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Correspondence Memorandum

Date: July 22, 2019
To: Group Insurance Board
From: Sara Brockman, Health Program Manager
 Office of Strategic Health Policy
Subject: 2020 Health Program Agreement Changes

The Department of Employee Trust Funds (ETF) recommends the Group Insurance Board (Board) approve the proposed minor changes to the *State of Wisconsin Health Insurance Program Agreement (Agreement)* for plan year 2020, including revisions to language for clarity, consistency, or improved administration.

Background

ETF presented all key revisions to the *State of Wisconsin Group Health Insurance Program Agreement (Agreement)* for Board review and approval at the May 15 board meeting ([Ref. GIB | 5.15.19 | 8B](#)).

Major changes included revisions to:


- Section 300 (Deliverables) layout;
- Deliverable, reporting, and performance standard requirements;
- Applicable penalties; and
- Language for clarity, consistency, or improved administration.

The Board approved these key revisions to the Agreement and granted ETF the authority to make additional language revisions as necessary to improve clarity and consistency, and further clarify information security management system audit requirements for participating health plans.

Additional Proposed Language Revisions

The following additional minor revisions are proposed for 2020 to improve health plan contract adherence and to increase clarity of contract requirements.

- **1095-B Issuance Notification:** Added language clarifying that federally required 1095-B forms (health coverage form issued by insurers) are not required for

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy
 Electronically Signed 8/8/19

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Medicare plans and therefore excluded from the annual deliverable requirement to notify ETF of 1095-B mailing dates.

- **Audit and Other Services:** Added language clarifying the exemption of fully-insured health plans from the annual Service Organization Control (SOC) audit report provision outlined in the Department Terms and Conditions (DTCs) for an annual Statement on Standards for Attestation Engagements (SSAE) No. 18 (SOC 1, Type 2) audit report.
- **Information Systems Security Audit:** Clarifying language was added to the Agreement related to the information security management system audit requirement, which is outlined in the Department Terms and Conditions (DTC). The DTCs are a governing document that establish standard requirements and obligations for all vendors that enter into a contractual agreement with ETF. The information management security audit requirement provides annual assurance to ETF that all contracted health plans have adequate information system security policies and protocol in place.

The newly added Agreement language clarifies health plan-specific documentation requirements, which are complementary to the overarching DTC language and intended to improve health plan compliance and ease of administration.

- **Vision Services:** Added additional language to GHIP Uniform Benefits clarifying the appropriate application of deductible and copayments for vision services.

Additional minor clerical language changes have been made to the Agreement to improve accuracy, clarity, and consistency.

IRS Notice 2019-45

On July 17, 2019, the Internal Revenue Service (IRS) published [Notice 2019-45](#), *Additional Preventive Care Benefits Permitted to be Provided by a High Deductible Health Plan Under § 223*. This notice “expands the list of preventive care benefits permitted to be provided by a high deductible health plan (HDHP) under section 223(c)(2) of the Internal Revenue Code (Code) without a deductible, or with a deductible below the applicable minimum deductible (self-only or family) for an HDHP.” The notice provides an appendix with a list of “Preventive Care of Specified Conditions” and concurrent conditions for each service. This appendix is included as an attachment for reference.

This rule expands the service set that health plan members can receive as covered before a deductible is met for health savings account (HSA)-qualified high-deductible health plans. ETF offers two such plans to members: the It’s Your Choice HDHP plan available to state health plan members and non-Medicare retirees, and Local Program Option 07/17, which is available to local employees whose employers choose that program option.

The rule change does not require these benefits are made available without deductible; it only allows plan designs to reimburse before deductible and still be qualified for pairing with an HSA. ETF has determined there is no immediate impact to the benefit programs offered by ETF, as the rule does not require plan design changes, nor does it impact how members receive benefits currently.

The late date of publication (July) is prohibitive to implementation for plan year 2020. When the rule was published, participating health plans had already negotiated premium rates for plan year 2020 and submitted their best and final premium bids. If these services were added to the current HDHP structure in accordance with the rule, it would impact the actuarial value of the plan and change how rates are calculated for the HDHP plan offering. These changes would require health plans to resubmit premium bids for plan year 2020 and delay the finalization of the rate setting process.

Furthermore, the late publication date does not provide adequate time for health plans and vendor partners to implement code changes in their benefit administration systems before the start of the new plan year.

Given the late date of publication and lack of immediate impact on ETF's program offerings, ETF does not recommend implementing the rule for plan year 2020. The rule will be reconsidered as part of the annual change cycle in advance of plan year 2021.

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

Attachment: Appendix – Preventive Care of Specified Conditions

ATTACHMENT

Appendix – Preventive Card of Specified Conditions

Additional Preventive Care Benefits Permitted to be Provided by a High Deductible Health Plan Under § 223

Preventive Care for Specified Conditions	For Individuals Diagnosed with
Angiotensin Converting Enzyme (ACE) inhibitors	Congestive heart failure, diabetes, and/or coronary artery disease
Anti-resorptive therapy	Osteoporosis and/or osteopenia
Beta-blockers	Congestive heart failure and/or coronary artery disease
Blood pressure monitor	Hypertension
Inhaled corticosteroids	Asthma
Insulin and other glucose lowering agents	Diabetes
Retinopathy screening	Diabetes
Peak flow meter	Asthma
Glucometer	Diabetes
Hemoglobin A1c testing	Diabetes
International Normalized Ratio (INR) testing	Liver disease and/or bleeding disorders
Low-density Lipoprotein (LDL) testing	Heart disease
Selective Serotonin Reuptake Inhibitors (SSRIs)	Depression
Statins	Heart disease and/or diabetes