

STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax (608) 267-4549
<http://etf.wi.gov>

CORRESPONDENCE MEMORANDUM

DATE: August 3, 2012
TO: Group Insurance Board
FROM: Liz Doss-Anderson, Ombudsperson
Allen Angel, Ombudsperson
Vickie Baker, Ombudsperson
Dan Hayes, Attorney/Supervisor
SUBJECT: Semi-annual Ombudsperson Contact Report
January 1, 2012, through June 30, 2012

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

Our report contains information about the complaints and inquiries received by the Department of Employee Trust Funds (ETF) Ombudsperson Services staff from members, their families, employers, and external advocacy organizations as they relate to benefits under the authority of the Group Insurance Board (Board).

From January 1, 2012, through June 30, 2012, Ombudsperson Services received 559 complaints and inquiries from members or their representatives, an increase of 23% in comparison with the first six months of 2011. As in the past, the health insurance program generated the majority of contacts, with 404 complaints and inquiries (approximately 72% of the total). Historically, this program has presented the most complex and time-consuming issues for staff to resolve. The implementation of Navitus MedicareRx (PDP) (Medicare Part D) for our eligible retirees contributed to a 47% increase in contacts regarding pharmacy benefits over the same time period in 2011, from 42 contacts to 79.

The types of issues with the most contacts include: enrollment and eligibility, billing and claims processing, and general program provisions or design. Two additional categories with a considerable number of complaints and inquiries were non-covered services and prior authorizations. Due to 2011 Wisconsin Acts 10 and 32, there were numerous changes to the health insurance program effective January 1, 2012. These program changes created confusion for our members and resulted in contacts to Ombudsperson Services during the first half of the year. Ombudspersons worked to help members understand coinsurances and deductibles and benefit changes new to most members in 2012. Other issues frequently addressed by staff include health insurance premium discrepancies and changes to health plan dental benefits.

Reviewed and approved by David Nispel, General Counsel

Legal Services

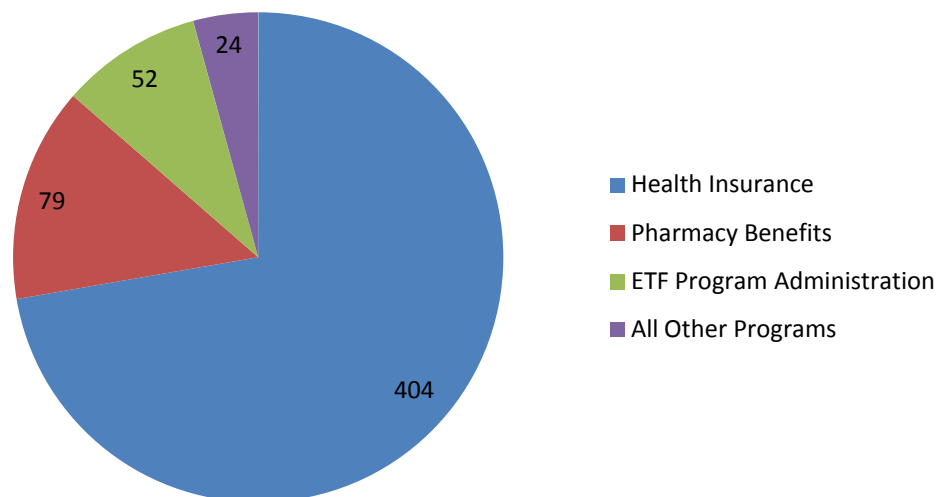
David Nispel
Signature

8/13/12
Date

Board	Mtg Date	Item #
GIB	8.28.12	8E

The increased cost sharing for members and the change in the benefit structure generated many member and employer contacts to Ombudsperson Services during the first half of 2012. Members have experienced difficulty in understanding health plans' explanation of benefits, which benefits are covered under preventive care guidelines, which services will (or will not) have coinsurance charges, and general questions about how services have been coded and paid by the health plans. Working with the member and the plan, Ombudsperson Services attempts to resolve coding discrepancies and elevate concerns to the appropriate ETF policy advisors to address any program or contract provision.

