



State of Wisconsin
Department of Employee Trust Funds
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Correspondence Memorandum

Date: April 21, 2016
To: Group Insurance Board
From: Vickie Baker, Ombudsperson
Liz Doss-Anderson, Ombudsperson
James Kates, Ombudsperson
Dan Hayes, Attorney/Supervisor
Subject: 2015 Health Plan/Pharmacy Benefit Manager Grievance and Independent Review Report

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

The information provided in this report is used to identify trends and areas of concern within the health insurance and pharmacy benefit programs administered by the Department of Employee Trust Funds (ETF). A summary of this information will also be included in the 2016 It's Your Choice online materials.

2015 Health Plan Grievances

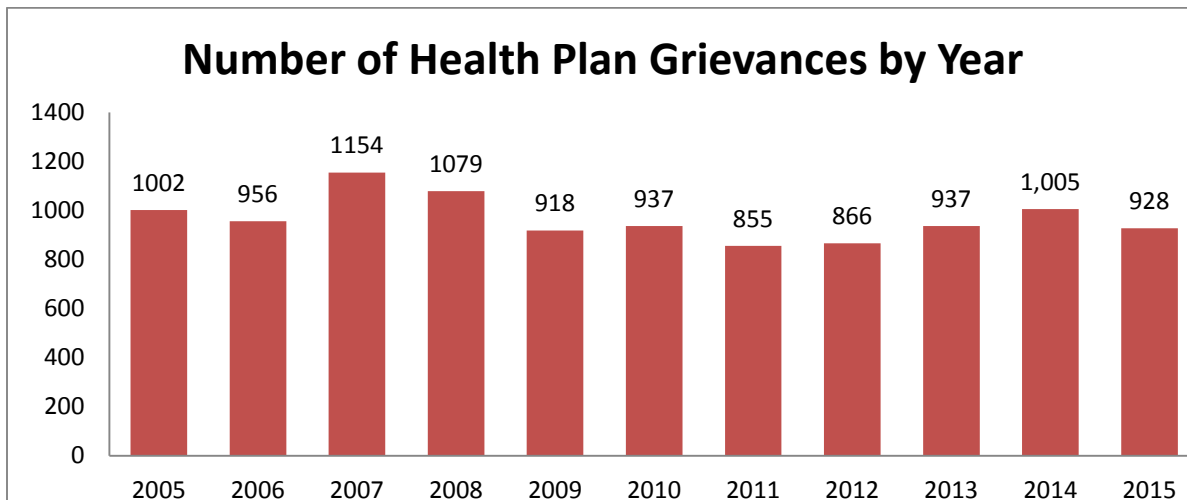
Below is a summary of the annual grievance data reported to ETF by all plans participating in the State of Wisconsin Group Health Insurance Program. This report also includes grievance data for Navitus Health Solutions (Navitus), the pharmacy benefits manager for all members with pharmacy benefits through our program, including the Navitus Medicare D Rx plan. When reviewing the numbers of plan grievances as well as independent reviews that appear later in the report, it may be beneficial to keep in mind that in 2015 there were approximately 242,300 members and dependents insured by the State of Wisconsin Group Health Benefits Program.

- The number of grievances reported by health plans decreased from 1,005 in 2014 to 928 in 2015. This number is consistent with prior years experiences (see chart on following page for a historical look over the last 10 years).

