



**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 23, 2008  
**TO:** Group Insurance Board  
**FROM:** Sonya Sidky, Project Manager  
 Division of Insurance Services  
**SUBJECT:** 2008 Dual-Choice Enrollment Results

This memo highlights and explains major shifts in participant enrollment during the 2008 Dual-Choice enrollment period. **This report is for information only. No Board action is required.**

Attached are the 2008 Dual-Choice charts for total contracts, active state employees, state retirees and continuants, graduate assistants and continuants, and local employees, retirees and continuants. These charts provide December 2007 and January 2008 contract counts and the number of Dual-Choice applications that were filed by health plan. The number of contracts gained or lost by health plan is broken down by coverage type (single and family). The percentage change in total contracts for each plan is included.

The change in contract counts from December 2007 to January 2008 is largely a result of subscribers changing health plans during the Dual-Choice enrollment period. However these numbers also reflect other changes, such as health insurance cancellations and new coverage.

Approximately 5,772 applications were submitted during the Dual-Choice enrollment period, of which 5,264 switched health plans and 736 switched coverage types. The break down by employee type is as follows:

- Active state employees accounted for 53.6% (3,093) of the applications.
- State retirees and continuants accounted for 16.7% (962) of the applications.
- Local employees, retirees and continuants accounted for 27.3% (1,578) of the applications.
- Graduate assistants and continuants accounted for 2.4% (139) of the applications.

There were 39% fewer Dual-Choice applications submitted for 2008 (5,772) than there were for 2007 (9,528). There were 736 family type changes, of which 500 remained in the same health plan. Although nearly twice as many Dual-Choice applications were submitted for 2007 than for 2008, about half of all Dual-Choice applications submitted for 2007 were filed because subscribers had to switch health plans. The loss of the CompCareBlue Aurora Family plan in 2007 accounted for 1,590 Dual-Choice updates and the introduction of Security Health Plan in 2007 accounted for 3,260 Dual-Choice selections. This means that there were about the same number of applications filed for 2007 and for 2008, based on subscribers who had a choice.

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

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

Board	Mtg Date	Item #
GIB	02/12/2008	3

### **CHANGES IN HEALTH PLANS**

There are no health plan changes from 2007 to 2008. Note that Arise Health Plan was formerly known as WPS Prevea Health Plan; Anthem BCBS Northwest was formerly known as CompCareBlue Northwest; and Anthem BCBS Southeast was formerly known as CompCareBlue Southeast.

### **TIERING CHANGE FROM 2007 TO 2008**

Humana-Western changed from a Tier-2 health plan in 2007 to a Tier-1 health plan in 2008. With the goal of lowering its provider cost structure in the western region of the state, Humana-Western ended its Health Maintenance Organization (HMO) contract with PreferredOne, and replaced it with a proprietary HMO network. Despite the move to Tier-1, Humana-Western lost 57.4% of its contracts because of the change in providers. This was not entirely unexpected, because Humana had estimated that approximately 60% of Humana-Western membership would be affected by the changes. Although Humana-Western did gain some contracts by becoming a Tier-1 health plan, it did not gain nearly enough contracts (86) to make up for the contracts it lost (1,324). Most subscribers switching out of Humana-Western chose GHC-Eau Claire.

### **FAMILY TYPE CHANGES AND HEALTH INSURANCE CANCELLATIONS**

Of the 5,772 Dual-Choice applications filed, 736 (8%) included coverage level changes. There were slightly more subscribers who increased their level of coverage from single to family (424) than there were subscribers who decreased coverage from family to single (293). There were 307 subscribers who decided to cancel their health insurance coverage effective 12/31/2007.

### **HEALTH MAINTENANCE ORGANIZATIONS (HMO) CONTRACTS GAINED AND LOST**

Major contract gainers include:

- GHC-Eau Claire had a net increase of 1,105 contracts (26.3%). The majority of the contracts came from Humana-Western (1,038).
- Unity-Community had a net gain of 678 contracts, which represents a 43.0% increase. Most gains came from Physicians Plus (396), MercyCare (210), and Dean Health Plan (74) participants.

