



# Employer *Bulletin*

Employer Communication Center (608) 266-3285 Toll free: 1-877-533-5020 <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 is administered by the Department of Employee Trust Funds (ETF) and offers the following benefits:

- Competitive health insurance premium rates.
- One-stop shopping for access to more than 20 health plan service areas statewide.
- 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.

### Participation Process

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

1. Completing the group underwriting process to learn what, if any, surcharge your group would have to pay for a limited time. This process begins 120 days prior to your effective date and takes about 30 days to complete. Groups can join the program effective January, April, July, or October 1 of any year.
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). Once you receive your group rates following underwriting, the resolution to join must be filed no later than 90 days prior to your chosen effective date.

To begin coverage effective January 1, 2014, you must begin the underwriting process by August 31, 2013 and your resolution must be received by September 30, 2013.

**All of your 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.

### Underwriting Process

Group underwriting applies to all employers seeking insurance in the state. Our program follows an underwriting 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 determines if the group may join at the rates published in the *It's Your Choice: Decision Guide* booklet (ET-2128d) or addendums (ET-2158 or ET-2168), 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.

A checklist itemizing 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>. It describes what prospective employer groups must submit to ETF to complete the underwriting process.

Once ETF receives the required information from the employer, the information is forwarded onto WPS Health Insurance (WPS) to perform the initial underwriting function, and to the Group Insurance Board's consulting actuary for review and determination of the surcharge amount, if applicable.

For groups with 50 or fewer WRS active employees, a WPS 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 when employee calls will begin in case the employer is contacted by employees with questions about the process. If certain employees are difficult to contact, the underwriter may call the employer to get assistance in reaching that employee.

Final rates will be provided to the employer from ETF. Following underwriting and ETF notification of the final rates, the employer's governing body must decide whether to pass a resolution to join the program. Upon filing the resolution with ETF, coverage is effective on the first day of the quarter following the 90-day enrollment process.

## Benefit Program Options (PO)

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

Employers may offer up to three program options to different classes of employees (that is, collective bargaining units). Individual employees cannot choose between program options. Note, any medical out-of-pocket amounts do not apply to pharmacy benefits. There are separate pharmacy benefit out-of-pocket maximums that apply to all program options.

### 1. Traditional or Full Pay Uniform Benefits Option paired with a Standard Preferred Provider Organization (PPO) Plan (P02)

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
- 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.

### 2. Deductible Uniform Benefits Option paired with a Standard PPO (P04)

Subscribers select either a deductible Uniform Benefits or a Standard PPO option. Uniform Benefit premium rates in this PO4 are approximately 10% lower than PO2 rates. Under this program option, participants select from:

- 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 (listed at <http://www.healthcare.gov/news/factsheets/2010/07/preventive-services-list.html>). 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 PO2 and PO6 allowing for greater premium savings. WPS is the plan administrator.

3. ***Coinsurance Uniform Benefits Option paired with a Standard PPO (P06)***

Subscribers select between a coinsurance option for Uniform Benefits or the Standard PPO. This program option offers Uniform Benefits premium rates that are approximately 5% lower than PO2 rates. Under this program option, subscribers select from:

- Uniform Benefits with a member coinsurance of 10% up to a maximum of \$500 individual/\$1000 family except for federally required preventive care (listed at <http://www.healthcare.gov/news/factsheets/2010/07/preventive-services-list.html>). 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 PO 2 Standard PPO allowing for greater premium savings. WPS is the plan administrator.

The following chart summarizes these non-Medicare benefit options available January 1, 2014:

**Wisconsin Public Employees  
Non-Medicare benefits  
Program Options Effective January 1, 2014**

<b>NON-MEDICARE BENEFITS</b>		<b>Program Option 2</b>	<b>Program Option 4</b>	<b>Program Option 6</b>
<b>Uniform Benefits (For HMOs and some PPOs: benefits described for services at plan providers only)</b>		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	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
<b>Standard PPO Benefit</b>	<b>Freedom of Choice type Benefit:</b>	<b>Standard PPO</b>	<b>Standard PPO</b>	<b>Standard PPO</b>
	<b>Deductible</b> (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
	<b>Coinsurance</b>	<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%
	<b>Annual out-of-pocket limit</b> (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

**The 2014 monthly premium rates and a map showing plans available by county and Tier will be available on our website in mid-September.**

**Note:** The map will indicate which plans are “qualified,” meaning they meet 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) where they offer limited provider availability in the county.

## Premium and Employer Contribution Information

Employers may not provide payments to employees in lieu of coverage under this health insurance program. Participating employers potentially have three options available for establishing employer contribution toward premium — the 88% Calculation Method, the three-Tiered Premium Structure and the 105% Formula Method.

Participating employers are allowed to pay up to 88% of the average premium cost of the qualified tier 1 health plans offered in the service area of the employer (i.e., the county) unless: a collective bargaining agreement was in place before June 28, 2011, that provides otherwise. A 105% of the low-cost qualified health plan contribution method applies only for those employees who are specifically exempt from the 88% contribution method.

The three-Tiered Premium Structure is also available for employers to use to establish the maximum employee contribution toward premium. Each year the Group Insurance Board and its consulting actuaries rank and assign each of the available health plans to one of three “tier” categories. An employee’s premium contribution is determined by the tier ranking of the health plan he or she selects.

For more information regarding the three options available for establishing employer contribution toward premium, please review the ETF booklet *How to Become a Participating Employer Under the Wisconsin Public Employers’ Group Health Insurance Program* (ET-1139). This booklet is available on ETF’s Internet site at: <http://etf.wi.gov/publications/et1139.pdf>.

## Conclusion

As a participating employer, you potentially have three options available for establishing employer contribution toward premium—the 88% Calculation Method, the three-Tiered Premium Structure and the 105% Formula Method. Your employees will have their choice of health plans offered by the WPE Group Health Insurance Program when you elect to join. During the annual It’s Your Choice Open Enrollment Period in October, employees and insured annuitants may elect, without restriction, to change to a different participating health plan within their option or to change from single to family coverage or family to single coverage, effective the following January 1.

## Contact

For more information on joining the WPE Group Health Insurance Program, contact the Employer Communication Center toll free at 1-877-533-5020 or locally at 608-266-3285 or e-mail ETF at [ETF-HealthandIns@etf.state.wi.us](mailto:ETF-HealthandIns@etf.state.wi.us).