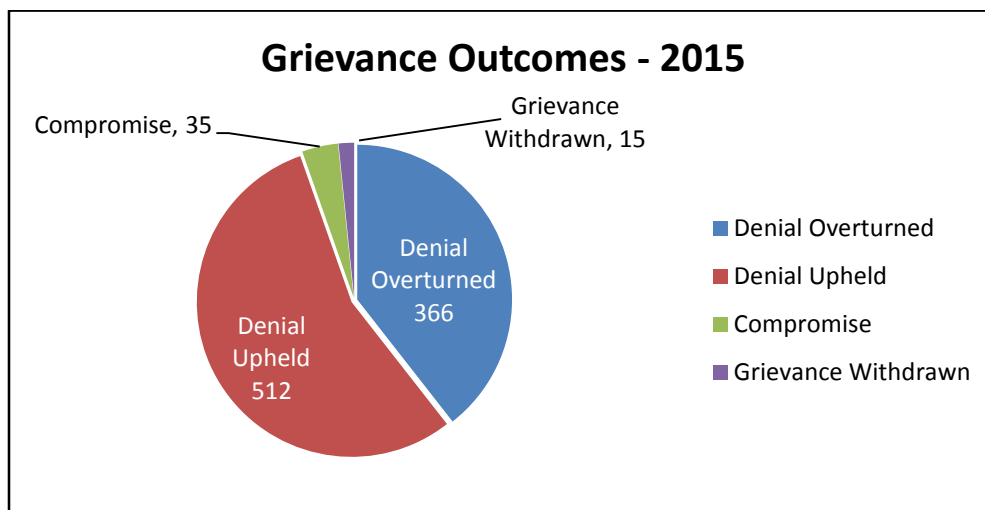
Reviewed and approved by David Nispel, General Counsel, Legal Services

Electronically Signed 5/10/16

Board	Mtg Date	Item #
GIB	5.18.16	6D

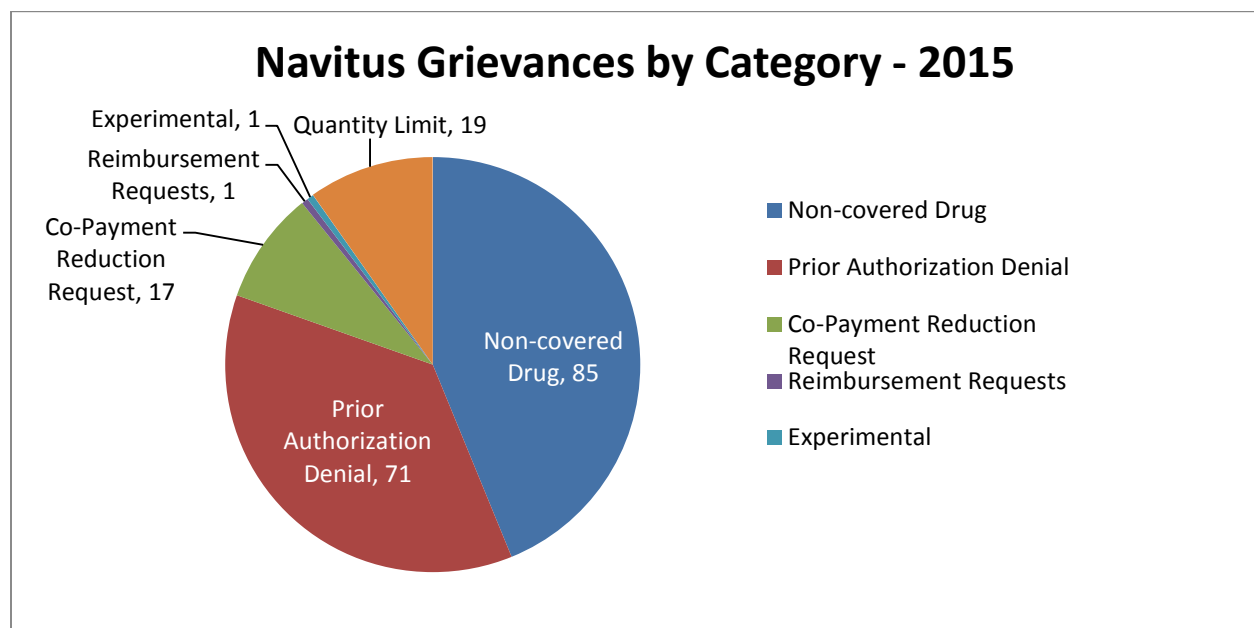


- The most common types of grievances filed by State of Wisconsin members included not medically necessary (308), non-covered benefit (176), prior authorization (88) and plan administration (82).
- Humana had the highest number of grievances per 1,000 members with 11.61 grievances per 1,000. The next two highest were Anthem with 10.82 per 1,000 members and MercyCare with 5.89 per 1,000 members (see chart attached to this report for each health plan's grievances per 1,000).
- Of the 928 grievances filed, 366 were resolved in favor of the member and an additional 35 grievances resulted in a compromise for the member.



