

# Martin Preizler et al: Former Private sector insurance CEOs agree self-funding bad for Wisconsin

Posted on Wednesday, Mar 22, 2017

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For more than three decades, the health insurance program for Wisconsin state employees has been called a model for other states, using free-market competition to deliver extraordinarily high-quality care and, importantly, contain costs for taxpayers.

That unique model is under threat today because an unelected state board is pushing to consolidate and control Wisconsin public employee health insurance choices, a move that would also negatively affect the private sector.

As retired leaders of four private sector health insurers throughout Wisconsin, we have seen first-hand the success of the existing state employee health program.

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Over the past six years, the program's costs have increased at an average that is half that of other large employers in the state, and well below large employers nationally. According to the state's news release in August 2016, the 2017 cost increase of 1.6% compares to a 6.7% increase for other private and public plans in Wisconsin, and a 6% increase nationwide.

The current program has delivered lower costs for taxpayers, quality care for employees, and a robust insurance marketplace that delivers good value to private sector employers as well. Unlike most states dominated by one or two insurers, Wisconsin is a unique, highly competitive market with dozens of health insurers.

All that is threatened by a proposal being considered by the Legislature's Joint Finance Committee that would create a state-sponsored central program and displace hundreds of private sector, Wisconsin-based jobs.

As retired CEOs, we don't have a personal stake in the ongoing debate over state employee benefits. As taxpayers, however, we urge the members of the Joint Finance Committee to take a very critical look at the long-term impacts of the disruptive change being considered.

If the state decides to self-fund its public employee health program, the high-quality, low-cost plans offered in the private sector are also at risk. Several health plans currently competing in the Wisconsin marketplace would leave. More would be forced to drastically reduce their staff. Market competition would decrease and the state, its employees, and private sector employers would be the worse for it.

The proposed change to self-funding would move the state backwards on the value-based health-care continuum while the rest of the country is trying to catch up to the model we have enjoyed in Wisconsin for decades. It is hard to believe that protecting a vibrant, free marketplace is even a debatable question in our current political environment. We are encouraged by the thoughtful consideration underway in the Joint Finance Committee and strongly urge that this proposal be rejected once and for all.

*-- Martin Preizler was president and CEO of Physicians Plus Insurance Corp., 1998-2008, and spent 38 years in the health-care industry, including serving as the state Medicaid director. He currently serves as a volunteer member of the WEA Trust Board of Trustees.*

*— Lon Sprecher was president and CEO of Dean Health Plan, 2006-2014, and a former State of Wisconsin budget director.*

*— Mark Moody was president and CEO of Network Health Plan, 1986-1989, and president and CEO of WEA Trust, 2006-2016; he also served as the state Medicaid director.*

*— Larry Zanoni was executive director of Group Health Cooperative of South Central Wisconsin, 1987-2013.*