

Department of Employee Trust Funds
Income Continuation Insurance Administration Manual-State

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100 Introduction

The Income Continuation Insurance (ICI) Program is authorized by Wis. Stat. §§ 40.61 and 40.62, and is administered according to the plan provisions between the Group Insurance Board and the program's third party administrator. The ICI plan provides replacement income during periods of short-term disability as well as those lasting for extended periods. The ICI plan is self-insured—financed by employer and employee premium contributions—and is available to all state employees participating in the Wisconsin Retirement System. Premiums are deposited in an employee trust fund rather than paid to an insurance company. The third party administrator is retained to perform the administrative services associated with processing, paying and managing program benefits.

101 Program Features

The ICI premium is computed as a percentage of WRS covered earnings. For most state employees, the state will contribute a portion or pay the total premium for those employees who accumulate sufficient sick leave. Because the percentage of premium contributed by the state increases according to the amount of sick leave accumulated, prudent use of sick leave generally will mean lower premiums for state employees.

University of Wisconsin faculty and academic staff who have one year of state creditable service receive 100% state paid premium contribution based on election of a 180-calendar day elimination period. Faculty desiring a shorter elimination period are required to pay the necessary additional premium. The employee pays the full premium for Supplemental ICI coverage; there is no state share. The percentage of premium paid by the state as a fringe benefit determines the taxable percentage of benefits received.

Benefits of Standard ICI coverage are based on 75% of an insured employee's gross basic earnings, up to a benefit maximum of \$4,000 per month (75% of \$64,000 in annual earnings). In addition, employees with annual earnings exceeding \$64,000 may elect Supplemental ICI coverage, which provides for a benefit on up to \$120,000 of the earnings for a maximum benefit of \$7,500 per month (75% of \$120,000 in annual earnings). Disabilities of more than one-year's duration have a supplement of \$75 per month added to the normal benefit amount. This is a one-time supplement; no further increases will apply.

In the event of a physical or mental disability, the ICI plan provides up to 75% of the employee's gross basic earnings. Although the maximum amount available under the program is 75%, the sources of payment may vary according to the employee's eligibility for benefits from other programs. Benefits under the program will not duplicate benefits available from programs such as WRS retirement (regular or disability retirement and lump sum payments), Long-Term Disability Insurance (LTDI), Social Security, Worker's Compensation, Unemployment Compensation, Duty Disability, etc. Rather, benefits under the ICI Program supplement the other programs to provide a specified level of disability income. (Refer to subchapter 708 for more information on offsets.)

ICI benefits are paid monthly with checks dated the first of the month for the preceding month's benefit period. For example, benefits for January's benefit period are paid February 1. Generally, benefit payments begin after serving the elimination period or exhausting the sick leave credits, whichever is later, and continue for the length of the disability if all ICI plan requirements are met. Benefit payments normally cease at age 65.

102 Administration

The Department of Employee Trust Funds has contracted with Aetna Life Insurance Company (Aetna) for administrative services including application processing, claims adjudication, case management, rehabilitation/training and benefit check processing.

The procedures and provisions governing enrollment, premiums and coverage are addressed in Wis. Stat. §§ 40.02 (25)(a), 40.02 (28), 40.05 (5), 40.61, and 40.62; Wis. Admin. Code ETF 50.10; and the ICI plan language.

103 Division of Responsibilities

Administrative responsibilities are divided as follows:

Group Insurance Board

- Develop benefit provisions.
- Develop bidding specifications.
- Select an administrator to perform claims payment function.

Department of Employee Trust Funds

- Collect premiums from employers.
- Interpret ICI plan language, applicable statutes and administrative code.
- Develop informational brochures for employees.
- Develop reporting forms and instructions.
- Develop and maintain an employer administration manual.
- Provide ombudsperson services for claimants with unresolved questions or problems with the third party administrator.

Third Party Administrator (Aetna)

- Process enrollment applications.
- Adjudicate claims by determining the extent of disability. Coordinate benefits and rehabilitation.
- Investigate claims.
- Issue claim payments.
- Perform medical underwriting for employees who apply for coverage through Evidence of Insurability.

