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CORRESPONDENCE MEMORANDUM

DATE: January 30, 2012

TO: Group Insurance Board

FROM: Liz Doss-Anderson, Ombudsperson
Vickie Baker, Ombudsperson

SUBJECT: Semi-annual Ombudsperson Contact Report
July 1, 2011, through December 31, 2011

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

This summary report contains information and statistics about the complaints and inquiries received by the Department of Employee Trust Funds (ETF) from members, their families, employers, and external advocacy organizations as they relate to benefits that fall under the authority of the Group Insurance Board (GIB).

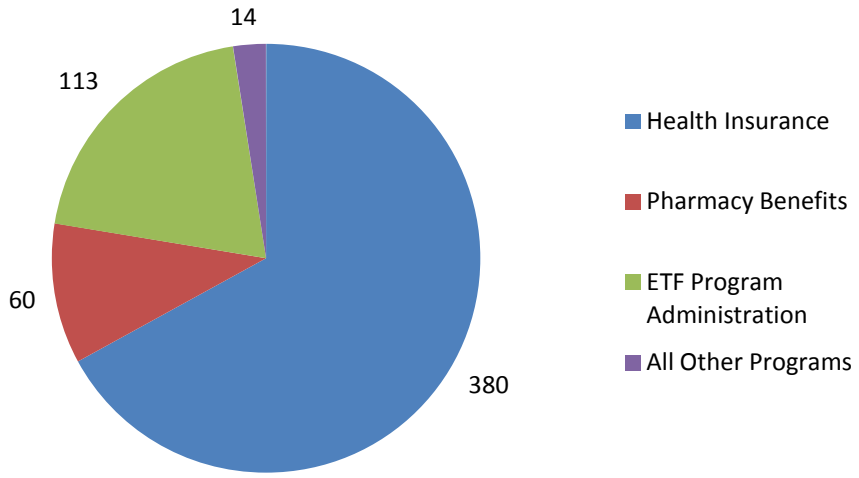
From July 1, 2011, through December 31, 2011, Ombudsperson Services staff received 567 complaints and inquiries from members or their representatives. The categories reflecting the types of issues with the most contacts include: enrollment and eligibility, billing and claims processing, general program provisions or design, and questions about the It's Your Choice open enrollment. Due to 2011 Wisconsin Acts 10 and 32, there have been numerous changes to the health insurance program, including coinsurance, coverage effective dates, and a transition to the Navitus MedicareRx prescription drug plan (PDP). The complexity of the changes generated many inquiries from members about the new program design changes and the affect on their ability to receive health care services.

Of the 567 complaints and inquiries, health insurance continued to be the program that generated the majority of contacts, with 380 complaints and inquiries (approximately 67% of the total). Historically, this program has presented the most complex issues that generally take the most time for staff to resolve.

Reviewed and approved by David Nispel, General Counsel, Legal Services
David H Nispel 2/2/2012
Signature Date

Board	Mtg Date	Item #
GIB	2.7.12	8C

Complaints and Inquiries by Program Type
July 1, 2011 – December 31, 2011



(All Other Programs Include: LTDI, ICI, Deferred Comp, Vision, Dental, Life Insurance, LAHP, etc.)

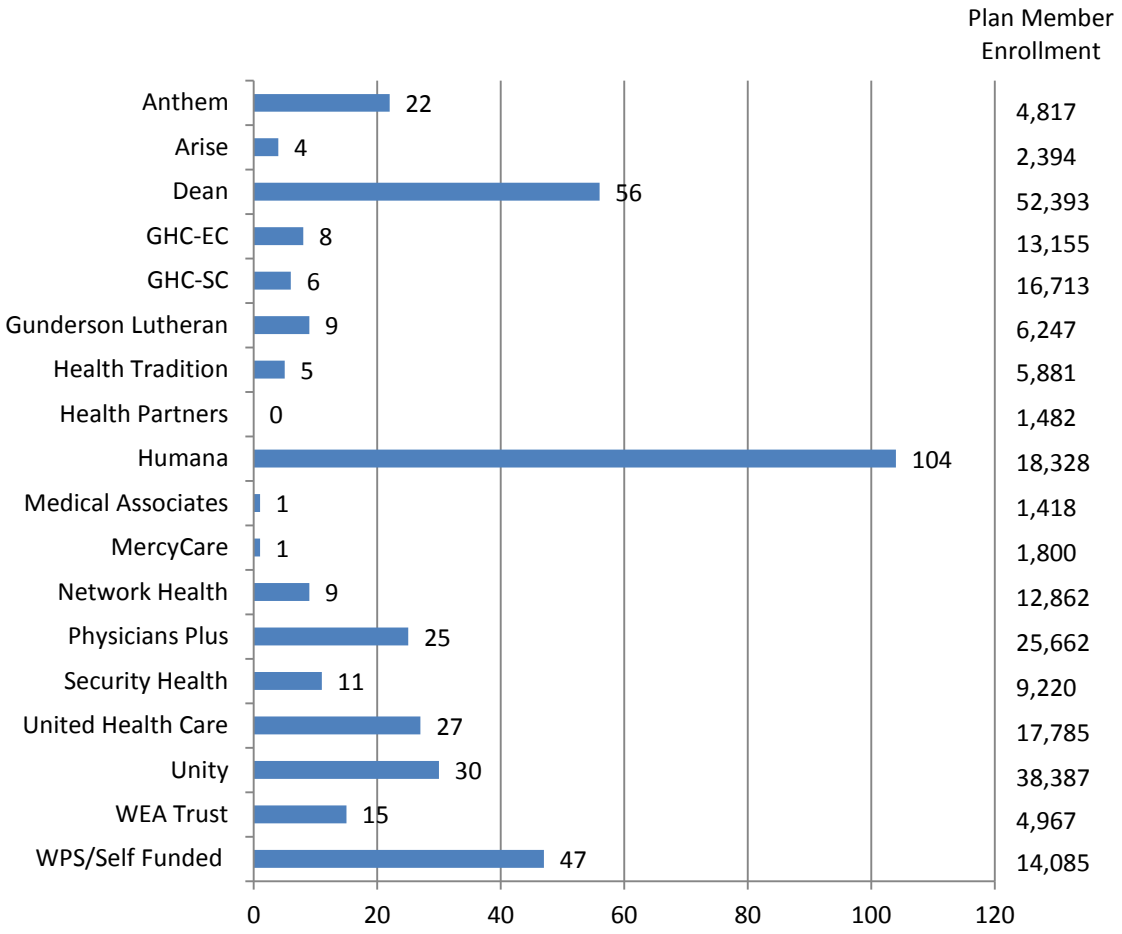
(ETF Program Administration includes multiple program types such as sick leave accounts, retirement, or enrollment errors)

