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# *CORRESPONDENCE MEMORANDUM*

**DATE:** January 13, 2012

**TO:** Group Insurance Board

**FROM:** Bill Kox, Director, Health Benefits & Insurance Plans
Division of Insurance Services

**SUBJECT:** GUIDELINES and Uniform Benefits – Timeline and Discussion Regarding Contract Changes and Clarifications for Year 2013

**This memo is for informational purposes 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, Group Insurance Board (Board) members, or their designated staff, have also participated. Should the Board wish to continue this process for contract year 2013, we are providing the following information on the expected issues and timelines for the development of the GUIDELINES.

The anticipated timeline for the 2013 contract is as follows:

- With input from the Board's actuary, staff will establish preliminary recommendations for changes/clarifications for the 2013 contract year. The health plans have been asked to identify any issues that warrant clarification in the GUIDELINES or Uniform Benefits by February 3, 2012.

- On or around February 28, 2012, 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 around March 2, 2012, ETF will send health plans a draft of the 2013 GUIDELINES/Administrative Provisions and Uniform Benefits. Health plans will have until March 9, 2012, to return their comments on the draft.

- On or around March 20, 2012, the discussion group will meet to finalize recommendations to the Board. The discussion group's deadline for finalizing its recommendations is April 10, 2012.

Reviewed and approved by Lisa Ellinger, Division of Insurance Services

Lisa Ellinger — 1/18/12

Signature — Date

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- The recommendations are set for review and approval at the May 22, 2012, Board meeting.

The following bulleted items provide a brief summary of contract issues 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 comments or suggestions from the Board. Some items may have associated costs, while others may be 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 Changes to Administration:**

- Develop a policy for a subscriber to disenroll an adult dependent child during the annual *It's Your Choice* enrollment period. The current language refers to an opportunity based on the assessment of imputed income. State and federal law no longer require imputed income for these dependents (except for those of a domestic partner).
- Remove contractual references to full-time student status as state and federal law no longer requires these criteria in order for a dependent to be eligible. This change would also impact surviving dependents.
- Update the contract to state that proposals from health plans with the intent to join the program must be submitted by April 1. These proposals would be presented to the Board in May. Previously, they had been due in mid-April and brought to the Board in June.

**Possible Changes to the Benefit Plan:**

- Analyze federal health care reform to determine what level of detail should be incorporated into the contract for consistent delivery of benefits. An example is preventive services that are exempt from co-insurance for State employees. Federal guidelines are at times imprecise, and when identified, health plans have asked staff for input.
- Include disease management, wellness, and other Board initiatives including incorporating any necessary recommendations from the Governor's Waste, Fraud & Abuse Report.
- Incorporate medical management requirements into administrative and benefit plan components.
    - Pre-authorization requirements for procedures such as high-tech radiology and certain back surgeries.
    - Requirements for continuity of care monitoring after hospital discharge.
    - Palliative care benefits improvement.
- Discuss the advisability of a low cost option for State employees and what it may be.
- Review the status of co-insurance in the program versus co-pays.

**Possible Changes to the Local Standard Plan:**

- Consider modernization of the Local Standard Plans and Local SMP to align that program with the State Standard Plan.

We will be at the February 7, 2012, meeting to answer any questions you may have.