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Correspondence Memorandum

Date: May 7, 2025

To: Group Insurance Board

From: Douglas Wendt, Dental and Supplemental Plans Program Manager
Luis Caracas, Health Plan Policy Advisor
Office of Strategic Health Policy

Subject: Supplemental Plan Recommendations: Vision and Accident

The Department of Employee Trust Funds (ETF) recommends the Group Insurance Board (Board) approve the following contracts for Accident and Vision insurance plans effective January 1, 2026.

- Three-year contract with Securian Financial (Securian) for Group Accident insurance coverage (page 2).
- Three-year contract with Metropolitan Life Insurance Company (MetLife) for Supplemental Vision insurance coverage (page 4). If the contract isn't signed within 30 days of the meeting, or if it becomes apparent that the vendor won't be able to meet the contractual requirements, the Board can choose an alternate vendor. If for any reason MetLife does not sign a contract within the required timeframe, the committee recommends contracting again with DeltaVision for the three-year contract instead.

Background

The Board is responsible for approving the employee-pay-all supplemental insurance program offerings that are eligible for active state employee payroll deductions. Some local employers began offering these plans in 2021. These benefits may also be available to eligible retirees.

Insurers that wish to participate in the supplemental insurance programs submit proposals for review and Board approval. The proposers must meet the requirements described in the Board approved [Supplemental Insurance Plan Guidelines \(ET-7422\)](#). The ET-7422 document provides instructions on how proposals should be structured and submitted.

Starting with contracts effective January 1, 2023, the Board approved moving to the following three-year cycle ([Ref. GIB | 05.18.22 | 6](#)):

- Year 1: Accident and Vision

Reviewed and approved by Renee Walk, Director, Office of Strategic Health Policy
Electronically Signed 05/01/2025

Board	Mtg Date	Item #
GIB	05.21.25	9

- Contracts starting in 2023, 2026, 2029, etc.
 - Accident and vision are separate contracts
- Year 2: Supplemental Dental
 - Contracts starting in 2024, 2027, 2030, etc.
- Year 3: Long-term care insurance (LTC)
 - Contracts starting in 2025, 2028, 2031, etc.
 - LTC is authorized under separate statutes and has different guidelines.

Key dates for the current year process:

- November 13, 2024: Board approved updates to ET-7422
- January 31, 2025: Proposals were due at 2 p.m.
- April 16, 2025: Committee recommendations finalized
- May 21, 2025: Board action on committee recommendations
- January 1, 2026: Contracts go into effect

Accident Plan

The Accident plan was first offered in 2020 as a replacement for a freestanding Accidental Death & Dismemberment (AD&D) plan. The plan offers cash payouts for various accidental injuries and accident-related care. The benefit can be used to help cover out-of-pocket expenses that are not covered by health insurance. Table 1 shows that the plan has had consistent membership growth since implementation.

Table 1: Accident Plan Enrollment

Year	# of Subscribers	Change
2020	13,384	
2021	17,331	+29.49%
2022	20,093	+15.94%
2023	22,281	+10.89%
2024	30,665	+37.63%
2025	34,186	+11.48%

The Accident plan review committee received proposals from Securian Financial (Securian) and Metropolitan Life Insurance Co. (MetLife). Securian is the current contracted insurer.

The committee consisted of four ETF staff with support from an ETF contracts specialist.

Evaluation of the proposals included, but was not limited to, the following considerations:

- Premium rates
- Benefit payouts
- Ability to meet all plan requirements as described in ET-7422

- Actuarial assessment completed by contracted third-party actuaries
- References, including internal references
 - Included checks for complaints filed with the Office of the Commissioner of Insurance (OCI) and Department of Agriculture, Trade, and Consumer Protection (DATCP)

Securian submitted a proposal that matches the current plan design, with a small premium increase. MetLife offered a plan that closely matches the current plan design. They also proposed a second plan design with increased benefit payouts. Both MetLife plans included a new health screening benefit, as well as an option to exclude the AD&D benefit. Table 2 shows a comparison of the premium rates for the plans that match the current plan design.

