

**Department of Employee Trust Funds
State Agency Health Insurance Administration Manual**

Chapter 2 — Health Plan and Program Information

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The State of Wisconsin Group Health Insurance Program consists of three types of plans: alternate health plans, Standard Plan, and State Maintenance Plan. Effective January 1, 2015, it will also offer an alternate High Deductible Health Plan (HDHP).

201 Alternate Health Plans (HMOs, PPOs and HDHPs)

Alternate health plans are health maintenance organizations (HMO), preferred provider organizations (PPO), and high deductible health plans (HDHP) that provide comprehensive benefits at a lower cost than the Standard Plan in exchange for some health care provider limitations.

All alternate health plans participating in the Group Health Insurance Program offer the same level of coverage, called Uniform Benefits, with the exception of dental coverage that may be offered at the discretion of the health plan. If dental coverage is offered, it is Uniform Dental Benefits.

Uniform Benefits are designed to ease employee health plan selection and assist ETF's efforts to negotiate quality care at the lowest possible cost. Uniform Benefits permit employees to select a health plan based on cost, quality of services, and access to specific physicians or other health care providers.

Beginning on January 1, 2015, the HDHP mirrors Uniform Benefits except that it contains an up-front deductible and a different out-of-pocket limit. The plan has a \$1,500 single plan, \$3,000 family plan deductible. The deductible does apply to pharmacy and dental benefits. After the deductible, pharmacy benefits again apply to the copays up to an out-of-pocket limit. In a family plan, the entire \$3,000 deductible must be met before the coinsurance coverage begins. The deductible applies to all services except for federally required preventive care. Such care is covered at 100%. For more details, refer to the *It's Your Choice Guides*.

The HDHP is available to most employees and annuitants younger than age 65. Employees who are eligible for the graduate assistant/short term academic staff benefits package and are not in the WRS are not eligible for the HDHP. Subscribers who are enrolled in Medicare or

any other disqualifying health plan (for example, a spouse's health insurance plan including a medical flexible spending account or Tricare) are not eligible to enroll in the HDHP.

While coverage levels are the same for alternate health plans, they differ in other ways, namely premium amount, provider network, benefit determinations and administrative requirements. Uniform Benefits and premium amounts change on an annual basis, so the latest *It's Your Choice Decision Guide* (ET-2107d) and *Reference Guide* (ET-2107r) are the most reliable resources for details.

Note: Benefits differ for annuitants and their dependents enrolled in Medicare.

202 Standard Plan

The Standard Plan is a comprehensive self-insured Preferred Provider Organization (PPO) that is currently administered by Wisconsin Physicians Service (WPS). Participants enrolled in the Standard Plan can see a provider of their choice without the network restrictions associated with an HMO. In exchange for this freedom to select the provider of their choice, the participants have different benefit levels depending on whether the provider selected is in-network (higher benefit level) or out-of-network (lesser benefit level). Participants can review the *Standard PPO Plan* (ET-2112) brochure for more details regarding the differences between the benefits under the Standard Plan and the Uniform Benefits offered under the alternate health plans.

203 State Maintenance Plan (SMP)

The State Maintenance Plan (SMP) offers the same Uniform Benefits package as the alternate health plans, but is available only in those counties that do not have a qualified Tier 1 alternate health plan as noted in the current *It's Your Choice Decision Guide*. The SMP is administered by WPS.

204 Three Tier Health Insurance Program

Since the passage of the 2003-2005 biennial budget, the state of Wisconsin has sought to reduce health insurance costs for employees and employers by implementing a 3 Tier system for purchasing health insurance. This was implemented to mitigate the trend of increasing health care costs.

The 3 Tier system is designed to foster competition between the health plans bidding to provide coverage through ETF while maintaining high-quality health care. All plans are assigned to one of the three tiers based on their cost effectiveness and the quality of care provided. The employee out-of-pocket cost is lowest for Tier 1 plans and the highest for Tier 3 plans, with Tier 2 falling in the middle.

The health plans offered by ETF are predominately Tier 1, although some plans may fall into Tiers 2 or 3.

- Tier 1 plans – Low cost.
- Tier 2 plans – Moderate cost.
- Tier 3 plans – High cost.

Please look in the *It's Your Choice: Decision Guide* (ET-2107d), in the “Health Plan Premium Rates” section, or visit our website if interested in learning more about the 3 Tier model, etf.wi.gov.

205 Contribution Rates

Each year, the monthly amount that state employees are required to pay for health insurance is established by the Office of State Employment Relations (OSER). OSER determines the employee contribution towards premium based on the provisions in Wis. Stat. § 40.05 (4) (ag) and (ah). Effective January 1, 2015, OSER also determines the employer contribution for the Health Savings Account that accompanies the HDHP.

206 Pharmacy Benefit Manager (PBM) - Navitus

A pharmacy benefit manager (PBM) is a third party administrator of the prescription drug program and is primarily responsible for processing and paying prescription drug claims. All participants in the Group Health Insurance Program receive their pharmacy benefits through the PBM, Navitus Health Solutions, regardless of the health plan they have chosen. Medicare eligible participants enrolled in the Group Health Insurance Program will be covered by a Medicare Part D prescription drug plan (PDP) provided by the PBM. Participants who choose to be enrolled in another Medicare Part D (PDP) other than this prescription drug plan will not have the benefits duplicated.

Pharmacy ID Cards

Subscribers receive separate ID cards from Navitus and must present that ID card to their pharmacist when filling a prescription. Please contact Navitus (refer to subchapter 106) for questions pertaining to the pharmacy benefit.

207 Health Plan Contacts

Health plan addresses and phone numbers are listed on the inside back cover of the *It's Your Choice: Decision Guide* (ET-2107d). In addition, a listing of *Health Plan Contacts* (ET-1728) is available on ETF's website under the *Employer Forms and Brochures* section.

Contact a health plan representative directly with specific questions regarding such topics as referral policies, benefits, filing of claims, and/or provider networks.

208 Coordination of Benefits (COB)

For a variety of reasons, some individuals are covered under more than one group health insurance plan. When this occurs, insurance regulations are used to “coordinate” or determine the order in which the benefits are paid. The plan that pays first is called the “primary plan” and the plan that pays next is the “secondary plan.” The insurance regulations for determining the order in which plans will pay benefits are described in the *It's Your Choice Reference Guide* (ET-2107r). Questions regarding COB should be directed to the health plans.