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CORRESPONDENCE MEMORANDUM

DATE: August 7, 2014

TO: Group Insurance Board

FROM: Tara Pray, Manager, Alternate Health Plans
Arlene Larson, Manager, Federal Health Programs and Policy
Mary Statz, Director, Health Benefits and Insurance Plans Bureau

SUBJECT: High Deductible Health Plan/Uniform Benefits/Guidelines/Uniform Dental Technical Update

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

Background At the May 21, 2014 Board meeting, The Department of Employee Trust Funds (ETF) advised the Board that technical changes may become necessary as staff moved forward with various tasks, including implementing the High Deductible Health Plan (HDHP) and developing telehealth guidelines. The purpose of this memo is to advise the Board on the development of these and other pertinent topics. Please note that staff has made several minor corrections to Uniform Benefits that are not presented here.

1. HDHP Eligibility

HDHP and Health Savings Account (HSA) eligibility are mutually required.

Wis. Stat. §40.515 provides the HDHP and HSA be offered as one option. An individual who is not eligible for an HSA according to IRS rules is not eligible for the HDHP. Conversely, HDHP enrollment requires participation in the state-sponsored HSA.

Under federal law, no subscriber on a state contract containing any person enrolled in any part of Medicare will be eligible to participate in the HDHP/HSA offering. Enrollment in a non-HDHP plan will be allowed at that time.

Wisconsin Public Employers (locals) may choose the HDHP Program Option (Option 7). Local employers are not eligible to participate in the state sponsored HSA, therefore, local employers will determine the eligibility of subscribers to participate.

Reviewed and approved by Lisa Ellinger, Administrator, Division of Insurance Services

Electronically Signed: 08/14/2014

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2. State Employer Costs to Administer the HSA

ETF plans to charge administration fees for active employees only, excluding those with graduate assistant coverage. Graduate assistants are ineligible for the HDHP and HSA, per the Board's decision on May 21, 2014. The Board approved the method of charging administrative fees that is currently used to charge administrative fees for the Employee Reimbursement Accounts Program (a fixed ETF calculated fee that is multiplied by the total number of health insurance contracts per employer).

For policy and administrative reasons, employers will not be charged an administration fee for annuitants because most annuitants are not eligible to participate in the HDHP/HSA. However, the intent is for the HSA administrator to directly charge administrative/custodial fees to the annuitant pursuant to the approved memo from the May Board meeting. Currently there are 4,678 annuitant contracts that are under age 65 on January 1, 2015. Of those contracts, 878 will turn 65 during the 2015 plan year, for a total of 3,800 state annuitant contracts eligible for HDHP/HSA through the 2015 plan year.

3. Standard PPO HDHP

Staff has developed a Standard PPO HDHP design that maintains similar cost sharing differentials to those in the regular plan. For example, the $1,700 deductible for this plan is the sum of the current Standard Plan deductible ($200) plus the $1,500 deductible under the Uniform Benefits HDHP. This provides the identical $1,500 difference for the Standard Plan that is in place for the Uniform Benefits plans. See Attachment A for the schedule of benefits.

4. Telehealth and E-visits:

At the May 21, 2014 meeting, the Board directed ETF to not prohibit an insurer from allowing telehealth services and to allow for payment of telehealth services using Current Procedural Terminology (CPT) codes for office visits (see Attachment B for sample CPT codes being used). The following guidance has been provided to the health plans:

> *"ETF is allowing health plans flexibility in establishing their medically necessary benefit parameters and provider networks, while working within the confines of Uniform Benefits and their premium bids in order to attain more efficiency of care and improved customer access.*
>
> *Telehealth and e-visits are an evolving area of care that include voice, secure video and/or data exchange. In addition to provider services, some facility fees*

may be billed. Services may be provided in real time, or via a data exchange that occurs over a longer period which are called "asynchronous." Not all participating health plans and providers offer access to any or all of these services. It should be noted that some plans report these services cost in a range of $40 to $90 per visit. Applying 90%/10% coinsurance to this amount results in a consistent liability to the member."

5. Advance Care Planning (ACP) Requirements for Health Plan Programs
The following guidance was provided to health plans on July 9, 2014.

ETF will accept any of the following approaches for January 1, 2015, as the first stage of an ACP program that will expand with time:

- Health plan is actively participating in one of the following ACP programs: Honoring Choices of Wisconsin, Gundersen Health System's Respecting Choices or Institute for Healthcare Improvement's The Conversation Project. Financial support for one of the listed programs without being a part of training and pilot programs does not constitute active participation.

- Providers will add palliative care specialists to a care team that commonly cares for health plan members with advanced or life-threatening disease, e.g. end stage kidney disease, advanced heart or lung disease, stage IV cancer, etc.

