

It's *Your* Benefit

Health insurance and other benefit programs for state and local employees and retirees



Developing and delivering quality benefits and services to members while safeguarding the integrity of the Trust Funds.

Wisconsin
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Employee Trust Funds

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Volume 8, No. 3
September 2009

2010 Health Insurance News and Information

Health insurance premium rates for the health plans participating in the state's Group Health Insurance Program will increase an average of approximately 9% in 2010. This marks the sixth straight year the Group Insurance Board and the Department of Employee Trust Funds (ETF) have been able to hold cost increases to single digits. The program covers more than 90,000 state employees and retirees, and their dependents.

Keep in mind that individual rate increases may be higher or lower for some local government employers and some health plan options under the state plan. The combined weighted average increase for all plans in

the Wisconsin Public Employers Group Health Insurance Program (affecting local government employees and retirees) in 2010 is 10.7%.

Changes in Coverage

This edition of *It's Your Benefit* provides an overview of some health insurance benefit changes in the local and state health insurance programs (see page 3). Many of the changes were brought about by 2009 Wisconsin Act 28. Specific information about benefit changes will also be highlighted in the "Important Changes" section of the *It's Your Choice* booklet, which will be available prior to the annual health insurance

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It's Your Choice Enrollment Period October 5-23

The It's Your Choice health insurance enrollment period has been set for October 5-23, 2009. This enrollment period is for currently insured active employees and retirees who take part in the State of Wisconsin Group Health Insurance Program. It gives participants the opportunity to change from one health plan to another or switch from single to family coverage without a waiting period for pre-existing medical conditions. Changes become effective January 1, 2010. **Even if you are satisfied with your current plan, you should take the time to review any changes to the plan's premium, service area and health care providers.** If you want to remain with your current plan, you do not need to file a health insurance application form if your plan is still offered in 2010.

Active employees: In order to switch plans or change your level of coverage (e.g.,

single to family), you must complete a new application form. Give it to your payroll representative by 4:30 p.m. on October 23.

Retirees: If you want to make a change, then you must submit a completed application to the Department of Employee Trust Funds postmarked no later than October 23. Significant health plan changes will be listed in the *It's Your Choice* booklet, which you will receive prior to the enrollment period.

Reminders:

- Most state employees, including University of Wisconsin employees, will receive an e-mail notification of the availability of the *It's your Choice* booklet online. They will not receive a paper copy of the booklet.
- The online version of *It's Your Choice* is very user friendly. Find it on our Internet site at <http://etf.wi.gov>.

enrollment period.

Some other notable changes for 2010:

New Provider in Northwest and West-central Wisconsin

HealthPartners will offer another qualified plan and HMO option in the counties of Pierce, Polk and St. Croix. HealthPartners also offers many provider options in Minnesota, giving employees near the border greater choices.

Optional Vision Coverage Changes for 2010

A new vendor, VSP, will offer vision care benefits effective January 1, 2010. VSP replaces the OptumHealth Vision Plan (formerly Spectera), currently offered to active state employees and retirees. An open enrollment period for the VSP plan is set for October 5 to November 13, 2009.

VSP will offer a comparable benefits package, enhanced customer service and a dedicated Internet site specific to our members. We are working with VSP to ensure a smooth transition for our members and encourage you to contact VSP to see which health fairs (listed in the *It's Your Choice Decision Guide*) VSP staff will attend.

For active state employees and retirees currently enrolled in the OptumHealth plan: Your coverage will be terminated effective December

31, 2009. If you wish to continue vision coverage, you must enroll with VSP during the open enrollment period.

Active Employees: You will receive additional program information, via an e-mail, from your payroll representative prior to the open enrollment period. VSP will be mailing personalized enrollment materials to home addresses.

