

State of Wisconsin Group Health Benefits Annual Report 2021

APRIL 27, 2022

Wisconsin Department of Employee Trust Funds



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Introduction

2021 brought new challenges and new opportunities to the Group Health Insurance Program (GHIP). Following a challenging year of care at a distance, safe and effective COVID-19 vaccines became widely available in the early part of the year. The GHIP saw steady returns to in-person care and services, although telehealth continued to hold a larger share of service use than it had pre-pandemic. Benefit changes the Board voted for pre-pandemic also paid dividends: a broader range of wellness screening options helped keep members engaged, and vaccine coverage at pharmacies for non-Medicare members provided opportunities for members to keep current with other immunizations.

2021 Program Highlights

COVID-19 Vaccines Welcomed by Members

2021 brought broad availability of COVID-19 vaccines, which members of the Group Health Insurance Program (GHIP) embraced. Vaccination rates for the Board's largest employers exceeded rates in the general population. Health plans and the Board's pharmacy benefit manager helped members to locate and receive all of their approved doses as soon as they became available.

Members Return to In-Person Care

Overall utilization rates for care in 2021 were at, or even slightly above, what was seen in 2020, following the dip in services caused by the pandemic. While telehealth utilization continues to be above pre-pandemic rates, 2021 saw a much more normal rate of in-person care.

Telehealth Coverage Expanded, Clarified

2020 highlighted the need for more clarity in the Board's coverage policy for telehealth. ETF worked collaboratively with health plans to refine the policy of what is considered telehealth and how it should be covered by plans, in order to create more uniformity in the benefit.

Vision Plan Begins for Local Government Employers

Building on the popularity of expanded supplemental dental benefits to local government employers, the Board opened the supplemental vision plan to locals beginning in 2021. The service expansion was welcomed by local employers who considered this an opportunity to enhance benefit offerings for their employees.

Board Initiatives Continue

For more information on current Board Initiatives, see [In Depth: Board Initiatives](#).

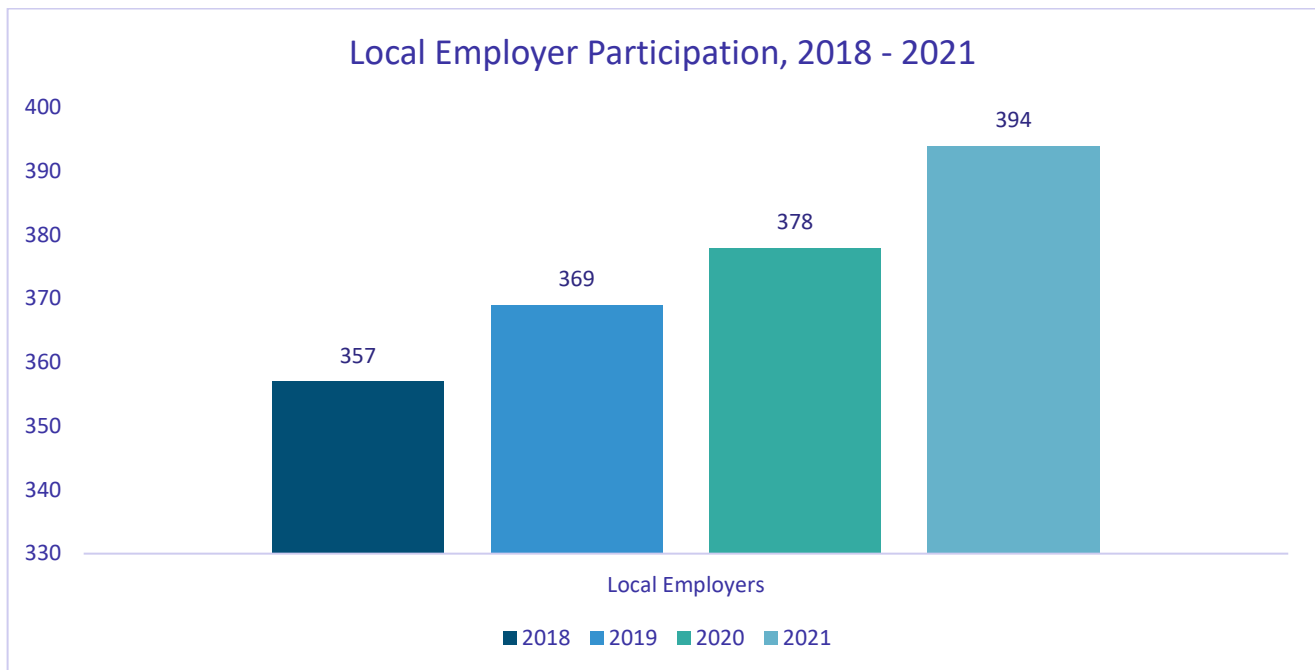
Medical Benefits

Health Insurance for Active Employees & Early Retirees

The GHIP provides high-quality health benefits to employees and their dependents. Many of those employees can opt to continue those benefits when they retire, even if they are not yet Medicare-eligible. Benefits are provided by nine fully insured health plans; eight are Health Maintenance Organizations, which provide in-network benefits only. One plan offers a Preferred Provider Organization plan, which means that in-network benefits are favored, but there are some limited out-of-network benefits available. All plans in the GHIP must offer the same service coverage under the Board’s Uniform Benefits.

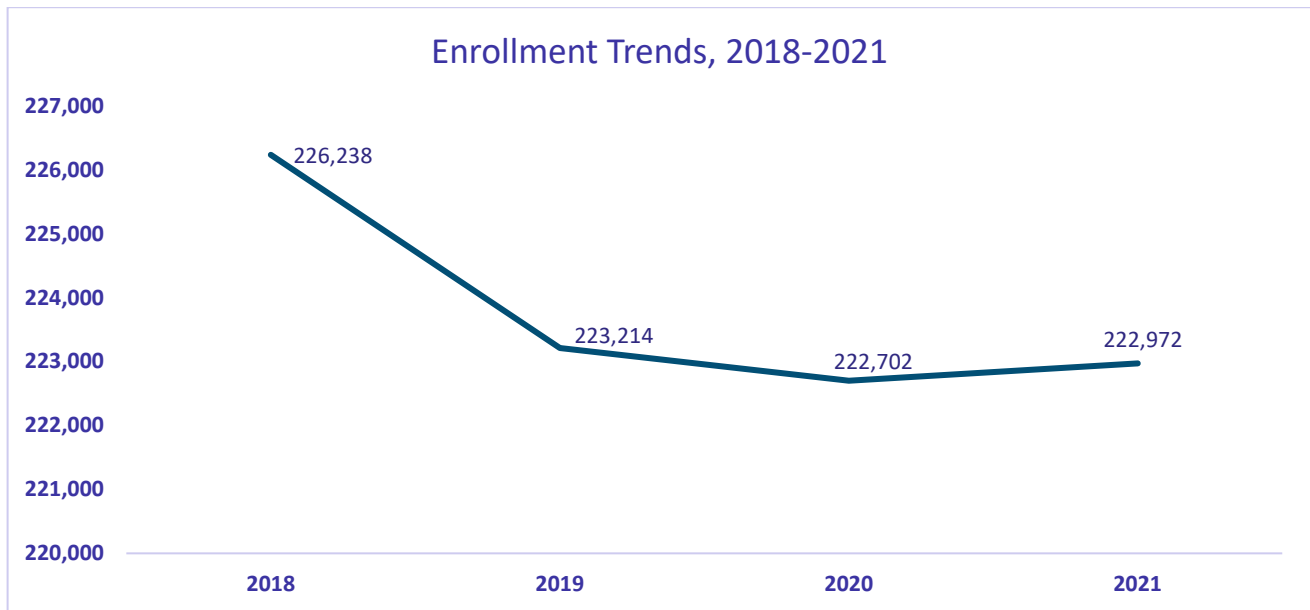
Employers

ETF is the administrator for GHIP benefits on behalf of state agencies, the University of Wisconsin System, UW Hospitals and Clinics, and participating local government employers. In total, ETF served nine payroll and benefits administrators at the state and university level, as well as 394 local employers in 2021. Enrollment in the local government employer portion of the program increased 4.23% from 2020 to 2021.