- All health plan members over the age of 60 will be offered the opportunity for Advance Care Planning (ACP) with a trained facilitator. ETF members may be notified of this ACP opportunity in person, by phone, mail or electronically.

- All health plan members with serious disease and a likely survival of less than 1 year will be offered an ACP and/or palliative care consultation. When appropriate, such individuals will receive multidisciplinary palliative care in their homes. Health plan members must be notified of the opportunity for ACP and/or palliative care consultation in person or by phone.

- All health plan members with a likely survival of less than 90 days will be offered hospice services. Health plan members must be offered hospice services in person or by phone.

6. Uniform Benefits Schedule of Benefits has been clarified to be consistent with federal requirements that only Essential Health Benefits (EHBs) will accumulate to the Maximum-Out-of-Pocket (MOOP) of $6,600 individual and $13,200 family for 2015.

Hearing aids are an example of an item that is not an EHB and thus will not accumulate to the MOOP. Staff has issued guidance to the health plans to attain consistency in administration of the MOOP.

7. Uniform Dental

The ACA requires certain dental preventive care to be covered on a first dollar basis for HDHPs and not subject to any cost-sharing. Dental preventive care under the Uniform Dental Benefit is limited to oral health assessments up to age ten.

EHBs include all pediatric dental benefits, with the exception of Resin Crown-Anterior. These benefits are required to accumulate to the federal Maximum Out-of-Pocket. Unlike preventive services, EHBs can be subject to cost-sharing.

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

Attachment A – Standard PPO HDHP Design
Attachment B – Telehealth sample CPT Codes

Attachment A

2015 State—Comparison of Benefits Standard Plan PPO				
BENEFIT	STANDARD PLAN		STANDARD PLAN – HDHP	
	Preferred Provider	Non Preferred Provider	Preferred Provider	Non Preferred Provider
Annual Deductible	$200 individual/ $400 family	$500 individual/ $1,000 family	$1,700 individual/ $3,400 family	$2,000 individual/ $4,000 family
Coinsurance	90% / 10% after deductible	70% / 30% after deductible	90% / 10% after deductible	70% / 30% after deductible
Preventive Services as required by federal law	100%	70% / 30% after deductible	100% (deductible does not apply)	70% / 30% after deductible
Annual Medical OOPL	$800 individual/$1,600 family (includes deductible)	$2,000 individual/$4,000 family (includes deductible)	Combined medical and drug*: $3,500 individual/ $7,000 family (includes deductible)	Combined medical and drug*: $3,800 individual/ $7,600 family (includes deductible)
Drug OOPL	$1,000 individual/$2,000 family*			
Drug Copays	$5/$15/$35*		$5/$15/$35* after deductible is met	
Specialty Drug Copays	Preferred pharmacy: $15 Non-preferred pharmacy: $50*	Preferred pharmacy: $50 Non-preferred pharmacy: $50*	Preferred pharmacy: $15 Non-preferred pharmacy: $50	Preferred pharmacy: $50 Non-preferred pharmacy: $50

BENEFIT	STANDARD PLAN		STANDARD PLAN – HDHP	
	Preferred Provider	Non Preferred Provider	Preferred Provider	Non Preferred Provider
Federal MOOP *(includes medical, dental and drug)*	$6,600 individual/$13,200 family	n/a	The MOOP does not apply because members will not pay for covered services beyond the OOPL	n/a
ER Copays	$75 – Applies to OOPL, but continues after OOPL is met	$75 – Applies to OOPL, but continues after OOPL is met	$75 – Applies to OOPL and is limited by OOPL	$75 – Applies to OOPL and is limited by OOPL
Dental Coverage	None	None	None	None

Attachment B

General Service Area	Description of Services	Procedure Codes (CPT)
Internet Services	Online medical evaluation	99444
Office or other outpatient services	Office or other outpatient visit for the evaluation of management of a new/established patient	99201-99205, 99211-99215
Office or other outpatient consultations	Office consultations with a new/established patient by a physician whose medical advice is requested by another physician	99241-99245
Initial inpatient hospital or nursing facility consultation	Physician consultations provided to a new/established hospital inpatients or residents of nursing facilities	99251-99255
Outpatient mental health services	Psychiatric examinations and procedures, psychotherapy services, pharmacological management, day treatment services, community support services	90801-90849, 90862, 90875, 90876, 90887, H0004, H2012, H0039, H2018, S9484
Health and behavior assessment / intervention	Individual or group health and behavior assessments and interventions	96150-96152, 96154-96155
End-stage renal disease-related service	Age-specific services related to ESRD performed in an outpatient setting	90951-90952, 90954-90958, 90960-90961
Outpatient substance abuse services	In-home mental health/ substance abuse treatment services, day treatment services	H0004, H0022, H0047, T1006, H2012