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Correspondence Memorandum

Date: April 19, 2019

To: Group Insurance Board

From: Liz Doss-Anderson, Ombudsperson
James Kates, Ombudsperson
Mary Richardson, Ombudsperson
Dan Hayes, Attorney/Supervisor

Subject: 2018 Health Plan and Pharmacy Benefit Manager Grievance and External 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 2019 *It's Your Choice* online materials.

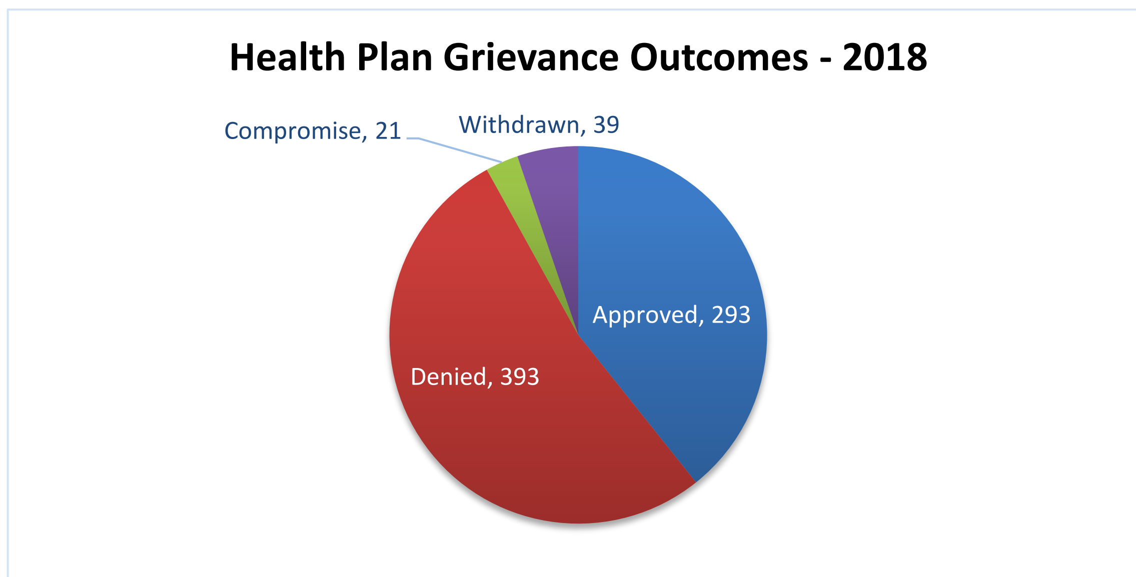
2018 Health Plan Grievances
Below is a summary of the annual grievance data reported to ETF by all plans participating in the State of Wisconsin Group Health Insurance Program. This report also includes grievance data for Navitus Health Solutions (Navitus), the pharmacy benefits manager, and Delta Dental, third-party administrator for Uniform Dental Benefits. When reviewing the numbers of plan grievances and independent reviews that appear later in the report, it is beneficial to keep in mind that in 2018 there were approximately 242,000 members and dependents insured by the State of Wisconsin Group Health Insurance Program.

- The total number of health plan grievances reported in 2018 was 746.
- As in prior years, the most common types of grievances related to denials of coverage for services considered not medically necessary (281), for non-covered benefits (118), for out-of-network (94), and prior authorization denials (63).
- Of the 746 grievances filed, 314 were either resolved in favor of the member or resulted in a compromise.
- Delta Dental, plan administrator for Uniform Dental Benefits, had 6 grievances and served 199,374 members. The most common type of dental grievance related to a non-covered benefit.

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

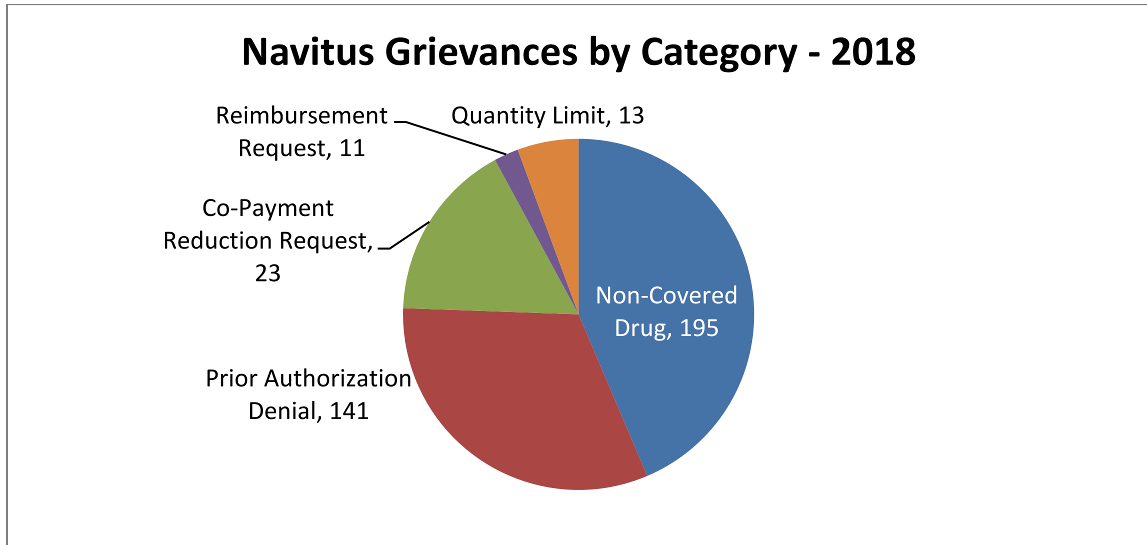
David H. Nispel   Electronically Signed 5/6/19