ETF staff workload levels continued to contribute to enrollment and eligibility issues, with 122 complaints and inquiries in those areas. There were 84 complaints and inquiries on billing and claims processing, 76 in the general program provisions or design category, and 47 regarding It's Your Choice. These were the top four complaint and inquiry categories for the July through December time period.

In 2011 an unprecedented number of retirement applications received and increased workload contributed to processing delays of health insurance coverage changes at ETF. As a result, some members experienced gaps in their health plan enrollments and loss of employer contributions, resulting in denied claims. Coverage for prescriptions was also affected by this enrollment gap and compounded prescription issues for members. Ombudsperson Services received 60 complaints and inquiries related to the prescription drug program. We are working collaboratively with the Division of Insurance Services and Information Technology staff to enhance internal ETF systems to ensure health insurance coverage is accurately continued into retirement for our annuitants. With upcoming system enhancements and the addition of new staff, we anticipate this being less of an issue in the near future.

Health plan complaints and inquiries received by ETF remain concentrated in the Humana health plan. The chart on the next page shows the complaints and inquires for July through December 2011, based on the contacts for each health plan.

Complaints and Inquires by Plan
July 1, 2011 to December 31, 2011



Although enrollment and eligibility, claims processing, and general program provisions and design are on-going issues, these are more complicated in relation to the Humana Group Medicare Advantage plan. Members often are confused by the Medicare Advantage plan design because an advantage plan has a different structure than the traditional Medicare A and B Program. When enrolled in the State group advantage plan, the Humana Insurance Company becomes the member's "Medicare". Members who are in the State group Humana HMO are automatically enrolled into the Humana Advantage plan when they enroll in Medicare. Due to the auto-enrollment, members often do not understand how they were enrolled in the Humana Advantage plan. In the past, Ombudsperson staff and the plans have jointly maintained a log of complaints and inquiries and tracked the status as they worked to resolve those matters. At this time, we continue to utilize this tool with Humana to track new and unresolved issues.

Health plans sometimes fail to make timely changes to their internal claims processing systems, which can result in an incorrect denial of covered services. This issue continued to affect our members through the end of 2011. Members contact ETF with claim issues when plans do not correctly process claims based on the language in the State contract. This typically happens with services such as hearing aid purchases, vaccinations, annual physicals, eye exams, or other preventive care services. We are developing recommendations to monitor this issue so that it can be resolved.

Limitations within ETF's enrollment system can impede members' timely access to services**.** For example, system updates may require a multiple-day process to make a contract change, which is cumbersome for ETF staff and can lead to eligibility issues and claims processing delays. Occasionally, members need services during that timeframe and do not have access to real-time pharmacy benefits while the contract change is pending. ETF has made this issue a priority and developed and implemented modifications to the ETF enrollment system to accommodate program and eligibility changes that resulted from Acts 10 and 32. We continue to work with appropriate ETF staff to address these kinds of issues.

Ombudsperson Services staff anticipates the first six months of 2012 will pose new challenges for ETF staff and health plans. There will be a strong need to increase outreach and educational efforts to members, employers, and staff regarding 2012 health insurance contract changes, including the benefit changes related to member coinsurances and the transition to the MedicareRx PDP for retired group health insurance program members on Medicare.

RECENT CHANGES IN OMBUDSPERSON SERVICES

Effective November 2011, Ombudsperson Services became part of the Office of Legal Services. Currently, Liz Doss-Anderson and Vickie Baker comprise the Ombudsperson Services staff. A review is underway about how to structure and fill the third staff position, which has been vacant since July 2011.

On January 23, 2012, a second attorney joined the Legal Services staff, which is led by ETF General Counsel David Nispel. Attorney Daniel Hayes will oversee the Ombudsperson Services staff and program, provide general legal services to ETF, and assist in providing legislative analysis.

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