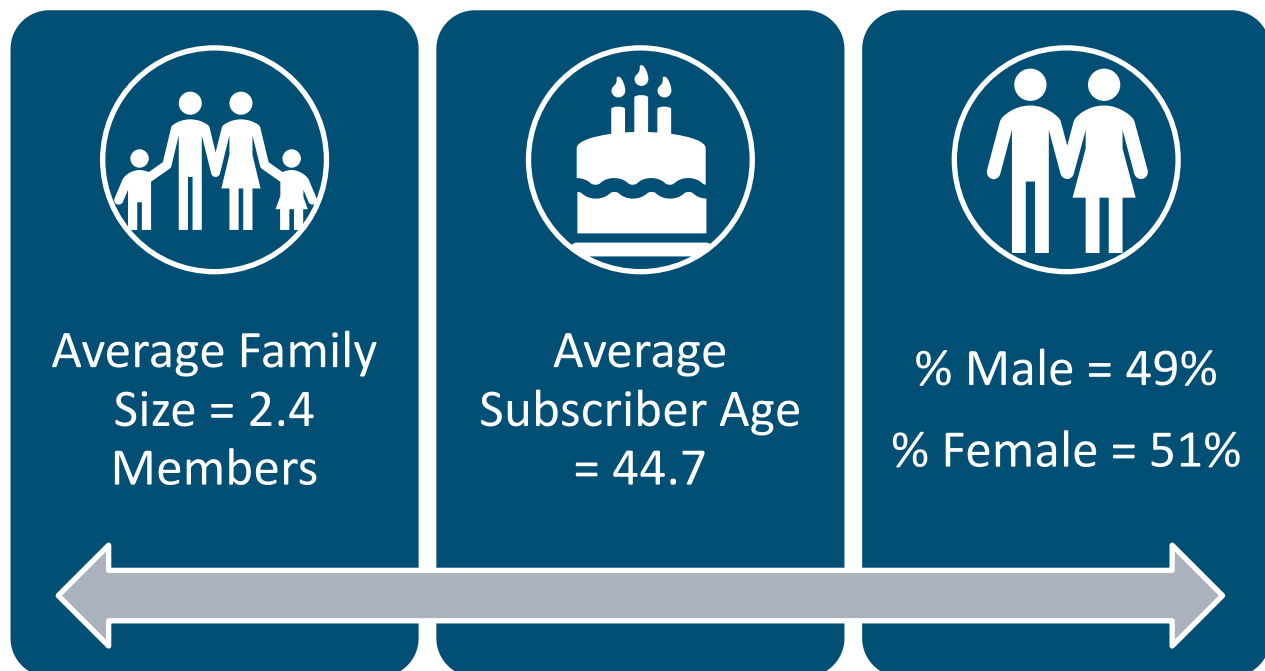
Enrollment

Participation in the GHIP increased slightly in 2021, up 0.12% from 2020. In 2021, 222,972 active employees, non-Medicare retirees, and their dependents were enrolled in the benefit. Service utilization slightly increased, from 84.11% in 2020 to 87.05% in 2021.



Demographics

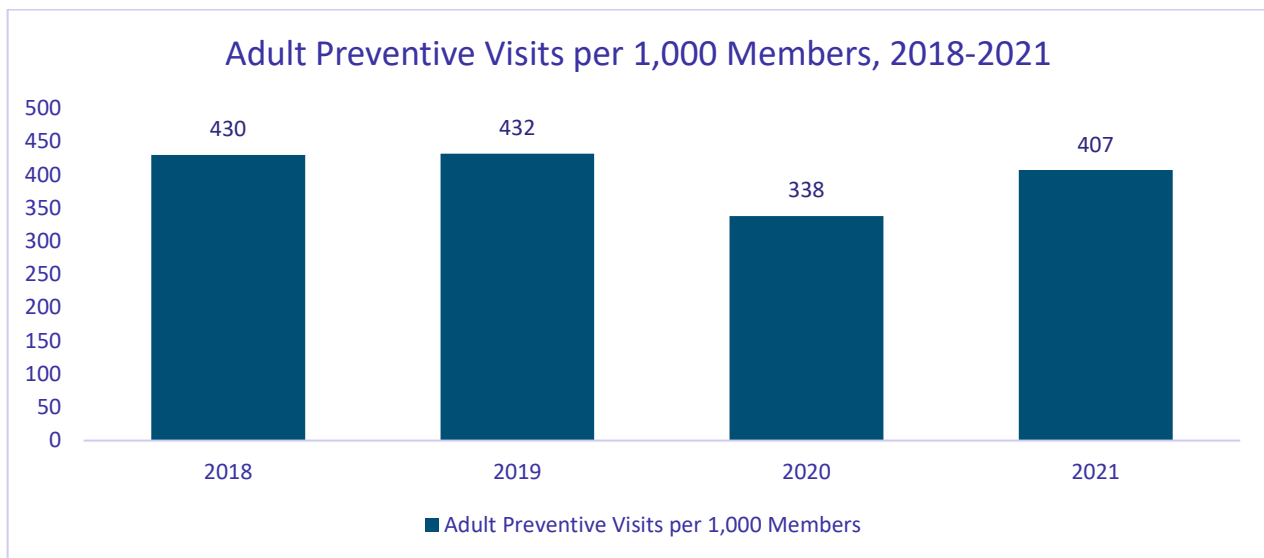
The demographics of the GHIP stayed the same in 2021:



Utilization & Cost Trends

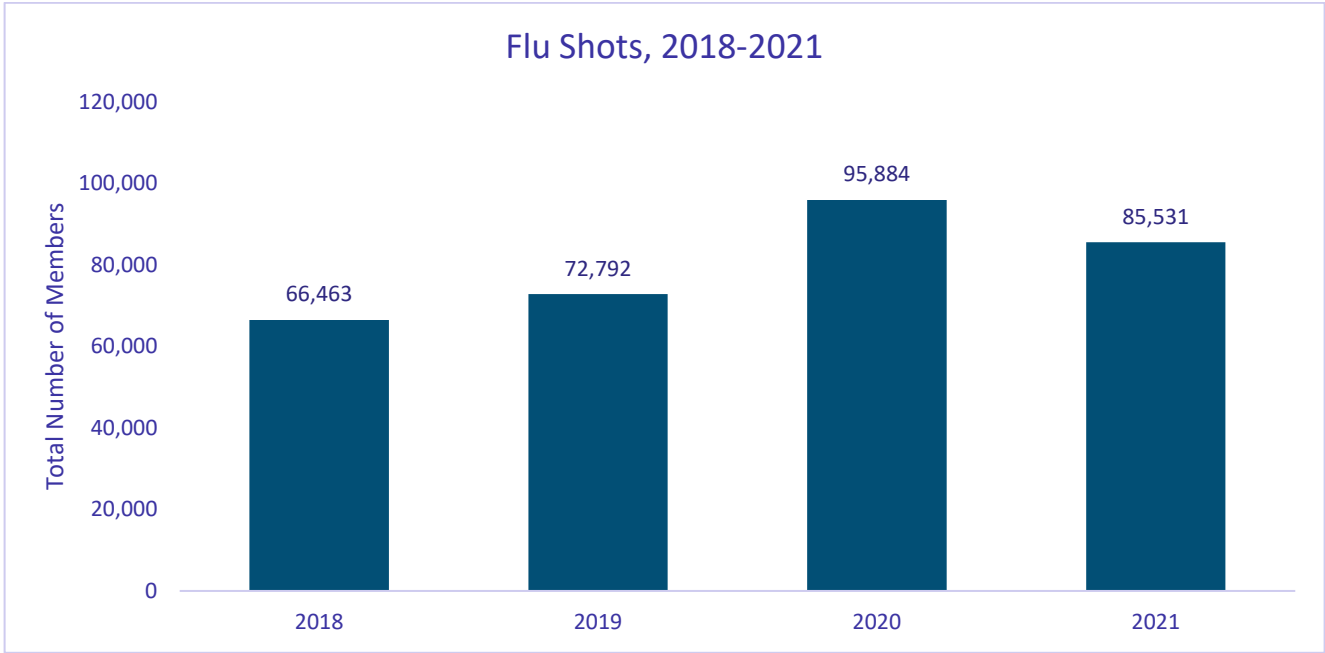
Using ETF's data warehouse, DAISI, ETF can track trends in how members use their benefits and identify opportunities.

