

It's *Your* Benefit

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



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

10 Key Things You Should Know About Recent Health Insurance Benefit Changes

Detailed information on how legislation and other recent changes affect the group health insurance program benefits can be found throughout these pages, the enrollment materials due later this month, and on our website, <http://etf.wi.gov>. In the meantime, here is a brief overview of some upcoming changes:

1. Some health plans have made **significant** changes by adding or terminating contracts with provider groups (see page 4).
2. State employees, retirees and continuants: Non-Medicare members will be subject to 10% coinsurance for all non-preventive medical services, with an annual Out-of-Pocket Maximum (OOPM)* (see page 6).
3. State employees, retirees and continuants: Premium rates for the majority of you are going down approximately 3.3% next year (see page 3).
4. State employees, retirees and continuants: There are no changes to prescription drug coverage and the 20% coinsurance for durable medical equipment and diabetic equipment and supplies; care for routine wellness services, including immunizations, is still covered at 100%* for preventive services required by federal law. Note: this can vary by age.
5. State employees, retirees and continuants: Changes to the Standard Plan include copayments, coinsurance and OOPMs (see page 6).
6. Retirees and their dependents on Medicare are unaffected by changes brought about by recent legislation.
7. The It's Your Choice period is now an open enrollment period (see page 2).
8. The Employee Reimbursement Accounts Program can help save money on out-of-pocket medical expenses. Pay for coinsurance, drug copayments, dental, vision and other medical expenses not covered by insurance (see page 5).
9. Health risk assessment tools will be available to all members (see page 8).
10. State employees, retirees and continuants: The emergency room copayment will be \$75. **

**for plans under the 2012 Uniform Benefits schedule only. Age limitations may apply.*

***for plans under the 2012 Uniform Benefits schedule as well as the Standard Plan.*

Wisconsin
Department of
Employee Trust Funds

P.O. Box 7931
Madison, WI
53707-7931

1-877-533-5020
(608) 266-3285
<http://etf.wi.gov>

September 2011

Stay Informed: Sign up for ETF E-Mail Updates



Stay on top of daily news and updates from the Department of Employee Trust Funds — sign up for *ETF E-Mail Updates*. More than 10,000 people have kept up on the latest Wisconsin Retirement System benefits-related news and information. When you sign up for this free service, you will receive an e-mail each time we update our website with announcements, newsletters, bulletins, benefit presentations, and more. Registration for *ETF E-Mail Updates* is fast, easy, and free. Look for the red envelope icon on our Internet site at <http://etf.wi.gov>.

It's Your Choice Period October 3-28, 2011



The It's Your Choice health insurance enrollment period is set for October 3-28, 2011. This is your annual opportunity to change from one

health plan to another, switch from single to family coverage, or add/delete certain dependents. Changes will become effective January 1, 2012.

New this year: It's Your Choice has also become an open enrollment (details at right).

Take advantage of this time to make decisions and, if necessary, enter your health insurance change information directly into the myETF Benefits system (see page 7).

Even if you are satisfied with your current plan, 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 do anything if it is still offered in 2012.

Active employees (excluding University of Wisconsin employees): If you want to switch plans or change your level of coverage for 2012, you must make the change during the enrollment period. You can make the change online through the myETF Benefits system or submit a paper application to your payroll and benefits office by 4:30 p.m. on Friday, October 28.

UW System employees: Do NOT use myETF Benefits to enroll in or make changes to coverage. Instead, go to the fall enrollment website at <http://uwservice.wisc.edu/2012> for enrollment information. Contact your institution's payroll and benefits office if you have questions about the enrollment process.

Retirees: If you want to make a change, you can either make the change online through the myETF Benefits system, or submit a completed application to the Department of Employee

New: IYC Now an Open Enrollment Period

Starting this year, the annual It's Your Choice period will be an **open enrollment** period. This opportunity to *enroll* in the state group health insurance program is for eligible state employees, retired state employees and active local government employees (of participating employers). It is not available to retired local government employees.

Effective January 1, 2012, you will no longer be able to join at any other time during the year, unless you experience a qualifying event such as marriage, birth or adoption.

Trust Funds, postmarked no later than October 28. Significant health plan changes will be listed in the *It's Your Choice: 2012 Decision Guide*, which you will receive prior to the beginning of the enrollment period. It is especially important that you take the time to ensure that your plan and/or plan service area will be offered in 2012 and review the premium rate information.

All state employees will receive, from their employers, e-mail notification of the It's Your Choice materials online. You may also find the materials on our website.

