



To: Governor Walker
 From: Leading Wisconsin Health Care Stakeholders
 Re: **Self-Funding the State Group Health Program**
 Date: November 14, 2016

The State Group Health Program provides health insurance benefits to nearly 250,000 lives and is an important part of Wisconsin's health care landscape. This program is built on choice and competition and, as a result, taxpayers and state and local government employees enjoy lower costs, higher quality health care and wide consumer choice of providers and health plans.

The Group Insurance Board is today considering going another direction and is in the process of evaluating proposals to determine whether self-funding the State Group Health Program would be a better deal for Wisconsin.

As leading Wisconsin health care stakeholders, committed to reducing the per capita cost of health care while promoting a better patient experience and improving the health of Wisconsin's citizens, we urge you to consider the impact a change to self-funding could have on Wisconsin's health care and health insurance markets.

Switching to a self-funded health insurance program is about more than just changing the way health care claims for state employees are processed. The potential repercussions for the state, for taxpayers, for state employees, for Wisconsin health care organizations, and for the Wisconsin economy are significant and could be far-reaching. As such, your consideration of this proposal must: fairly compare the results of the RFP to the current system, which has a very favorable trend rate; evaluate the possible significant risks to state taxpayers; and assess whether it protects the competitive strength of Wisconsin's current health insurance market.

The State Group Health Program has been remarkably successful in using choice and competition to control costs, improve quality, and maintain financial stability and value for taxpayers. Any alternative the state considers should be held to this high standard.

cc: Group Insurance Board, c/o (DETF Liason - Sara Brockman)
 Members, Joint Committee on Finance