



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: November 16, 2015
TO: Group Insurance Board
FROM: Roni Harper, Manager of Optional Insurance Plans
SUBJECT: Status update on contracts with Optional Insurance Plans and Long-Term Care Insurance companies

This memo is for information only. No Board action is needed.

Background:

The Group Insurance Board (Board) voted at its November 18, 2014, meeting to make Board-approved optional insurance plans uniformly available to state agencies. The Board further moved to establish group master contracts with those plans. On March 25, 2015, the Board approved a Department of Employee Trust Funds (ETF) recommendation to phase in this uniformity starting in 2016 with agencies included in the technology initiative known as State Transforming Agency Resources (STAR).

Status Update:

1. As of August 2015 four plans -- Anthem DentalBlue, EPIC Benefits+, EPIC Dental Wisconsin and VSP (vision service plan) -- entered into contracts with the Board.
2. Aflac, an accidental injury plan, declined to enter into a contract with the Board and will terminate participation effective December 31, 2015. ETF and affected employers have notified active subscribers.
3. ETF and The Hartford, which offers accidental death and dismemberment insurance (AD&D), have agreed to a contract. The contract includes alternate language to the standard contract related to security and privacy because AD&D insurance is not subject to Health Insurance Portability and Accountability Act (HIPAA) law.

Reviewed and approved by Lisa Ellinger, Director
Office of Strategic Health Policy

Electronically signed: 11/16/15

Board	Mtg Date	Item #
GIB	11.17.15	5

4. ETF has reached an impasse in negotiating contracts for long-term care (LTC) insurance, despite repeated attempts. Wis. Stat. §40.55 specifies that the contracts must be signed between the insurer and the Board. To date, only the LTC brokers have been willing to discuss contract terms. ETF's most recent offer was to develop contracts to which both the insurers and local brokers would sign. Given the inability to reach contract terms, ETF staff is working on an orderly transition plan to notify all affected parties. ETF staff is also working to clarify relevant language for the 2017 standards.

5. ETF has held discussions with benefits staff from the University of Wisconsin System and the University of Wisconsin Hospital and Clinics regarding the differences and duplication in optional plans offered specifically by one or both of those entities. ETF continues to gather information to prepare recommendations for implementing uniformity of insurance offerings. These recommendations are expected to be presented to the Board in February 2016.

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