

# 2018 Program & Operational Recommendations

## State of Wisconsin Group Health Insurance Program

Group Insurance Board, December 13, 2016

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# Approval Requests

Staff requests Board approval to pursue the following program changes:

Wisconsin Public Employers (WPE) Program –  
reduce number of options available

Local Annuitant Health Program (LAHP) –  
combine with WPE

IYC Access Plan (formerly called the Standard Plan) –  
consolidate into statewide contracts

Medicare –  
new Medicare Advantage options available for 2019

# Background

Program changes currently under consideration will require and/or create the opportunity to revamp the following program aspects:

- WPE Program
- LAHP
- IYC Access Plan
- Medicare Options

# WPE Benefits Summary by Program Option (PO)

## 2017 Non-Medicare Medical Benefits for In-Network Providers

	PO 12 IYC Local Traditional Plan	PO 14 IYC Local Deductible Plan	PO 16 IYC Local Health Plan	PO 17 IYC Local HDHP
<b>Deductible</b>	No Deductible	\$500 individual \$1,000 family	\$250 individual \$500 family	\$1,500 individual \$3,000 family (Deductible must be met before coverage begins)
<b>Office Visit Copayment</b>	None	None	\$15 Primary Care \$25 Specialty Care	(After deductible) \$15 Primary Care \$25 Specialty Care
<b>Coinsurance</b>	20% for DME, hearing aids, and adult cochlear implants	After deductible, none except 20% for DME, hearing aids, and adult cochlear implants	After deductible, 10% except for office visits	After deductible, 10% except for office visits
<b>Annual OOP</b>	Up to \$500 only for DME, and adult cochlear implants, and \$1,000 for adult hearing aids	After deductible none, except for \$500 for DME and adult cochlear implants and \$1,000 for adult hearing aids	\$1,250 individual \$2,500 family	\$2,500 individual \$5,000 family

*Memo page 2, Table 1*

# WPE Counts


	PO 12 IYC Local Traditional Plan	PO 14 IYC Local Deductible Plan	PO 16 IYC Local Health Plan	PO 17 IYC Local HDHP
Number of Employers	228	111	10	3
Number of Employees	4,421	1,238	585	105

# Survey Results

## Most local government employers:

- Offer employees the options that do not mirror the state employee plans
- Prefer to offer generous benefits as a recruitment tool, due to limited capacity to offer competitive salaries
- Prefer not to be forced to change their benefits
- Are undecided as to whether they would remain in the program if the Board changes program options

# WPE Recommendation



<p><b>Reduce to three POs for 2018:</b> (POs 12/16/17)</p>
<p>Rationale:</p>
<p>New deductibles in the state plans (POs 16 &amp; 17) provide options not previously available</p>
<p>Allows the rich option local governments can use as a competitive recruitment tool, while closer aligning with the state plans</p>

# Local Annuitant Health Program (LAHP)

## Facts:

Required by Wis. Stat.  
§ 40.51 (10)

Fully-insured

Benefits differ from  
GHIP

Administered by WPS



## Population:

Serves very small population of annuitants from municipalities who are not otherwise eligible for program participation and who may not have an insurance offering from their former employer