People who receive regular preventive care have better long-term health outcomes on average. Preventive care use increased 20.39% from 2020 to 2021, and now four out of every 10 GHIP members receives a primary care appointment, versus three in 10 in 2020. That said, utilization is still slightly lower than pre-pandemic levels.

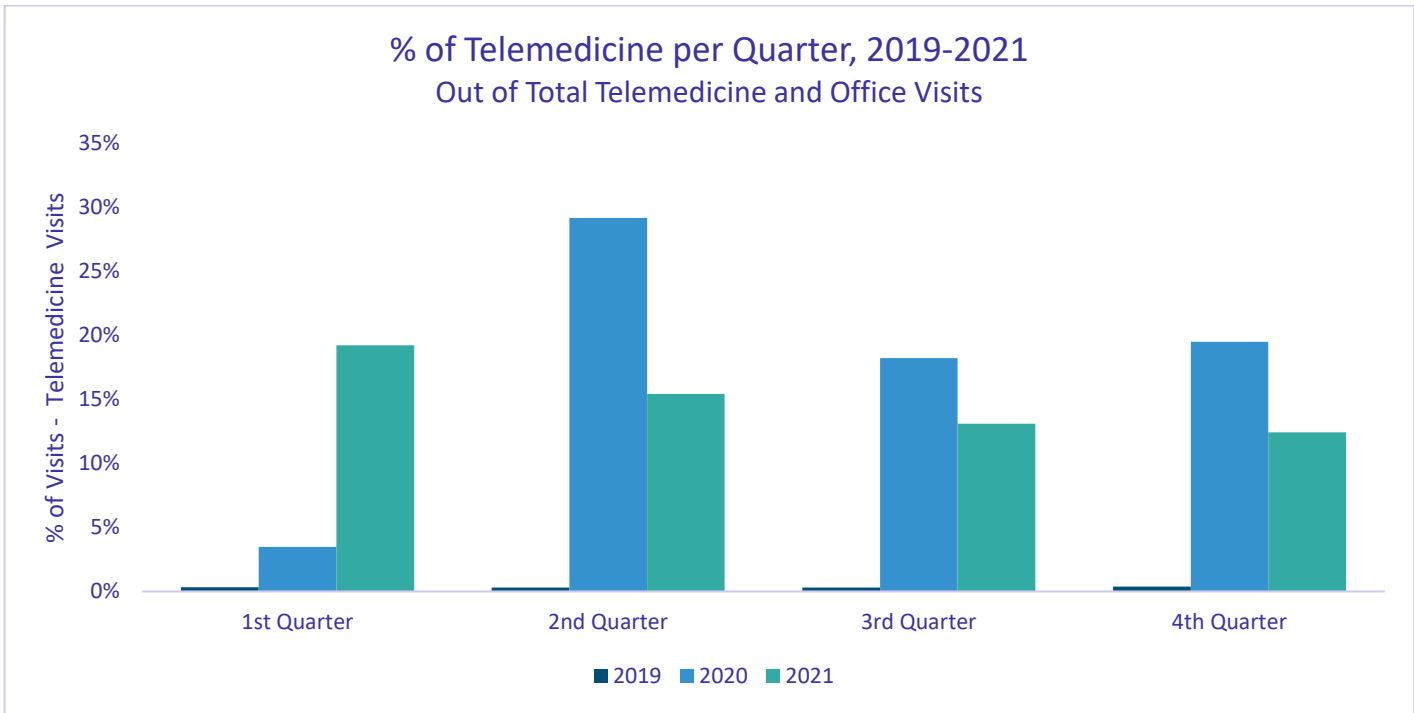


ETF will continue to work with employers, health plans, and the wellness vendor to promote preventive care use.

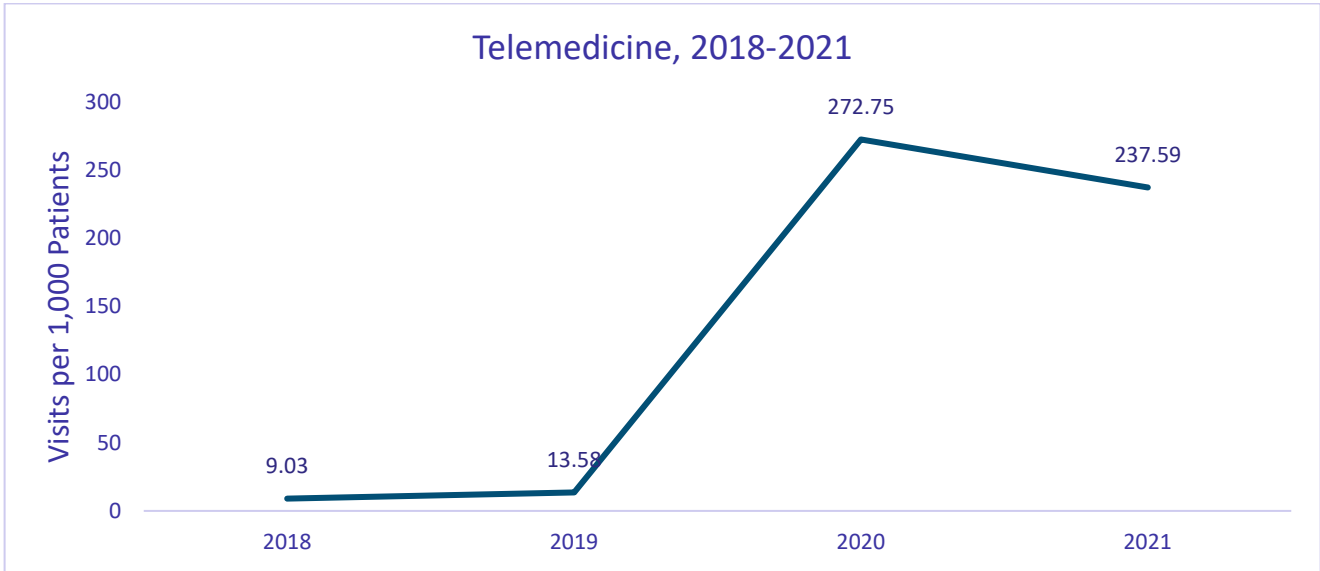
Flu vaccines were another area called out as having potential for improvement in prior years, and in 2020, members increased their influenza vaccination rates. However, rates flagged in 2021 were down nearly 10,000 shots from 2020 (not including employer-sponsored events).



