



Employer *Bulletin*

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

WPE Group Health Insurance Program

Read this bulletin carefully to understand changes affecting the Wisconsin Public Employers (WPE) Group Health Insurance Program in 2013.

I. Program Option (PO) Changes:

Local government employers will have more flexibility in choosing cost-sharing plan options under the WPE Group Health Insurance Program, effective January 1, 2013. A new 10% coinsurance option that matches the plan available to state employees is now available. The comparison chart on page 3 highlights changes for 2013. Employers may offer up to three program options to different classes of employees (e.g., collective bargaining units). Individual employees can not choose between program options.

To change your program option or enroll under additional program options, your governing body must file an *Existing Employer Option Selection Resolution* (ET-1152) with the Department of Employee Trust Funds (ETF) before October 1, 2012. The resolution (ET-1152) is available at: <http://etf.wi.gov/publications/et1152.docx>

For information on which program option you currently offer, go to your myETF Benefits Invoice or the Employer Premium Inquiry application on myETF Benefits, which can be found at: <http://etfonline.wi.gov/etf/internet/employer/one.html>

Program Option 2 (PO 2) groups will remain in PO 2 unless the employer files a resolution to change. New benefits apply to the Standard Plan, as described in the comparison chart and the section on modernization, below. The existing base/major medical plan will be replaced by a modern Preferred Provider Plan. This plan will be easier for members to understand and is materially equivalent in overall benefit value to the current plan.

Program Option 3 (PO 3) groups will be moved into PO 2, unless the employer files a resolution to select a different program option. Note: Uniform Benefits, offered by all Health Maintenance Organizations (HMOs), WEA Trust PPP and WPS Metro Choice, is identical in PO 2 and PO 3. PO 3 will not be available effective January 1, 2013.

Program Option 4 (PO 4) groups will remain in PO 4 unless the employer files a resolution to change. The Standard Plan is changing benefits, as described in the comparison chart and the section on modernization, below. The existing Deductible Standard Plan, with an upfront deductible and coinsurance for all allowable services, will be replaced by the existing Deductible Preferred Provider Plan that had been a part of PO 5. This results in a premium reduction for this plan, because services are more cost effective when delivered by preferred providers.

Program Option 5 (PO 5) groups will be moved into PO 4 unless the employer files a resolution to change to a different program option. PO 5 will not be available effective January 1, 2013. Note: PO 5 contains the same Uniform Benefits as PO 4 and will utilize the Deductible Standard Preferred Provider Plan, while modernized as described below.

NEW: Program Option 6 (PO 6) offers a Uniform Benefit valued at about 5% less than PO 2 and 5% more than PO 4. It will match the benefits offered to state employees. As those benefits

change over time, PO 6 will mirror those changes. The Standard PPO plan in this program option aligns with what is currently offered in PO 3, containing deductibles and coinsurance amounts that are higher than those in PO2 and lower than those in PO4.

SMP (State Maintenance Plan) changes: All program options include SMP, which will contain medical benefits identical to Uniform Benefits effective January 1, 2013. This will make the plan easier to understand for our members. SMP will continue to be offered in counties where no qualified alternate plan (e.g., HMO) is available. No dental benefits will be available for SMP participants.

Medicare options for participating WPE annuitants and their dependents:

- All Standard Plan Medicare eligible annuitants and their dependents will have coverage through one group Medicare supplement offered by WPS Health Insurance (WPS), effective January 1, 2013. This coverage will match the Medicare Plus plan offered to state Medicare annuitants who select the Standard Plan. The current Medicare carve-out, where Medicare pays first and then WPS pays services subject to the Standard Plan contract, will no longer be available. More information will be provided in the It's Your Choice materials this fall.
- The Uniform Benefits option that employers offer will continue as-is for Medicare eligible annuitants and their dependents, acting as a Medicare carve-out where Medicare pays first and then the health plan pays services subject to the Uniform Benefits contract.

For assistance regarding the WPE program options, e-mail ETF at ETFHealthandIns@etf.state.wi.us or call 1-888-681-3952, option 1.

Program Option 2: Traditional or Full Pay Uniform Benefits Option paired with a newly-offered Standard Preferred Provider Organization (PPO) Plan

Under this program option, subscribers select from:

- Full pay (no coinsurance or deductible) Uniform Benefits offered by many HMOs and two PPOs: WEA Trust and WPS Metro Choice.
- "NEW" Standard PPO that allows participants to see their choice of provider with higher out-of-pocket costs for out-of-network providers. The plan is administered by WPS.

Program Option 4: Deductible Uniform Benefits Option paired with the Deductible Standard PPO

Subscribers select either a deductible Uniform Benefits or a Standard PPO option. The deductibles and/or coinsurance amounts in these plans will not change from 2012 levels. (Note: the Standard PPO offered is currently available in PO 5.) Uniform Benefit premium rates in PO 4 are approximately 10% lower than PO 2 rates. The deductibles and other medical out-of-pocket amounts do not apply to pharmacy benefits.

- Deductible Uniform Benefits, offered by many HMOs and two PPOs: WEA Trust and WPS Metro Choice, contains an up-front deductible on all medical services except for federally-required preventive care. Such care is 100% covered. The deductible is \$500 individual/\$1000 family per calendar year. Once the deductible is met, benefits are administered as described in Uniform Benefits.
- The Standard PPO allows participants to see their choice of providers, with higher out-of-pocket costs for out-of-network providers. This program has larger deductible and coinsurance costs than the Standard PPOs of PO 2 and PO 6 allowing for greater premium savings. WPS is the plan administrator.

