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CORRESPONDENCE MEMORANDUM

DATE: April 25, 2014
TO: Group Insurance Board
FROM: Liz Doss-Anderson, Ombudsperson
Allen Angel, Ombudsperson
Vickie Baker, Ombudsperson
Dan Hayes, Attorney/Supervisor
SUBJECT: 2013 Ombudsperson Contact Report

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

This report contains information about the complaints and inquiries received by the Department of Employee Trust Funds (ETF) via Ombudsperson Services staff. The complaints and inquiries came from members, their families, employers, and external advocacy organizations as they relate to Wisconsin Retirement System (WRS) benefits.

Complaint and Inquires Overview

In 2013, Ombudsperson Services received 959 complaints and inquiries (see attachment). The health insurance program generated the vast majority of contacts. These included 464 complaints and inquiries (48% of the total) deriving from health plan decisions or other action as well as most of the 327 contacts relating to ETF Program Administration issues (34% of the total). ETF Program Administration is a broad category that primarily consists of health insurance-related contacts regarding matters that did not involve any action by a health plan. These are primarily member education contacts on benefits, coverage and plan design but also include complaints regarding issues of enrollment and eligibility, many of which involve employer or member errors.

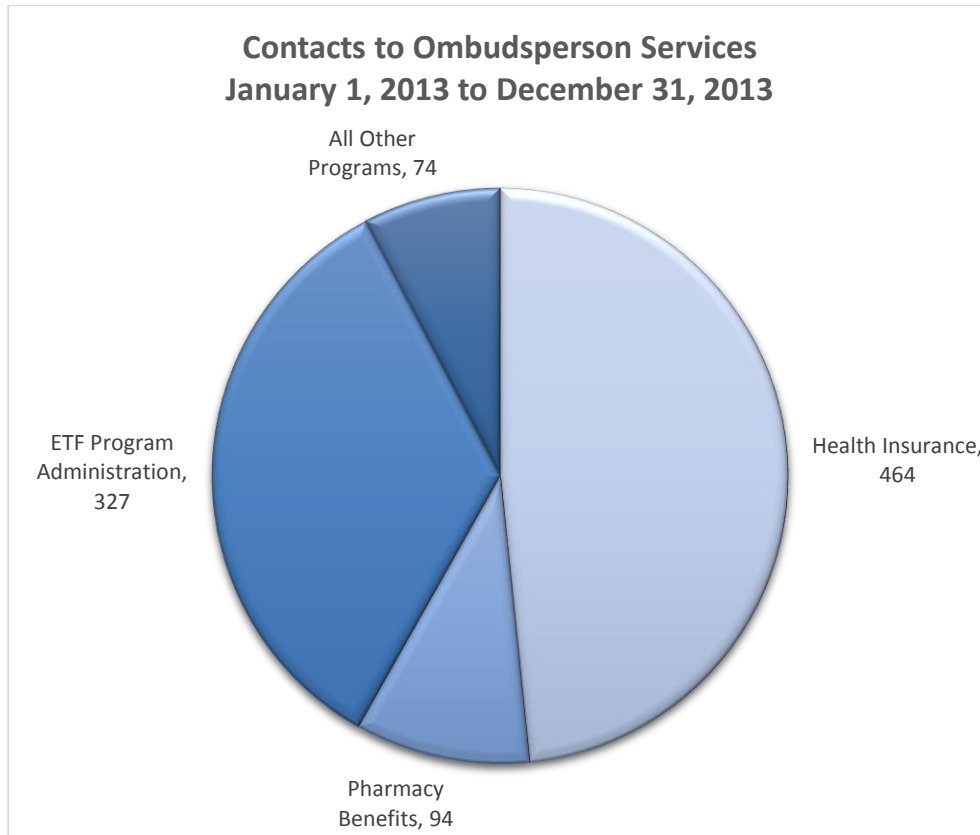
The percentage changes in both of these contact categories compared to 2012 is significant and is due to refined inquiry evaluation that we began to utilize in 2013. This method is intended to provide a clearer picture of whether the member's issue relates to action taken by a specific health plan or whether the matter relates to action taken by

Reviewed and approved by David Nispel, General Counsel,
Legal Services

Electronically Signed:
05/02/2014

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ETF, an employer, or an entity other than the health plan. For example, a health plan coverage decision is differentiated from a member question or concern regarding their health plan benefits established by ETF, or an employer enrollment/eligibility issue.



