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
etf.wi.gov

CORRESPONDENCE MEMORANDUM

DATE: October 16, 2015

TO: Group Insurance Board

FROM: Tara Pray, Manager, Alternate Health Plans

SUBJECT: 2016 Guidelines and Uniform Benefits Updates

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

At the May 19, 2015 Group Insurance Board (Board) meeting, staff received Board approval to proceed with necessary technical changes relating to the *Terms and Conditions for Comprehensive Medical Plan Participation in the State of Wisconsin Group Health Benefit Program and Uniform Benefits* (Guidelines) 2016 contract.

Staff have made several minor changes to the contract since the notice provided to the Board in August. The updates in this memo detail revisions made to the contract before it was sent to the health plans for signature.

The link to the final Certificate of Coverage (Uniform Benefits) for the state It's Your Choice Health Plans is available at:
http://etf.wi.gov/members/IYC2016/IYC_Cert_of_Cov2107.pdf

The link to the final *Terms and Conditions for Comprehensive Medical Plan Participation in the State of Wisconsin Group Health Benefit Program and Uniform Benefits* (Guidelines) 2016 contract is available at:
http://etf.wi.gov/employers/benefit_programs_contracts.htm

Summary of additional changes

1. The benefit for transitional residential services, mandated by state law to cover alcohol and drug abuse, has been expanded to include other conditions as medically necessary. This change was made to comply with the federal Mental Health Parity and Addiction Equity Act. The Board's consulting actuary, Segal Consulting, reviewed the addition of this mandated benefit and determined the cost to be immaterial. This was noted as a pending issue at the August Board meeting.

Reviewed and approved by Lisa Ellinger, Administrator,
Division of Insurance Services
Lisa Ellinger
Electronically signed 10/28/15

Board	Mtg Date	Item #
GIB	11.17.15	3C

2. Navitus Health Solutions is discontinuing a program that offered non-Medicare participants a waived copayment for certain Level 1 preferred prescription drugs on initial fills, due to very low utilization. The intent of the program was to encourage trials of generic prescription drugs instead of higher cost alternatives, and accounted for less than 1% of prescriptions dispensed.

3. Staff removed language pertaining to cost factors for local government Standard Plan premium rates. The cost factors listed were outdated and have been replaced by the following general statement: “the ratio is to be determined annually by the BOARD’s actuary.”

Other non-contract updates

For 2016 there will be a change in the distribution of employer contributions to health savings accounts. The contributions will be distributed in 24 payments for employees who are paid biweekly and once per month for those who are paid monthly. In 2015 the employer contributions were distributed for most employees on January 1. This administrative change was communicated to employers by the Division of Personnel Management at the Department of Administration.

The final change is a minor clarification to a new administrative provision that was communicated to the Board in August. Beginning in 2016, dependents, whether children or adults, cannot be “double covered” under the group insurance program. The new contract language was stated accurately, but in the summary, under the benefit change column, the description was limited to minor dependents in error. This change confirms that the provision applies to all dependents.

See the following excerpt from the summary chart provided in August:

Benefit change	Guidelines/ Contract Article	Description of language change	Current language	Proposed language
Limit coverage of ~~minor~~ dependents to only be covered once within the program.	State Contract: 3.11 (3) *new Article* Local Contract: 3.11 (3) *new Article*	Revise title of Article to include "DEPENDENT", and add a Article 3 explaining limitation	Current title: 3.11 COVERAGE OF SPOUSE OR DOMESTIC PARTNER	New title: 3.11 COVERAGE OF SPOUSE, ~~OR~~ DOMESTIC PARTNER, OR DEPENDENT (3) A DEPENDENT cannot be covered at the same time by two separate SUBSCRIBERS of the State Group Health Insurance Program (including the Wisconsin Public Employers State Group Health Insurance Program). In the event it is determined that a DEPENDENT is covered by two separate SUBSCRIBERS, the SUBSCRIBERS will be notified and will have 30 days to determine which SUBSCRIBER will remove coverage of the DEPENDENT and submit an application to remove the DEPENDENT. The effective date will be the first of the month following receipt of the application. The health plan(s) will be notified.

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