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CORRESPONDENCE MEMORANDUM

DATE: January 22, 2016
TO: Group Insurance Board
FROM: Joan Steele, Manager of Performance Measurement
James Cooper, Manager of Performance Measurement
SUBJECT: 2016 It's Your Choice Enrollment Results

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

This memo highlights the enrollment shifts during the 2016 It's Your Choice (IYC) enrollment period. Attached are four tables that summarize health plan enrollment as of January 1, 2016, with comparisons to January 1, 2015:

- Attachment A: 2016 It's Your Choice Group Health Insurance Enrollment Changes
- Attachment B: State Contracts by Health Plan in 2015 and 2016 – Top 12
- Attachment C: Local Contracts by Health Plan in 2015 and 2016 – Top 12
- Attachment D: 2016 Contracts by Health Plan

Notable Health Insurance Program Enrollment Changes for 2016

High Deductible Health Plan (HDHP):

In 2015, a HDHP option was made available to state employees with an annual medical deductible of \$1,500 individual / \$3,000 family. The HDHP is not available to graduate assistants or Medicare-eligible annuitants. Enrollment for the first year was low and yielded 427 state contracts. In 2016, the enrollment increased to 2,501 state contracts. Of these contracts, 97% are active employees and 3% are annuitants/continuant.

This enrollment increase is primarily attributed to an increase in the annual employer Health Savings Account (HSA) contribution amount for active employees. It increased from \$170 individual / \$340 family coverage in 2015 to \$750 individual / \$1,500 family in 2016. Member awareness of the HDHP option in its second year of availability was higher as well.

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

Electronically Signed 2/8/16

| Board | Mtg Date | Item # |
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In addition, three Wisconsin Public Employers (WPE) selected the HDHP option for 2016, which yielded 104 WPE contracts. No WPE employers offered the HDHP option in 2015.

Optional Uniform Dental Benefit:

In 2016 an optional uniform dental benefit administered by Delta Dental replaced the dental benefits previously offered by the health plans. Members enrolling in the state health insurance program for plan year 2016 were automatically enrolled in the uniform dental benefit and had to act during the open enrollment period if they wanted to opt out of the dental benefit. One percent of active employees and ten percent of annuitants/continuants opted out of the dental benefit.

WPE employers could offer the optional uniform dental benefit to employees and annuitants. For 2016, 108 WPE employers offered the dental benefit, which yielded approximately 1,950 WPE contracts enrolled in the uniform dental benefit.

Opt-Out Benefit:

Employees eligible for a state contribution for health insurance could be eligible to receive a \$2,000 annual stipend if they were insured in 2015 and actively opted out of state group health insurance coverage for 2016. Analysis of ETF data indicates that 423 applications were submitted by state employees who had coverage through 2015 to cancel coverage in 2016 for reasons other than death, retirement, or termination of employment. This includes 21 graduate assistants. Final determination of eligibility for the opt-out benefit for these employees would be determined by the employer.

It's Your Choice Applications Submitted for 2016

A total of 8,268 IYC requests were submitted to change coverage for 2016, reflecting an increase of nearly 9% over 2015. The table below summarizes the IYC requests for 2016 compared to 2015:

| IYC Request | 2015 | 2016 | Change |
|---------------------------------------|--------------|--------------|---------------|
| Change Health Plan | 4,378 | 5,459 | 1,081 |
| New Enrollment | 1,210 | 1,222 | 12 |
| Remove Dependent(s) | 584 | 868 | 284 |
| Add Dependent(s) | 659 | 274 | -385 |
| Change from Family to Single Coverage | 365 | 248 | -117 |
| Change from Single to Family Coverage | 400 | 197 | -203 |
| Total Requests Submitted | 7,596 | 8,268 | 672 |

The number of health plan change requests are notably higher than last year. Contributing factors include:

- Increased enrollment in the HDHP option.

- Health plan service area changes (WEA Trust–East dropped 13 counties; Arise Health Plan restructured regions and created the Aspirus Arise network; and Network Health Plan added a Southeast offering).
- Changes to the lowest-cost qualified health plans in the WPE program, which determines ranges for employer premium contribution share for employers that do not use the tiered approach.
- Eliminating the optional dental benefits that some health plans offered in the WPE program, which influenced health plan selection in certain areas – such as Dane County – where GHC of South Central Wisconsin lost contracts, as explained in the next section.