Optional "Employee-Pay-All" Plans May be Changing

State employees should review their "optional insurance," including dental and vision benefits, during the It's Your Choice period. Epic Benefits+ will replace its "excess medical" feature with a hospital/surgical indemnity benefit for non-Medicare members. Anthem DentalBlue will have a premium increase for its Supplemental plan. VSP will have no major changes. **If you are currently enrolled in any of these plans, your benefit and premium deductions will stay in place in 2012 — unless you change them.** Watch for information from your payroll office.

Notable Changes for 2012

This edition of *It's Your Benefit* provides an overview of some of the many health insurance benefit changes in the State of Wisconsin Group Health Insurance Program. For complete details, please refer to the many resources the Department of Employee Trust Funds (ETF) has made available, these include:

- The *It's Your Choice: 2012 Decision Guide* and *It's Your Choice: Reference Guide* (available in late September);
- Documents, publications and links on ETF's website;
- Videos and tutorials on ETF's website;
- Your employers' payroll and benefits office.

Here are some of the notable changes for 2012:

Premium rates

Health insurance premium rates for the majority of state employees, retirees and continuants covered under the program will be reduced by an average of 3.3% next year. The primary factors behind this first-ever decrease are:

- \$47 million in savings achieved through ETF negotiations with the plans during the competitive bid process;
- \$65 million in savings achieved by the 5% benefit reduction required by Act 10; and,
- \$30 million in savings through use of a temporary draw down of pharmacy reserves to offset employer and member costs.

In addition, premium rates for members (state) in the Standard and State Maintenance Plans will remain unchanged for 2012. For the approximately 7,200 participants in the state Medicare Plus plan, rates will decrease by 19.7%, largely due to the effect of the temporary allocation from the pharmacy reserves and the new Medicare D PDP program (see page 6). While there are wide variations across the state for plans in the Wisconsin Public Employers Group Health Insurance Program (covering local government employees), rates will increase by a weighted average of about 2.9%.

For 2012 premium rate sheets and maps

ETF Videos Explain Health Insurance Changes

The Department of Employee Trust Funds (ETF) now offers two online videos that provide information on the changes members can expect to see to their State of Wisconsin Group Health Insurance Program benefits. The changes were adopted in 2011 Wisconsin Acts 10 and 32 and affect state and University of Wisconsin (UW) System employees as well as state and UW retirees who are not covered by Medicare.

- Hosted on YouTube, *2011-2012 Health Insurance Changes-Wisconsin State Employees and Non-Medicare Retirees* covers the major changes in health insurance benefits. (7 minutes)
- *Health Plan Changes-2011 and 2012* explains in greater detail all of the 2011-2012 changes to health insurance benefits. (20 minutes)

Find them both in the What's New column on website at <http://etf.wi.gov>. Or if you have questions about health insurance changes, call ETF customer service at 1-877-533-5020 between 7:00 a.m. and 5:00 p.m., Monday through Friday.

showing plan availability by Wisconsin county, see the *It's Your Choice: 2012 Decision Guide*. This same information is also posted on our website.

Dependent coverage

Dependent coverage will end at the end of the month in which your eligible adult dependent turns age 26. The previous age limit was 27.

COBRA coverage

The group health insurance program will now align with federal COBRA coverage (an 18-month maximum that may be increased to

Notable changes, continued on page 4

Notable changes, continued from page 3

29 or 36 months in mandated circumstances), except as required by state continuation law.

New health plan, significant network changes

WEA Trust PPP Northwest is a newly available plan to 18 counties in northwest Wisconsin and a number of Minnesota counties. In addition, health plans listed below have made significant changes by adding or terminating contracts with provider groups. Other plans have also made changes. Refer to the map on page 29 of the *It's Your Choice: 2012 Decision Guide* and call the health plan for more details. The map can also be found on our website.

- GHC-Eau Claire: will no longer offer providers in Barron, Chippewa, Dunn, Eau Claire, Pepin, Polk, or Rusk Counties.
- Health Partners has added Bayfield, Burnett and Douglas Counties.
- WEA Trust PPP East (formerly WEA Trust PPP) is expanding into Door, Dodge, Columbia, Jefferson, Marathon, Portage, Rock, and Wood Counties.

Coverage after termination

For state and participating local government employees, health insurance coverage will end at the end of the month in which the employee terminates employment. COBRA will then be available.

Coinsurance and deductibles

For state non-Medicare members in the Standard Plan, benefits are changing to include deductibles, coinsurance and a \$75 emergency room copayment (see page 6).

