

Wisconsin Department of Employee Trust Funds
Board Liaison
PO Box 7931
Madison, WI 53707-7931

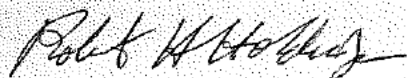
September 28, 2023

Attn: Group Insurance Board

I am very concerned about the Monthly Premium increases for Retirees with Medicare. We have Medicare Plus by United Health Care - Medicare All w/o Dental; 2024 Monthly Premium is \$848.18 (2024 Health Benefit Decision Guide, Page 14). That's a 19.7% increase over the same plan for 2023. It should also be noted that the same plan increase from 2022 (\$694.18) to 2023 (\$708.68) was 2.0%.

I don't understand the incredible increase from 2023 to 2024. I would appreciate hearing from the Group Insurance Board addressing the reasons for the 19.7% increase explained above.

Sincerely,



Robert H Holdridge
Wisconsin Retirement System Retiree





OAKLAND CA 945

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Wisconsin Department of Employee Trust Funds

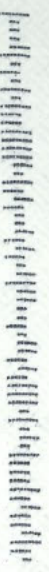
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STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

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 4, 2023

Robert Holdridge
[REDACTED]

Dear Robert Holdridge:

Thank you for your September 28, 2023, letter 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) Medicare Plus 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 than was originally planned. In addition, due to poor market conditions, there are

Robert Holdridge

October 4, 2023

Page 2

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.

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