

Wisconsin Retirement System

Health Plan Changes 2011 and 2012

State and UW Employees and
Non-Medicare Annuitants



July 2011

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State of Wisconsin Group Health Insurance Programs



State
*State of Wisconsin
Group Health Program*

Local
*Wisconsin Public Employers
(WPE)
Group Health Program*

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Why Are Changes Taking Place?

- ◆ ETF and the Group Insurance Board (GIB) were directed by State Legislature to reduce the overall cost of the state health insurance plans by 5% for 2012
- ◆ Changes are adopted in
 - ◆ Wisconsin Act 10 - effective June 29, 2011 and
 - ◆ Wisconsin Act 32 - effective July 1, 2011

Both acts affect WRS retirement and health insurance.
The health insurance benefit changes are effective Jan 1, 2012

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Who is Affected?

State and UW
members

State/UW
Annuitants
not
covered by
Medicare

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What Are The Changes?

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Increased Employee Health Insurance Premiums

- ◆ Premiums continue to be a pre-tax deduction from the "A" payroll (state employees)
- ◆ Increased premiums will be deducted beginning with payroll checks dated August 25, 2011

	State and UW Employees Employee Premium Contribution		Graduate Assistants Employee Premium Contribution	
	Single	Family	Single	Family
Tier 1	\$84	\$208	\$42	\$104
Tier 2	\$122	\$307	\$61	\$153.50
Tier 3	\$226	\$567	\$113	\$283.50

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Benefit Changes

- ◆ Benefit changes effective January 1, 2012
 - ◆ Modifications primarily involve coinsurance and copayments on some services
- ◆ The charts shown outline *Uniform Benefits* and *Standard Health Plan Benefits* for 2011 and 2012
- ◆ Look for these changes in the upcoming *It's Your Choice* book

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Benefit Changes (Uniform Benefits)

Health Plan Benefit Changes – 2011 to 2012 State/UW Employees and Non-Medicare Annuitants		
	Uniform Benefits 2011	Uniform Benefits 2012
Illness/Injury related services	100%	<ul style="list-style-type: none"> • Plan pays 90% • Patient pays 10% to OOPM* of \$500 single / \$1,000 family
Emergency Room (ER)	\$60 Copay per visit (waived if admitted) 100% coverage thereafter	<ul style="list-style-type: none"> • \$75 Copay per visit (waived if admitted) • Patient pays 10% coinsurance to OOPM* of \$500 single / \$1,000 family (Copay does not accumulate to OOPM*)
Hearing Aids (Under age 18)	100% (no limit)	<ul style="list-style-type: none"> • Plan pays 90% (no limit) • Patient pays 10% to OOPM* of \$500 single / \$1,000 family
Dental Implants (following accidental injury)	None	<ul style="list-style-type: none"> • Plan pays 90% up to \$1,000 max per tooth • Patient pays 10% up to OOPM* of \$500 single / \$1,000 family
Palliative Care (one time consult if diagnosed with terminal illness)	None	<ul style="list-style-type: none"> • Plan pays 90% • Patient pays 10% to OOPM* of \$500 single/\$1,000 family
*OOPM = Annual Out-of-Pocket Maximum		

Benefit Changes (Standard Plan)

*OOPM = Annual Out-Of-Pocket Maximum	Health Plan Benefit Changes – 2011 to 2012 <i>State and UW Employees and Non-Medicare Annuitants</i>			
	Standard Plan 2011		Standard Plan 2012	
	Preferred Provider	Non-Preferred Provider	Preferred Provider	Non-Preferred Provider
Annual Deductible	\$100 single (s) \$200 family (f)	\$500 single (s) \$1,000 family (f)	\$200 single (s) \$400 family (f)	\$500 single (s) \$1000 family (f)
Annual Coinsurance and OOPM*	None - 100% covered (except mental health and alcohol & drug treatment)	80%/20% Coinsurance OOPM* = \$2,000 (s) or \$4,000 (f)	90%/10% Coinsurance OOPM* = \$800 (s) or \$1,600 (f)	70%/30% Coinsurance OOPM* = \$2,000 (s) or \$4,000 (f)
Routine, Preventive Services	100% after deductible	After deductible • Plan pays 80% • Patient pays 20% to OOPM*	100% (No deductible)	After deductible • Plan pays 70% • Patient pays 30% to OOPM*
Illness/Injury Related Services	100% after deductible	After deductible • Plan pays 80% • Patient pays 20% to OOPM*	After deductible • Plan pays 90% • Patient pays 10% to OOPM*	After deductible • Plan pays 70% • Patient pays 30% to OOPM*
Emergency Room (ER)	100% after deductible	100% after Preferred Provider deductible of \$100 (s) \$200 (f)	• \$75 Copay per visit (Not applied to OOPM*) • 10% coinsurance to OOPM*	Same as Preferred Provider
Durable Medical Equipment	100% after deductible	After deductible • Plan pays 80% • Patient pays 20% to OOPM*	After deductible • Plan pays 90% • Patient pays 10% to OOPM*	After deductible • Plan pays 70% • Patient pays 30% to OOPM*
Hearing Aids (Under age 18)	100% after deductible No limit	After deductible • Plan pays 80% • Patient pays 20% to OOPM* No limit	After deductible • Plan pays 90% • Patient pays 10% to OOPM* No Limit	After deductible • Plan pays 70% • Patient pays 30% to OOPM* No Limit