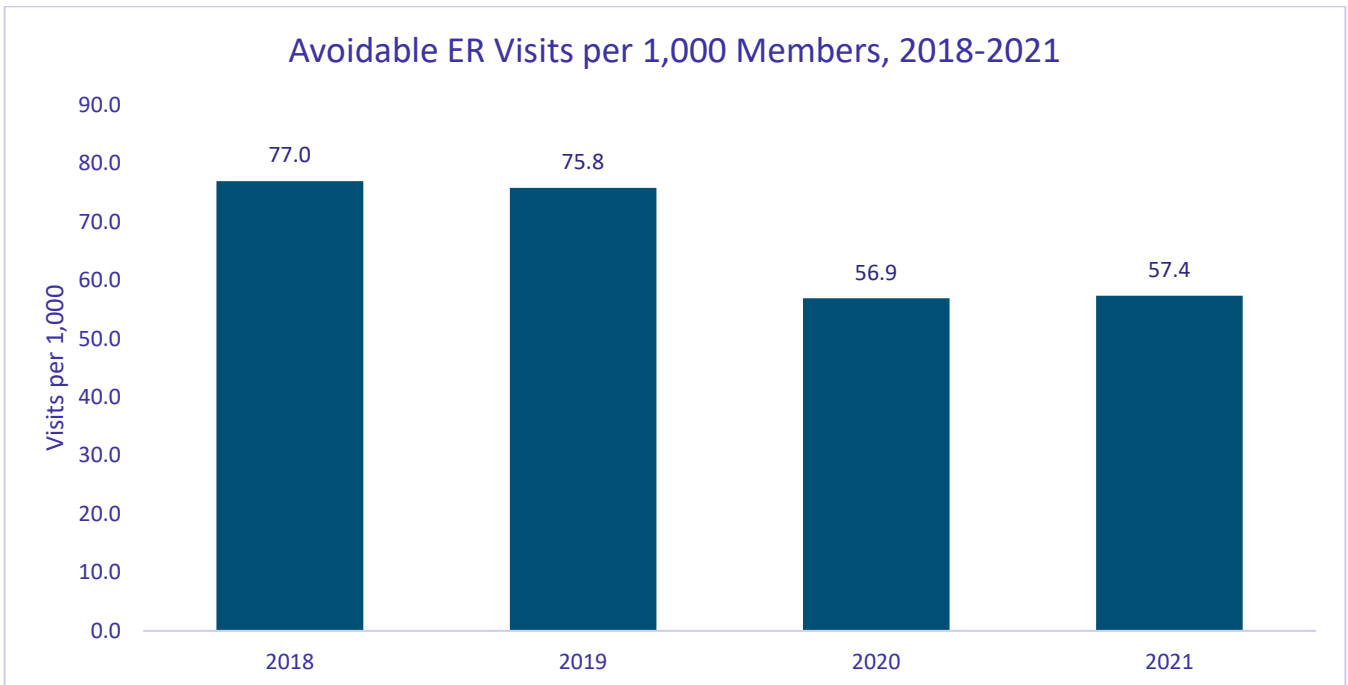
Telemedicine became available to GHIP members in 2018 and was added formally as a benefit with specific cost sharing in 2019. Telemedicine use decreased in 2021, likely related to the return of many patients to in-person care. However, rates continued to be above those seen pre-pandemic. In particular, rates of telemedicine for people seeking behavioral health care remained strong, and even increased slightly in 2021.



The following chart shows the year-over-year trend in the telehealth visits per thousand in 2018, 2019, 2020, and 2021.

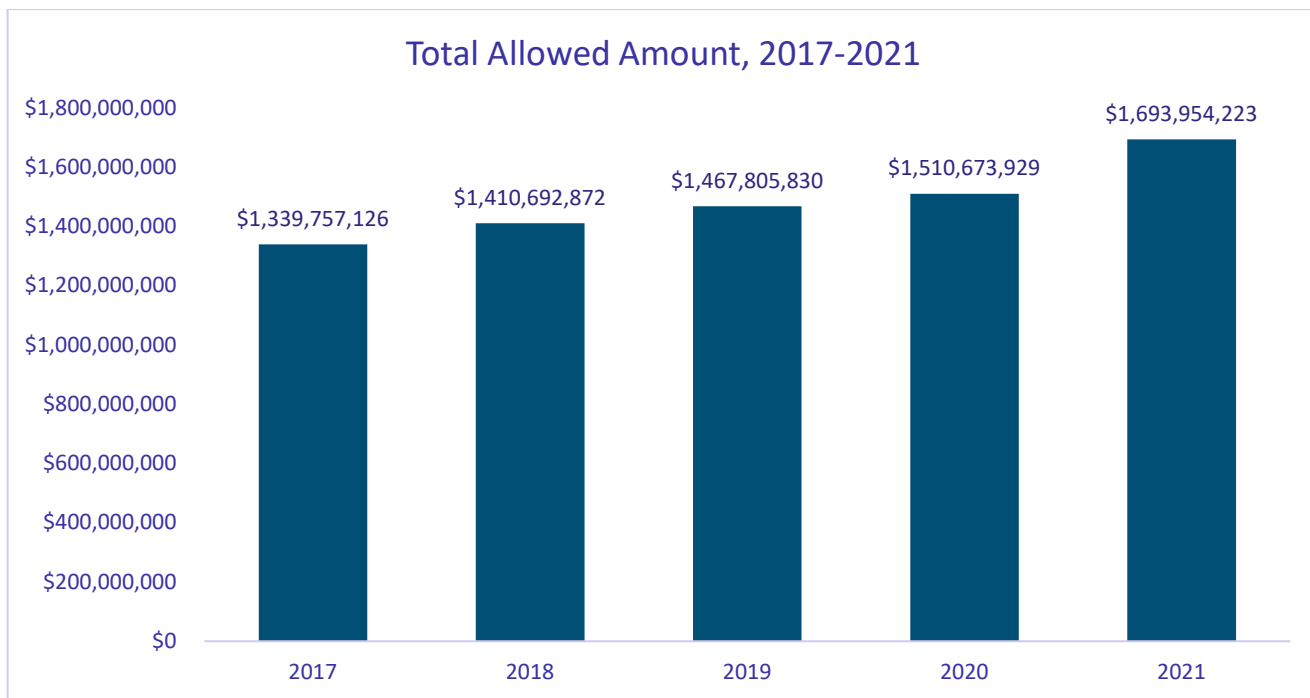


ETF continues to monitor emergency room (ER) utilization as a part of the Board’s initiative to reduce avoidable ER visits and help members find more appropriate and affordable sites of care. For more information, see [In Depth: Board Initiatives](#).



There was a slight increase in avoidable ER visits in 2021, but visits are still lower than pre-pandemic rates. It should be noted that the rate of visits per thousand in this report differs from the 2019 report — this is due to a change in the definitions used by IBM Watson Health (the Board’s data warehouse vendor) to classify avoidable visits. However, the same trends appear between years. There is a notable reduction in avoidable ER visits between 2019 and 2020; some of this is likely due in part to the pandemic and individuals reducing all care seeking behavior.

Allowed amounts also increased in 2021, approximately 12.13% over 2020¹. This is a significant increase from 2020, which resulted from the lower incurred cost in the prior year due to disruption in medical services because of the COVID-19 pandemic.



¹ Note: Numbers for 2018 and 2019 are different than those first appearing in the 2019 Annual Report; this is due to a change in the reporting time of the report and the resultant change in the paid claims reported to the DAISI Data Warehouse.

