

From: [Walk, Renee - ETF](#)
To: [Young, Kathryn - ETF](#)
Cc: [Hunter, Tarna - ETF](#)
Subject: FW: State Employee Healthcare
Date: Tuesday, June 17, 2025 4:20:44 PM
Attachments: [REDACTED]

Hi Kathryn,

Can you please assign this a CC number if appropriate? I'll plan to draft a response.

Thanks,
Renee

From: Hunter, Tarna - ETF <Tarna.Hunter@etf.wi.gov>
Sent: Tuesday, June 17, 2025 3:50 PM
To: Walk, Renee - ETF <Renee.Walk@etf.wi.gov>; Felsmann, Diana M - ETF <Diana.Felsmann@etf.wi.gov>
Subject: FW: State Employee Healthcare

Hi Diana and Renee,

I did not realize that I got the below email until Mr. Zarbano followed up with a second email today, asking if ETF is interested in discussing his proposal.

Let me know how you want to proceed.

Thanks,
Tarna

From: [REDACTED]
Sent: Monday, May 19, 2025 9:02 AM
To: Hunter, Tarna - ETF <Tarna.Hunter@etf.wi.gov>
Subject: State Employee Healthcare

**CAUTION: This email originated from outside the organization.
Do not click links or open attachments unless you recognize the sender and know the content is safe.**

Good morning, Director Hunter,
My name is John Zarbano, [REDACTED]
[REDACTED]

I'm writing to you in your capacity as Budget and Management Director of the Wisconsin Department of Employee Trust Funds. I wish to explain my plan to save Wisconsin taxpayers over \$100 million during the 2025-27 budget cycle regarding the state employee benefit of healthcare. At the outset, please be assured that I have no potential conflict of interest. Under my plan, I neither sell nor buy anything.

As part of their employment compensation, state employees generally receive healthcare insurance. My plan started with a simple question, "If I want healthcare, why am I buying insurance?" Insurance is for things you don't want, such as car crashes, house fires, tornadoes, death, etc.

In simple terms, an insurance company collects present dollars to pay future claims and manages the money during the interim. ETF is currently doing that for state employees.

Healthcare of Wisconsin [HOW] is my statutory, market-based healthcare payment plan that reduces costs through 1) direct dealing with healthcare providers and 2) by eliminating insurance companies and pharmacy benefit managers. HOW is neither a governmental single payer "Medicare for All" plan nor a Wisconsin self-insurance plan. Wisconsin would not assume the tasks usually assigned to a healthcare insurance company. With one exception, HOW uses current organizations and existing policies to provide healthcare to state employees at the lowest cost to the taxpayers.

The one exception is the creation of a joint venture of healthcare providers which are licensed to do business in Wisconsin. I have attached a summary of HOW.

Thank you for your consideration and if you wish to discuss this matter further, please email me or call/text me at (920) 573 – 1185. Please stay healthy and happy.

Sincerely,

John Zarbano

A black rectangular redaction box covering the signature area.

Healthcare of Wisconsin for State Employees

by John Zarbano

www.zarbanos.com

Healthcare of Wisconsin [HOW] is a statutory payment plan for Wisconsin state employees' healthcare. HOW buys healthcare not insurance. HOW reduces costs 1) through direct dealing with healthcare providers and 2) by eliminating insurance companies and pharmacy benefit managers. HOW uses reasonable deductibles and copays to reduce costs. HOW is not a governmental single payer "Medicare for All" plan. HOW is not a state self-insurance plan and Wisconsin would not assume the tasks usually assigned to an insurance company.

HOW achieves the lowest costs for taxpayers for providing state employees' healthcare. HOW pays for hospitalizations, medical coverage, ambulatory patient, urgency, emergency, pregnancy, maternity, newborn care, mental health, substance abuse disorder, rehabilitative and habilitative care and devices, laboratory, preventative and wellness care, pediatric care, pediatric and adult oral and vision care, medical management programs and prescription drugs.

HOW establishes a joint venture network [JVN] of healthcare providers, licensed in Wisconsin. Healthcare providers set their prices for goods and services. They set procedures for payments, referrals, prior authorizations, patients' appeals, services utilization, etc. They would appoint the JVN as their agent to negotiate healthcare requirements contracts for state employees. The Wisconsin Department of Employee Trust Funds manages HOW operations, pays for the sale of healthcare goods and services to state employees, and negotiates with the JVN.

Instead of paying premiums to insurance companies, HOW pays the premiums into a trust fund [FUND] together with the requisite initial capitalization and reserves. State employees pay their premium portions into the FUND, which pays the healthcare providers for their goods and services. The State of Wisconsin Investment Board manages the FUND.

HOW has its costs too, including additional personnel to Wisconsin Department of Employee Trust Funds and the State of Wisconsin Investment Board. By adding a limited number of employees, HOW eliminates an industry from the healthcare system resulting in savings to taxpayers, increased benefits to state employees, and increased profits for healthcare providers in Wisconsin.

**The Best for the Group comes when everyone in the group
does what's best for himself AND the group. *John Nash***



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

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

June 26, 2025

John Zarbano
[REDACTED]

Mr. Zarbano,

My name is Renee Walk and I am the Director of the Office of Strategic Health Policy, the part of the Department of Employee Trust Funds that manages our Group Health Insurance Program (GHIP). I am writing in response to the email that you sent to Tarna Hunter on May 19; my apologies for our delayed reply.

Thank you for sharing your ideas for an alternative approach to providing coverage for the health insurance portion of the GHIP. At this point in time, the Group Insurance Board does not have any active procurements for the services you describe. The arrangement that you describe does fall into what would generally be described as a self-insured or self-funded health benefit plan arrangement, in that the State would set aside funds to cover claims. According to 2015 Act 119, the Group Insurance Board must have any contracts for self-insurance approved by the Joint Committee on Finance (JFC). ETF and the Board last submitted self-insurance contracts to JFC in 2017; these contracts were rejected, and resulted in our long-standing self-insured Access Plan also being converted to a fully-insured product.

ETF continues to monitor any and all options for supporting the long-term stability of our programs. I appreciate your outreach on this matter. If you have additional questions, please feel free to contact me by phone at 608-261-7254, or by email at renee.walk@etf.wi.gov.

Thank you,

Renee Walk, Director
Office of Strategic Health Policy
Department of Employee Trust Funds