



Employer *Bulletin*

Employer Communication Center (608) 264-7900 Toll free: 1-888-681-3952 <http://etf.wi.gov>

Consider Participating in the Wisconsin Public Employers Group Health Insurance Program

Now is the time for you to consider joining the Wisconsin Public Employers (WPE) Group Health Insurance program, authorized by the Group Insurance Board and available to employers participating in the Wisconsin Retirement System (WRS). The program, administered by the Department of Employee Trust Funds (ETF), offers the following benefits:

- ❑ Competitive health insurance premium rates;
- ❑ One-stop shopping for access to more than twenty health plan service areas statewide; and
- ❑ A successful prescription drug benefit program administered by a pharmacy benefits manager (PBM) credited with saving State and local employers millions of dollars in prescription drug costs over the past four years.

Participation Process

Joining the WPE Group Health Insurance program consists of the following two steps:

1. Completing the group underwriting process. Group underwriting has been in place for large groups with 51 or more WRS active employees for some time and beginning with health insurance coverage effective January 1, 2009, groups with 50 or fewer WRS active employees are also required to complete the group underwriting process.
2. Filing a resolution to select the benefit option you will offer your employees and annuitants (see benefit options listed within this *Bulletin* for further details).

To begin coverage effective January 1, 2009, your resolution must be received by September 30, 2008 and you must begin the underwriting process by August 31, 2008.

All WRS eligible employees must be offered the health insurance coverage, including part-time employees. Eligibility includes current and future WRS retirees covered under your current group health insurance plan.

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INSIDE

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Underwriting Process

Group underwriting applies to all employers seeking insurance in the state. Our program has remained one of the last to allow small groups to enter without such underwriting. This unrestricted access was a cause for concern and we are implementing small group underwriting in order to protect the program from adverse risk. Our program will follow a process similar to those used by commercial insurers and established under rules of the Office of the Commissioner of Insurance.

Employers participating in the WRS may enter the program quarterly, following group underwriting. Underwriting will determine if the group may join at the rates published in the *It's Your Choice* booklet (ET-2128) or addendums (ET-2157, ET-2158 or ET-2159), or if the group will receive an additional per contract per month surcharge as determined by the Group Insurance Board's consulting actuary for an average of 24 months. The surcharge will be applied if the group's risk is determined to be detrimental to the existing pool.

The entire underwriting and enrollment process takes 120 days. Groups are eligible to enroll effective January 1, April 1, July 1 or October 1. A blank checklist detailing the information required for submittal is included in the *How to Become a Participating Employer Under the Wisconsin Public Employers' Group Health Insurance Program* booklet (ET-1139), available on ETF's Internet site at <http://etf.wi.gov/publications/et1139.pdf>.

Prospective employer groups must submit the following information to ETF, which will then be forwarded to WPS Health Insurance (WPS), who will perform the initial underwriting function, and to the Group Insurance Board's consulting actuary for review and determination of the surcharge amount, if applicable. Final rates will be provided to the group from ETF. This process takes approximately 30 days. Following it, the employer's governing body would decide whether to pass a resolution to join the program. Upon filing the resolution with ETF, coverage would be effective on the first day of the quarter following the 90-day enrollment process.

- ◆ Large groups with 51 or more WRS active employees must submit:
 1. employee census
 2. two years of claims history
 3. two years of enrollment history
 4. benefit information, current coinciding with the two years of claims/ enrollment history
 5. other data and fees requested on the checklist (ET-1139)
- ◆ Small groups with 50 or fewer WRS active employees must submit:
 1. Small Employer Uniform Employee Application for Group Health Insurance (OCI 26-501) completed by each WRS eligible employee and retiree (sealed by the individual in an envelope with their name on it for confidentiality of personal health information)
 2. state quarterly wage and tax statement
 3. recent health insurance carrier bill listing all covered subscribers
 4. other data requested on the checklist (ET-1139)

Following receipt by WPS, an underwriter will review all materials and if necessary, call individual employees to gather more information as required on the Uniform Employee Application. The employer will be notified by WPS in general when calls will begin in case an employee has a question about the process for the employer. If certain individuals are difficult to contact, the underwriter may call the employer to get assistance in reaching the person.

Benefit Options

To support its commitment to establish and maintain quality, long-term partnerships with participating local government employers, ETF offers the following program options:

1. Traditional Health Maintenance Organization (HMO) Option paired with the Classic Standard Plan

Under this program option, participants select from:

- HMOs that administer traditional Uniform Benefits.
- Classic Standard Plan with a deductible and coinsurance (participant pays percentage of costs) on major medical services only, such as durable medical equipment, physical/speech/occupational therapy, medical services and supplies, and cardiac rehabilitation.
- State Maintenance Plan (SMP), where applicable, with a deductible and coinsurance on major medical services only.

Employers participating in the Group Health Insurance program prior to January 1, 2005, are enrolled in this option unless they have filed a resolution selecting a different option.

2. Traditional HMO Option paired with the Standard Preferred Provider Plan (PPP)

Under this program option, participants select from:

- HMOs that administer traditional Uniform Benefits
- Standard PPP for which the benefit level (i.e., up-front deductible and coinsurance) depends on whether the services are from an in-network provider or an out-of-network provider.
- SMP, where applicable, with a deductible and coinsurance on major medical services only.

The Standard PPP is a Standard Plan that offers a preferred provider network and is administered by WPS Health Insurance. The Standard PPP option, available at a lower premium rate, allows participants to see any provider of their choice, but with differences in out-of-pocket costs depending on whether participants go to an in-network or an out-of-network provider.