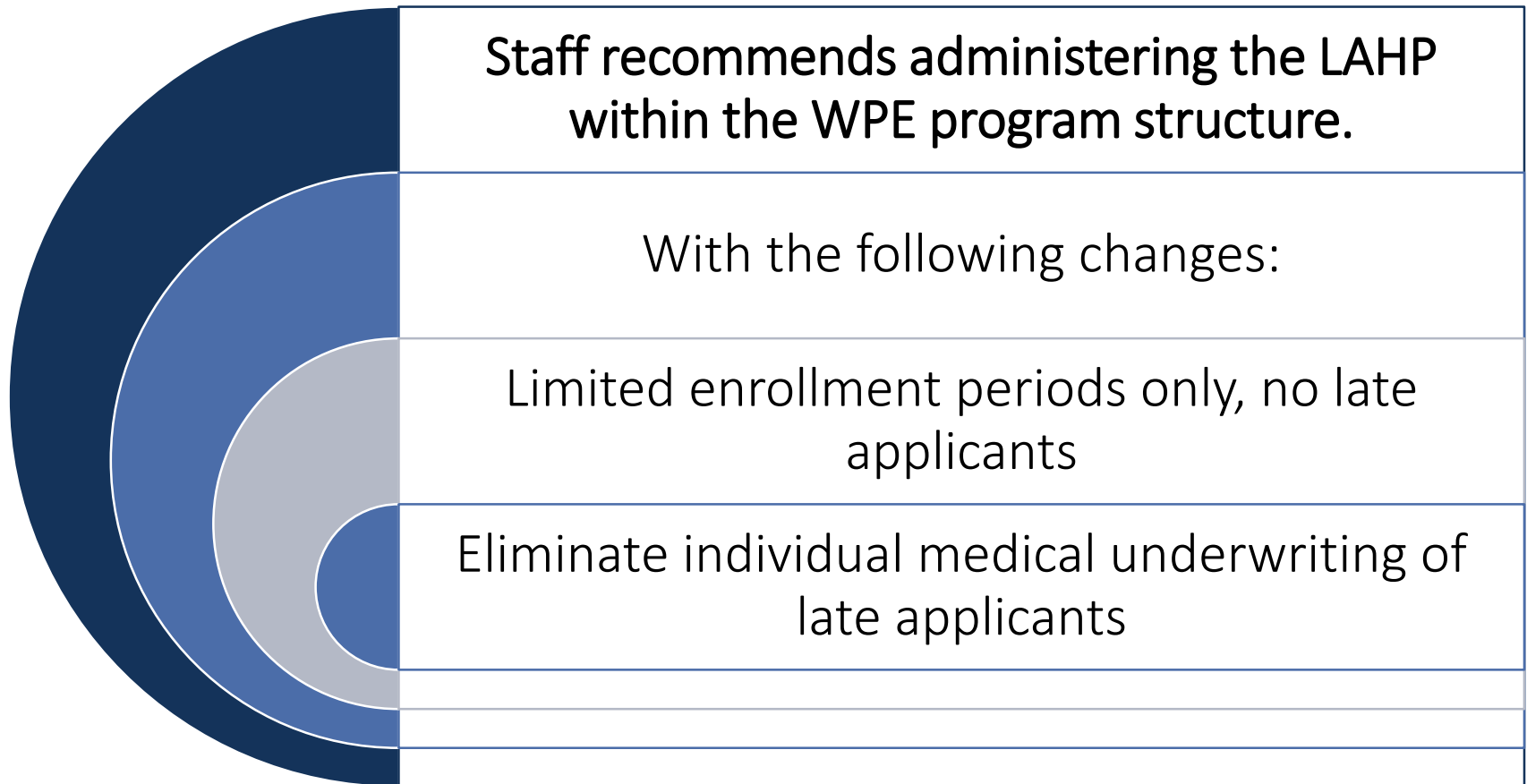
## Impact of combining with WPE:

Previous analysis indicates no adverse program  
impact

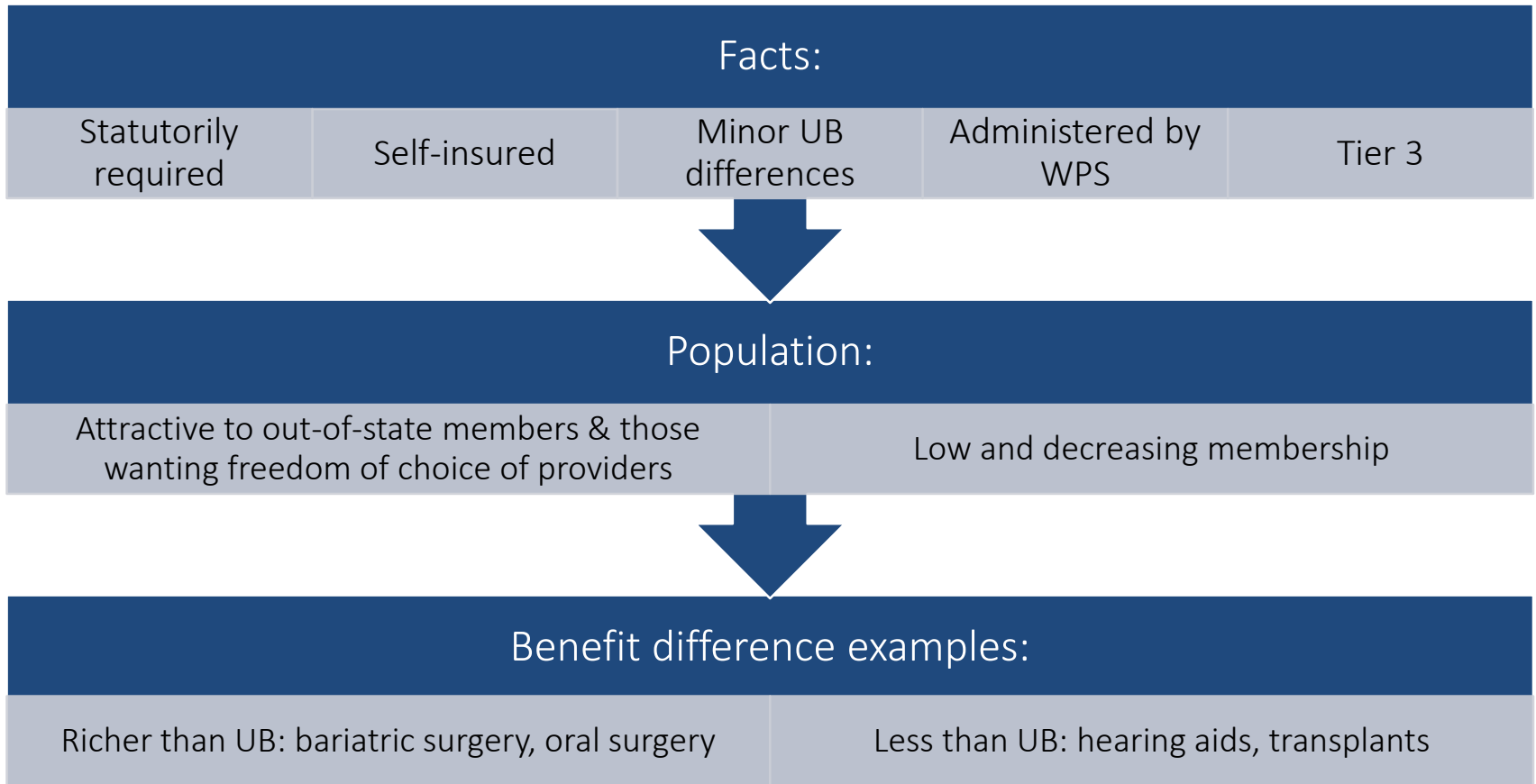
Simplifies administration & could also stabilize  
volatile rates



