

From: [REDACTED]
To: [ETF SMB Board Feedback](#)
Subject: Health Insurance Cost Increases
Date: Tuesday, September 3, 2024 8:46:56 PM

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The increase in health insurance costs the last 2 years has been insane. As a retiree I and many others planned for 4 percent increases per year, these double digit increases are draining our sick leave credit dollars much faster than we have anticipated and ruining our life plan retirement budgets.

Some thoughts/suggestions:

- 1) Get rid of the Well Wisconsin bullshit. A large percentage of people don't even bother with it and many who do only perform what is necessary to receive the \$150 incentive.
- 2) You can't cover every medical concern in everyone's lives, hard decisions need to be made to reduce costs by reducing some coverages.
- 3) Save money by getting rid of DEI bullshit at ETF and SWIB.

I'm sure there are other cost cutting/saving ideas and possibly other sources of revenue, it's time to wake up and make hard decisions, this can't go on.



STATE OF WISCONSIN
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A. John Voelker
SECRETARY

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October 3, 2024

William Krick
[REDACTED]

Dear William Krick:

Thank you for your September 3, 2024, email to the Group Insurance Board (Board) and the Department of Employee Trust Funds (ETF) regarding your concern about the increase in health insurance premium rates for the past two years and your thoughts and suggestions on how to control future costs.

You expressed concern about health insurance premium increases over the past few years 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.

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.

You requested that the Well Wisconsin program be eliminated. The Board receives annual reports about this program and is weighing its future.

You commented that hard decisions need to be made about what medical services are covered. Every year the Board considers benefit changes requested from members, staff, health plans, and other stakeholders. The Board is required under Wis. Stat. § 40.03(6)(c) to limit benefit changes in that new benefits may only be added if mandated by law or if a savings can be demonstrated with the change. If neither of these

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requirements are met, the Board must reduce other benefits in order to add new benefits, so that the overall actuarial value of the GHIP does not increase. The Board has recently asked ETF to look into cost sharing increases that might be needed to reduce premium increases.

You requested that Diversity, Equity and Inclusion (DEI) initiatives be excluded from ETF as they are costly. Governor Evers Executive Order #59 requires that the Department of Administration's Division of Personnel Management review current equal opportunity programs and policies, support consistent DEI plans in state agencies and offer professional development regarding DEI. ETF is subject to this executive order and is also responding to the legislature's audit of DEI programs at state agencies.

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 13, 2024, Board meeting.

Sincerely,

Renee Walk, Director
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