Participating Employer

- Designate a payroll/personnel/benefits representative knowledgeable about general ICI plan provisions to serve as an ETF/third party administrator contact.
- Inform new employees on or before the date of hire as to eligibility, benefits, cost, enrollment procedure and effective date of coverage.
- Provide new employees with an [Income Continuation Insurance Application \(ET-2307\)](#), [Income Continuation Insurance Brochure \(ET-2106\)](#) and/or [an Evidence of Insurability Application \(ET-2308\)](#), as applicable.
- Secure, audit and maintain completed applications and arrange for employee payment of premiums.
- Submit applications to ETF in a timely manner.
- Respond timely to third party administrator inquiries.
- Prepare and submit monthly premium report and premiums to ETF.
- Refer questions appropriately. (Refer to subchapter 104 for further information.)
- Prepare [Income Continuation Insurance Employer Statement \(ET-5351\)](#) and [Income Continuation Insurance Report of Employment and Earnings \(ET-5901\)](#)

104 Administrative Offices and Contacts
(Between 7:45 a.m. and 4:30 p.m. Central Time, except holidays)

Subject	Contact
Eligibility, Enrollment or Coverage and Suggestions for this Manual	ETF's Employer Services Section (ESS) 608-266-3285, option 2, or toll free 1-877-533-5020, option 2, or by email at mailto:etfhealthandins@etf.wi.gov .
Claims, Benefits, Customer Service, Payments, Complaints	Aetna toll free 1-800-960-0052 Aetna PO Box 14560 Lexington, KY 40512-4560 iciltdi@aetna.com To expedite the email request, please use the following subject lines: ICI/LTDI – Customer Service Issue ICI/LTDI – Payment Information ICI/LTDI – Pending Claim ICI/LTDI – Overpayment ICI/LTDI – Other ICI/LTDI – Ombudsperson/Complaint Escalation

105 Complaint Resolution

The third party administrator is required to have a complaint procedure for the resolution of claimant problems. The claimant (or employer on the claimant's behalf, if necessary) should contact the third party administrator's customer service area for problem resolution. The claimant should ask to speak with their claim manager. In the event the claim manager is unable to resolve the problem or is unavailable, the claimant should ask for the third party administrator's ombudsperson. The ombudsperson will work with the claimant to resolve the complaint. (Refer to subchapter 104 for third party administrator contact information.)

106 ETF Ombudsperson Services

ETF offers ombudsperson services to assist claimants who remain dissatisfied after first contacting the third party administrator regarding a problem or complaint. Employers should direct employees in this situation to telephone or write ETF's ombudsperson at:

Local (Madison): 608-266-3285
Toll Free: 1-877-533-5020
Department of Employee Trust Funds
P O Box 7931
Madison WI 53707-7931

ETF ombudspersons advocate for claimants and attempt to resolve complaints and problems on their behalf. If unsuccessful, the ombudsperson will advise the claimant of subsequent avenues of appeal. Complaints should be made in writing, using the [Insurance Complaint \(ET-2405\) form](#) whenever possible.

Additional information regarding ETF ombudsperson services, can be found on ETF's Web site (etf.wi.gov/) under the "Members" tab at the top of the page. Then click on "Ombudsperson Services."

Note: If the complaint pertains to a benefit determination, the claimant should complete at least the first level of the administrative review process prior to requesting assistance from the ETF ombudsperson. (Refer to subchapter 802 for information on administrative review.)

107 Confidentiality of Records

Medical information received by ETF or the third party administrator is strictly confidential and may ONLY be released pursuant to Wis. Stat. § 40.07 (2), which reads, in part:

Medical records may be disclosed by the department only under any of the following circumstances:

- (a) When a disability application or health insurance claim denial is appealed.
- (b) Under a court order, or order of a hearing examiner, that is duly obtained upon prior notice to the department and a showing to the court or administrative tribunal that the information is relevant to a pending court or administrative action.
- (c) Upon a written authorization that specifically identifies the medical records that may be disclosed, but only to the person who is the subject of the medical records or to the person's designee, except that this paragraph shall not apply to any medical records to which the person's access is otherwise prohibited by law.

Under normal circumstances, medical records cannot be released to the employee, employer or an attorney. Contacting the third party administrator on behalf of the employee requires the employee to complete and submit an [Authorization to Disclose Non-Medical Personal Information \(ET-7406\)](#) to ETF. This form authorizes specific individuals or entities to receive the employee's non-medical information from ETF or the third party administrator.

108 Ordering Income Continuation Insurance Forms

In order to obtain [Income Continuation Insurance \(ICI\) forms](#), print out the desired form or brochure. Alternatively, the employer may contact ETF.

Employers may also use [the electronic order form](#) to request copies of ICI forms.

ICI Plan Language is located [here](#).

109 Internet Address—etf.wi.gov

ETF's Web site provides an overview of ICI and detailed information including:

- [State Employee Income Continuation Insurance \(ET-2106\) brochure](#)
- [Income Continuation Insurance Report of Employment and Earnings \(ET-5901\)](#)
- [Income Continuation Insurance Monthly Premium Report – State \(ET-1611\)](#)
- [Income Continuation Insurance Employer Statement \(ET-5351\)](#)
- State Employee Plan Language