



STATE OF WISCONSIN
Department of Employee Trust Funds

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CORRESPONDENCE MEMORANDUM

DATE: May 30, 2006

TO: Group Insurance Board

FROM: Steve Hurley, Director, Quality Assurance Services Bureau
Liz Doss-Anderson, Ombudsperson, Quality Assurance Services Bureau
Christina Keeley, Ombudsperson, Quality Assurance Services Bureau

SUBJECT: Employee Trust Funds (ETF) 2005 Insurance Complaint Report

This report is provided for informational purposes only. It contains information regarding health insurance, disability insurance and pharmacy benefit manager (PBM) program complaints received by the Department in 2005, and is used to monitor trends and address emerging issues in the insurance programs. A summary of select data will also be included in the Report Card section of the 2007 *It's Your Choice* booklet.

2005 ETF Complaint Activity Report

Following is a summary of insurance complaints processed by the Department in calendar year 2005. As in past years, the Department collected information regarding formal written complaints submitted to the Department for administrative review. The Department also collected data on informal complaints. Informal complaints are primarily received by telephone and are typically resolved within a few weeks. Informal complaints frequently involve issues such as referral process difficulties, enrollment and eligibility, and claims processing.

The total number of new complaints opened across all program types decreased in 2005 to 549 compared to 877 in 2004. The higher number of complaints in 2004 was mainly due to the implementation of a single PBM effective January 2004. The 2005 total is in line with pre-PBM annual complaint totals and reflects that transition issues for PBM members are on the decline. As in 2004, the Department continues to work closely with Navitus Health Solutions to educate members about their benefits and to resolve issues as efficiently as possible.

While the overall number of complaints decreased in 2005, the number of informal complaints increased. In the past few years, there has been a steady increase in the number of informal complaints, as members continue to recognize the benefits of working with their plan and the Department to resolve issues with this faster and more efficient method. Informal handling of complaints often eliminates the need for further administrative action by either the plan or the Department.

Reviewed and approved by Pam Henning, Administrator, Division of Management Services.

Signature _____

Date _____

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A. Health Insurance and Pharmacy Benefit Manager Complaints

Some highlights regarding health insurance and PBM complaints received by the Department in 2005 include:

Formal Complaints

- In 2005, there were no formal ETF complaints filed by members regarding health plans Atrium, CompicareBlue Northwest (new in 2005), Medical Associates, Mercycare, or Unity Community.
- Dean Health Plan, which has the highest enrollment of all health plans (24%), had the most complaints of all the health plans, with approximately 19% of all formal complaints received by the Department regarding health insurance.
- Formal complaints involving the PBM program decreased significantly in 2005 with 30 complaints, down from 102 in 2004.
- The three most frequent types of formal complaints were: denials of excluded or non-covered benefits (20%), unauthorized services, (14%), and denials of requests for copayment reduction for prescription drugs (13%).
- Of the 121 formal complaints closed by ETF ombudspersons in 2005, 40% were resolved in favor of the member.

Informal Complaints

- UnitedHealthcare of Wisconsin, which acquired Touchpoint health plan in late 2004, had the most complaints, with approximately 18% of all informal complaints received by the Department regarding health insurance. The transition to UnitedHealthcare from Touchpoint resulted in increased complaint numbers.
- The three most frequent types of informal complaints were: billing and claims processing (21%), enrollment and eligibility (19%), and general program design (15%).
- Complaints related to denials of prior authorization requests (7%) and referral requests (6%) accounted for 13% of all informal complaints.
- ETF ombudspersons processed 425 informal complaints in 2005. 178 of those complaints were "inquiry only." Of the remaining 247 informal complaints with the possibility of a favorable or unfavorable outcome, ombudspersons were able to resolve 83% of those complaints in favor of the member.

The results achieved by ombudspersons in 2005 for formal and informal complaints illustrate the value to members of using ombudsperson services. Ombudspersons will continue efforts to educate members on the most effective ways to navigate the system and to work with their health plans to obtain benefits to which they are entitled.

B. Disability Complaints

Disability complaints include complaints or inquiries related to Income Continuation Insurance (ICI), Long-Term Disability Insurance (LTDI), § 40.63 disability retirement and § 40.65 duty disability programs. There is no distinction made between formal and informal disability complaints, as disability complaints are typically urgent in nature and are handled on a priority basis.

ETF ombudspersons routinely educate members regarding disability benefit program design, assist members in navigating the claim process and advise members of administrative review rights. In addition, ombudsperson staff participate in weekly operations teleconferences between Broadspire-Aetna and the Disability Programs Bureau in an ongoing effort to improve service to our members and to stay informed of member issues and program changes.

In 2005, the Department logged only 53 disability benefit complaints, compared to 176 in 2004. Disability complaints have been on a steady decline over the past two years. This result reflects well on Broadspire-Aetna's proactive approach to handling complaints from our members.

ETF Insurance Complaint Surveys

In 2001, as part of customer service initiatives for the Department, we began sending surveys to complainants after an ETF ombudsperson completed the complaint review. In 2005, we began sending surveys to disability insurance complainants. Copies of both surveys are attached. The 2005 health insurance/PBM survey response rate was 53%, with 57 surveys returned. The 2005 disability insurance survey response rate was 51%, with 23 surveys returned.

The following tables list the percentages of those responding:

HEALTH INSURANCE/PBM		
Survey Category:	2004	2005
Provided Timely Services	74%	70%
Services Were Helpful	78%	79%
Professional & Courteous	97%	94%
Satisfied Overall	76%	79%

DISABILITY INSURANCE		
Survey Category:	2004	2005
Provided Timely Services	NA	76%
Services Were Helpful	NA	71%
Professional & Courteous	NA	95%
Satisfied Overall	NA	68%

The survey data indicates that in general, members are satisfied with the ombudsperson services offered through ETF and consider it a valuable service. We will continue to send surveys out to all members using the ombudsperson services through the formal complaint process at ETF. If you have any questions, we will be available at the Board meeting.