

From: [REDACTED]
To: [ETF SMB Board Feedback](#)
Subject: rate increase
Date: Monday, September 25, 2023 6:55:35 PM

**CAUTION: This email originated from outside the organization.
Do not click links or open attachments unless you recognize the sender and know the content is safe.**

All summer the Board sent messages that rates would go up about 11.5 %. What a shock when the United Health Care Advantage plan went from \$368.00 in 2023 for Medicare all to \$521.86 in 2024. This is a 42% rate increase which is more than it should be and more than the book says is would be about \$50.00 per member.

Gary A. Mertig Retired Department of Children and Families

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Sent from [Mail](#) for Windows



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

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

October 3, 2023

Gary A. Mertig
[REDACTED]

Dear Gary Mertig:

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

Gary Mertig
October 3, 2023
Page 2

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.

The 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.

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,

Arlene Larson, Manager of Federal Program and Policy
Office of Strategic Health Policy
Department of Employee Trust Funds
arlene.larson@etf.wi.gov
608-264-6624