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CORRESPONDENCE MEMORANDUM

DATE: January 11, 2010
TO: Group Insurance Board
FROM: Bill Kox, Director, Health Benefits & Insurance Plans
Joan Steele, Manager, Alternate Health Plans
SUBJECT: GUIDELINES and Uniform Benefits – Timeline and Discussion Regarding Contract Changes and Clarifications for Year 2011

This memo is informational only. No Board action is necessary.

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 2011, we are providing the following information on the expected issues and timelines for the development of the GUIDELINES.

The anticipated timeline for the 2011 contract is as follows:

- With the input of the Board's actuary, staff establishes preliminary recommendations for changes/clarifications for the 2011 contract year. The health plans have been asked to identify any issues that warrant clarification in the GUIDELINES or Uniform Benefits by February 1, 2010.
- On or about February 23, 2010, 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 26, 2010, ETF will send health plans a draft of the 2011 GUIDELINES/Administrative Provisions and Uniform Benefits. Health plans will have until March 4, 2010, to return their comments on the draft.
- On or about March 9, 2010, the discussion group will meet to finalize recommendations to the Board. The discussion group's deadline for finalizing its recommendations is March 19, 2010.
- The recommendations are set for approval at the Board's April 13, 2010, meeting.

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

Signature

Date

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The following briefly summarizes several issues for the 2011 contract that may be reviewed during this process. 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.

Possible Change to Administration:

- Consider revising the provider qualification criteria by reducing the minimum number of required primary care providers in smaller counties.

Possible Change to the Local Contract:

- Review the requirements for rating methodology and premium bid justification.

Possible Changes to Benefits:

- Consider setting standards for wellness benefits available through health plans.
- Review the annual out-of-pocket maximum for pharmacy benefits.
- Consider the following benefit changes:
 - Waiving emergency room copayment for observation admissions.
 - Placing a 36-month time limit on the exclusion for charges related to complications from non-covered services.
 - Providing coverage for dental implants.
 - Providing coverage for bariatric surgery.
- Suggestions for ways to free-up dollars if needed to offset benefit additions:
 - Implement quantity limits on the initial prescription for high cost drugs.
 - Increase copayment for emergency room visits.
 - Increase copayment for prescriptions.

We will be at the February 9, 2010, meeting to answer any questions you may have.