Retirees: A personalized benefit summary and enrollment packet (with instructions) from VSP will be mailed to home addresses. Premiums will be deducted from your Wisconsin Retirement System annuity or, if you are not eligible for annuity deductions, VSP will send you a bill. If you do not receive your personalized benefit summary and enrollment packet in the mail, you may obtain additional program and enrollment information as indicated below:

VSP Internet site for active employees:

www.vsp.com/go/stateofwiemployees

VSP Internet site for retirees:

www.vsp.com/go/stateofwiretirees

VSP Customer Service: 1-800-400-4569

ETF Internet site: <http://etf.wi.gov>

Watch for Annual "Dependent Verification" Form

For subscribers who have dependents age 19 or older (other than spouses): The Department of Employee Trust Funds (ETF) requires annual verification of dependent eligibility for health insurance through a questionnaire process. Here are some important reminders about the verification process:

- Questionnaires must be returned to the health plans no later than December 1, 2009 if your dependent remains eligible for coverage in 2010. Failure to do so may result in the loss of coverage for your dependent and unpaid claims.

- Notify your employer if your dependent will no longer be eligible for health insurance coverage. Failure to do so may result in loss of insurance continuation rights.
- Effective January 1, 2010, dependents are eligible up to age 27 (see *New Legislation Makes Changes to Health Insurance Program* on page 3). The dependent verification form has been revised to reflect this change.
- **Important note:** There may be tax consequences when you cover a dependent you cannot claim on your federal tax return.

New Legislation Makes Changes to Benefits Administered by ETF

Significant benefit changes became law when Governor Doyle signed 2009 WI Act 14 and the state budget bill (2009 WI Act 28) this spring. Several provisions that affect the benefits administered by the Department of Employee Trust Funds (ETF) are summarized below. For more details, consult your *It's Your Choice* booklet or the *Summary of WI Act 28*, found on our Internet site. For questions about health insurance, you may contact your health plan or the Office of the Commissioner of Insurance. **Benefit changes take effect January 1, 2010.**

2009 WI Act 28 — Selected Provisions

1. Domestic Partners

Applies to: 1) For health insurance benefits: subscribers covered under the State of Wisconsin and Wisconsin Public Employers Group Health Insurance Programs; 2) For retirement benefits: all Wisconsin Retirement System (WRS) participants.

Description: The law generally establishes that a domestic partner (same and opposite sex) is treated like a spouse for purposes of the various benefits administered by ETF, including the WRS, health insurance (state and local), deferred compensation program and for other related benefits. Domestic partners must meet **all** of the following conditions:

- Be at least 18 years of age and otherwise competent to enter into a contract
- Neither individual is married to or in a domestic partnership with another person
- Neither individual is related by blood in any way that would prohibit marriage under Wisconsin law
- The two individuals consider themselves to be members of each other's immediate family
- The two individuals agree to be responsible for each other's basic living expenses
- The two individuals share a common residence

Employees and retirees with domestic partners will be required to complete and submit an affidavit to ETF in order for partners to be eligible for the benefits administered by ETF. A copy of the affidavit form (available soon at <http://etf.wi.gov>) should also be submitted with your insurance application during the health insurance enrollment period and thereafter. Regardless of the date the affidavit is submitted, benefits for domestic partners will not be effective before the law's effective date, January 1, 2010. Domestic partners need to submit an affidavit even if not seeking insurance benefits. It is important that ETF has the affidavit so that retirement, disability, and other benefits can be properly administered and distributed. Finally, remember that the domestic partner registry (Wis. Stat. ch. 770) created by Act 28 is not connected to the benefit programs administered by ETF. **Therefore, the ETF affidavit is the form we will use to verify the**

creation and/or dissolution of a domestic partnership, not the domestic partner registry.

2. Coverage of Adult Children up to Age 27

Applies to: Eligible children of subscribers in the state or local group health insurance program.

Description: An adult child will be eligible for coverage up to the end of the month in which he/she turns 27 as long as:

- The child is not married, and
- He/she is not eligible for coverage under a group health benefit plan as defined by state law (Wis. Stat. 632.745 (9)), that is offered by the child's employer and for which the amount of the child's premium contribution is not greater than the premium amount for his or her coverage as a dependent under this program.

3. Coverage for Autism Spectrum Disorders

Applies to: Subscribers in the state or local group health program and eligible insured dependents.

Description: Health plans are required to provide coverage for treatment of autism spectrum disorders if the treatment is prescribed by a physician and provided by individuals with specified expertise who are qualified to provide intensive-level or nonintensive-level services. Conditions covered: Autism, Asperger's Syndrome and Pervasive Developmental Disorder not otherwise specified.