Major contract losers include:

- Humana-Western had a net decrease of 1,324 contracts (57.4%). The majority of contracts were lost to GHC-Eau Claire (1,038), the Standard Plan (220), and Anthem BCBS Northwest (113).
- Physicians Plus had a net decrease of 540 contracts (4.9%). The majority of contracts were lost to Unity-Community (396).
- MercyCare had a net decrease of 192 contracts (21.8%). There were 210 contracts lost to Unity-Community.
- The State Maintenance Plan (SMP) had a net decrease of 146 contracts (65.5%). Contracts were lost to several health plans, including Arise Health Plan (40), Humana-Western (40), UnitedHealthcare NE (36), and GHC-Eau Claire (23).

### **CONTRACT SHIFTS BETWEEN HEALTH PLANS**

Of the 5,264 contract shifts between plans, the major shifts were as follows:

- 1,038 switched from Humana-Western to GHC-Eau Claire (638 are active state contracts; 333 are retirees and continuant contracts).
- 396 switched from Physicians Plus to Unity-Community (379 are local contracts).
- 220 switched from Humana-Western to the Standard Plan (138 are active state contracts).
- 210 switched from MercyCare to Unity-Community (204 are local contracts).
- 204 switched from Dean to Humana-Eastern (174 are active state contracts).
- 162 switched from Physicians Plus to Dean Health Plan (125 are local contracts).
- 157 switched from Anthem BCBS Southeast to Humana-Eastern (111 are local contracts).
- 113 switched from Humana-Western to Anthem BCBS Northwest (91 are active state contracts).
- 103 switched from Dean Health Plan to Anthem BCBS Southeast (86 are active state contracts).
- 103 switched from Humana-Eastern to UnitedHealthcare SE (75 are local contracts).

### **SOUTHERN WISCONSIN**

In the Southern region, there were 1,783 applications submitted, with 1,514 subscribers switching health plans. The major shifts were as follows:

- 337 switched from Physicians Plus to Unity-Community.
- 152 switched from MercyCare to Unity-Community
- 94 switched from Dean to Unity-UW.
- 91 switched from Physicians Plus to Dean.

There were more Dual-Choice applications filed by local employees, retirees, and continuants (816) in Southern Wisconsin than there were for active state employees (758), state retirees and continuants (124), and graduate assistants and continuants (85).

In 2007, the Unity-Community premium for locals (\$405.80) was more expensive than the premium for Physicians Plus (\$386.20) and MercyCare (\$368.50). Once again, Unity-Community (\$412.10) replaces Physician Plus (\$434.40) as the low-cost plan in Adams, Columbia, Grant, Green, Iowa, Richland, and Sauk Counties and replaces MercyCare (\$435.60) as the low cost health plan in Rock and Jefferson Counties.

### **SOUTHEASTERN WISCONSIN**

In the Southeastern region, there were 1,425 applications submitted, with 1,351 subscribers switching health plans. The major shifts were as follows:

- 191 switched from Dean Health Plan to Humana-Eastern.
- 154 switched from Anthem BCBS Southeast to Humana-Eastern.
- 103 switched from Humana-Eastern to UnitedHealthcare SE.
- 99 switched from Dean Health Plan to Anthem BCBS Southeast.

There were more Dual-Choice applications filed by active state employees (774) than by local employees, retirees, and continuants (448), state retirees and continuants (162), and graduate assistant and continuants (41).

Dean Health Plan lost contracts as a result of losing providers such as the Delavan Clinic in Delavan, the Internal Medicine and Pediatrics Clinic in Whitewater, the Aurora Lakeland Medical Center in Elkhorn, the Aurora Rehabilitation Hospital in Delavan, and the Aurora Health Center in Lake Geneva.

Although most of Humana-Eastern's expansion is in Northeastern Wisconsin, Humana-Eastern also increased its providers in Southeastern Wisconsin, newly becoming qualified in Racine County for 2008. This may help explain the shifts to Humana-Eastern. For locals, Humana-Eastern became more expensive (from \$659.70 in 2007 to \$795.40 in 2008; increase=\$135.70), compared to UnitedHealthcare SE (from \$555.70 in 2007 to \$597.50 in 2008; increase=\$41.80) and thus lost 75 local contracts to UnitedHealthcare SE.

### **NORTHEASTERN WISCONSIN**

In the Northeastern region, there were 549 applications submitted, with 482 subscribers switching health plans. The major shifts were as follows:

- 66 switched from UnitedHealthcare NE to Network Health Plan.
- 61 switched from Arise Health Plan to Network Health Plan.
- 44 switched from UnitedHealthcare NE to Humana-Eastern.
- 36 switched from SMP to Arise Health Plan.
- 34 switched from SMP to UnitedHealthcare NE.
- 32 switched from UnitedHealthcare NE to Arise Health Plan.

