used to pay prescription drug and uniform dental claims. The reserves protect the GHIP against possible adverse experience or negative market trends. The result of these years of buy-downs is that the gap between the "real" rates and the rates members have paid has gotten bigger over time. The original intent was to gradually reduce the buy-down while increasing rates, but the Board opted to do a larger buy-down last year

Kathleen Svoboda

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than was originally planned. In addition, due to poor market conditions, there are no excess reserves remaining that could be used to buy down the 2024 rates. Most of the 2024 increase is due to the change in reserves.

You are correct that rates for a family with Medicare Advantage (without Uniform Dental) are going up \$153.86 a month. We regret the confusion that was caused by ETF's recent communication about the Medicare Advantage increase and have corrected it.

You stated you could find coverage the same as the IYC Medicare Advantage plan for \$99.00 a month in the marketplace. When you compare, keep in mind that the IYC Medicare Advantage plan is ETF's custom Group Medicare Advantage passive PPO plan. This plan has low medical out-of-pockets costs, the same coverage for medical services as received by active employees, and offers access to providers nationwide. Many individual Medicare Advantage plans have very limited provider networks, different benefits, and may have higher out-of-pocket costs. Also note that your \$521.86 premium includes Part D coverage through Navitus Health Solutions.

I hope you have found this response helpful. If you have additional questions or concerns, please feel free to reach out using the contact information provided below. A copy of your letter and ETF's response will be included in the materials for the November 15, 2023, Board meeting.

Sincerely,

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