Covered Providers: Psychiatrist, psychologist, social worker who is certified or licensed to practice psychotherapy, paraprofessional working under the supervision of any of those three types of providers, a professional working under the supervision of an outpatient mental health clinic, speech-language pathologist or an occupational therapist.

Coverage Minimums (adjusted annually according to Consumer Price Index):

- Intensive-level: at least \$50,000 per insured, per year with 30 to 35 hours of care per week, for a minimum duration of 4 years.
- Non-intensive-level: at least \$25,000 per insured per year.

Legislation, continued on page 4

- Minimum coverage amounts or duration required for treatment need not be met if less treatment is considered medically appropriate by the supervising professional and physician.

Limitations: Coverage is subject to any deductibles, coinsurance, or copayments that generally apply to other conditions covered under the policy or plan. However, coverage may not be subject to limitations or exclusions, including limitations on the number of treatment visits.

4. Independent Review of Coverage Denial Determinations

Applies to: Subscribers in the state or local group health plan and eligible insured dependents.

Description: Act 28 made changes to the independent review process, which permits participants to have claim disputes reviewed by medical professionals who have no connection to their health plan. Insurers will be required to provide a process for the request of independent review for coverage denial determinations — a new category that incorporates existing adverse determinations that include medical necessity and experimental treatment and adds two more categories.

Under Act 28, the new “coverage denial determination” category includes: adverse determinations, experimental treatment determinations, pre-existing condition exclusion denial determinations and rescissions of a policy or certificate. “Pre-existing condition exclusion denial determination” is the denial of treatment, termination of treatment, or the denial of payment for treatment on the basis of a condition that existed before the individual’s date of enrollment for coverage. Wis. Stat. § 632.745 (23). Independent Review Organization (IRO) decisions regarding pre-existing condition exclusion denial determinations and rescissions are not binding on the insured. IRO decisions regarding adverse and experimental treatment determinations are binding on both the insurer and the insured.

5. Insurance Coverage for Licensed Mental Health Professional Services

Applies to: Subscribers in the state or local group health plan and eligible insured dependents.

Description: Act 28 provides a definition for a “licensed mental health professional” and requires health plans to provide coverage for the treatment of nervous or mental disorders, or alcoholism or other drug abuse problems when the services are provided by a licensed mental health professional that is practicing within the scope of his or

her license. Coverage is also required when such outpatient services are provided by psychologists who are licensed under state law. “Licensed mental health professional” is defined as a clinical social worker, marriage and family therapist, or professional counselor licensed under state law. The provision eliminates the existing statutory requirement for a psychologist to be listed in the national register of health service providers in psychology or to be certified by the American board of professional psychology.

2009 WI Act 14: Hearing Aids and Cochlear Implants

Applies to: Subscribers in the state or local group health plan and eligible insured dependents.

Description: Requires health plans to provide coverage for hearing aids, cochlear implants and related treatments for a child covered under the plan that is less than 18 years of age and who is certified as deaf or hearing impaired by a physician or by an audiologist licensed under Wisconsin law. (Please note that currently under the State of Wisconsin Uniform Benefits Group Health Insurance program, hearing aids and cochlear implants are benefits that are payable at 80%. This provision requires the hearing aid and cochlear implant benefits to be payable at 100% for members who are less than 18 years of age.)

Plans must cover the cost of hearing aids and cochlear implants that are prescribed by a physician or by an audiologist licensed under Wisconsin law, in accordance with accepted professional medical or audiological standards.

Plans are also required to cover the cost of services, diagnoses, procedures, surgery and therapy rendered by a health care professional and related to hearing aids and cochlear implants, including procedures for implantation of cochlear devices. Coverage is not required to exceed the cost of one hearing aid per ear per child more often than once every three years.