All other programs includes: WageWorks-12, ICI-6, Dental-3, EPIC-3, LTC-3, Life Insurance-2, VSP-1, Deferred Compensation-1, Miscellaneous-36.

Types of Complaints and Inquiries

The health insurance program continues to present the largest number, most complex and most time-consuming issues for ombudsperson staff to resolve. The types of issues with the most complaints and inquiries included:

- Enrollment and eligibility (123 contacts)
- General program provisions (110 contacts)
- Billing and claims processing (54 contacts)

Three additional categories with a considerable number of contacts were:

- The quality of health plan customer service

- Services or procedures determined to be not medically necessary
- Participation and information about the annual It's Your Choice open enrollment

In 2013, 123 contacts (26%) received by Ombudsperson Services were associated with enrollment and eligibility issues. These types of contacts are down from a total of 238 in 2012. In 2013, we continued to work with internal staff to address enrollment and eligibility issues, and ETF staff have successfully implemented additional enhancements to myETF Benefits (the online health insurance enrollment system). ETF staff work to accurately and efficiently process health insurance coverage when members retire or enroll in Medicare. As a result of 2013 enhancements, we saw a decrease in the number of enrollment and eligibility complaints for both active employees and new retirees.

Trends

2013 was the second year of the Navitus MedicareRx (PDP) prescription drug program , which covered approximately 28,000 eligible members on Medicare. The trend of the first half of the year continued, as we received fewer contacts related to Medicare Part D enrollment than in 2012. The total number of contacts related to pharmacy benefits decreased from 164 in 2012 to 94 in 2013. Ombudsperson Services continued to provide outreach and education related to our benefit plan structure that requires both coinsurance and out-of-pocket maximums. Contacts about these issues became less frequent as our members became better educated and more accustomed to required out-of-pocket costs.

Based on benefit changes for 2013, Ombudsperson Services focused on helping members better understand the following topics:

- Prior authorization requirements for high-tech radiology and low-back surgery
- Changes related to coverage of specialty prescription drugs
- Understanding their health plan's health risk assessments and biometric screenings reimbursement process
- The Medicare Plus (WPS) change to a fully supplemental plan for Medicare enrollees

Because of the changing nature of benefits, especially in the health insurance program, Ombudsperson Services continues to have a strong focus on member outreach and education. In 2013, we updated our educational tools and resources to provide our members with a clear and concise explanation of how their benefits have changed and

what benefits are covered. Our member contacts provide valuable feedback about how to communicate better with members.

The 2014 *It's Your Choice* open enrollment period went smoothly although, in retrospect, staff realized the need for additional or clarifying information related to the Uniform Dental Benefits being implemented in 2014. The most frequently asked questions during open enrollment related to shared decision making (SDM) for lower back pain and associated procedures that require a prior authorization beginning in 2014. Staff explained the SDM process and encouraged our members to work with their individual plans. Just as in 2012, 2013 showed increase usage of our online myETF Benefits system for *It's Your Choice* plan changes. Through online use, our administrative and application processes work much more efficiently. Ombudsperson Services staff also participated in Department-wide planning sessions for the annual open enrollment and provided feedback based on our member contacts.