Table 2: Accident Plan Premium Comparison

Monthly Premiums	2025 Rates	Securian	Change from 2025	MetLife	Change from 2025
Employee Only	\$3.72	\$3.91	+5.11%	\$7.35	+97.58%
Employee + Spouse	\$5.32	\$5.59	+5.08%	\$14.37	+170.11%
Employee + Child	\$7.16	\$7.52	+5.03%	\$17.09	+138.69%
Family	\$10.46	\$10.98	+4.97%	\$20.24	+93.50%

The health screening benefit proposed by MetLife is a \$50 annual cash payout for having one or more of a defined set of preventive services. The actuarial assessment attributes the drastically higher premiums for the MetLife plan to expected high utilization of this benefit. The preliminary assessment by ETF is that this benefit would be a taxable wellness incentive payment, like the incentives paid by the Medicare Advantage vendor and the Well Wisconsin vendor. In 2020, the Board restricted these benefits to only the Medicare Advantage plan and the Well Wisconsin vendor ([Ref. GIB | 05.13.20 | 5A](#)). This decision was in part based on the challenges associated with ensuring that taxable wellness incentives were consistently and accurately reported to ETF and that employers were including those taxable amounts on employees' Internal Revenue Service Form W-2s.

Separate from the disallowed health screening benefit, Met Life submitted combined proposals for both the Accident and Vision plans in a single 577-page document. This format created challenges for the evaluation process, as it required committee members to manually identify and extract information relevant to each benefit area. To support a more efficient and transparent review process, future updates to ET-7422 will include explicit instructions prohibiting this type of proposal bundling.

As part of the evaluation process, staff reviewed reference feedback from both vendors.

MetLife received responses from two references. One reference scored them as “very satisfied” in the categories of claims payment, enrollment processing, and customer service, with a rating of “satisfied” for communication. This reference has been contracted with MetLife for accident insurance since January 1, 2024. The other reference has been contracted with MetLife since 2022 and rated them as “satisfied” for all four categories.

Two references for Securian completed the reference form and both ranked Securian as “very satisfied” in claims payment, enrollment processing, customer service, and communication. One reference has used Securian for 13 years. The other didn’t list a length of time for their relationship.

Over the past five completed plan years, Securian has demonstrated strong performance in meeting member needs and fulfilling program requirements, with no reported member issues.

Neither vendor had negative reports from OCI or DATCP.

Recommendation

The committee recommends continuing to contract with Securian for the Accident plan for the 2026-2028 contract.

Vision

The vision plan provides coverage for annual eye exams and allowances toward glasses and contact lenses. Table 3 displays how this plan has had sustained growth over the last five years. DeltaVision as a unique vendor, separate from the dental programs also administered by Delta Dental of WI, is one of the largest vendors by total membership.

Table 3: Vision Plan Enrollment

Year	Total Membership	Change
2020	79,118	
2021	89,713	+13.39%
2022	95,622	+6.59%
2023	105,125	+9.94%
2024	115,286	+9.67%
2025	124,237	+7.76%

The vision plan review committee received three proposals. Proposals were received from DeltaVision, MetLife, and VSP Vision (VSP). DeltaVision is the current vendor.

An inquiry was received from a fourth insurer, who ultimately chose to not submit a proposal. ETF requested feedback from them to try and identify any possible process improvements but did not receive a response.

VSP submitted the exact same proposal from 2022 by forwarding their submission e-mail from 2022. Although they indicated that they would honor the same rates and benefits from the 2022 proposal, the proposal included out-of-date financial documents required for the actuarial review. They also did not provide the required fee for the third-party actuarial review. When the committee followed up with VSP, they said they would not provide the updated documents or fee, so their proposal was disqualified as incomplete.

The committee consisted of three ETF staff and a representative from a state employer, with support from an ETF contracts specialist.

DeltaVision submitted four plan designs. One plan design matches the current plan design, with the other three offering variations of enhanced benefits. MetLife submitted one plan design that closely mirrors the current plan design.

Evaluation of the proposals included, but were not limited to, the following considerations:

- Premium rates
- Network Adequacy
- Benefits
- Ability to meet all plan requirements as described in ET-7422
- Actuarial assessment completed by contracted third-party actuaries
- References, including internal references
 - Included checks for complaints filed with OCI and DATCP

The 2025 rates in Tables 4 and 5 have been the same since 2021. DeltaVision's proposal included the first rate increases since becoming the contracted insurer. The DeltaVision rates listed in Tables 4 and 5 are for the plan design that matches the current plan design, to allow for a consistent comparison of the premiums. The committee noted concern with the amount of increase for retirees under DeltaVision's proposal, especially for the Employee + Child(ren) and Family coverage levels, even though those segments are only 0.73% of the total vision contracts. Retiree premiums that are higher than the active employee premiums also could create an issue like one with supplemental dental, where new retirees want to enroll in COBRA coverage at retirement to keep lower premiums. This creates an unwanted coverage gap when the COBRA coverage ends, because the member then must wait until the next open enrollment to reenroll as a retiree.