2015 Pharmacy Benefit Grievances

- In 2015, Navitus received 194 grievances, up from 98 grievances in 2014.
- The category of non-covered drug increased from 39 grievances in 2014 to 85 in 2015. This was the most common grievance type in 2015.
- The overturn rate for pharmacy benefit grievances was 28%.
- Factors related to the increase in contacts include the introduction of several new drugs that are considered experimental or not medically necessary, members interested in non-formulary/non-covered drugs, and some members upset about Level 3 copayments not counting toward the out-of-pocket maximum.



2015 Independent Reviews

This section of the report provides a summary of Independent Review (IR) requests by State Group Health Insurance program members. Members who request IRs must have completed the health plan grievance process and may have completed some steps of the ETF administrative review process. IRs are conducted by an Independent Review Organization (IRO) that is independent of both ETF and the individual health plans.

To be eligible for an IRO review, a member must receive an “adverse determination” involving a medical judgment. Typically, these are denials of a claim or service that the health plan or PBM has deemed not medically necessary or experimental. This includes denials for referral to out-of-network services when a member believes an out-of-network provider may be medically necessary for treatment of the member’s medical condition and the expertise is not available in the insurer’s provider network.

2015 Grievance and Independent Review Report

April 21, 2016

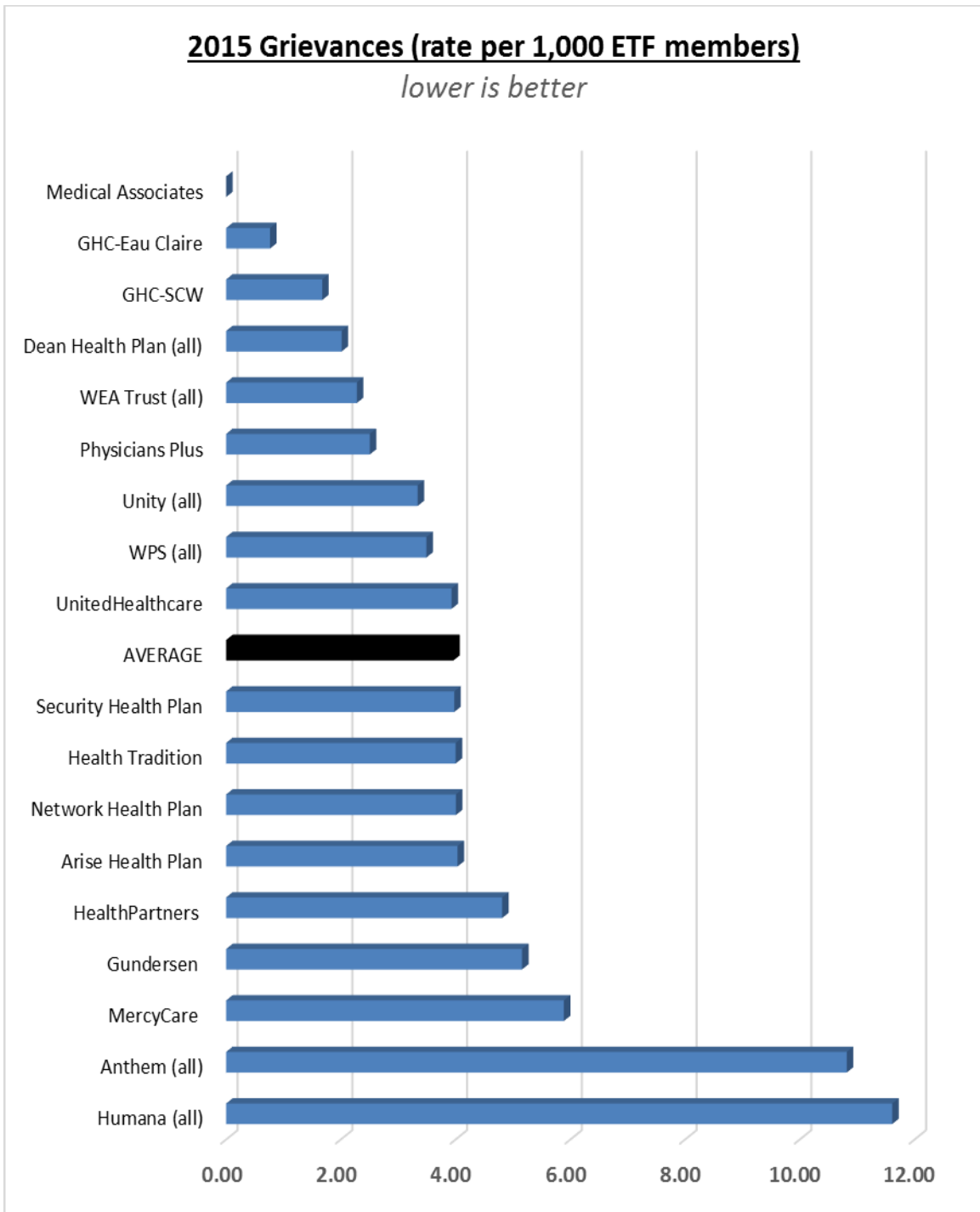
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The IR process allows members to have an outside expert review their grievance and determine if benefits are payable. The IRO's decision is binding on both the plan and the member. As a result, once an IRO decision has been made, the member no longer has a right to an administrative review through ETF or further appeal to the courts. When ETF processes a new health insurance complaint, an ombudsperson reviews it and, if appropriate, contacts the member to educate them about the IR option and process.