Complaints and Inquiries by Program Type
January 1, 2012 – June 30, 2012



All Other Programs Include: AETNA/LTDI (4 contacts), Deferred Comp (1), Dental (3), EPIC (4), FBMC (2), ICI (3), Life Insurance (3), LTC Ins. (2), VSP (Vision Plan) (2)

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

ETF staff also assisted members with 129 complaints and inquiries associated with enrollment and eligibility issues. In addition, there were 101 complaints and inquiries related to billing and claims processing by the health plans. These two complaint and inquiry categories were far more numerous than the others. Our data shows the next two highest categories were issues related to general program design (43) and non-covered/excluded benefits (31).

As discussed at the May 2012 Board meeting, we continued to work collaboratively with ETF staff to address enrollment and eligibility complaints by ensuring completion of several key enhancements to ETF health insurance processing systems. These enhancements ensure that health insurance coverage is accurately and efficiently

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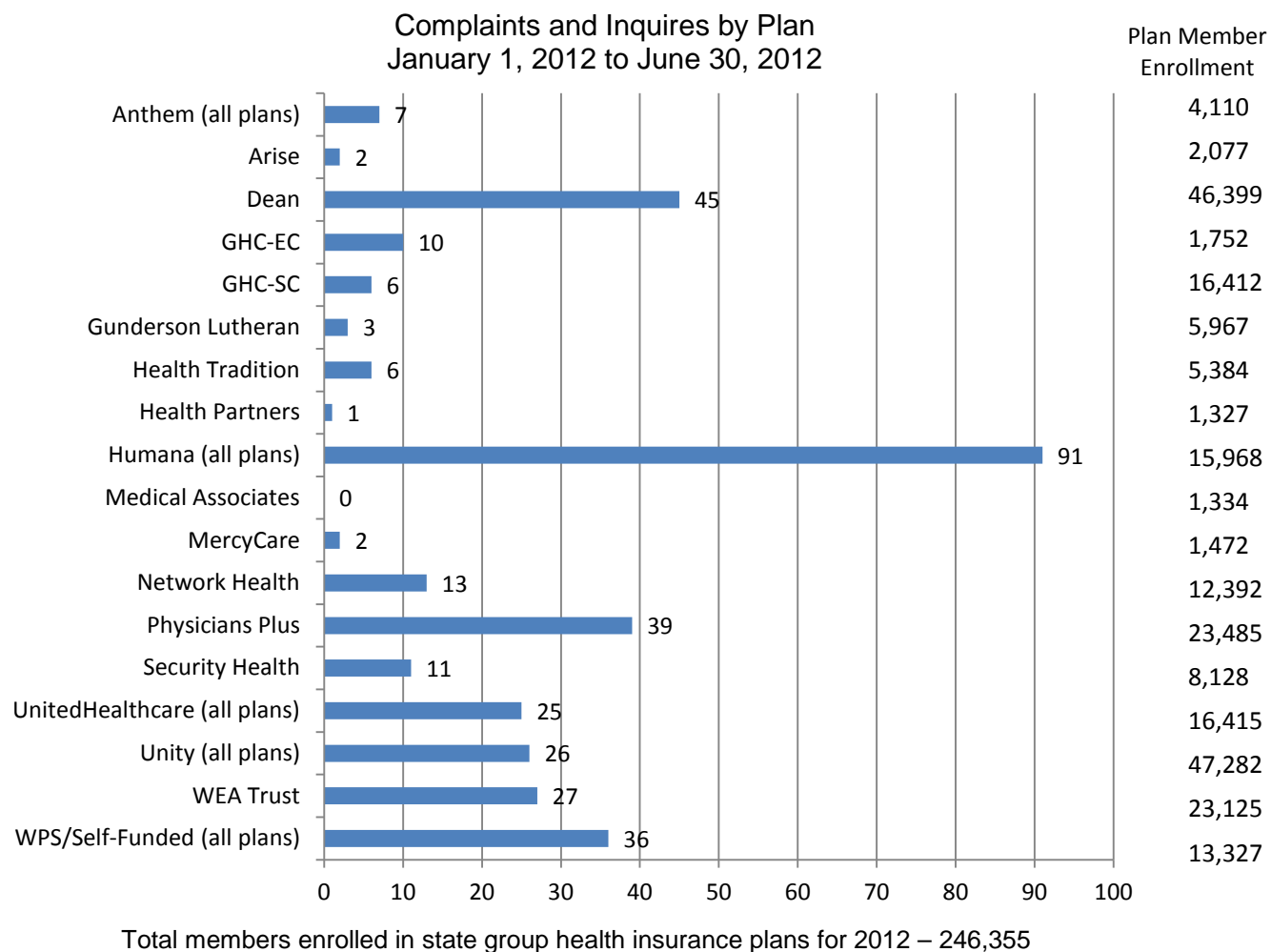
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continued as our members retire and become annuitants. These system improvements also resolved the need for multi-day processing of health insurance changes as previously required by ETF staff. As a result, we have seen a significant decrease in the number of enrollment and eligibility complaints for both active employees and new retirees. These efforts have improved customer service for our members while also creating administrative efficiencies for ETF, health plans, and pharmacy benefit manager.

