

Self-Insurance II: New Program Structure for 2018

Last time we checked in, the Group Insurance Board was considering whether or not to move the State Group Health Insurance Program to a self-insurance model. Remember, self-insurance simply means that instead of the state paying health insurance companies a fixed premium, ETF will use third party administrators to pay health care costs directly, as they currently do with three self-insured benefit programs: pharmacy, uniform dental and the statewide It's Your Choice Access plan.

Back in February of 2016, the Board decided to issue a request for proposals to evaluate self-insurance and the possibility of regionalizing the program. In November 2016, they first saw the results and continued to discuss them through late 2016 and in to early 2017.

After much deliberation, the Board reached the decision to both regionalize and self-insure the program. Why regions? The Board wanted to increase access to quality providers throughout the state while ensuring members can keep their current providers. They also wanted to streamline program administration, simplify program information for participants and control costs.

Currently, the health plans choose where they will provide services. In the new program structure, the state will be separated into four coverage regions: North, South, East and West. Health plans will be required to serve the entire region. The Board chose vendors that scored well in the areas of quality measures, strong health management programs and cost effectiveness.

The Board also approved a self-insurance model. This model is prevalent for many states and other large employers. In fact 46 states, including Wisconsin, self-insure at least part of their employee health benefits. Additionally, 94% of employers with more than 5,000 employees self-insure their employees' health care coverage.

If you need a refresher on self-insurance, check out the eLearning entitled Self-Insurance in 5 Minutes.

A self-insured model will help ETF and the Board understand participant health needs. New agreements will require health plans to meet high performance standards in the areas of quality care and customer service. And don't forget the bottom line: cost savings and transparency. The Board estimates tax payer savings of about \$60 million from 2017 to 2019 without reducing member benefits, with similar savings expected in future years. This will help control future premium increases and will help to maintain the current benefit package.

Before we get any further, let's explore some questions you may have.

- Are my out-of-pocket costs going to increase with self-insurance?
No. The Board decision to self-insure does not increase the amount you have to pay when you go to the doctor or the pharmacy.
- Does it mean I have to pay more each month for my health insurance?
No. While healthcare costs in general are on the rise, a self-insurance model does not mean higher monthly premiums. Self-insurance only relates to how claims are paid.

- Will I be able to stay with my current health care providers? Most likely, yes. The analysis has determined that 98% of current providers will continue to be available in the new program structure. This number is also expected to increase.
- How will I know which plans cover my primary care doctor and the rest of my health care team?
ETF will provide information in plenty of time for you to make a decision about which plan to choose for 2018. We will be rolling out educational eLearning modules throughout the year to guide you through this transition process.

While it might seem as though these are big changes, you will not see a difference in how your healthcare is delivered. The biggest change for you may just be the insurance card in your wallet.

These changes will take effect January 1, 2018.

Our priority is to keep you informed about your health benefits. Watch for more eLearning this spring on how the Board decisions will affect you. Also, remember to stay connected with ETF by signing up for ETF E-mail Updates on our website and follow ETF on Twitter (@WI ETF).