There were more Dual-Choice applications filed by active state employees (332) than by local employees, retirees, and continuants (125), state retirees and continuants (92), and graduate assistant and continuants (0).

Network Health Plan gained contracts because it expanded its presence into Northeastern Wisconsin, newly qualifying in Brown and Door Counties. In Brown County, Network Health Plan added the Prevea Clinic in DePere and Green Bay, and the St. Mary's and St. Vincent hospitals in Green Bay. In Door County, Network Health Plan added the North Shore Medical Clinic and the Door County Memorial Hospital in Sturgeon Bay. SMP is no longer available in Marinette County for 2008 in the state and local programs, which explains the shift in contracts from SMP into Arise Health Plan and UnitedHealthcare NE, which are the qualified health plans in Marinette County. Arise Health Plan began offering dental in 2008, which may also explain why it gained contracts from SMP.

### **WESTERN WISCONSIN**

In the Western region, there were 1,590 applications submitted with 1,528 subscribers switching health plans. The major shifts were as follows:

- 993 switched from Humana-Western to GHC-Eau Claire.
- 124 switched from Humana-Western to the Standard Plan.
- 104 switched from Humana-Western to Anthem BCBS Northwest.

Although there were more Dual-Choice applications filed by active state employees (957) than by state retirees and continuants (486), the Western region accounted for the highest proportion (51%) of Dual-Choice applications filed by state retirees and continuants. There were 142 Dual-Choice applications submitted by local employees, retirees, and continuants and 5 Dual-Choice applications submitted by graduate assistants and continuants.

As discussed at the beginning of this memo, Humana-Western lowered its cost structure for 2008 by eliminating high-cost providers such as the Mayo Clinic. As a result of the network changes, Humana-Western lost qualification status in Barron, Dunn, Pepin and Polk Counties and lost qualification and presence in Buffalo, Burnett, LaCrosse, Monroe, Trempealeau, and Washburn Counties. Furthermore, Humana-Western will no longer have out-of-state providers available, except

on a referral basis to the Allina System in Minneapolis. GHC-Eau Claire, a health plan that has gained contracts from Humana-Western over the last couple of years, gained the majority of the contracts because it is Tier-1 health plan that covers much of the Humana-Western service area. Although Humana-Western only slightly increased its premium for state retirees and continuants from 2007 to 2008, GHC-Eau Claire continues to be slightly cheaper than Humana-Western. Subscribers living near the border of Wisconsin and Minnesota may have elected Anthem BCBS Northwest or the Standard Plan for better access to Minnesota providers than is available through Humana-Western or GHC-Eau Claire.

### **NORTHERN WISCONSIN**

In the Northern region there were 200 applications submitted, with 177 switching health plans. The major shifts were as follows:

- 55 switched from Security Health Plan to Arise Health Plan.
- 22 switched from Security Health Plan to the Standard Plan.
- 21 switched from SMP to GHC-Eau Claire.

There were more Dual-Choice applications filed by active state employees (113) than by state retirees and continuants (52), local employees, retirees and continuants (33), and graduate assistant and continuants (2).

Arise Health Plan may have gained contracts as a result of adding dental for 2008 and adding the Aspiris Network to more directly compete with Security Health Plan.

### **OUT-OF-STATE**

There were 225 applications submitted by out-of-state subscribers, with 212 subscribers switching health plans.

- 96 switched from Humana-Western to the Standard Plan.
- 43 switched from Humana-Western to GHC-Eau Claire.

There were more Dual-Choice applications filed by active state employees (159) than by state retirees and continuants (46), local employees, retirees and continuants (14), and graduate assistant and continuants (6).

The explanation for the contract shifts from Humana-Western to the Standard Plan and GHC-Eau Claire may be due to the fact that subscribers living in Minnesota do not have access to the Mayo Clinic through Humana-Western in 2008.

### **Attachments:**

Table 1: 2008 Dual-Choice Statistics All Contracts: New Coverage, Old Coverage and Net Change in Contracts by Health Plan

Table 2: 2008 Dual-Choice Statistics—Active State Employees

Table 3: 2008 Dual-Choice Statistics—Local Employees, Retirees and Continuants

Table 4: 2008 Dual-Choice Statistics—Graduate Assistants and Continuants

Table 5: 2008 Dual-Choice Statistics—State Retirees and Continuants