STATE OF WISCONSIN
Department of Employee Trust Funds
David A. Stella
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax (608) 267-4549
http://etf.wi.gov

CORRESPONDENCE MEMORANDUM

DATE: January 15, 2008

TO: Group Insurance Board

FROM: Bill Kox, Director, Health Benefits & Insurance Plans
Joan Steele, Manager, Alternate Health Plans

SUBJECT: GUIDELINES/Uniform Benefits – Timeline and Discussion Regarding Contract Changes and Clarifications for Year 2009

In the past, a staff discussion group has developed recommendations for changes to the GUIDELINES and Uniform Benefits for the next contract year; recently, Board members or their designated staff have also participated. Should the Board wish to continue this process for contract year 2009, we are providing the following information on the expected issues and timelines for the development of the GUIDELINES.

The anticipated timeline for the 2009 contract is as follows:

- With the input of the Board's actuary, staff establishes preliminary recommendations for changes/clarifications for the 2009 contract year. The health plans have been asked to identify any issues that warrant clarification in the GUIDELINES or Uniform Benefits.
- On or about February 19, an Employee Trust Funds (ETF) staff discussion group will meet to identify issues to be included in the first draft of the GUIDELINES.
- On or about February 22, ETF will send health plans a draft of the 2009 GUIDELINES/ Administrative Provisions and Uniform Benefits. Health plans will have until February 29 to return their comments on the draft.
- On or about March 4, the discussion group will meet to finalize recommendations to the Board. The discussion group's deadline for finalizing its recommendations is March 26.
- The recommendations are set for approval at the Board's April 15 meeting.

<u>The following briefly summarizes several issues for the 2009 contract that may be reviewed during this process.</u> Participants, health plans or staff members have raised these issues over the course of the past year. We also welcome any comments or suggestions from the Board.

In addition, some items may have associated costs, while others are simply clarifications of existing practice (with no expected cost). Cost factors, if any, will be identified by the discussion group and presented to the Board in the final recommendation.

Reviewed and approved by Tom Korpady, Division of Insurance Services.

_____ _____
Signature Date

Board	Mtg Date	Item #
GIB	2/12/2008	3

Changes to the Guidelines/Administrative Provisions:

- Consider the availability of a Tier 2 State Maintenance Plan.
- Require health plans to incorporate ETF's pharmacy data into all aspects of disease management. Health plans will also be expected to fully incorporate pharmacy claims data into data reporting, including, but not limited to, HEDIS data, information requested on the disease management survey, and catastrophic claims data. Where appropriate, such as for catastrophic claims data, health plans will be expected to separate pharmacy claims from ETF's pharmacy benefit manager from any pharmacy claims that are paid by the health plan.
- Require health plans to submit an annual utilization report.
- Consider an employer's request to specify a minimum benefit level for the optional dental benefit in order to avoid a potential gap in coverage when services are not covered by the dental benefit or by the DentalBlue supplemental dental plan (e.g., diagnostic services).
- Limit the amount of the pharmacy portion of the premium reimbursed to health plans when health plans fail to notify the Department on a timely basis of direct pay contracts that have terminated.
- Specify that employers may not make premium adjustments in fraudulent situations.
- Revise the definition of "dependent" to comply with recent legislation that allows coverage to continue for up to one year for dependents who are full-time students and who require a medical leave of absence.
- Consider extending to annuitants the right to switch health plans when the policy lifetime maximum is met, or when adding a newly-eligible dependent per recent federal Health Insurance Portability and Accountability Act (HIPAA) regulations.
- Specify the effective date and handling of premium when switching health plans, as permitted by the recent HIPAA regulations.

Changes to the Local Contract:

- Consider adding a surcharge to local employers who have been unsuccessful in removing "opt-out" provisions from labor agreements that provide financial incentives to employees who decline coverage in this program.
- Discuss additional underwriting requirements.
- Consider requiring Medicare to be the primary payer for local employers with fewer than twenty employees.

Changes to Uniform Benefits:

- Consider the following benefit additions:
  - Increasing the benefit limit for hearing aids.
  - Removing the requirement for biofeedback to be provided by a physical therapist.
  - Provide coverage for marriage and couples counseling.
- Suggestions for ways to free up dollars if needed to offset benefit additions:
  - Implement a copayment for certain imaging services, such as magnetic resonance imaging (MRI) and computed tomography (CT) scans.
  - Increase pharmacy copayments.