Additional Resources

- On ETF's Internet site at <http://ef.wi.gov>
- *It's Your Choice* booklet (in October)
 - *Summary of WI Act 28*
- Office of the Commissioner of Insurance:
- Internet site: oci.wi.gov
 - (608) 266-3585 or 1-800-236-8517

Staff Furloughs Close ETF Offices

Due to mandatory furloughs, the Department of Employee Trust Funds (ETF), including all customer service phone lines, will be closed for business on specific days over the next two years. As a result, members should expect longer wait times for basic services such as return e-mails, phone calls, retirement estimates, benefit payments and retirement appointments. **For the period ending June 30, 2011, ETF will be closed on the following days. This list includes holiday closures.**

2009

September 4 (furlough)
 September 7 (holiday)
 October 12 (furlough)
 November 26 (holiday)
 November 27 (furlough)
 December 24 (holiday)
 December 25 (holiday)
 December 31 (holiday)

2010

January 1 (holiday)
 January 18 (holiday)
 February 15 (furlough)
 May 28 (furlough)
 May 31 (holiday)
 July 2 (furlough)
 July 5 (holiday)

September 3 (furlough)
 September 6 (holiday)
 October 11 (furlough)
 November 25 (holiday)
 November 26 (furlough)
 December 24 (holiday)
 December 31 (holiday)

2011

January 17 (holiday)
 February 21 (furlough)
 May 27 (furlough)
 May 30 (holiday)

New Titles in ETF's Video Library

<http://etf.wi.gov/webcasts.htm>

Medicare and your WRS Health Insurance Benefits

What is Medicare and how does it affect my health insurance coverage? How and when do I enroll? This 42-minute video provides the answers to these and other frequently-asked questions from participants covered under the State Group Health Insurance Program. It also provides details on Medicare eligibility, enrollment, the cost, and Medicare Part D and its effect on health insurance program subscribers.

40.65 Duty Disability Benefits

“Duty Disability” benefits are available to Wisconsin Retirement System-covered employees in protective employment categories only (police/firefighters/corrections). This 40-minute video explains eligibility requirements, the application process, how benefits are calculated, what offsets apply and the annual processes necessary for continued benefits.

New Look for It's Your Choice Materials

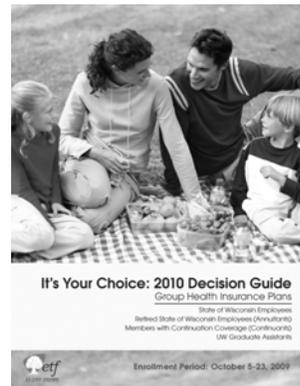
We are pleased to announce the new look of our annual health insurance benefits and enrollment materials. Essentially, the old *It's Your Choice* booklet has been split into two smaller books.

The *It's Your Choice Decision Guide* will help you choose the health plan that is right for you, based on cost, quality of care and provider preferences and convenience. The *It's Your Choice Reference Guide* provides more technical detail on your benefits, including state and federal notifications. In order to reduce cost and waste we have trimmed the size of the books and provide more information on our Internet site, <http://etf.wi.gov>.

Keep the *Reference Guide* for future use, as we will

only publish it when there are major changes to the health insurance program.

Attention active employees: Instead of a paper copy of the *It's Your Choice* booklet, most of you will receive from your employer an e-mail providing a link to the booklet on our Internet site. The online information is very intuitive. You will be able to find what you are looking for quickly and easily.



ETF to Reduce *It's Your Benefit* Publication Schedule

The Department of Employee Trust Funds (ETF) will reduce the number of *It's Your Benefit* editions from three per year (January, May and September) to one per year (September only). The next edition of this newsletter will be published in September 2010.

The change is one part of ETF's overall effort to reduce operating costs and find more cost-effective ways of conveying news and information about benefits to participants and employers. You will be able to obtain more information about health insurance on our Internet site throughout the year, instead of depending on a paper copy of *It's Your Benefit*.

This change coincides with our decision to revamp the It's Your Choice health insurance

enrollment materials (see related article) and use electronic methods of distribution where practical. It is also part of a conscious decision to stay focused on a central purpose: To provide content specific to our group health insurance program.

Appropriately enough, there are dozens of variations on (and attributes to) the old adage, "change is the only constant". But the one thing that will stay the same is our mission. It will always be to develop and deliver quality benefits and services to our customers. And we will continue to work with the Group Insurance Board to provide high quality, affordable benefits for you and your family, while improving the quality of our health care delivery system in a cost-effective way.

It's Your Benefit is published by the Wisconsin Department of Employee Trust Funds for subscribers covered under Wisconsin Retirement System insurance programs. To view this newsletter online, go to <http://etf.wi.gov/publications.htm>.

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