The requests to remove dependents also notably increased from last year, which we attribute to a program change allowing dependents to only be covered once within the program (including state and WPE).

Health Plan Contract Gains and Losses

Health plans with the most contract gains in 2016 are highlighted below:

- Unity Health Insurance-UW Health continues to experience enrollment increases and gained 1,209 contracts in 2016 for a total enrollment of 23,106 contracts. That is 20.7% of total contracts in the health insurance program. Of the contracts gained, 745 were in the state program and 464 were in the WPE program, where it again is the lowest-cost qualified plan in Dane County.
- Unity Health Insurance-Community was second and gained 570 contracts. The majority of new contracts were in the WPE program, where it gained 450. That may be attributed to Unity Health Insurance-Community becoming the lowest-cost qualified plan in three new counties in 2016: Jefferson, Rock, and Walworth.
- Anthem Blue Preferred Southeast gained 471 state contracts for 2016 but lost 52 WPE contracts for a net gain of 419. It may have gained contracts from WEA Trust-East, which dropped a number of counties in the Anthem Blue Preferred Southeast service area.

Health plans with the biggest contract losses in 2016 are highlighted below:

- The number of WEA Trust-East contracts were reduced by 1,593, of which 1,490 were state contracts. The reduction is largely due to WEA Trust's decision to drop 13 counties from its service area for 2016.
- GHC of South Central Wisconsin had a loss of 780 contracts. GHC is no longer offering a dental benefit in the WPE program, in light of the change to uniform dental benefits for 2016. GHC's dental benefit had tended to draw enrollment

because most competing health plans did not offer these benefits.

- MercyCare Health Plans had a loss of 369 contracts, the majority of which were in the WPE program. The contributing factor to this change is that MercyCare Health Plans is no longer the lowest-cost qualified plan in the counties in its service area.

Other highlights regarding health plan enrollment for 2016 are noted below:

- Two health plans are under the 100 contract threshold for the group health insurance program. Both Arise Health Plan - Aspirus Arise (69 contracts) and Network Health - Southeast (32 contracts) are new offerings for 2016. ETF staff will continue to monitor enrollment.
- Two other health plans were under the 100 contract threshold for 2015 and gained enrollment. WEA Trust-South Central gained 31 for a total of 100 contracts and Dean Health Insurance-Prevea360 gained 68 for a total of 115 contracts.

ETF staff will be at the Board meeting to answer any questions.