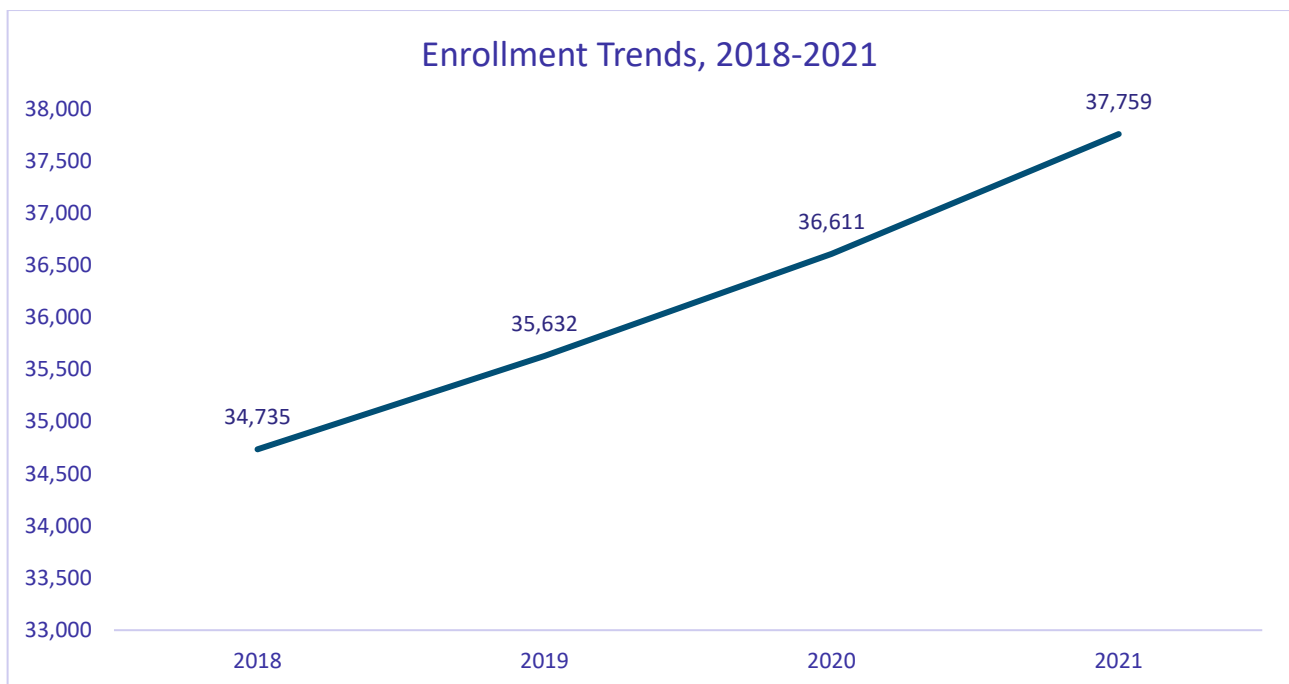
Retirees with Medicare

Members who continue their health insurance coverage into retirement are required to sign up for Medicare when they become eligible. Medicare allows retirees to spend less money out of pocket when they see a doctor or use other medical services.

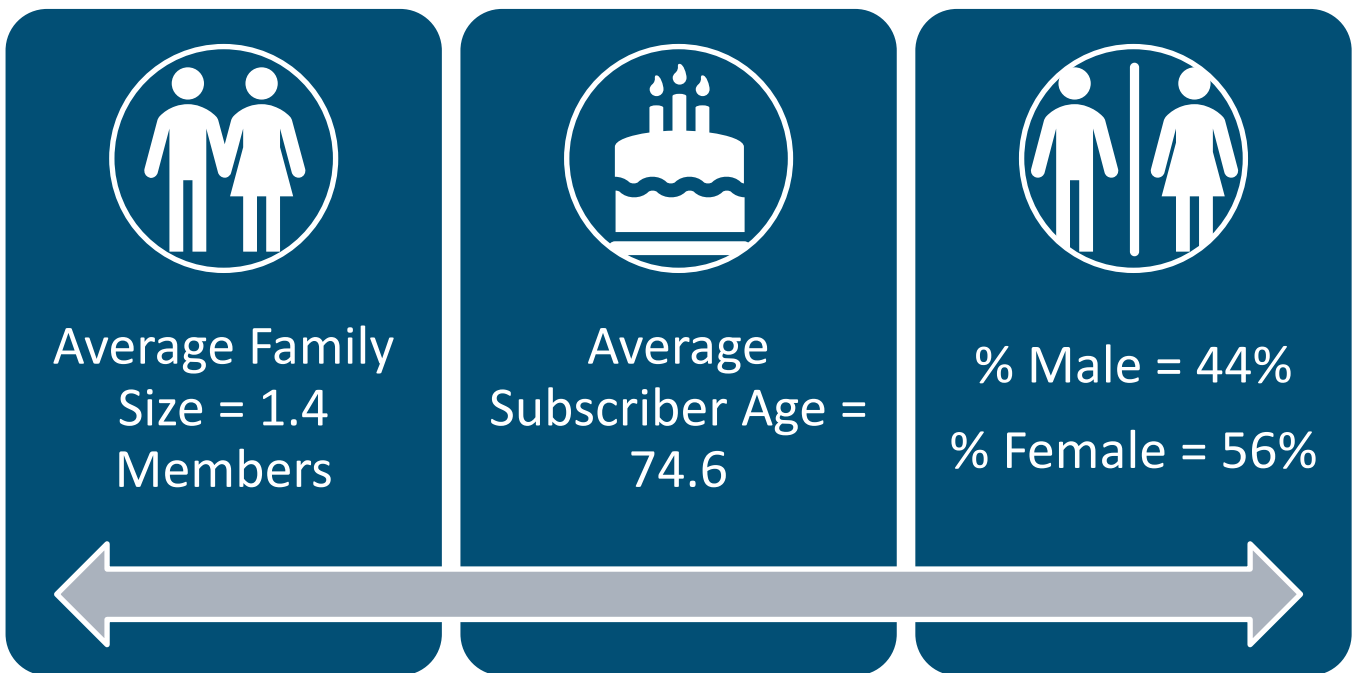
Retirees can choose to continue their existing health plan or can select from two additional benefit designs. Medicare Plus is a Medicare Supplement plan that pays the additional costs of any services that Medicare covers. It also offers worldwide coverage for retirees who live overseas. The Board also offers a Medicare Advantage plan to retirees. This plan covers Uniform Benefits, as well as some supplemental benefits required by all Advantage plans. The Medicare Advantage plan offers coverage nationwide.

Enrollment & Demographics

The Medicare-age retiree population in the GHIP is smaller than the active and early retiree but still a substantial number. In 2021, there were 37,759 members, an increase of 3.14% over the prior year. Medicare members maintained their benefits use in 2021; 96.3% accessed benefits in 2021, up slightly from 2020.



Demographics for Medicare retirees are a little different, as expected in the Medicare age group. Fewer Medicare retirees have dependents on their plans, other than a spouse, which contributes to the smaller average family size. Average family size stayed the same in 2021, though member age increased slightly from 74.5 to 74.6. The percentage of male members also increased from 43% in 2020 to 44% in 2021.



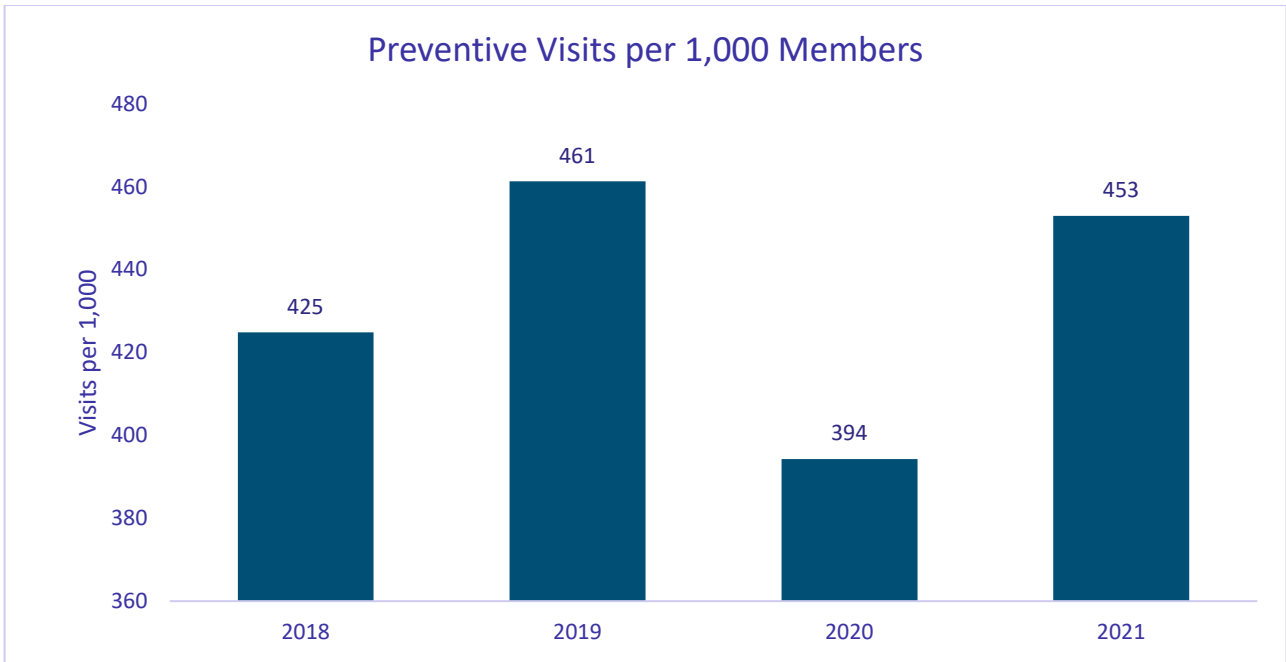
Benefits

Retirees in the GHIP who have Medicare can keep the same benefits they had when they were employees and even reduce their out-of-pocket costs. All health plans that offer benefits for GHIP members offer a coordinated Medicare plan where the plans pay all Uniform Benefit services that Medicare doesn't pay, as well as the difference in cost for many services.