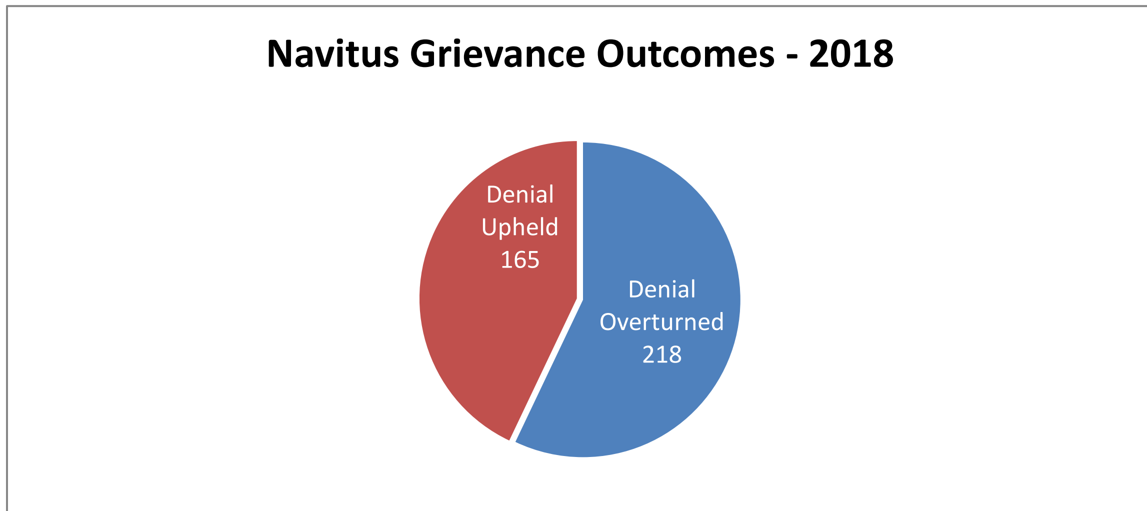
Board	Mtg Date	Item #
GIB	5.15.19	13H



2018 Pharmacy Benefit Grievances

- In 2018, Navitus received 383 grievances, an increase from 2017 in which members filed 266 grievances. The main driver for the increase in grievances were two drugs not covered on the formulary: Aimovig and Otezla. Both drugs have since been added to the formulary.
- The most common type of pharmacy benefit grievance was for Non-Covered Drug (195), followed by Prior-Authorization Denial (141) and Co-payment Reduction (23).
- The overturn rate for pharmacy benefit grievances was 57%, up from 51% in 2018.
- Factors affecting pharmacy benefit grievances included change in the formulary, members interested in non-covered/non-formulary drugs, and requests for experimental or non-medically necessary drugs.





2018 External Reviews

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

To be eligible for external review, a member must receive an "adverse determination" involving a medical judgment. Such medically-based determinations are only eligible for external review and may not be appealed to the Board pursuant to contract. Typically, these are denials of a claim or service the health plan or PBM has deemed not medically necessary or experimental. This includes denials for referral to out-of-network