88% employer premium contribution

For covered members of an employer participating in the Wisconsin Public Employer program, pursuant to Wisconsin Act 10, the level of employer premium contribution is limited to 88% of the average cost of the health plans offered in the service area of the employer unless stated otherwise in a collective bargaining agreement. Employers will provide premium contribution information to employees.

What is Coinsurance? What is a Copayment?

For participating active state employees and non-Medicare retired state employees, the 2012 **Uniform Benefits** package and the **Standard Plan** will include “coinsurance” and “copayments” — two terms that have generated many questions.

Coinsurance is a specific percentage of the charges a member or family pays each time those covered services are provided and is often subject to a maximum out-of-pocket amount. Example: under Uniform Benefits, members will pay 10% of the cost of illness/injury-related services, until the coinsurance totals an annual out-of-pocket maximum of \$500 for a single policy or \$1,000 for family coverage.

The table at right further illustrates how the “90%/10%” coinsurance would work. Coinsurance is typically billed to you by the health care provider after your health plan has determined its share. Your health plan will send you a separate notice, typically called an *Explanation of Benefits* (EOB), describing its benefit calculation that you can use to check the

amount the health care provider has billed.

A copayment is a specified dollar amount a member or family pays each time a covered service is provided, subject to any maximums specified in the Schedule of Benefits.

Examples of copayments include the \$75 emergency room copayment and the copayments for prescription drugs. Copayments are typically paid to the health care provider or pharmacy at the time the service is received.

**actual total cost will vary from plan to plan and provider to provider.*

*** allowed amount is the plan-negotiated discounted amount.*

EXAMPLE Office Visit Coinsurance	
Total cost of allowed amount**	\$ 200*
Health plan pays 90% of allowed amount**	- 180
Member pays 10% of total allowed amount**	\$ 20

State Employees

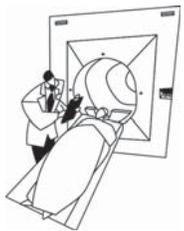
Save Money, Pay for Out-of-Pocket Medical Expenses with an ERA Account

Increased out-of-pocket medical expenses make it more valuable than ever to participate in the Employee Reimbursement Accounts (ERA) Program. An ERA medical expense reimbursement account allows you to contribute tax-free money to pay for your family's health plan coinsurance, prescription drug copayments, and other qualifying expenses that you pay out-of-pocket — such as dental screenings, orthodontics, and vision care. You can contribute up to \$7,500 annually to such an account.

When you enroll in a medical expense reimbursement account, you will receive a myFBMC card that you can use to pay for many of your medical expenses. Simply swipe your card like you would with any other credit card and your eligible expense will be automatically deducted from your medical expense account.

You may also use your card for coinsurance amounts, if your provider accepts Visa payments. When you are billed by your health care provider for your share of the expenses, simply fill in your myFBMC Visa card number as payment and return it to your provider. The amount of the billed expense will be deducted from your medical expense account.

Remember to keep documentation for all expenses. For example, in some cases, when the card is used to pay for coinsurance amounts, you will also be required to submit a copy of the documentation for that medical expense, along with a completed claim form, to FBMC to substantiate the claim.

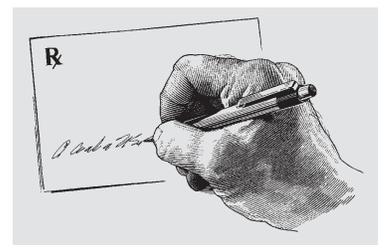


How much money should I set aside in my ERA medical expense reimbursement account?

We strongly encourage you to take a look at what you will likely pay next year in coinsurance, prescription drug copayments

and other qualifying expenses and use that figure to guide your decision about how much to contribute to your account. Please keep in mind that under

Internal Revenue Service rules, you must use the funds set aside by the March 15 of the following year or you will lose them. For example, if you decide to set aside \$500 in 2012, you have until March 15, 2013 to spend the money and until April 15, 2013 to submit reimbursement requests. Any money left in your account after all eligible expenses have been paid will be forfeited.



How will I know how much a service is going to cost me? Check with your doctor or clinic for their schedule of fees to help you determine what your share of the expense may be. Remember, the out-of-pocket maximum for plans subject to Uniform Benefits is \$500 for single coverage and \$1,000 for family coverage. Consult the *It's Your Choice: 2012 Decision Guide* for a complete list of coinsurance and copayment amounts, deductibles, and out-of-pocket maximums for all services and health plans.

