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**CORRESPONDENCE MEMORANDUM**

**DATE:** October 17, 2011  
**TO:** Group Insurance Board  
**FROM:** Bill Kox, Director, Health Benefits and Insurance Plans  
**SUBJECT:** Guidelines and Uniform Benefits for the 2012 Benefit Year – Technical Changes


**This memo is for informational purposes only. No Board action is required.**

At its June 7 and June 28, 2011 meetings, the Group Insurance Board (Board) reviewed and approved changes for the 2012 benefit year. In addition, at the August 23, 2011, meeting, the Board instructed staff to proceed with amendments that were necessary to implement the contract. At those times, staff noted technical clarifications may be necessary.

Staff has identified two changes that are needed to clarify contract administration. The first change aligns our program with Medicare rules pertaining to individuals with foreign addresses. The second relates to enrollment of retired local government employees. Note that in the section below any new language is **shaded** and **underscored** and language to be deleted is **stricken**. As needed, these changes will also be made to the appropriate sections of the Standard Plan contract.

**CHANGES:**

- 1) **Medicare Part D coverage:** Medicare does not allow individuals who have a foreign address to enroll in a prescription drug Part D program. Our program currently covers 26 members who have addresses outside of the United States. However, the health insurance and Pharmacy Benefit Manager contract allows for coverage of prescription drug claims for these members. As such, these individuals can remain in our program, although we would not cover the full cost of the claims, as Medicare Part D does not allow for payment and the program would not receive the subsidy as it does for participants in the Medicare program. Instead, we would pay only the portion of the claim paid by Navitus in excess of the amount covered by Part D. This is consistent with the manner in which individuals

Reviewed and approved by Lisa Ellinger, Administrator, Division of Insurance Services.  
  
Signature \_\_\_\_\_ Date 10/24/11

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without our Part B coverage are currently treated. The premium amount for Part D coverage is \$31 per month. We are investigating whether a premium refund could be made, though it is not required by law.

Section	Recommended Language Change
Uniform Benefits Contract Section IV Exclusions & Limitations 12 (b)	<p><del>Except for benefits payable under Medicare Part D, s</del>Services to the extent the Participant is eligible for all other Medicare benefits, regardless of whether or not the Participant is actually enrolled in Medicare. This exclusion only applies if the Participant enrolled in Medicare coordinated coverage does not enroll in Medicare Part B when it is first available as the primary payor or who subsequently cancels Medicare coverage <del>or is not enrolled in a Medicare Part D Plan.</del></p>

- 2) **Limitation of enrollment for uninsured annuitants and continuants in the Wisconsin Public Employers (WPE) group health insurance program:** The contract is being clarified to state that annuitants and continuants who are not currently insured do not have access to the annual open enrollment period. Staff has previously noted this for the Board, but the language that appeared in the June 7, 2011 meeting memo attachment did not properly reflect it. Previously, the proposed language had deleted the term "currently covered". This language retains that phrase and instead reorganizes the paragraph.

Section	Recommended Language Change
Local only Article 3.4 (1)	<p>The BOARD shall establish enrollment periods, which shall permit eligible <b>EMPLOYEES</b> and currently covered <b>EMPLOYEES ANNUITANTS</b> and <b>CONTINUANTS</b> to enroll for or transfer coverage to any plan offered by the BOARD as required by Wis. Stat. § 40.51 (7). Unless otherwise provided by the BOARD, the DUAL-CHOICE enrollment period shall be held once annually in the fall of each year with coverage effective the following January 1.</p>

Staff will be available at the Board meeting to respond to any questions or concerns.