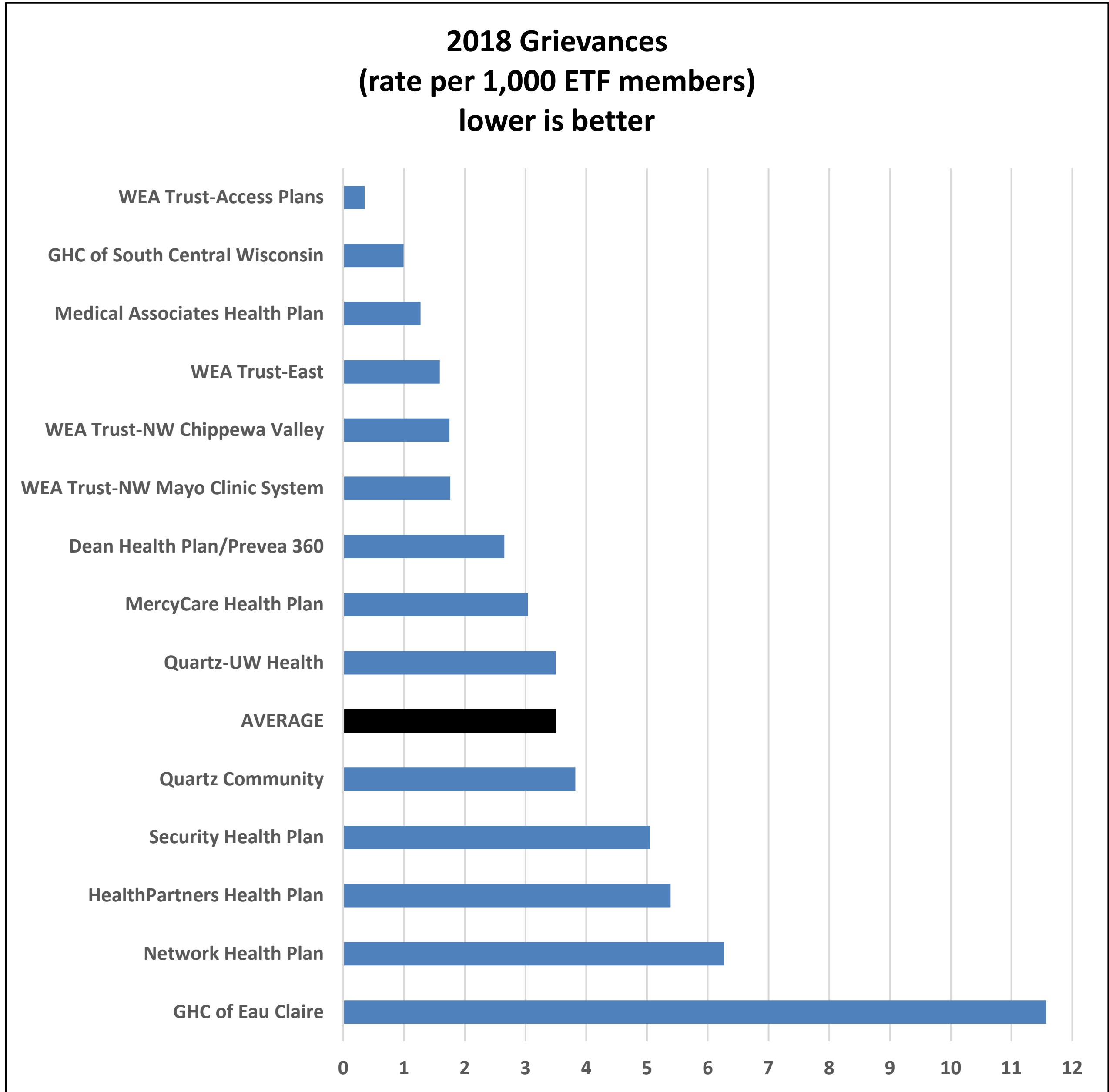
services when a member believes an out-of-network provider may be medically necessary for treatment of the member’s medical condition because the expertise is not available through the insurer’s provider network.

The external review 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. Thus, 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 external review option and process.

In 2018 the Department was informed of 55 external review requests from members, which is consistent with prior years. The independent review organization overturned the plan decision in 20 cases and upheld the plan decision in 31 cases. There were 4 cases in which the IRO declined to review the member’s request as not eligible for review.

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

Attachment A



Grievances by Health Plan 2016-2018

HEALTH PLAN	2016 Grievances	2017 Grievances	2018 Grievances	Net Change (2017-2018)	Number of Members (2018)
Anthem Blue-NE	11	**	**	-	0
Anthem Blue-SE	47	**	**	-	0
Arise Health Plan	8	**	**	-	0
Dean Health Plan/Prevea 360	99	115	110	(5)	41,507
GHC of Eau Claire	1	3	13	10	1,124
GHC of South Central Wisconsin	27	21	13	(8)	13,119
Gundersen Health Plan	19	22	**	-	0
HealthPartners Health Plan	9	17	25	8	4,639
Health Tradition	19	**	**	-	0
Humana Eastern	195	**	**	-	0
Humana Western	20	**	**	-	0
Medical Associates Health Plan	1	3	3	-	2,358
MercyCare Health Plan	8	5	4	(1)	1,315
Network Health Plan	66	59	130	71[A]	20,736
Physicians Plus	46	31	3	(28)	0
Quartz-Community	57	79	90	11	23,544
Quartz-UW Health	200	177	233	56	67,259
Security Health Plan	41	60	49	(11)	9,709
UnitedHealthcare	33	**	**	-	0
WEA Trust-East	40	38	50	12	31,530
WEA Trust-NW Mayo Clinic System	10	20	14	(6)	7,938
WEA Trust-NW Chippewa Valley	11	5	5	-	2,855
WEA Trust-Access Plans	N/A	N/A	4	-	11,556
WPS Self-Funded Plans	34	**	**	-	0
TOTAL	**1003**	**655**	**746**	**91[B]**	**239,189**

*** Plan not required to report grievance numbers where indicated.*

[A] *Network Health Plan's large increase in grievances compared to 2016 and 2017 is attributed to the significant increase in members insured due to health plan changes in their coverage area: 8,783 in 2017 to 20,736 in 2018.*

[B] *Net change listed only for plans reporting in 2018.*