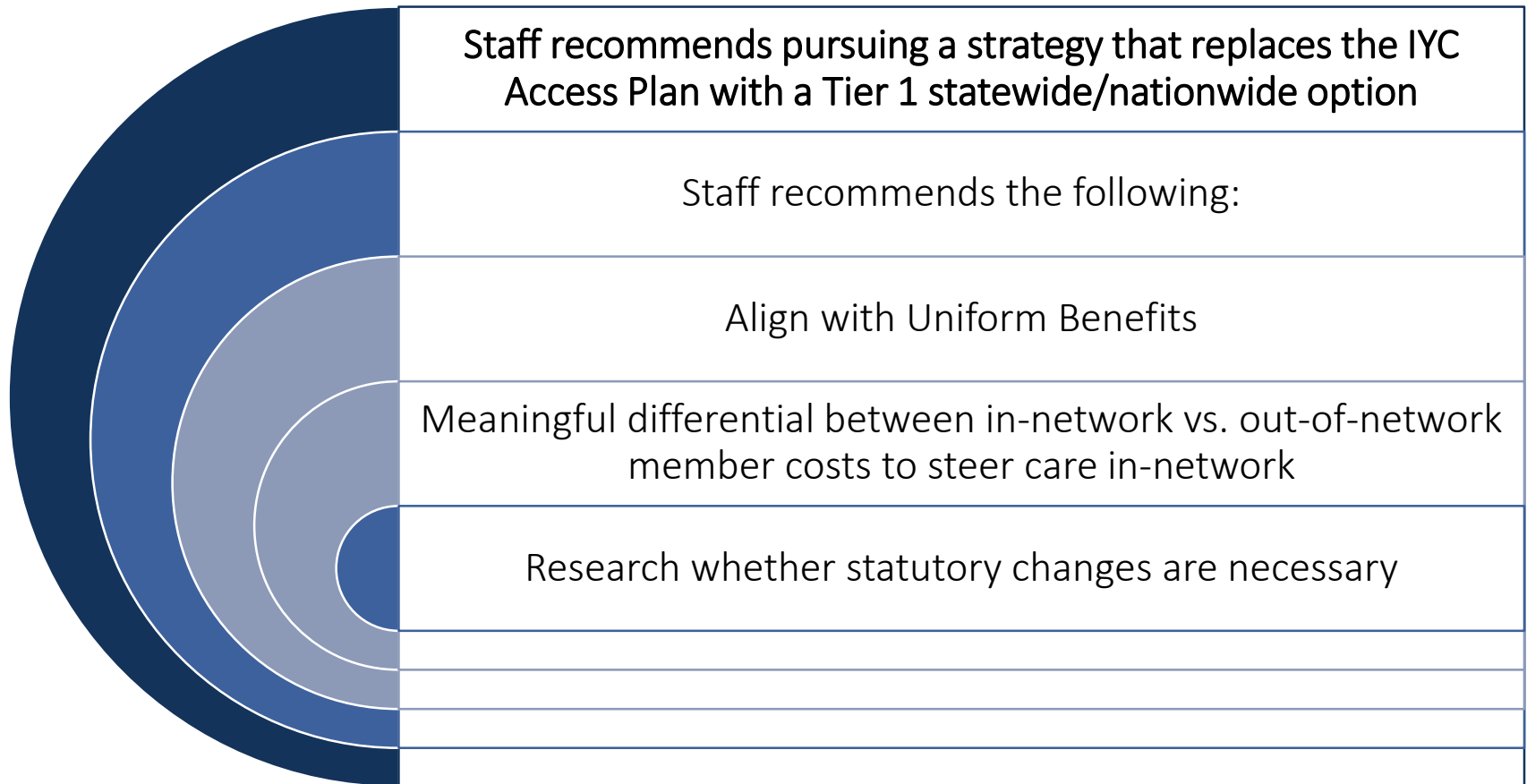
# LAHP Recommendation



# IYC Access Plan



# IYC Access Plan Recommendation



# Current Medicare Options



IT'S YOUR  
CHOICE HEALTH  
PLAN MEDICARE



IT'S YOUR  
CHOICE  
MEDICARE  
ADVANTAGE



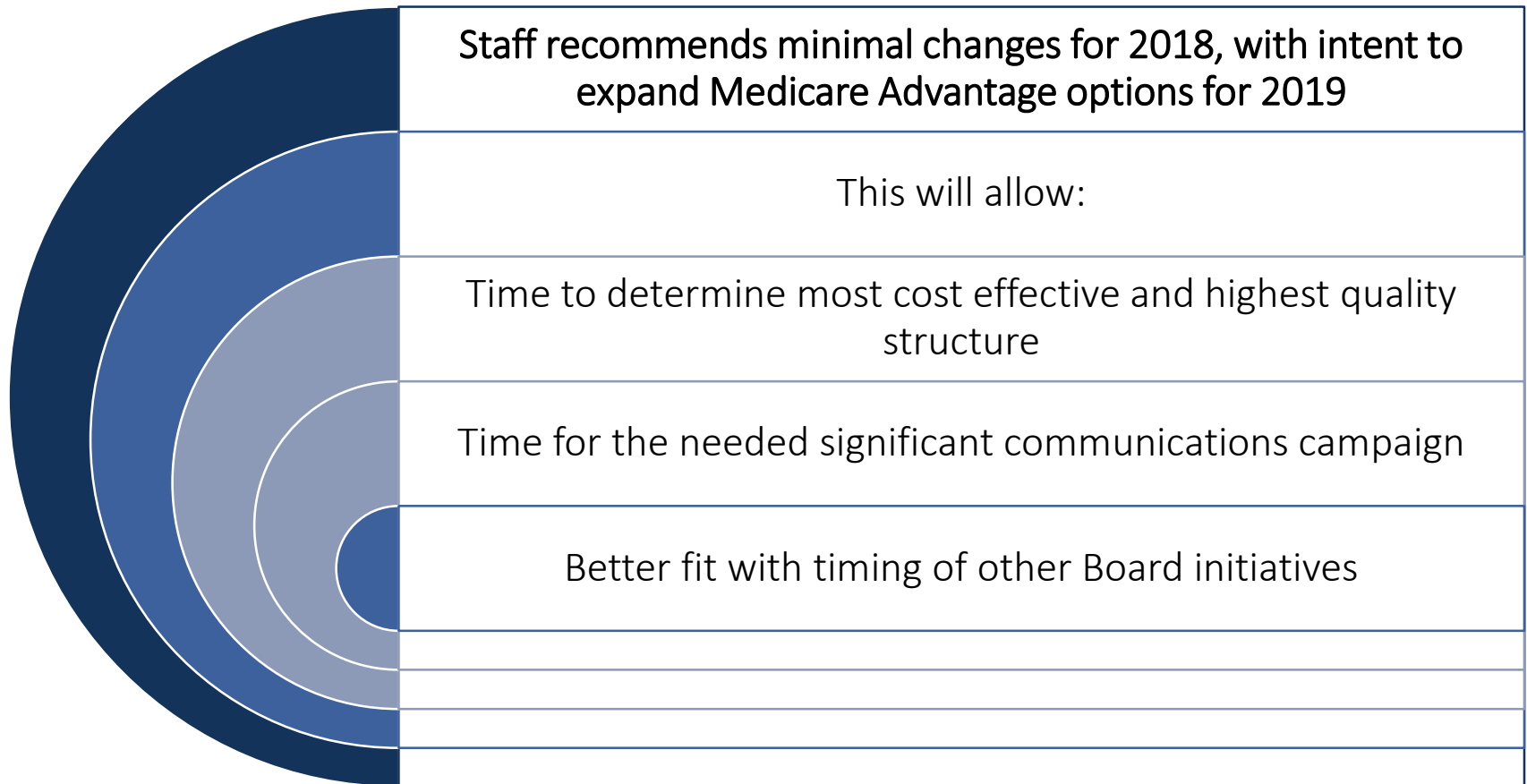
IT'S YOUR  
CHOICE  
MEDICARE PLUS



# Medicare Options to Consider

	Options	Level of Disruption
1.	Current Medicare Program Structure	Minimal
2.	Medicare offerings from existing providers, possibly still offer current MA plan if new statewide vendor does not have a replacement	Minimal
3.	Allow all vendors to propose MC offering and pricing each year (until ideal structure is established) – ETF brings best options to GIB	Moderate
4.	Similar to 3, but limit number of vendors and self-insure the non-MA plans	Significant
5.	Similar to 4, but lock into 3 year MC contracts (or whatever is decided for non-MC program)	Significant
6.	MA RFP, implement 7/1/18 or 1/1/19, keep supplemental plans	Unknown

# Medicare Recommendation



# Q&A