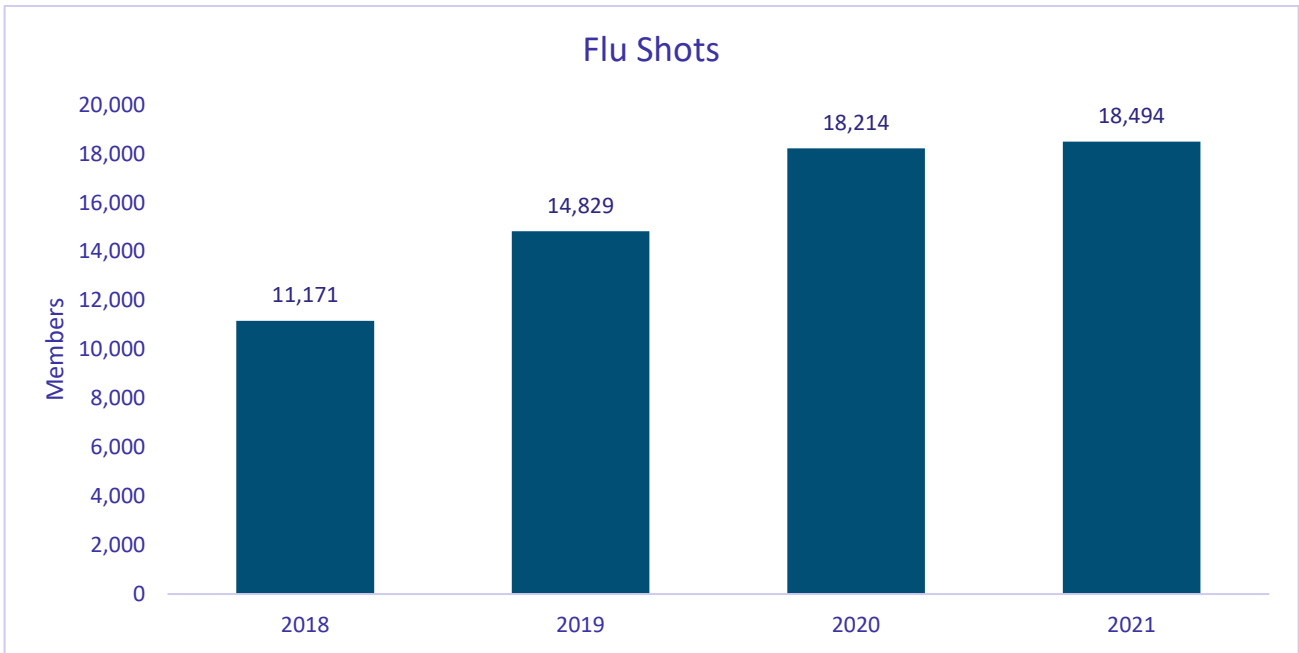
Utilization & Cost Trends

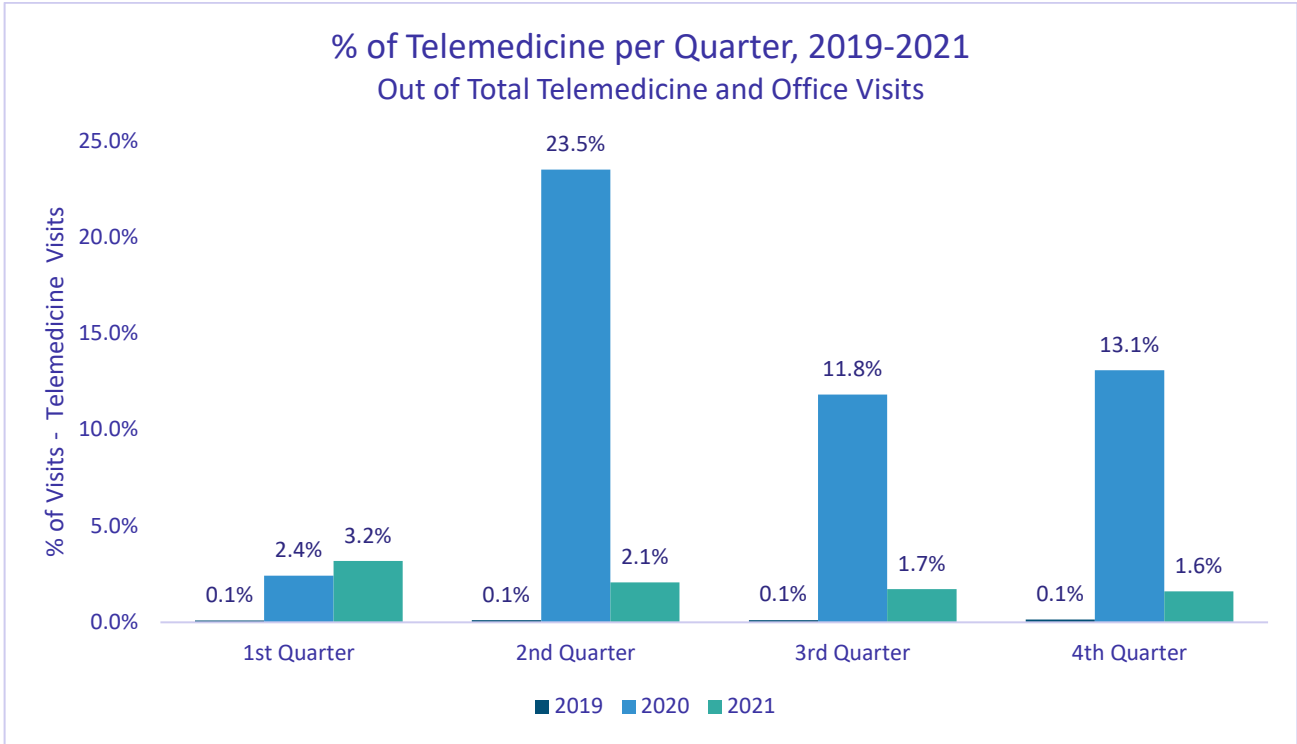
The Medicare-coordinated, Medicare Plus, and Medicare Advantage plans benefit from being able to share costs with Medicare in order to lower premiums and out-of-pocket expenses for retirees.

ETF tracks similar utilization patterns in preventive care, immunization, telehealth, and ER use for the Medicare population. Below are charts showing use per 1,000 members for 2018, 2019, 2020, and 2021.

