



STATE OF WISCONSIN
 Department of Employee Trust Funds
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 SECRETARY

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CORRESPONDENCE MEMORANDUM

DATE: March 30, 2009
TO: Group Insurance Board
FROM: Sharon Walk
 Appeals Coordinator
SUBJECT: Pending Appeals

This memo is provided for informational purposes only. No Board action is necessary.

Over the past year, the number of pending appeals has remained steady, with a monthly average of 31. The chart below shows pending appeals during the past 12 months.

	Employee Trust Funds (ETF) Board	Wisconsin Retirement (WR) Board	Teachers Retirement (TR) Board	Group Insurance (GI) Board	Deferred Compensation (DC) Board	TOTAL
April 2008	13	5	1	5	0	24
May 2008	15	5	0	4	0	24
June 2008	17	7	0	6	0	30
July 2008	18	8	0	8	0	34
August 2008	14	9	0	8	0	31
September 2008	16	9	0	8	0	33
October 2008	13	8	0	7	0	28
November 2008	13	9	0	8	0	30
December 2008	13	9	0	7	0	29
January 2009	17	11	0	10	0	38
February 2009	20	9	0	9	0	38
March 2009	19	7	0	9	0	35

Reviewed and approved by Robert J. Conlin, Deputy Secretary.

 Signature Date

Board	Mtg Date	Item #
GIB	04/14/09	8

The appeals currently pending before the Group Insurance Board (Board) can be divided into the following categories:

Long-Term Disability Insurance (LTDI) denial.....	5
Health insurance coverage	3
Denial of coverage for gastric bypass surgery	<u>1</u>
Total	9

Independent Record Review Process

As some Board members may recall, in 2000 the appeal backlog stood at 300+ cases and the typical appellant was required to wait an average of three years for a final decision. The Department consulted with Nancy Williams of William Mercer, Inc., who proposed several changes to the appeals process. One of these changes was the implementation of an Independent Record Review (IRR) process.

With an IRR, when an appeal is received by the Department, the appellant is contacted to discuss the matter. The IRR process functions independently within the Department. The member is given an opportunity to discuss the matter with someone who was not involved in making the ETF determination. In some situations, explaining the statutory language that was used in the decision helps resolve the matter. Other times, creative solutions are found that allow the Department to grant a benefit while staying within the confines of Chapter 40.

Several examples of recent appeals that have been resolved through the IRR process are summarized below:

- 2008-028-GIB The participant filed an application for LTDI benefits. The employer statement indicated that the employer wished to contest the disability claim. The application was denied and the participant filed an appeal. A review of the situation found that the employer objected to the LTDI because the appellant also had a claim for Worker’s Compensation. The employer was hoping to use the LTDI as leverage to get the appellant to settle his Worker’s Compensation claim. After negotiation with the employer and the appellant, a settlement was reached on the Worker’s Compensation claim and the employer withdrew its opposition to the LTDI. The appellant then withdrew his appeal.
- 2008-034-GIB In this case, the participant was receiving Income Continuation Insurance (ICI) benefits. She applied for a retirement benefit and took a lump sum payment. She was informed that the retirement benefit would be offset from her ICI benefit. She objected to this interpretation of the ICI plan and filed an appeal. After several conversations in which the application of the ICI plan was explained, she withdrew her appeal.
- 2008-039-GIB The participant applied for LTDI. She was required to obtain two qualifying medical reports. She obtained two medical reports but one of them was non-qualifying. She was given an opportunity to file a third report but the one year time period expired and the application was denied. Subsequently, she filed an appeal. She was encouraged to reapply for LTDI benefits. She provided

two qualifying medical reports and the benefit was granted. The appellant decided to withdraw her appeal.

2006-076-GIB The appellant originally applied for LTDI. The appellant submitted three medical reports. Two of the medicals were non-qualifying and the application was denied. The appellant filed an appeal. The appellant was encouraged to reapply for LTDI. As part of the second application, she was able to obtain two qualifying medical reports and the benefit was granted. The appeal was withdrawn.

Staff will be available at the April 14, 2009, meeting to answer any questions you may have.