

Local Program Analysis and Options

Item 16 - Group Insurance Board

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Informational item only

- No Board action is required.

Local Group Health Insurance Program (GHIP)

- Rates have been increasing at a faster rate than the state GHIP.
- Local GHIP has a smaller reserve fund.
- There are currently four program options.
- ETF received input via employers and a recent Request for Information (RFI).
- ETF is exploring additional options with Segal.

Local Employer Feedback

Key reasons to participate in GHIP:

- Quality of benefits
- Lower premium rates

Interest in the following changes:

- Specific provider networks
- High Deductible Health Plan (HDHP) option

Request for Information

Current GHIP health plans and non-participating national carriers

Access Plan/SMP and Local GHIP

Four responses received

Local Options Continuum

Tiering Option

Concept: Switch Locals from 88%/105% Tables for rates to being Tiered like the State GHIP

Pros

- ✓ More stable enrollment of members
- ✓ Health plans may pay less in premiums

Cons

- ✓ Employers may pay more in premiums

PO4/P14 Option

Concept: *To promote this Program Option to Locals as a cost management alternative*

Pros

- ✓ Employers would pay less in premiums

Cons

- ✓ Employers responsible for contracting with HRA vendor

Regional Option

Concept: Create 3-6 regions across the State for Health Plans to bid on to better manage costs

Pros

- ✓ Align with Medicaid's provider network
- ✓ Potential for more competition in certain counties

Cons

- ✓ Possibility will not bid on some regions

HDHP + One Program Option

Concept: Offer the HDHP program option along with another option

Pros

- ✓ Plan structure similar to State offering
- ✓ Expanding available program options
- ✓ Potential for cost saving as employees move to HDHP

Cons

- ✓ Long-term option as IAS may not be ready in the next few years

Two Local Program Options

Concept: Consolidate the number of Local Program Options available from 4 down to 2

Pros

- ✓ Simplifies options available

Cons

- ✓ Employers/employees may not want to change benefit offering and may leave the GHIP

Sole Vendor Option

Concept: *Create one population bundle for service by one Health Plan*

Pros

- ✓ Health plans can offer only State and not Local coverage
- ✓ Simplify administration of GHIP for ETF and employers

Cons

- ✓ End of competitive model
- ✓ Premium increases harder to control

Next Steps

- Further analysis will be completed, and a recommendation will be provided to the Board at a future meeting.

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Questions?

Thank you



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