The ERA program also includes a **dependent day care reimbursement account** that allows you to contribute up to \$5,000 annually, on a tax-free basis, to pay for child or elder day care expenses.

Open enrollment for medical expense and dependent day care reimbursement accounts for the 2012 plan year runs from October 3-28, 2011. Watch for an e-mail from your employer for more information regarding the ERA enrollment period. Detailed information will also be available by late September on the Department of Employee Trust Funds website at <http://etf.wi.gov>.

Uniform Benefits Changes at a Glance

In order to comply with a provision in 2011 Wisconsin Act 10 to reduce costs by 5%, the Group Insurance Board made significant changes to the 2012 Uniform Benefits package. These changes apply only to state employees and non-Medicare eligible retirees and continuants, and primarily involve the incorporation of coinsurance and copayments for certain services.

The chart at right shows some of the changes in the Uniform Benefits package for 2012 (see the 2012 *It's Your Choice: Decision Guide* for a comprehensive list). Please note that preventive services will continue to be 100% covered. Preventive services include physicals, immunizations, mammograms, dental screenings, etc. **Note: age limitations may apply.** For a complete list of federally-required

preventive services, visit the following website: <http://www.healthcare.gov/law/about/provisions/services/lists.html>.

In addition, note that there are no changes to prescription drug benefits offered through Uniform Benefits and the Standard Plan.

Health Plan Benefit Changes — 2011 to 2012 State Employees, Retirees and Continuants		
	Uniform Benefits 2011	Uniform Benefits 2012
Illness/injury-related services	100%	<ul style="list-style-type: none"> Plan pays 90% Patient pays 10% to OOPM*
Emergency Room	\$60 copay (waived if admitted), 100% coverage thereafter	<ul style="list-style-type: none"> \$75 copay per visit (waived if admitted) Patient pays 10% coinsurance to OOPM* Copay does not accumulate to OOPM*
Hearing Aids (under age 18)	100%	<ul style="list-style-type: none"> Plan pays 90% Patient pays 10% to OOPM*
Dental implants (following accidental injury)	None	<ul style="list-style-type: none"> Plan pays 90% up to \$1,000 max. per tooth Patient pays 10% up to OOPM*
Palliative Care	None	<ul style="list-style-type: none"> Plan pays 90% Patient pays 10% to OOPM*

*OOPM = annual Out-of-Pocket Maximum. Under Uniform Benefits, the 2012 OOPM is \$500 for single/\$1,000 for family.

What are the Standard Plan Changes for Next Year?

State employees and non-Medicare retired state employees who participate in the Standard Plan will experience the following changes for 2012:

For in-network services:

- The annual deductible is \$200 for single coverage (\$400 family).
- The coinsurance is 90%/10%, with an out-of-pocket maximum (OOPM) of \$800 for single coverage (\$1,600 family) per year.

For out-of-network services:

- The deductible remains at \$500 for single coverage (\$1,000 family).

- The coinsurance is changing to 70%/30%, with no change to the existing OOPM of \$2,000 single (\$4,000 family).

For both in- and out-of-network services:

- The emergency room copayment is \$75. Please note that coinsurance applies to all services, up to the listed OOPM, and then all services will be covered at 100%.

For more, see the Comparison of Benefits section on pages 31, 34 and 35 of the *It's Your Choice: 2012 Decision Guide*.

Medicare Participants to Receive New Pharmacy Card

For all "Medicare primary" participants: Effective January 1, 2012, prescription drug coverage will be provided by a Medicare Part D Employer Group Waiver Plan offered by Navitus Health Solutions. It is called Navitus MedicareRX (PDP) Underwritten by Sterling Life Insurance Company. The term, "Medicare primary," means you are a retiree (or dependent) and are covered by both Medicare Parts A and B. This plan replaces the creditable prescription drug coverage provided through Navitus (for retired state employees) and DeanCare RX (retired Wisconsin Public Employers program members). Affected members will receive a new pharmacy card and should use it beginning January 1, 2012.

How to Find, Use the myETF Benefits System

The Department of Employee Trust Funds (ETF) encourages employees* and annuitants to submit It's Your Choice Open Enrollment changes via the myETFBenefits system. Find it at <http://myETF.wi.gov/ONM.html> or under either the Members or Retirees tabs on ETF's website, <http://etf.wi.gov>.

