

RECEIVED
EMPLOYEE TRUST FUND
2023 DEC 20 AM 8 30

Wisconsin Retirement System

P.O. Box 7931

Madison, Wisconsin 53707 USA

Eldon M. Furman



Date: December 16, 2023

Dear Board of Review:

I think it is a bloody shame that you let United Health Care raise our rate of health insurance by \$155.70 a month. All at one time. Just terrible. It should be reduced by at least \$100.00 a month. That amounts to \$1,868.00 per year.

If there is at least 25,000 retired people from your department, that's 4.67 million dollars a year. That is a respectable amount of money.

Please let me know how many retirees in the United Health Care Plan. I would wager it's over the 25,000 mark.

Not happy with this large a raise at this time.

I remain,
yours truly,

Eldon M. Furman





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

Wisconsin Department
of Employee Trust Funds
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Madison WI 53707-7931
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January 11, 2024

ELDENE FURMAN
[REDACTED]

Dear Eldene Furman:

Thank you for your letter to the Wisconsin Retirement System at 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). ETF received your letter on December 20, 2023. Thank you for your patience in awaiting our reply.

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 Group Insurance Board's (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.

The renewal bid process was different this summer, however, due to increasing utilization post COVID-19, healthcare inflation, and the lack of reserve funds to subsidize rates this year. This led to high premium renewals across our programs.

I wanted to explain a little more about the reference to reserve funds. 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 experiences 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 in 2023 than was originally planned. In addition, due to poor market conditions, there were no excess

Eldene Furman
January 11, 2024
Page 2

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 asked how many retirees UHC insures in the IYC Medicare Advantage plan. There are 10,805 subscribers and 16,120 members (subscribers plus their dependents).

ETF and the Board's actuary will continue to work toward lower premium increases in the future. I hope you have found this information helpful. A copy of your letter and this response will be included in the materials for the February 21, 2024, Board meeting. If you have additional questions or concerns, please feel free to reach out using the contact information provided below.

Sincerely,

Arlene Larson, Manager of Federal Program and Policy
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Department of Employee Trust Funds
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