MetLife's proposal includes an across-the-board premium reduction of almost 18% from the 2025 rates. The actuarial review report from Milliman notes: "The rates are lower than what we would typically expect in the market" but are "reasonable." The ET-7422 guidelines require rates to be locked in for the three years of the contract and MetLife agreed to this in their proposal. There is a risk that they might request a higher rate increase during the proposal process for the 2029-2031 contract.

It is interesting to note that with the substantial difference in premiums, the actuarial review estimated similar loss ratios for both vendors, with an estimate of 87.5% for DeltaVision and 89.5% for MetLife.

Table 4: Active Employee Vision Plan Premium Comparison

Monthly Premiums	2025 Rates	DeltaVision	Change from 2025	MetLife	Change from 2025
Employee only	\$5.72	\$5.86	2.45%	\$4.71	-17.66%
Employee + spouse	\$11.42	\$11.72	2.63%	\$9.40	-17.69%
Employee + child(ren)	\$12.88	\$13.36	3.73%	\$10.60	-17.70%
Family	\$20.58	\$21.24	3.21%	\$16.94	-17.69%

Table 5: Retiree Vision Plan Premium Comparison

Monthly Premiums	2025 Rates	DeltaVision	Change from 2025	MetLife	Change from 2025
Retiree only	\$5.72	\$6.38	11.54%	\$4.71	-17.66%
Retiree + spouse	\$11.42	\$12.76	11.73%	\$9.40	-17.69%
Retiree + child(ren)	\$11.42	\$14.42	26.27%	\$9.40	-17.69%
Family	\$13.41	\$22.94	71.07%	\$11.04	-17.67%

DeltaVision rents their provider network from EyeMed Vision Care, LLC (EyeMed), whereas MetLife uses its own Superior Vision network. Both vendors use large networks that have substantial overlap of participating providers. Since both networks are extensive, the proposals do not include comprehensive lists of all participating providers. As a result, the evaluation of network access relied on spot comparisons of various zip codes using both vendors' online provider directories. It was noted by the committee that MetLife's network includes Davis Duehr Dean (part of SSM Health) in the Dane County area, as well as Costco Optical and Warby Parker. There have been numerous requests from members for Davis Duehr Dean. Costco and Warby Parker are also expected to be popular providers.

The proposals were accompanied by a spreadsheet which listed both the proposed premiums and the plan benefits. MetLife also embedded the plan benefits in the body of their proposal. Both the committee and the actuary found discrepancies in the listed benefits between the two MetLife documents. After follow-up with MetLife, they indicated the benefits listed in body of the proposal were the correct set of benefits.

When comparing the benefits proposed by the two vendors, two key differences were identified that were important to some committee members:

- Contact Lenses
 - The DeltaVision plan offers a 15% discount over the \$150 allowance for conventional contacts with no additional discount over the allowance for disposable contacts.
 - The MetLife proposal offers a 20% discount over the \$150 allowance for conventional contacts and a 10% discount over the allowance for disposable contacts.
- Laser Vision Correction Surgery
 - The DeltaVision plan offers a 15% discount off the retail price or 5% off a promotional price.
 - The MetLife plan offers 20%-35% off the national average price.

As mentioned in the Accident plan section, MetLife's proposal combined accident and vision together in one document, which made the review process more complex. MetLife had three references. One customer since 2022 rated them as "satisfied" for claims payment, enrollment processing, customer service, and communications. The second reference scored them as "satisfied" in the first three categories and "neutral" for communication. This reference has been a customer since 2018. The third reference has only been a customer since January 1, 2025, but did score MetLife as "neutral" for communication.

The committee received responses from two of the DeltaVision references. Both references rated DeltaVision as "very satisfied" in all four previously mentioned categories. One has been a customer for 11 years and the other for one year.

Neither vendor had negative reports from OCI or DATCP.

Recommendation

Although both proposals had pros and cons, the committee recommends contracting with MetLife for the 2026-2028 vision contract.

The ET-7422 document includes a provision that if the contract isn't signed within 30 days of the meeting, or if it becomes apparent that the vendor won't be able to meet the contractual requirements, the Board can choose an alternate vendor. If for any reason MetLife does not sign a contract within the required timeframe, the committee recommends contracting again with DeltaVision for the three-year contract instead.

Staff will be at the Board meeting to answer any questions.