



ACE

ASSOCIATION OF CAREER EMPLOYEES

Post Office Box 44008

Madison, WI 53744-4008

Voice: (608) 848-9008

Email: ace@wiscow.com

February 4, 2021

Robert Conlin, Secretary
Department of Employee Trust Funds
P.O. Box 7931
Madison WI 53707-7931

Dear Secretary Conlin:

The Association of Career Employees (ACE) has advocated for health benefits provided to State of Wisconsin employees and retirees for decades.

We note with concern the change by United Health Care Medicare Advantage to limit hearing aid providers beginning in 2021. Until this year, the plan allowed members to obtain limited reimbursement for hearing aids obtained from health care providers such as SSM Health Dean Medical Group, UW Health, Marshfield Clinic, and Mayo Health System.

Health care providers such as UW Health and SSM Health in Dane County, and Marshfield Clinic and Mayo Health System elsewhere in the state, are not included in the United Healthcare Hearing network. We did find one Aurora provider in eastern WI, but generally only commercial for-profit providers such as Hearing Life, Elite Hearing, Beltone, and WI Hearing Aids are included in the United Healthcare Hearing network.

UHC reimburses the members up to \$1,000 for one hearing aid per ear every 3 years, after a 20% co-insurance payment. Until 2021 reimbursement was available through any provider who was willing to bill UHC. The benefit amount itself is not changing, so it is unclear what benefit accrues to UHC by limiting its network to commercial providers unaffiliated with health care systems.

UHC justified this limitation by asserting to ETF that its network operates like an HMO network, with pre-negotiated pricing, and that discounts would not be available in a broader network. There are two issues with this argument.

- The UHC Medicare Advantage plan is not an HMO plan. It was explained to enrollees that they could go to any medical provider who was willing to bill UHC.
- Any savings offered by commercial providers who participate in the UHC Hearing network and offer higher quality hearing aids would ostensibly accrue to the patient, not to UHC, because the reimbursement amount from UHC is the same.

It is unclear what advantage UHC obtains by limiting hearing aid providers.

There are clear disadvantages to the enrollees, however.

- This limits choice of provider by enrollees.
- Enrollees may prefer to be seen by a provider who is part of their health care system, where they are considered patients rather than customers and any medical issues are referred to their medical provider. There may be instances where hearing aids are not the best solution for the enrollee, and they may trust a health care system provider to refer to the appropriate medical provider without the concern of financial repercussions from losing a sale.
- Enrollees may wish to get hearing *exams* from their medical provider rather than a commercial firm. Under this new system, they would then have to take the script to a commercial provider to obtain the *hearing aids*. This disrupts the continuity of care. If there is a problem each can blame the other.

ACE requests that ETF require UHC to roll back this change and allow ETF enrollees in the UHC Medicare Advantage program to see any hearing aid provider who is willing to bill UHC, as was true when the UHC Medicare Advantage plan was initially introduced for ETF enrollees.

Thank you for your assistance with this issue.

Sincerely,

A handwritten signature in cursive script that reads "Sally Drew".

Sally Drew
President



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
 SECRETARY

Wisconsin Department
 of Employee Trust Funds
 PO Box 7931
 Madison WI 53707-7931
 1-877-533-5020 (toll free)
 Fax 608-267-4549
 etf.wi.gov

February 10, 2021

SALLY DREW
 C/O ASSOCIATION OF CAREER EMPLOYEES
 PO BOX 44008
 MADISON WI 53744-4008

Dear Ms. Drew,

Thank you for reaching out to the Department of Employee Trust Funds (ETF) regarding concerns about UnitedHealthcare’s (UHC’s) hearing aid network change that was effective January 1, 2021. We appreciate the feedback that we receive from members of the Group Health Insurance Program and use it when we consider future negotiations with vendors for future benefits.

UHC’s hearing aid network change was designed to lower out-of-pocket costs for retirees while providing hearing aids with improved technology. UHC mailed two notices to members to inform them of the change. These mailings with information about how to get hearing aids were sent during the open enrollment period and the week of November 30, 2020.

We asked UHC to provide data on utilization changes from 2020 to 2021. They reported that ETF members are on average saving \$364 per hearing aid, or \$728 if the purchase was for 2 hearing aids, as compared to January 2020. This is shown in the table below. However, they caution that this is preliminary claims data and typically members who purchase hearing aids early in the year are more likely to buy higher level technology. UHC’s network discounts help members get the most from the hearing aid benefit by providing the device at a lower average price that may be otherwise available.

Hearing Aid Fulfillment Date	# of Members Who Received Devices	# of Hearing Devices Provided	Average Cost Per Hearing Aid Provided
Jan-20 (non-UHC Hearing Network)	13	22	\$2,396
Jan-21 (UHC Hearing Network)	23	46	\$2,032
			Savings per Device \$364

ETF has received very few complaints about the change. UHC reports that they have not received any member complaints about it. There have been no reports from members that they felt pressured into buying hearing aids they did not want.

Sally Drew
February 10, 2021
Page 2

UHC is willing to help members get services and encourage providers to join the network. UHC has identified and is regularly reaching out to decision makers at the health systems of Ascension, SSM/Dean, UW, Mayo, Marshfield and Aurora. Talks are progressing with Ascension and SSM/Dean . To date, decision makers at the UW and Mayo have not returned calls. Finally, Marshfield and Aurora have declined to join the network at this time.

It's important to note that for members who received a hearing aid in 2020 or earlier, they may continue to have adjustments and service performed by their dispensing provider.

You asked what UHC was gaining by using this network. They implemented it as a service to members to lower out-of-pocket costs while improving a member's quality of life. If members are pleased with the outcome, they may tell their friends and it may result in membership growth into UHC's plan. UHC has seen this occur in other states. The network change does not impact member premiums since the amount paid by UHC for a hearing aid has not changed. Members are simply able to get more for their money due to provider discounts.

Thank you, again, for reaching out to ETF regarding your concerns. I hope that I have been able to answer your questions. However, if you have additional questions or concerns, please feel free to contact me at Brian.Stamm@etf.wi.gov or (608) 267-4554 or Arlene Larson, Manager of Federal Health Programs and Policy, at Arlene.Larson@etf.wi.gov or (608) 264-6624. A copy of your letter and ETF's response will be included in the materials for the February 17, 2021 meeting of the Group Insurance Board (Board). Board members will have a chance to review your request and consider it for possible future program changes.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Stamm", with a long horizontal flourish extending to the right.

Brian Stamm
Deputy Director, Office of Strategic Health Policy
Department of Employee Trust Funds

CC: Bob Conlin, ETF Secretary
Group Insurance Board members
Eileen Mallow, Director, Office of Strategic Health Policy
Arlene Larson, Manager Federal Health Programs & Policy