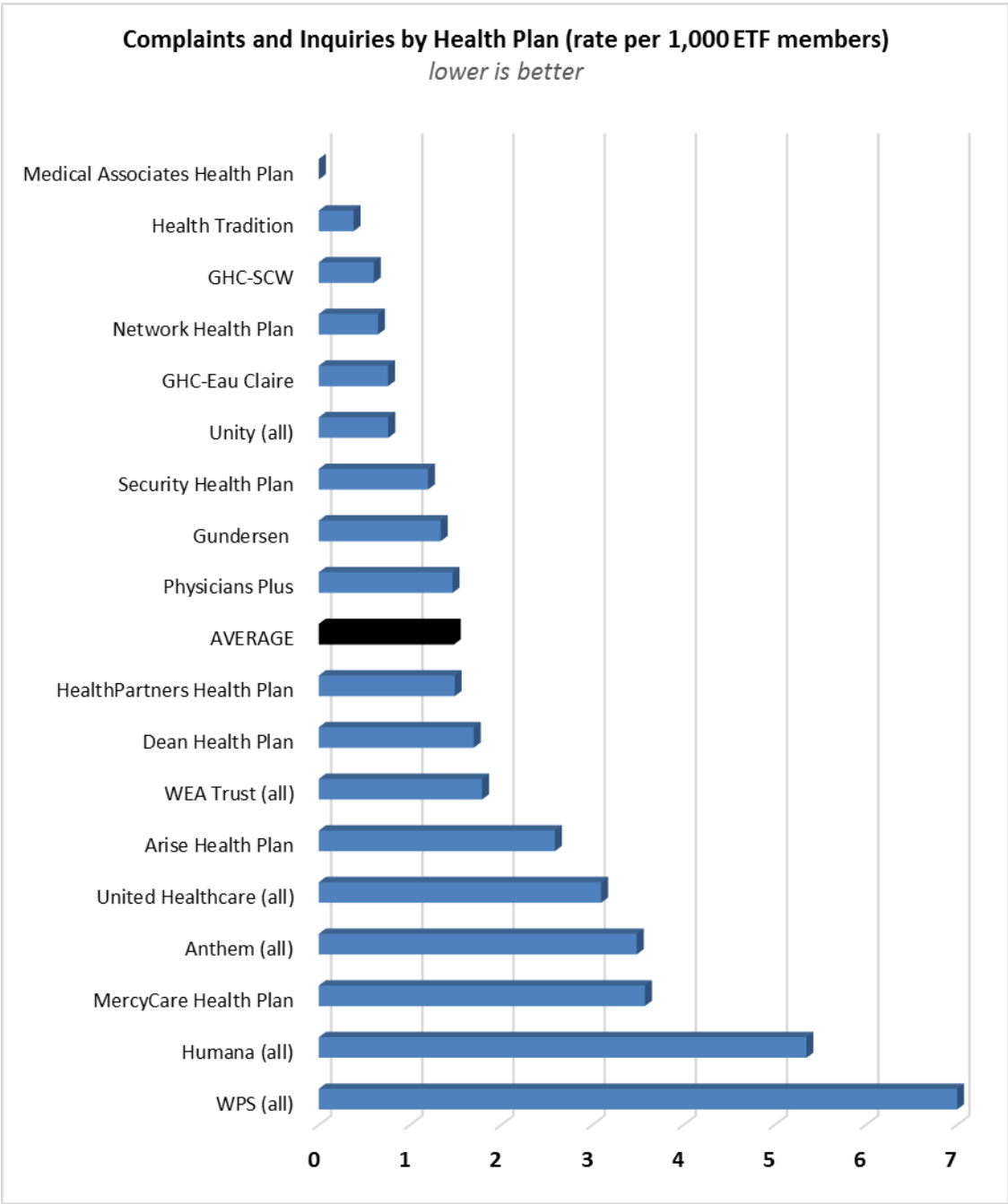
Looking Forward

As we look forward, three important benefit related changes will require monitoring and/or significant educational or clarification efforts. The changes are as follows:

- Rights related to Independent Reviews of medical necessity/experimental treatment denials (the ETF administrative review process is no longer an option for reviews of this type)
- The 2014 change to Uniform Dental Benefits and related educational materials
- The High Deductible Health Plan (HDHP) offering by each health plan in 2015

As in years past, Ombudsperson Services continues to strive toward minimizing the numbers of appeals to the ETF boards, and our success continues. Ombudsperson Services has played a major role in the resolution of member complaints via early intervention, forgoing the time and expenditure of the appeal process. Our work demonstrates that resolving matters with early intervention provides the opportunity to educate members in a more efficient and timely manner, maintain quality customer service and improve administration of our benefit programs. Along with the Division of Insurance Services (DIS), Ombudsperson Services continues to work with health plans and our pharmacy benefit manager as areas for improvement are identified.

Staff will be at the Board meeting to answer any questions.



WPS includes the self-funded plans (Standard Plan, Medicare Plus and SMP) along with Metro-Choice.

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