

Letter 13 with response

From: claudia townne [REDACTED]
Sent: Tuesday, April 27, 2021 3:22 PM
To: White, Korbey - ETF <Korbey.White@etf.wi.gov>; Sieg, Tricia - ETF <Tricia2.Sieg@etf.wi.gov>; Walk, Renee - ETF <Renee.Walk@etf.wi.gov>
Subject: WRS Health Insurance Issue

Dear Korbey White, Tricia Sieg, and Renee Walk,

I am writing to you because you appear to be involved in ETF health insurance issues. As a WRS retiree, I have a concern about hospital coverage for Medicare Plus participants who need hospitalization beyond the Medicare days of coverage.

As you know, State of Wisconsin Group Health Insurance currently offers three options for retirees on Medicare -- an Advantage plan (Medicare Advantage), an HMO plan (Health Plan Medicare), and a Medigap/supplement type plan (Medicare Plus).

The US government's "Medicare and You" document says that all Medigap plans (Supplement plans) offer 100% coverage for up to 365 days of hospital coverage after Medicare days are used up. Additionally, the "Wisconsin Guide to Health Insurance for people with Medicare" says that all Medicare supplement plans offered by traditional insurance companies provide **basic** health benefits which include full hospital coverage after Medicare days are exhausted.

While the State-offered Medicare Advantage Plan and the Health Care Medicare Plan both provide full coverage after the Medicare hospitalization days are exhausted, the Medicare Plus plan does not. I see this as a substantial shortcoming for WRS retirees who want a Medicare supplement plan, as I do. (It also seems to go against ETF's longstanding uniform benefits philosophy.)

In summary, it seems to be a de facto standard for insurers to provide full coverage for up to a year of hospitalization beyond the Medicare days. In addition, two of ETF's three retiree plans do just that. So why is it that ETF's Medicare Plus plan omits this important coverage? It could make a life or death difference to someone. I request that this be looked into and rectified.

Please respond to this letter by mail or email. If you have any questions please call me at [REDACTED].

Thank you,

Claudia Towne
308 McKinley St.
Waupun, WI 53963
[REDACTED]



STATE OF WISCONSIN
Department of Employee Trust Funds
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SECRETARY

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May 7, 2021

CLAUDIA TOWNE
308 MCKINLEY ST
WAUPUN WI 53963



Dear Ms. Towne,

Thank you for reaching out to the Department of Employee Trust Funds (ETF) regarding your concerns about the length of the hospitalization benefit in the Medicare Plus plan. In addition to providing the explanations requested, we will also provide a copy of your letter and ETF's response to the Group Insurance Board for future items for consideration.

Medicare Plus is a Medicare supplement that covers Medicare deductibles and coinsurance when Medicare covers a service. The Medicare Plus plan supplements payment up to Medicare's limits, and in most cases does not pay for services Medicare does not cover. This plan design was originally designed to be simple to understand and to administer, as well as a lower-cost option for retirees.

ETF will look into the cost of adding expanded hospital benefits to Medicare Plus in the future. ETF has also added a Medicare Advantage plan option specifically as a way to provide broader benefits at lower costs; retirees who are looking for broader coverage can consider this and the other Medicare Coordinated plans each year during open enrollment.

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.

Sincerely,

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

CC: Group Insurance Board members
Arlene Larson, Manager of Federal Health Programs