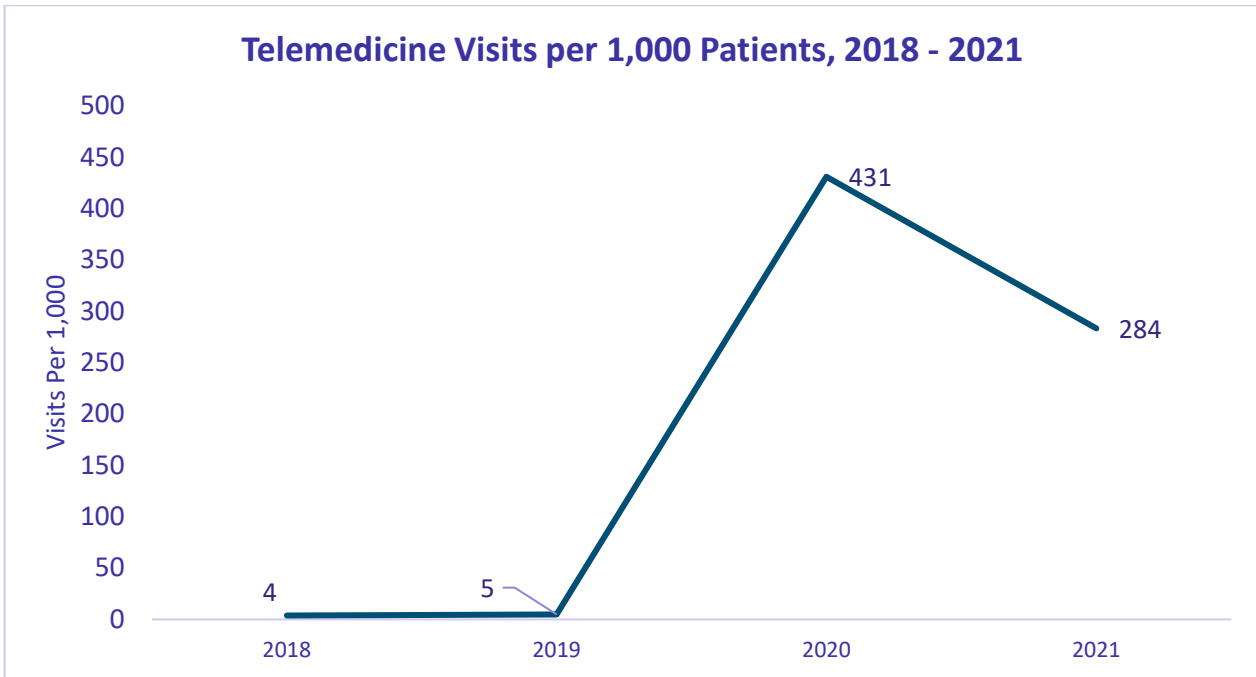


Preventive visits in 2021 remained below pre-pandemic levels but did rebound in 2021. Preventive visit use increased for 14.84% in 2021. In flu vaccines, Medicare retirees showed an increase in use between 2020 and 2021. This represented an increase of 1.54% over the prior year.

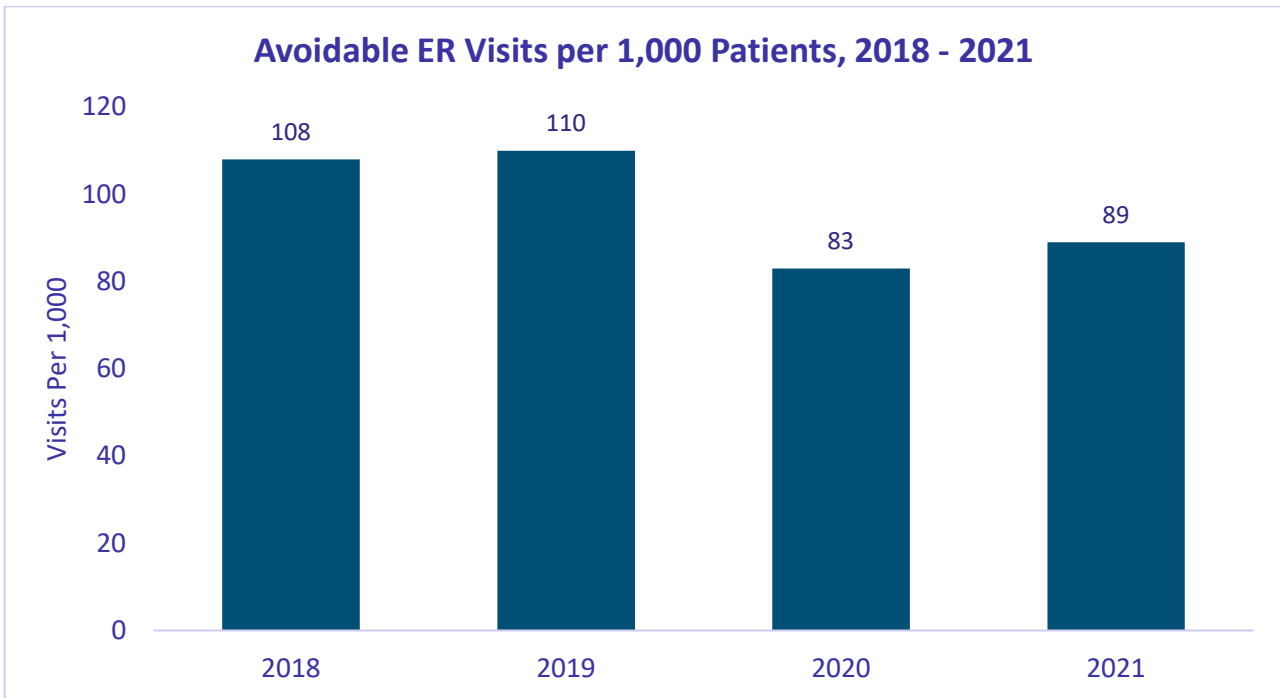




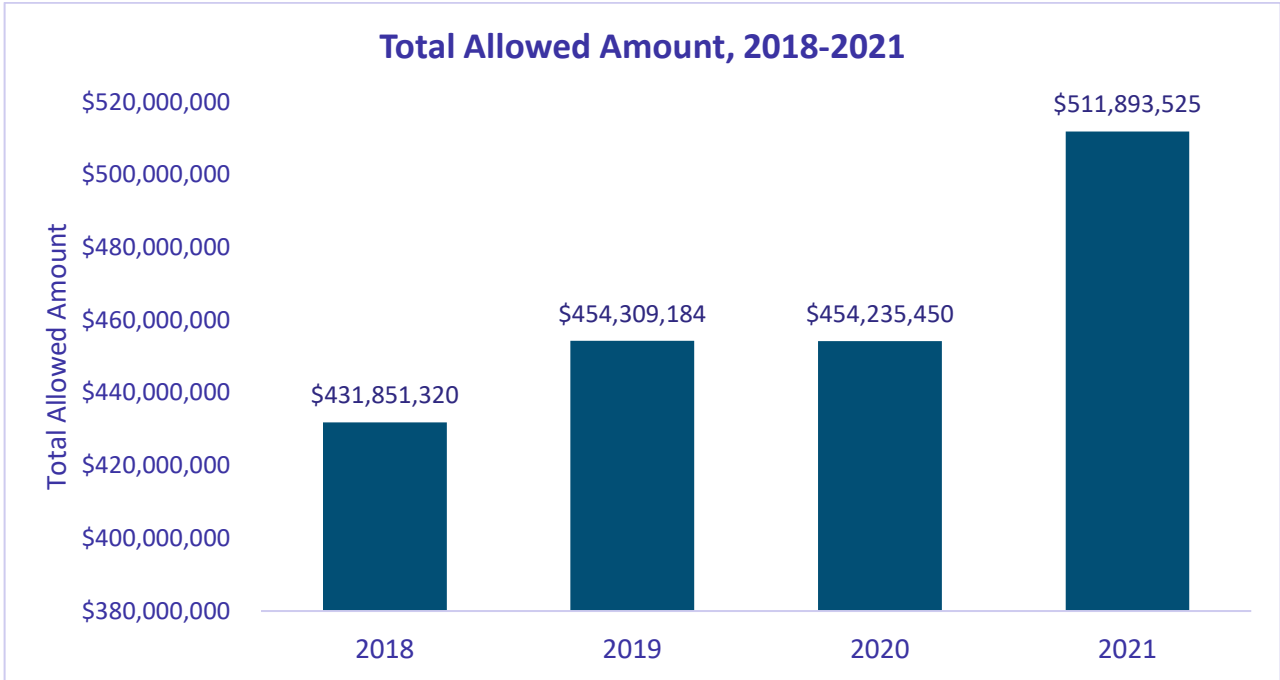
Medicare retirees also saw a reduction in telehealth use; down 34% in 2021 from 2020. However, their rates also remained above pre-pandemic levels.



