

From: [REDACTED]
To: [ETF SMB Board Feedback](#)
Subject: Your EFT Email From 5/24/24 Regarding Health Ins Premium Increases
Date: Friday, May 24, 2024 10:15:58 AM

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I just got the latest ETF email regarding health ins premium increases for 2025. The info provided in that email makes NO SENSE at all. Regarding the retirees with Medicare the 1st paragraph states the increase will be from .8% - 15% for the state program. The 2nd paragraph states Medicare Advantage premium increase will be 37.9%!!!! How can the increase top off at 15% but then in the next sentence say it will be 37.9%?? Then it states the 2025 increase is only 40 cents higher than the initial rate since 2019. That is totally false - last year I had a large increase and next year it will be a HUGE increase of over \$116.00 for me. So this email must be clarified because it totally contradicts itself and the truth.

[REDACTED]

[REDACTED] So you really need to clarify the actual cost increase and recheck the facts because, as stated, they make no sense at all. Below is the message I am referring to:

"2025 Rates for Retirees

For Medicare-enrolled retirees, the medical premium increases will range from 0.8% to 15% for the State Program and from 1.6% to 30.6% for the Local Program.

The Medicare Advantage medical premium increase for both the state and local programs will be 37.9%. The increase for 2025 is only 40 cents higher than the initial rate offered to members when the plan began in 2019. Medicare Advantage remains the lowest-cost Medicare plan option for members.

The Medicare Plus medical premium increase for both the state and local programs will be 5%."

Please get back to me with what is really going on here with the health insurance. [REDACTED]

[REDACTED]

Mary J Faust

[REDACTED]

[REDACTED]



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June 12, 2024

Mary Faust
[REDACTED]

Dear Ms. Faust:

Thank you for your May 24, 2024, email to the Group Insurance Board (Board) and the Department of Employee Trust Funds (ETF) regarding your concern about the announced increases in premium rates for health plans, including UnitedHealthcare's (UHC's) It's Your Choice (IYC) Medicare Advantage plan offered in the State of Wisconsin Group Health Insurance Program (GHIP).

We understand your confusion over the recent Department News item on "2025 Rates for Retirees." We will work to clarify the section on the May Board meeting in that article. There are three primary cost components associated with premiums: medical, pharmacy and dental. The statement that the medical premium increases range from 0.8% to 15% only included the medical portion associated with health maintenance organizations (HMOs) for Medicare retirees. It did not include Medicare Advantage, Medicare Plus, the prescription drug component, or the cost for Uniform Dental coverage.

For It's Your Choice (IYC) Medicare Advantage, a GHIP offering by United Healthcare that you are enrolled in, the 37.9% reported increase relates to the medical portion only. Cost increases for pharmacy and dental are 13% and 2% respectively for a total increase of approximately 20%. The press release has been updated to reflect increases inclusive of the pharmacy and dental components.

Regarding the comparison between IYC Medicare Advantage's 2025 premium and its 2019 premium, again it was comparing the medical-only portion of the rate. The IYC Medicare Advantage medical rate has gone down and up over time. The medical-only premium in 2025 is only \$0.40 different for an individual than it was in 2019.

We share your concerns about the rising cost of health insurance. ETF works very hard to limit premium increases. 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

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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 primary reasons for the increase in 2025 premiums are as follows:

1. Post COVID-19 claims utilization continues to grow.
2. Inflation has affected all elements of health care, including provider wages, medical supplies, etc.
3. Reserves: The Board had been artificially reducing premium rates for seven years by using reserve funds. The reserves protect the GHIP against possible adverse experience and negative market trends. In 2024, reserve funds were below the target range set by the Board, and so the Board was no longer able to decrease premiums. Beginning in 2025, the Board took action to rebuild the reserves by adding 0.8% to premiums.

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 August 14, 2024, Board meeting.

Sincerely,

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