3. Deductible HMO Option paired with the Deductible Standard Plan

This deductible option is for both Uniform Benefits (benefit structure offered by the HMOs) and the Standard Plan, and offers premium rates that are lower than the traditional option rates. (Note: The deductibles do not apply to pharmacy benefits.)

Under this program option, participants select from:

- HMOs that administer Uniform Benefits with an up-front deductible on all medical services. The deductible is \$500 individual/\$1000 family per calendar year. Once the deductible has been met, the traditional benefits are administered as described in Uniform Benefits.
- Deductible Standard Plan with an up-front deductible and coinsurance on all medical services. This program continues to offer participants the choice to see any provider but with a \$500 individual/\$1000 family deductible and 80%/20% coinsurance as described in the chart below. (The Classic Standard Plan has deductible and coinsurance amounts on major medical services only.)
- SMP, where applicable, with an up-front \$500 individual/\$1000 family deductible on all medical services.

4. Deductible HMO Option paired with the Deductible Standard PPP

A deductible option for both Uniform Benefits and the Standard PPP, offering premium rates that are lower than the traditional option rates. (Note: The deductibles do not apply to pharmacy benefits.) Under this program option, participants select from:

- HMOs that administer the Uniform Benefits with an up-front deductible on all medical services. The deductible is \$500 individual/\$1000 family per calendar year. Once the deductible has been met, the traditional benefits are administered as described in Uniform Benefits.
- Deductible Standard PPP for which the benefit level (i.e., up-front deductible and coinsurance) depends on whether the services are from an in-network provider or an out-of-network provider. This PPP program operates as does the Standard PPP, but has larger deductible and coinsurance costs to allow greater premium savings.
- SMP, where applicable, with an up-front \$500 individual/\$1000 family deductible on all medical services.

The following chart summarizes these non-Medicare benefit options available January 1, 2009:

**Wisconsin Public Employees
Non-Medicare Benefits
Options Effective 01-01-2009**

NON-MEDICARE BENEFITS		Traditional HMO – Classic Standard Plan	Traditional HMO – Standard PPP	Deductible HMO – Deductible Standard Plan	Deductible HMO – Deductible Standard PPP
Uniform Benefits HMO coverage		Uniform Benefits	Uniform Benefits	\$500 Individual \$1000 Family After deductible is met, Uniform Benefits apply	\$500 Individual \$1000 Family After deductible is met, Uniform Benefits apply
Standard Plan Option Benefit	Deductible (Unless otherwise noted, it is an overall deductible)	\$250 Individual \$500 Family (Applies only to Major Medical)	<i>In-Network:</i> \$250 Individual \$500 Family <i>Out-of-Network:</i> \$500 Individual \$1000 Family	\$500 Individual \$1000 Family	<i>In-Network:</i> \$500 Individual \$1000 Family <i>Out-of-Network:</i> \$1000 Individual \$2000 Family
	Coinsurance	80% / 20% (Applies only to Major Medical)	<i>In-Network:</i> 90% / 10% <i>Out-of-Network:</i> 70% / 30%	80% / 20%	<i>In-Network:</i> 80%/20% <i>Out-of-Network:</i> 70% / 30%
	Annual out-of-pocket maximum (Includes deductible & coinsurance)	\$1250 Individual \$2500 Family (Applies only to Major Medical)	<i>In-Network:</i> \$1000 Individual \$2000 Family <i>Out-of-Network:</i> \$2000 Individual \$4000 Family	\$2000 Individual \$4000 Family	<i>In-Network:</i> \$2000 Individual \$4000 Family <i>Out-of-Network:</i> \$4000 Individual \$8000 Family

The 2009 monthly premium rates and a map showing plans available by county and Tier will be available on our web site in mid-September, 2008. Note: The map will indicate plans underlined as “qualified,” which is defined as meeting minimum requirements for the number of primary providers, including a hospital (if one exists in the county), pharmacy, chiropractor, and dentist (if applicable) physically located in specific counties. This map will also show plans that are “non-qualifying” (not underlined) due to limited provider availability in the county.

Health plan Tier placement will appear on the grid and will provide the name of the plan and the letter code for each that appears on the map. The 3-Tier health insurance premium contribution program is an innovative approach that holds down expenses as it creates incentives for health plans to reduce their costs, and encourages employees to choose the plans that are most efficient in providing quality health care. The state adopted the “Tiered Formula” for premium contribution beginning January 1, 2004, as it has advantages over the ‘105% Formula’ in encouraging health plans to be more efficient.

Your employees will have the choice of health plans offered by the WPE Group Health Insurance program when you elect to join. During the annual Dual-Choice enrollment period in October, insured employees may elect, without restriction, to change to a different participating health plan within their option or to change from single to family coverage, effective the following January 1.

For more information on joining the WPE Group Health Insurance program, contact the Employer Communication Center toll free at (888) 681-3952 or locally at (608) 264-7900, or e-mail ETF from the ‘Contact Us’ page of our Internet site.

If you would like detail on the administration of the program while making your decision to join, ETF has a three-part WPE Group Health Insurance training available on our Internet site. While geared for employers who have elected to participate in the WPE program, these presentations help you understand the program and guide you in easier and more accurate administration. See our Video Library at <http://etf.wi.gov/webcasts.htm> for details.

More information regarding the WPE Group Health Insurance program, such as ETF’s brochure, *How to Become a Participating Employer Under the Wisconsin Public Employers’ Group Health Insurance Program* (ET-1139), can be found on ETF’s Internet site at <http://etf.wi.gov>.

****Remember to check ETF’s Internet site in mid-September for the 2009 monthly premium rates and a map showing plans available by county and tier assignment.**