Attachment A: 2016 It's Your Choice Group Health Insurance Enrollment Changes

Attachment B: State Contracts by Health Plan in 2015 and 2016 – Top 12

Attachment C: Local Contracts by Health Plan in 2015 and 2016 – Top 12

Attachment D: 2016 Contracts by Health Plan

Attachment A - 2016 It's Your Choice Group Health Insurance Enrollment Changes

Table 1: Enrollment Change by Program

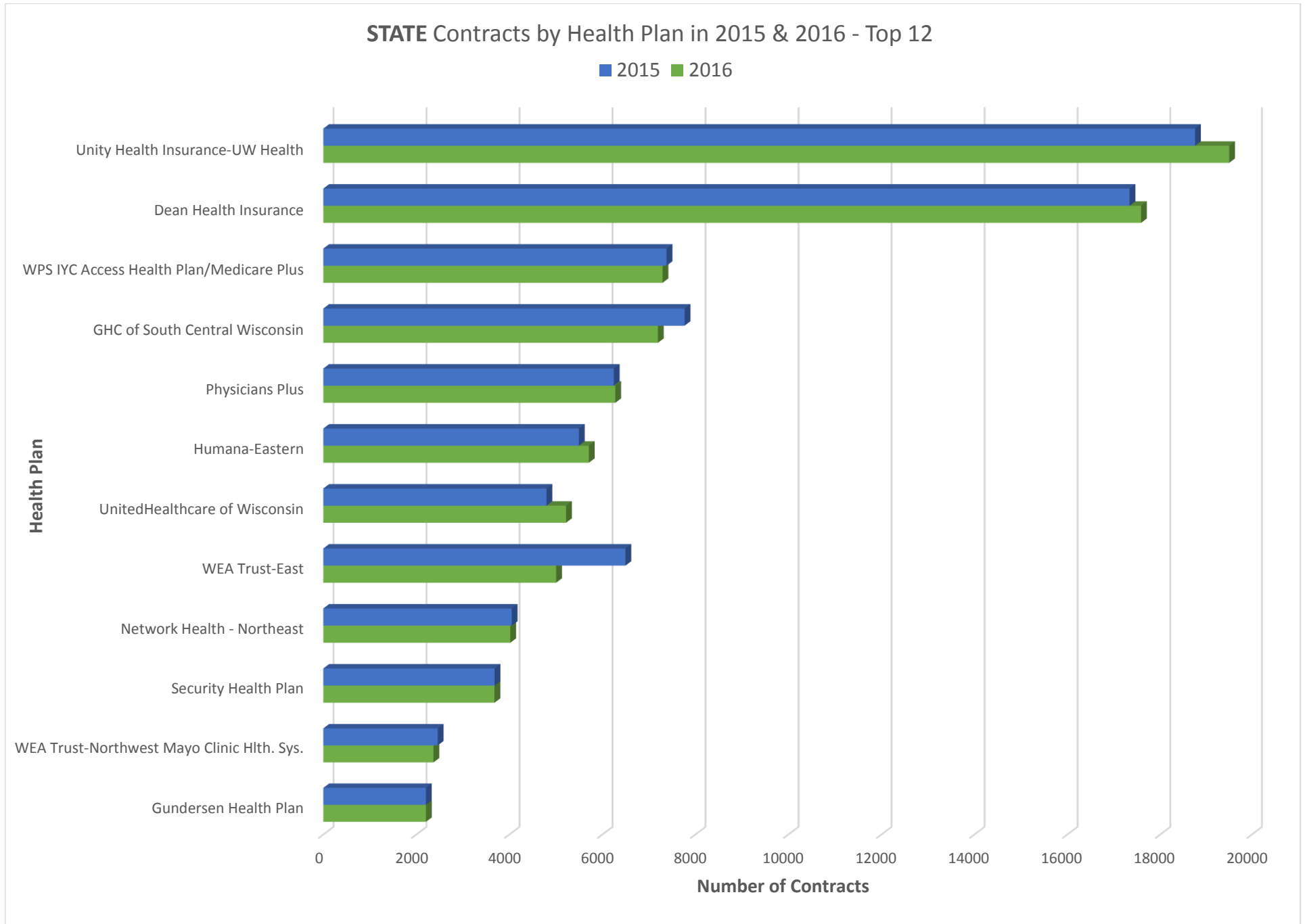
| Program | 2016 Contracts | 2015 Contracts | Change | % Change |
|--------------|----------------|----------------|-------------|--------------|
| State | 96,725 | 96,633 | 92 | 0.1% |
| Local | 14,907 | 15,238 | -331 | -2.2% |
| Total | 111,632 | 111,871 | -239 | -0.2% |

