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## Correspondence Memorandum

**Date:** January 23, 2017  
**To:** Group Insurance Board  
**From:** Renee Walk, Strategic Health Policy Advisor  
Arlene Larson, Federal Health Programs & Policy Manager  
Office of Strategic Health Policy  
**Subject:** 2018 Program and Operational Recommendations for the Group Health Insurance Program (GHIP) and Wisconsin Public Employers (WPE) Program

**ETF requests Group Insurance Board (Board) approval to pursue the following program changes for 2018:**

- 1) Wisconsin Public Employers (WPE) Program – eliminate Deductible Plan Program Option (PO) 4/14**
- 2) It's Your Choice (IYC) Access Plan (formerly the Standard Plan) – offer through statewide/nationwide vendor(s) and match Uniform Benefits**
- 3) Local Annuitant Health Program (LAHP) – combine with WPE Program**

### Background

The following changes were presented at the December 13, 2016, Board meeting for initial feedback and reaction. ETF seeks formal approval to move forward with the program changes. These changes will reduce complexity within the GHIP and WPE programs, reduce administrative burden for both health plans and ETF staff, and continue the implementation of improvements recommended by the Board's consulting actuary.

### WPE Program: Eliminate Deductible Plan PO 4/14

As discussed at the December 13, 2016, meeting, 111 participating employers offer Deductible Plan PO 4/14. In December 2016, ETF staff initially reported only 1,238 employees enrolled in this plan. However on review of enrollment data for January of 2017 an error was discovered in the data used to report; this number is actually 9,283. Despite the increase in enrolled employees, however, ETF staff's recommendation to eliminate PO4/14 remains the same. The actuarial value of PO 4/14 (medical only = .92) is substantially similar to PO 6/16 (medical only = .94), the plan design selected by most State employees. Eliminating PO 4/14 will more closely align the WPE and State programs as recommended by the Board's actuary, while still allowing WPE program choices.

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

Electronically Signed 1/25/17

Board	Mtg Date	Item #
GIB	2.8.17	8C

ETF is contacting affected employer groups to facilitate a smooth transition to the remaining program options for 2018. ETF will provide employers with educational materials and learning opportunities to help guide their decision making. The governing bodies of participating employers will be required to submit resolutions to ETF prior to October 1, 2017, to select a new program option for 2018.

IYC Access Plan: Offer through statewide/nationwide vendor(s), match Uniform Benefits

The Board must contract with a new IYC Access Plan vendor(s) for the 2018 plan year because the current contract ends December 31, 2017. ETF recommends taking this opportunity to administer the IYC Access Plan through the statewide/nationwide vendor contract(s). In addition, ETF recommends aligning benefits coverage for the IYC Access Plan with Uniform Benefits.

The IYC Access Plan is currently a self-insured, Tier 3 Preferred Provider Organization. The plan participants are primarily members living out of state and those who prefer access to a nationwide provider network. In recent years, membership in the IYC Access Plan has steadily decreased. The IYC Access Plan also has a few noteworthy benefit variations from Uniform Benefits, as outlined in Table 4 of the December 9, 2016 Board memo, [Group Health Insurance Program and Wisconsin Public Employers Program: 2018 Program and Operational Considerations](#) (Ref. GIB | 12.13.16 | 4B). This divergence creates administrative challenges and can be confusing for members.

The proposals submitted by the statewide/nationwide vendor(s) offered highly competitive rates and broad network coverage. As discussed at the Board's December meeting, ETF seeks approval to offer the IYC Access Plan through the statewide/nationwide vendor(s) and to match Uniform Benefits.

Local Annuitant Health Program (LAHP): Combine with WPE Program

LAHP is a fully insured retiree program that offers benefits different from any other plan administered by ETF. 173 out of 178 subscribers are covered with the LAHP Medicare supplement plan; the remaining are enrolled in a PPO plan. LAHP's small group size means that rates for the program are highly volatile. In addition, the existence of a separate benefit program that is not aligned with Uniform Benefits creates an additional layer of administrative complexity. For these reasons, ETF recommends that LAHP be consolidated into the WPE program.

ETF recommends that LAHP members be offered WPE PO 16, the benefit that most State employees and early retirees select, without Uniform Dental. Members would be able to choose from the plan designs offered to WPEs in PO 16. For example, Medicare participants could choose from the IYC Health Plan Medicare, the IYC Medicare Advantage plan, or the IYC Medicare Plus plan, described in Board memo 8D (Ref. GIB | 2.8.17 | 8D).

Further, ETF recommends that new enrollees be limited to applying for coverage only during the established open enrollment periods, when an eligible annuitant retires or

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when that person turns age 65 and/or first enrolls in Medicare Part B. These limitations will require member outreach and education.

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