



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: May 27, 2008
TO: Group Insurance Board
FROM: Steve Hurley, Director, Quality Assurance Services Bureau
Christina Keeley, Ombudsperson, Quality Assurance Services Bureau
Liz Doss-Anderson, Ombudsperson, Quality Assurance Services Bureau
SUBJECT: Employee Trust Funds (ETF) 2007 Ombudsperson Complaint Report

This report is provided for informational purposes. It contains information regarding health insurance, disability insurance and pharmacy benefit manager (PBM) program inquiries and complaints processed by ETF Ombudspersons in 2007. The report is used to monitor trends and address emerging issues in the insurance programs. Select data will also be included in the Report Card section of the 2009 *It's Your Choice* booklet.

2007 ETF Complaint Activity Report

Below is a summary of formal and informal insurance complaints processed in 2007. As in past years, the Department collected information regarding formal written complaints submitted to the Quality Assurance Services Bureau (QASB) for administrative review. The Department also collected data on informal complaints. Informal complaints are primarily received by telephone and are typically resolved within a few weeks. Informal complaints frequently involve difficulties with a prior authorization, enrollment and eligibility, and claims processing.

The total number of new complaints processed by Ombudspersons across all program types remained relatively level for 2007 at 697 (699 in 2006). Complaints relating to the PBM continue to decline. The Department continues to work closely with the PBM administrator, Navitus Health Solutions, to educate members about their benefits and to resolve issues as efficiently as possible.

A. Health Insurance and Pharmacy Benefit Manager Complaints

Some highlights regarding health insurance and PBM complaints received by Ombudspersons in 2007 include:

Formal Complaints

Formal written complaints for all program types decreased from 107 in 2006 to 98 in 2007.

- WPS, (administrator of the self-funded plans), had the most formal complaints, with almost 35% of all formal health insurance complaints received.
- The three most frequent types of formal complaints were: denials of excluded or non-covered benefits (26%); not medically necessary (17%); and billing/claim processing (9%).

Reviewed and approved by Pam Henning, Administrator, Division of Management Services.

Signature

Date

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- Formal complaints involving the PBM program continued to decrease in 2007 with 11 complaints, down from 21 complaints in 2006.
- Of the 98 formal complaints processed by Ombudspersons in 2007, 33% were resolved in favor of the member.

Informal Contacts/Complaints

In 2007, there were 599 informal contacts for all program types, compared to 592 in 2006. Relative to the number of formal written complaints, the number of informal contacts has increased each year as we continue to educate members that working with their plan to resolve their issues prior to a grievance is often in their best interest. Working collaboratively with members, health plans and employers, Ombudspersons often act as mediators to facilitate a quick resolution to member issues. Informal handling of complaints often eliminates the need for further administrative action by either the plan or the Department.

- WPS had the most informal complaints, with approximately 28% of all informal complaints received by the Department regarding health insurance.
- The three most common types of informal complaints were: billing and claims processing (30%); enrollment and eligibility (24%); and general program provision or design (10%).
- Of the 599 informal contacts made to Ombudspersons in 2007, 189 were "inquiry only," where the member had questions for staff, rather than an issue that required resolution. Of the remaining 410 informal complaints with the possibility of a favorable or unfavorable outcome, Ombudspersons were able to resolve 79% of those complaints in favor of the member.
- There were 42 complaints regarding Navitus, which served approximately 229,000 members in 2007.
- There were 32 complaints that involved DeancareRX/Dean Health Insurance, which provides Medicare D pharmacy benefits for Wisconsin Public Employer retirees - approximately 2,100 members in 2007.

The number of favorable outcomes for both formal and informal complaints illustrates the value of Ombudsperson services for members. Ombudspersons will continue efforts to educate members on the most effective ways to navigate the health care system and to work with their health plans to obtain benefits to which they are entitled.

B. Disability Complaints

Disability complaints include complaints or inquiries related to Income Continuation Insurance (ICI), Long-Term Disability Insurance (LTDI), § 40.63 disability retirement and § 40.65 duty disability programs. Within the Disability Programs, the primary role of an ETF Ombudsperson is to educate members regarding disability benefit program design, assist members in navigating the claim process, and advise members of administrative review rights. In addition, the ETF Ombudsperson works directly with the Aetna Ombudsperson to facilitate resolution of member concerns and provide feedback related to customer service to Aetna.

In 2007, Ombudspersons logged 19 disability benefit complaints, compared to 16 in 2006 and 66 in 2005. Disability complaints have declined greatly since a peak of 176 in 2004. These long-term results reflect well on Aetna's proactive approach to handling claims and use of the case ownership model initiated in late-2005, in which a member is assigned a case owner/case manager within 48 hours of their claim being initiated.

ETF Insurance Complaint Surveys

As in previous years, QASB surveyed members about their satisfaction with services after completion of Ombudsperson review of the member's formal complaint. The 2007 health insurance/PBM survey response rate was 51%, with 38 surveys returned.

The following table reflects responses received from members who requested an Ombudsperson review of a formal complaint in 2007 in comparison with 2006:

SURVEY RESPONSES		
HEALTH INSURANCE/PBM FORMAL COMPLAINTS		
Survey Category:	2006	2007
Provided Timely Services	86%	84%
Services Were Helpful	82%	87%
Professional & Courteous	92%	97%
Satisfied Overall	76%	82%

The survey data indicates that in general, members are satisfied with the Ombudsperson services offered through ETF and consider it a valuable service. This year we are exploring the concept of moving to an electronic, Web-based survey tool in order to capture survey responses from members with informal complaints. We plan to continue surveying members who use the formal complaint process via Ombudsperson services.

The attached charts provide detailed grievance data. Percentages in the attached charts are approximate due to rounding. Quality Assurance Services Bureau staff will be available at the meeting to answer questions.