Program Option 6: Coinsurance Uniform Benefits Option paired with a Standard PPO

Subscribers select from a new coinsurance option for Uniform Benefits or the Standard PPO. (Note: Medical out-of-pocket amounts do not apply to pharmacy benefits.) This program option offers Uniform Benefits premium rates that are approximately 5% lower than PO 2 rates.

- “NEW” Uniform Benefits with a member coinsurance of 10% up to a maximum of \$500 individual/\$1000 family except for federally required preventive care. Such care is 100% covered. This program option mirrors the Uniform Benefits offered to state employees. Over time, if changes are made to the state Uniform Benefits plan, this plan will mirror those changes.
- The Standard PPO allows participants to see their choice of provider, with higher out-of-pocket costs for out-of-network providers. This program has larger deductible and coinsurance costs than the Program Option 2 Standard PPO allowing for greater premium savings. WPS is the plan administrator.

**Wisconsin Public Employees
Non-Medicare Benefits
Program Options (PO) Effective January 1, 2013**

NON-MEDICARE BENEFITS		Program Option 2	Program Option 4	Program Option 6
Uniform Benefits (For HMOs and some PPOs: benefits described for services at plan providers only)		Full Pay Uniform Benefits (No deductible or coinsurance.)	\$500 Individual/ \$1000 Family deductible except as required by federal law. After deductible is met, Uniform Benefits apply.	NEW 90%/10% coinsurance to \$500 Individual/\$1000 Family out-of-pocket limit, except as required by federal law. After coinsurance is met, Uniform Benefits apply.
Standard PPO Benefit	Freedom of Provider Choice Benefit:	Standard PPO NEW	Standard PPO: Modernized, but no change to former PO 5s deductible/coinsurance	Standard PPO: Modernized, but no change to former PO 3s deductible/coinsurance
	Deductible (Unless otherwise noted, it is an overall deductible.)	<i>In-Network:</i> \$100 Individual/ \$200 Family <i>Out-of-Network:</i> \$500 Individual/ \$1000 Family	<i>In-Network:</i> \$500 Individual/ \$1000 Family <i>Out-of-Network:</i> \$1000 Individual / \$2000 Family	<i>In-Network:</i> \$250 Individual/ \$500 Family <i>Out-of-Network:</i> \$500 Individual/ \$1000 Family
	Coinsurance	<i>In-Network:</i> 100%/0% <i>Out-of-Network:</i> 80%/20%	<i>In-Network:</i> 80%/20% <i>Out-of-Network:</i> 70%/30%	<i>In-Network:</i> 90%/10% <i>Out-of-Network:</i> 70%/30%
	Annual out-of-pocket limit (Includes deductible & coinsurance.)	<i>In-Network:</i> \$100 Individual/ \$200 Family <i>Out-of-Network:</i> \$2000 Individual/ \$4000 Family	<i>In-Network:</i> \$2000 Individual/ \$4000 Family <i>Out-of-Network:</i> \$4000 Individual/ \$8000 Family	<i>In-Network:</i> \$1000 Individual/ \$2000 Family <i>Out-of-Network:</i> \$2000 Individual/ \$4000 Family

II. Modernization of Standard PPO Plans

All WPE Standard Plans will be modernized in 2013 to align with changes that were made to the Standard Plan offered to state employees in 2012. A summary of these changes is available at: http://etf.wi.gov/employers/bulletins_local/ebi2012vo29d-attach.pdf.

For more information about the difference between current and new benefits, please refer to: <http://etf.wi.gov/boards/agenda-items-2012/gib20120522/Item-5B.pdf>. Note: This is not a complete description of all changes.

The WPE certificates of coverage will be available later this year on ETF's Internet site. The current State Standard Plan booklets are available under: <http://etf.wi.gov/publications/insurance.htm>.

While some changes are benefit increases and others are decreases, the overall result was determined to be non-material by the Group Insurance Board's actuary. In addition, these changes will make the plans more cost effective and will align them with current commercial insurance practices.

III. Changes to *Employer Verification of Health Insurance Coverage Form*

The *Employer Verification of Health Insurance Coverage* form (ET-4814) has been revised to ensure that ETF receives it with retiring employees' retirement materials. The form is available at: <http://etf.wi.gov/publications/et4814.pdf>.

When an employee retires, print a copy of the form, complete the employer section and give the form to the employee. The employee will complete the form electing to continue coverage or decline coverage and submit it with their retirement application.

Contact Information

For more information on the WPE Group Health Insurance program, contact ETF's Employer Communication Center toll free at (888) 681-3952, option 1 or locally at (608) 264-7900, option 1. Information regarding the WPE Group Health Insurance program and other benefit programs is also available on our Internet site at: <http://etf.wi.gov>.

The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech or hearing impaired and need assistance, call the Wisconsin Relay Service toll free at 7-1-1 or 1-800-947-3529 (English) 1-800-833-7813 (Español). If you are visually or cognitively impaired, call 1-877-533-5020 or (608) 266-3285 locally. We will try to find another way to get the information to you in a usable form.

This *Employer Bulletin* is published by the Wisconsin Department of Employee Trust Funds. Questions should be directed to contact persons listed in the *Bulletin*. Employer agents may copy this *Bulletin* for further distribution to other payroll offices, subunits or individuals who may need the information. Copies of the most recent *Employer Bulletins* are available on our Internet site at the following URL: <http://etf.wi.gov/employers.htm>

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