Table 2: Enrollment Change by Health Plan for State Program

| Health Plan | 2016 State Contracts | 2015 State Contracts | Change | % Change |
|--|----------------------|----------------------|-----------|-------------|
| Anthem Blue Preferred Northeast | 272 | 192 | 80 | 41.7% |
| Anthem Blue Preferred Southeast | 2,191 | 1,720 | 471 | 27.4% |
| Arise Health Plan | 797 | 929 | -132 | -14.2% |
| Arise Health Plan - Aspirus Arise | 68 | 9 | 59 | 655.6% |
| Dean Health Insurance | 17,585 | 17,339 | 246 | 1.4% |
| Dean Health Insurance-Prevea360 | 113 | 47 | 66 | 140.4% |
| GHC of Eau Claire | 580 | 557 | 23 | 4.1% |
| GHC of South Central Wisconsin | 7,196 | 7,770 | -574 | -7.4% |
| Gundersen Health Plan | 2,208 | 2,206 | 2 | 0.1% |
| Health Tradition Health Plan | 1,218 | 1,254 | -36 | -2.9% |
| HealthPartners Health Plan | 1,163 | 907 | 256 | 28.2% |
| Humana-Eastern | 5,709 | 5,496 | 213 | 3.9% |
| Humana-Western | 566 | 589 | -23 | -3.9% |
| Medical Associates Health Plans | 430 | 453 | -23 | -5.1% |
| MercyCare Health Plans | 409 | 416 | -7 | -1.7% |
| Network Health - Northeast | 4,021 | 4,052 | -31 | -0.8% |
| Network Health - Southeast | 30 | 0 | 30 | N/A |
| Physicians Plus | 6,279 | 6,248 | 31 | 0.5% |
| Security Health Plan | 3,681 | 3,683 | -2 | -0.1% |
| UnitedHealthcare of Wisconsin | 5,220 | 4,800 | 420 | 8.7% |
| Unity Health Insurance-Community | 1,285 | 1,165 | 120 | 10.3% |
| Unity Health Insurance-UW Health | 19,506 | 18,761 | 745 | 4.0% |
| WEA Trust-East | 5,007 | 6,497 | -1,490 | -22.9% |
| WEA Trust-Northwest Chippewa Valley | 1,378 | 1,586 | -208 | -13.1% |
| WEA Trust-Northwest Mayo Clinic Hlth. Sys. | 2,369 | 2,461 | -92 | -3.7% |
| WEA Trust-South Central | 94 | 69 | 25 | 36.2% |
| WPS IYC Access Health Plan/Medicare Plus | 7,295 | 7,382 | -87 | -1.2% |
| WPS State Maintenance Plan (SMP) | 55 | 45 | 10 | 22.2% |
| TOTAL | 96,725 | 96,633 | 92 | 0.1% |

Table 3: Enrollment Change by Health Plan for Local Program

| Health Plan | 2016 WPE Contracts | 2015 WPE Contracts | Change | % Change |
|--|-----------------------|-----------------------|-------------|--------------|
| Anthem Blue Preferred Northeast | 763 | 714 | 49 | 6.9% |
| Anthem Blue Preferred Southeast | 718 | 770 | -52 | -6.8% |
| Arise Health Plan | 4 | 8 | -4 | -50.0% |
| Arise Health Plan - Aspirus Arise | 1 | 0 | 1 | N/A |
| Dean Health Insurance | 1,476 | 1,827 | -351 | -19.2% |
| Dean Health Insurance-Prevea360 | 2 | 0 | 2 | N/A |
| GHC of Eau Claire | 0 | 2 | -2 | -100.0% |
| GHC of South Central Wisconsin | 857 | 1,063 | -206 | -19.4% |
| Gundersen Health Plan | 393 | 438 | -45 | -10.3% |
| Health Tradition Health Plan | 872 | 840 | 32 | 3.8% |
| HealthPartners Health Plan | 135 | 82 | 53 | 64.6% |
| Humana-Eastern | 65 | 65 | 0 | 0.0% |
| Humana-Western | 1 | 1 | 0 | 0.0% |
| Medical Associates Health Plans | 224 | 228 | -4 | -1.8% |
| MercyCare Health Plans | 209 | 571 | -362 | -63.4% |
| Network Health - Northeast | 372 | 397 | -25 | -6.3% |
| Network Health - Southeast | 2 | 0 | 2 | N/A |
| Physicians Plus | 366 | 398 | -32 | -8.0% |
| Security Health Plan | 0 | 0 | 0 | N/A |
| UnitedHealthcare of Wisconsin | 254 | 358 | -104 | -29.1% |
| Unity Health Insurance - Community | 4,098 | 3,648 | 450 | 12.3% |
| Unity Health Insurance - UW Health | 3,600 | 3,136 | 464 | 14.8% |
| WEA Trust-East | 254 | 357 | -103 | -28.9% |
| WEA Trust-Northwest Chippewa Valley | 27 | 73 | -46 | -63.0% |
| WEA Trust-Northwest Mayo Clinic Hlth. Sys. | 33 | 58 | -25 | -43.1% |
| WEA Trust-South Central | 6 | 0 | 6 | N/A |
| WPS IYC Access Health Plan/Medicare Plus | 149 | 181 | -32 | -17.7% |
| WPS State Maintenance Plan (SMP) | 26 | 23 | 3 | 13.0% |
| TOTAL | 14,907 | 15,238 | -331 | -2.2% |



LOCAL Contracts by Health Plan in 2015 & 2016 - Top 12

■ 2015 ■ 2016