Prescription Drug Benefits



There will be no changes to prescription drug benefits in 2012

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Consolidated Omnibus Budget Reconciliation Act (COBRA)

- ◆ Changed to align with federal law
 - ◆ 18 months maximum (instead of 36)
 - ◆ Can be 29-36 months when federally-mandated exceptions apply (i.e., death, divorce, disability)

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Dependent Coverage

Effective January 1, 2012

Coverage for unmarried dependent children will terminate at the end of the month in which they turn age 26

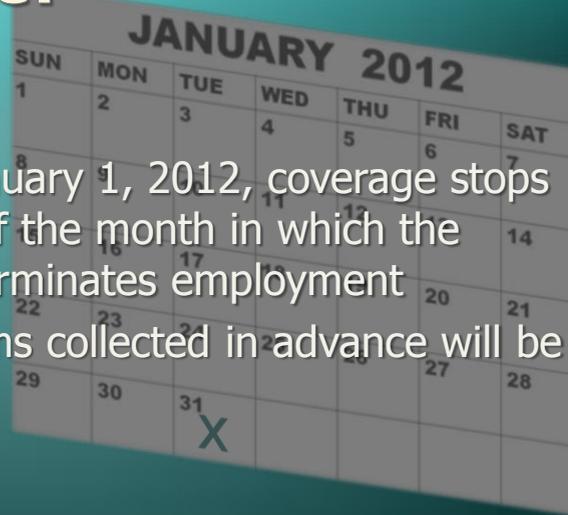


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When Does Coverage Terminate?

- ◆ Effective January 1, 2012, coverage stops at the end of the month in which the employee terminates employment
- ◆ Any premiums collected in advance will be refunded



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New Open Enrollment October 2011

The annual *It's Your Choice* period will become an **Open Enrollment** period for the uninsured

- ◆ Includes eligible: State, UW, and eligible local employees; and State/UW annuitants
- ◆ Coverage would be effective January 1, 2012
- ◆ This provision does not apply to uninsured local *annuitants*

Check your *It's your Choice* book for all other changes and enrollment opportunities

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Changing or Cancelling Coverage

- ◆ Options and time limits to change (from family to single) or cancel coverage depends on . . .
 - ◆ How premiums are paid (pre- or post-tax)
 - ◆ Which health plan you're enrolled in . . .
 - ◆ State of Wisconsin Group Health **or** Wisconsin Public Employers (WPE) Group Plan
 - ◆ Member status
- ◆ For detailed information
 - ◆ ETF's FAQ online
 - ◆ Check with your employer
 - ◆ Refer to the Annual *It's Your Choice* book

Before canceling coverage, be sure to confirm enrollment opportunities and restrictions that apply to your new plan !

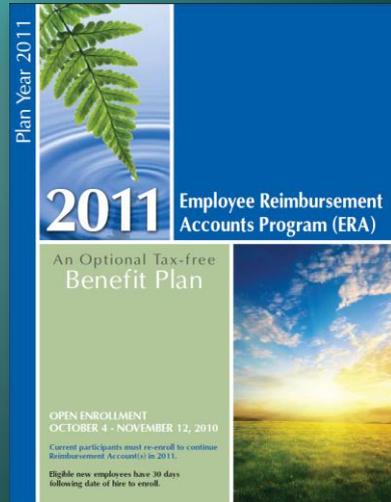
Employee Reimbursement Accounts Program (ERA)

- ◆ Available to all state and UW employees
- ◆ Allows you to set aside pre-tax income to pay for eligible medical expenses not covered by insurance
 - ◆ Administered by *Fringe Benefits Management Company* (FBMC)
- ◆ If you already participate in the ERA program
 - ◆ Federal regulations do not allow changes mid-year
 - ◆ Watch for the Annual Open Enrollment period to make changes for 2012

Employee Reimbursement Accounts Program (ERA)

For more information:

- ◆ ERA Benefits booklet on ETF's website
- ◆ Video - *Employee Reimbursement Accounts Program* in our Video Library under "*Other Benefits*"
- ◆ Visit the FBMC website at www.myfbmc.com
- ◆ Call FBMC Customer Service: 1-800-342-8017
 - ◆ Hours: M-F 6 a.m. to 9 p.m. (CT)



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Planning for ERA 2012 Contributions

Potential Annual Out-of-Pocket Health Insurance Expense Maximums
(Based on Uniform Benefits)

10% Coinsurance Max	\$500/\$1000 (single/family)
20% DME Coinsurance Max	\$500/\$1000 (single/family)
Prescription Drug (RX) Copay Max	\$410/\$820 (single/family)
10% Dental Implants Coinsurance Max	Variable
Emergency Room (ER) Copay	\$75 per visit
Hearing Aids (over age 18)	Variable

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The screenshot shows the ETF website with a navigation menu at the top including 'members', 'retirees', 'employers', 'governing boards', and 'careers at etf'. A search bar is located in the top right. The main content area features a 'what's new?' section with several links. A red arrow points to the 'Receive ETF E-mail Updates' link at the bottom of the page, which is accompanied by the text 'More than 10,000 subscribers since January 2011.'

Watch for further updates on our website (etf.wi.gov) and sign up for ETF's E-mail updates

Thank you for watching

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