In 2015, the Department was informed of 41 independent review requests from State of Wisconsin Health Insurance program members. This is an increase from the 29 received in 2014. The independent review organization overturned the plan decision in 11 of the cases and upheld the plan decision in 21 cases. And there were 9 cases in which the independent review organization declined to review the member's request as not eligible for review.

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

Attachments: 2015 Grievances
Grievances by Health Plan 2013–2015



Grievances by Health Plan 2013-2015

HEALTH PLAN	2013 Grievances	2014 Grievances	2015 Grievances	Net Change (2014-2015)	Number of Members (2015)
Anthem Blue-NE	2	11	26	+15	2,781
Anthem Blue-NW	9	1	N/A	-	0
Anthem Blue-SE	38	47	76	+29	6,648
Arise Health Plan	19	14	8	-6	1,983
Dean Health Plan	87	71	82	+11	40,507
Dean Prevea360	N/A	0	0	-	236
GHC of Eau Claire	1	1	1	-	1,306
GHC of South Central Wisconsin	25	21	26	+5	15,534
Gundersen Health Plan	27	17	32	+15	6,204
HealthPartners Health Plan	21	7	15	+8	3,118
Health Tradition	23	34	22	-12	5,499
Humana Eastern	181	196	140	-56	12,490
Humana Western	27	16	18	+2	1,118
Medical Associates Health Plan	2	0	0	-	1,654
MercyCare Health Plan	3	7	9	+2	1,529
Network Health Plan	45	42	43	+1	10,736
Physicians Plus	39	32	33	+1	13,184
Security Health Plan	22	17	35	+18	8,802
UnitedHealthcare	123	105	50	-55	12,728
Unity-Community	38	41	41	-	14,935
Unity-UW Health	148	221	182	-39	51,871
WEA Trust-East	20	23	28	+5	12,893
WEA Trust-NW Mayo Clinic System	N/A	N/A	6	-	5,721
WEA Trust-NW Chippewa Valley	12	10	15	+5	3,623
WEA Trust-South Central WI	N/A	0	2	+2	154
WPS Self-Funded Plans	25	60	38	-22	10,885
TOTAL	937	1,005	928		246,139

**Self-Funded Plans include: Standard Plan, Medicare Plus, Local Annuitant Health Plan, and State Maintenance Plan
 (all administered by WPS Health Insurance)*