



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: October 14, 2010
TO: Group Insurance Board
FROM: Arlene Larson, Manager, Self-Funded Health Plans
Division of Insurance Services
SUBJECT: Standard Plans Request for Proposal

Staff requests the Board authorize a Request for Proposal (RFP) for administration of the Administrative Services Only contract for the Standard Plans.

Pending Group Insurance Board (Board) approval, the Department is set to release an RFP for the Standard Plans. The contract with the current administrator, WPS Health Insurance (WPS), will expire on December 31, 2011. Staff expects to bring a recommendation and proposal to award a new contract to the Board at the April 2011 meeting.


Background

In January 2006, WPS began its contract as administrator of the Standard Plans after being granted the award following the RFP process. The contract was renewed and extended through 2011.

The Standard Plans RFP

The objective of the RFP is to ensure the selected administrator is able to provide services that will accommodate and enhance the current benefit plan design, including the State Standard Preferred Provider Plan, Medicare Coordinated Plans, the State Maintenance Plans and the Wisconsin Public Employers (WPE) Standard Plan options. It is our intent to contract for the most qualified vendor that includes a cost-effective service agreement and that is committed to working for the benefit of the State and the WPE group health insurance programs and its members.

Our review will evaluate network administration efficiencies and the availability of a wide variety of in-state and out-of-state network providers for our members in the Standard Preferred Provider Plans.

Reviewed and approved by Lisa Ellinger, Deputy Administrator, Division of Insurance Services.

Signature _____ Date 10/20/10

Board	Mtg Date	Item #
GIB	11.9.10	3B

In addition, the federal Patient Protection and Affordable Care Act will require several changes to our program; therefore, we are interested in using the opportunity to explore options for modernizing two of the plans. We plan to investigate whether the Medicare Plus Plan should be made into a true Medicare Supplement, rather than the current hybrid with elements of a carve-out and a supplement. Also, we want to consider whether the WPE classic Standard Plan should be changed from the current base major medical plan to an equivalent plan that is easier for members to understand and for the vendor to administer. The changes we expect to propose would be designed to improve the efficiency of the plan; however, we recognize this last change may impact some local governments.

We expect to evaluate the bid proposals between Monday, February 21, 2011, and Friday, February 25, 2011. Members of the Board are invited to participate in the review of the proposals and help frame the final recommendation for the successful bidder.

Staff will be available at the meeting to answer any questions you may have.