

From: [REDACTED]
To: [ETF SMB Board Feedback](#)
Subject: IYC Medicare Advantage Plan premium rate increase
Date: Thursday, September 21, 2023 5:36:30 PM

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Hello,

I am writing in regard to the IYC Medicare Advantage plan rate increase for 2024. I currently pay \$368.00 per month for the plan without dental for my husband and myself. The new rate will be \$521.86 per month which is an increase of \$153.86! The ETF web page states that the increase is \$50 per month per member, however, it is actually an increase of more than \$75 per month per member! This increase will be difficult for us to manage. Last year there was a printing error in the initial "It's Your Choice" booklet and the premium amount for IYC Medicare Advantage was incorrectly listed at \$423.48 and was corrected to \$368. I hope that there is another error for 2024 as the printed premium amount lists an unreasonable increase.

Regretfully,
Jacqueline Engum

[REDACTED]



STATE OF WISCONSIN
Department of Employee Trust Funds
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SECRETARY

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October 3, 2023

Jacqueline Engum
[REDACTED]

Dear Jacqueline Engum:

Thank you for your September 21, 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

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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 \$156.83 a month. We regret the confusion that was caused by ETF's recent communication about the Medicare Advantage increase and have corrected it.

Regarding your frustration with the rate error in your Decision Guide last year, we create seven different Decision Guides, which detail the different rates for each program. Unfortunately, last year's guides included errors. ETF has implemented new review processes to reduce the possibility of this happening again.

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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