On January 1, 2012, ETF implemented Navitus MedicareRx (PDP) prescription drug coverage for 27,000 eligible members on Medicare. In addition to the anticipated initial enrollment contacts, many members experienced problems with processing of claims including claims for vaccinations, now covered by Medicare Part D. Ombudsperson Services continues to work with all involved parties including members, providers, plans, and Navitus to resolve member issues. We have also made recommendations to the Division of Insurance Services for possible contract changes in order to address any areas of concern our members or plans have expressed.



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In 2011, Ombudsperson Services identified outreach and education as critical components to meeting the needs of our members, particularly in light of the benefit changes in 2012. As we work to resolve members' issues in our one-on-one contacts, we take the opportunity to educate them about their benefits and answer specific questions. In addition, we also refer members to other ETF resources (the website or online videos) or to community resources outside ETF, such as the Social Security Administration, the Wisconsin Medigap Helpline, and the Wisconsin Medicare Part D Helpline.

As part of orientation for many of our staff, we provide training on the role of Ombudsperson Services within ETF and with whom we interact outside of ETF. In addition, we provide outreach and education by attending the annual Coalition of Annuitants meeting each June, the *It's Your Choice* kickoff for employers in September, and *It's Your Choice* health fairs across the state in October.

Ombudsperson Services has a variety of tools and resources available to do outreach and help educate our members. Our *Ombudsperson Services* brochure (ET-8935) is widely distributed to members by employers and ETF Member Services staff during health fairs and other educational events. An Ombudsperson Services Fact Sheet is also available and posted, along with the program brochure, on the ETF website. These tools let members know that Ombudsperson Services staff is available to assist them and provide a better understanding of how their benefits work.

LOOKING AHEAD

One of the goals of Ombudsperson Services is to reduce the number of appeals to the ETF Boards. During the first six months of 2012, the Office of Legal Services worked to eliminate the Board appeal backlog. This was accomplished through the hard work and cooperation of many people both inside and outside of ETF, with Ombudsperson Services playing a key role. We look forward to continuing to resolve matters with early intervention and continuing to keep the number of appeals at a minimum. With this approach, our resources can be better utilized to educate our members as we strive to maintain quality customer service and improve administration of our benefit programs.

During the second half of 2012, we will assist members with their enrollment and health insurance options during the annual *It's Your Choice* open enrollment and continue to work with our members to answer their questions, resolve disputes, and use the lessons learned to provide feedback and recommend policy changes to ETF staff and health plan contacts. We will also be working directly with ETF's Office of Enterprise Initiatives as we develop a more streamlined, consumer-friendly, and member-centered system of online interaction related to all WRS benefit processes.

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