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Correspondence Memorandum

Date: April 19, 2019
To: Group Insurance Board
From: Arlene Larson, Manager of Federal Health Programs & Policy
 Office of Strategic Health Policy
Subject: 2020 Employer Guidelines and Manual Eligibility Update

The following items are for informational purposes only. No Group Insurance Board (Board) action is required.


- 1. Modification of State Agency or Local Employer Health Insurance Standards, Guidelines and Administration Employer Manuals (Guidelines) and next steps**
- 2. Review of enrollment opportunities**

Background

1. Modification of State Agency or Local Employer Health Insurance Guidelines

Beginning in 2016, ETF analyzed the *Terms and Conditions for Comprehensive Medical Plan Participation in the State of Wisconsin Group Health Benefit Program and Uniform Benefits (Agreement)* to reorganize and update it effective January 1, 2018. This was done as part of the review for a potential self-insurance and regionalization of health plans model. Note that as part of this process, the Agreement was renamed the *State of Wisconsin Group Health Insurance Program Agreement*. This Agreement was annually signed by participating health plans and laid out benefits, eligibility, requirements and deliverables. The Agreement also contained employer-specific provisions.

Feedback from several State and local employers indicated that finding information about the program was difficult because information was provided through multiple documents such as the Agreement, the Employer Manual, Employer Bulletins and others. Therefore, to improve access to information for employers, the Employer Manual was reorganized and updated and provided to all employers in February and March. Employer reaction to the new document, the *State Agency (or Local Employer) Health*

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy  Electronically Signed 4/30/19

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Insurance Standards, Guidelines and Administration Employer Manual (Guidelines) has been positive.

The 2019 State Guidelines are available for review here:
<http://etf.wi.gov/publications/et1118.pdf>.

The WPE (Local Employer) Guidelines are available here:
<http://etf.wi.gov/publications/et1144.pdf>.

While State agencies, State authorities and others as described in Wis. Stat. [40.02 \(54\)](#), are required to offer group health insurance benefits as established by the Board, local governments can choose to offer the program by filing a resolution to join the Wisconsin Public Employers (local's) - Group Health Insurance Program (WPE-GHIP). The local resolutions must be signed by the employer's governing body, one time. By doing so, they agree to abide by a contract, overseen by the Board. All resolutions referred to the Agreement.

With the movement of the employer contract provisions from that document to the Guidelines, new resolutions are required from all participating local government employers. ETF notified these employers of this requirement, provided a draft memo they could use to inform their boards of the reason for the new resolution, and is tracking responses. The target completion date is October 1.

2. Review of enrollment opportunities

Each year ETF collects input from employers, members, ETF staff and interested parties regarding the Agreement. ETF received some feedback on two eligibility items, described below.

A. Local Annuitant Health Program Enrollment Concerns:

During the past year, several retirees eligible for the Local Annuitant Health Program (LAHP), whose former employers are in the Wisconsin Retirement System but do not participate in the WPE-GHIP, contacted ETF asking for information about the LAHP. LAHP offers two special enrollment opportunities and no open enrollment. That is because this retiree-only group is subject to adverse selection – meaning it could be advantageous for sicker people to enroll in this plan due to its comprehensive benefits and relative value for the premium costs, and subsequently premium rates would escalate more rapidly than in a health program with a more balanced risk population.

The current special enrollment periods, established in the statutes, are within 60 days of termination of employment and when the employee or their spouse gains eligibility for Medicare. Some of the retirees who contacted ETF, learned about LAHP after they had passed their initial enrollment period. Some argued they would have enrolled in LAHP if they knew about it.

ETF has been working to increase awareness of the program, including making program information more prominent on our website. Other strategies include: training local health insurance brokers who serve the eligible population; reminding all applicable employers about the program; and modifying a checklist that employers use when an employee retires. The checklist will help ensure that employers speak to the employee about all applicable ETF retirement programs and services. LAHP is being added to that checklist. We believe these actions address the concerns raised by retirees.

B. Life Event- death of a dependent:

The Agreement allows a subscriber to change health plans or make other changes outside of the annual It's Your Choice Open Enrollment period to coincide with certain life change events. For example, when a person moves from the service area of one health plan, they may select another within 30 days. However, when a dependent dies, the Agreement does not permit the subscriber to change health plans.

One member requested the opportunity to change plans this year following a dependent death. ETF believes the ability to change plans during It's Your Choice provides adequate time to change plans. In addition, following a death, permitting the health plan to continue to receive premiums for a period helps the plan control future premium rates.

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