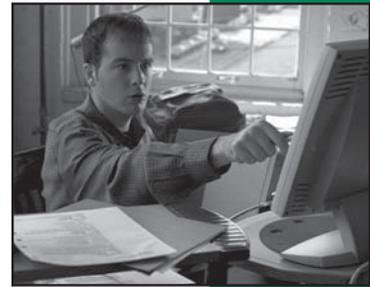
Complete instructions for using the myETF Benefits system can also be found on page 10 of the *It's Your Choice: 2012 Decision Guide*.

Making changes on this dedicated and secure website is a quick and easy process:

Select the Register Now button if you have not already registered for online access.

- Follow the on-screen instructions to set up a Web Access Management System (WAMS) User ID and password.
- When you complete this part of the self registration process, you will be passed to the myETF Benefits System to log in. To log in, you will be asked for your ETF Member ID, which can be found on your Navitus card, on your most recent *Statement of Benefits*, or on any recent annuity mailing statement from ETF. You will also be asked for your date of birth.

- The first time you log in to myETF Benefits, you will be asked for your Social Security number. This is the only time your Social Security number will be requested.



If you previously registered for online access and therefore already have a WAMS User ID, then follow the prompts for registered users.

Note: If you do not have access to a computer, you may submit your enrollment change on a paper application, the *Group Health Insurance Application/ Change Form (ET-2301)*, which is inserted into the *It's Your Choice: 2012 Decision Guide*. Employees should submit the form to their benefits/payroll office. Retirees/continuant should send the form to ETF.

If employees and retirees/continuant use myETF Benefits, all changes must be entered online, submitted and confirmed no later than October 28, 2011. If an employee submits an application, it must be received by the employee's employer no later than October 28, 2011. Annuitants can submit their applications to ETF by fax or mail it to ETF. A retiree's or continuant's application must be fax date stamped or postmarked no later than October 28, 2011.

**UW System employees:* Do not use the myETF Benefits System to enroll in or make changes to coverage. Go to the UW System's fall enrollment website at <http://uwservice.wisc.edu/2012> for information. Contact your UW institution's payroll/benefits office if you have questions about the enrollment process.

For More Information

ETF documents

- *Member Information About WRS/Group Health Insurance Changes* contains answers to questions from members about health- and retirement benefit-related changes.
- *It's Your Choice: 2012 Decision Guide*
- *It's Your Choice: Reference Guide*

Find these great resources on the homepage of our website at <http://etf.wi.gov>. Or call ETF customer service at 1-877-533-5020 between 7:00 a.m. and 5:00 p.m., Monday through Friday.

Need help with myETF Benefits?

- Read the instructions on the log on page at <http://myETF.wi.gov/ONM.html>.
- View the instructional webcast (also on the log on page).
- Call ETF at 1-877-533-5020 or (608) 266-3285.



Take Charge of Your Health: Complete a Health Risk Assessment

In the interest of fostering your good health and wellness, the Group Insurance Board, which oversees the state's group health insurance program, encourages you to take full advantage of your health plan's disease management and wellness offerings.

A good place to start is by taking the health risk assessment (HRA). The HRA will help you assess your health history and lifestyle choices in order to identify certain characteristics that may, over time, develop into diseases such as cancer, diabetes, heart disease and osteoporosis.

Some HRAs are offered in-person and include screenings such as blood tests and blood pressure tests. Some HRAs can also entail taking a survey — either online, on paper, or by telephone. Typically, the health plan follows up by providing a personalized report describing your risk factors and overall health.

The goal is to help you recognize whether

you are at risk of disease and then provide information on prevention and possible behavioral changes in order to improve your quality of life.

Every health plan participating in the group health insurance program will have an HRA available in 2012 and may offer incentives for completing one. For more information, see the grid, Health Plan Features at a Glance in the *It's Your Choice: 2012 Decision Guide* or contact your health plan. A complete list of health plan contact information can be found in the "related links" section of our website or on the inside back covers of the *It's Your Choice: 2012 Decision Guide* and the *It's Your Choice: Reference Guide*.

And be sure to check out what your health plan offers in terms of "wellness" programs. Many plans provide incentives for participation, including rewards, discounts and reimbursements for exercise classes and health club memberships.

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

Secretary
Deputy Secretary
Editor

David A. Stella
Bob Conlin
Nancy Ketterhagen

ET-7116

PRESORTED
STANDARD
U.S. POSTAGE
PAID
MILWAUKEE WI
PERMIT NO. 5309

Department of Employee Trust Funds
PO Box 7931
Madison, WI 53707-7931