Lastly in ER use, the same change in classification of what is considered an avoidable visit affects the Medicare retiree group too, and in this case causes there to be a slight increase in avoidable ER visits from 2018 to 2019. Similar to the non-Medicare group, there was a slight increase (+7.08%) in avoidable ER visits from 2020 to 2021, but rates still remain below pre-COVID rates.



The total allowed amount spent for Medicare retirees increased 12.69% in 2021. This is more than double the increase seen between 2018 and 2019 and follows a year of essentially no growth between 2019 and 2020. While some of this may be related to rebounding care patterns, there were also increases in prices associated with services that contributed to the large growth in cost over the past year.

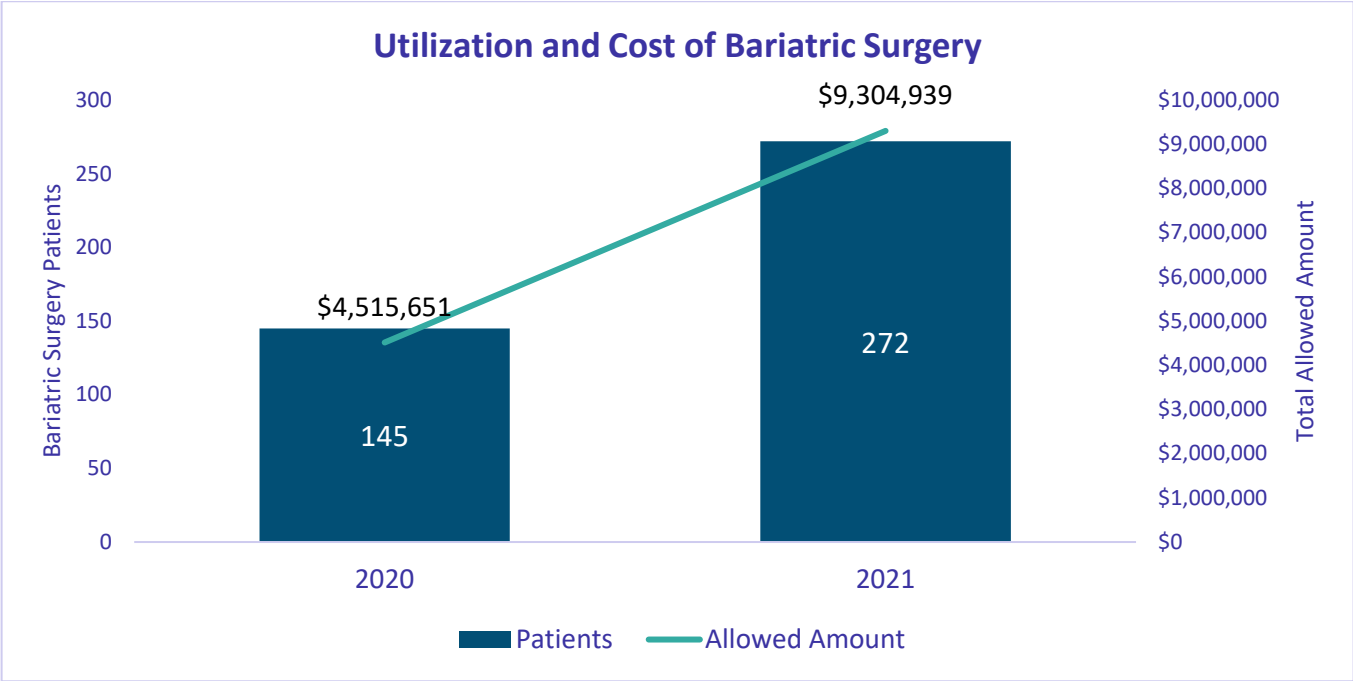


Changes in 2021

The most significant planned change for 2020 was the addition of bariatric surgery as a covered benefit for members. The Board approved adding coverage for members with body mass indices (BMIs) of 35 or greater, subject to plan medical management and approval criteria. However, due to the COVID-19 pandemic — as well as preparatory periods that members must undergo in some cases to qualify for bariatric surgery — ETF’s ability to study the effects of this benefit were delayed. 2021 gave the Board and ETF a better sense of the early effects of this change.

When ETF proposed this change to the Board, the Board’s actuaries and data analytics vendors estimated that around 700 per 100,000 people would have bariatric surgery in any given year, and that these services would cost around \$3 million in additional claims. Actual utilization of the benefit proved lower, while costs were higher. It is likely that the initial low utilization was lower due to the pandemic as well as people needing to complete pre-requisites for surgery. The higher cost of surgeries was largely related to the place where surgeries were performed — bariatric surgeries done in an inpatient setting were more than twice as expensive as bariatric surgeries done in an outpatient setting. This is partly because of the costs associated with those specific sites of care, but also could be related to individual member health, since members

with more health risks will likely be required to have their surgeries in an inpatient hospital. ETF reviewed costs associated with each health plan for 2020 and 2021 and found that costs to each plan for bariatric surgeries were spread proportionally among plans by the number of members in each plan. ETF will continue to keep an eye on the costs of bariatric surgeries for members.



Pharmacy Benefits

The Board's Pharmacy Benefit program helps members save on a variety of generic and specialty prescription drugs. Prescriptions are grouped into four different member cost tiers. The benefit includes coverage for members with and without Medicare.

Pharmacy benefits are administered by a separate vendor from the medical benefits, Navitus Health Solutions (Navitus), but are closely coordinated to ensure members receive the best care at the best price. The Pharmacy Benefit program not only provides coverage to members at a retail pharmacy, but also provides access to a mail order pharmacy service that sends medications directly to members at home.

Participation

All GHIP members are automatically enrolled in the pharmacy benefit. Participants who do not yet have Medicare (active employees, early retirees, and their dependents) are enrolled in the Commercial product. Retirees with Medicare are enrolled in an Employer Group Waiver Plan (EGWP). The benefits of the Commercial plan and the EGWP are very similar; the EGWP is designed to work with Medicare Part D coverage to help retirees save money on premiums and at the pharmacy.

There was a slight reduction in the total number of eligible Commercial members in 2021 from 2020, and a slight increase in the number of eligible Medicare members. Both Commercial and Medicare members used their benefits more in 2021 than 2020, which may have been influenced by the pandemic and other changes in policy that increased the number of vaccines provided by the pharmacy benefit.

The total cost of medications provided through the pharmacy benefit was similar between 2020 and 2021. When comparing this report with 2020, however, readers may notice a change. Total costs for 2020 were reviewed and revised downward on later review; this is common once all claims are audited and reconciled for prior years.

Plan Type:	Commercial	Medicare	Total
Number of Eligible Participants*:	205,269	34,401	239,670
Participants Who Used the Pharmacy Benefit:	166,884	34,607	201,491
Total Prescriptions Filled:	1,947,499	910,399	2,857,898
Total Cost (plan & participant):	\$211,902,056	\$117,958,506	\$329,860,562

**The number of eligible participants is an average over the year, while the number of participants using the benefit is a total.*

Vaccines were a major topic in 2021, and more people were able to take advantage of both COVID-19 vaccines and other vaccines at pharmacies that year. The table below summarizes the Commercial members who were able to access each vaccine. Non-Medicare members are not included here since not all vaccines are available to them at pharmacies, due to Medicare rules.

Vaccine Type	Number Received
Influenza	22,504
Shingles	1,795
COVID-19	116,853 (includes 1 and 2 dose shots)

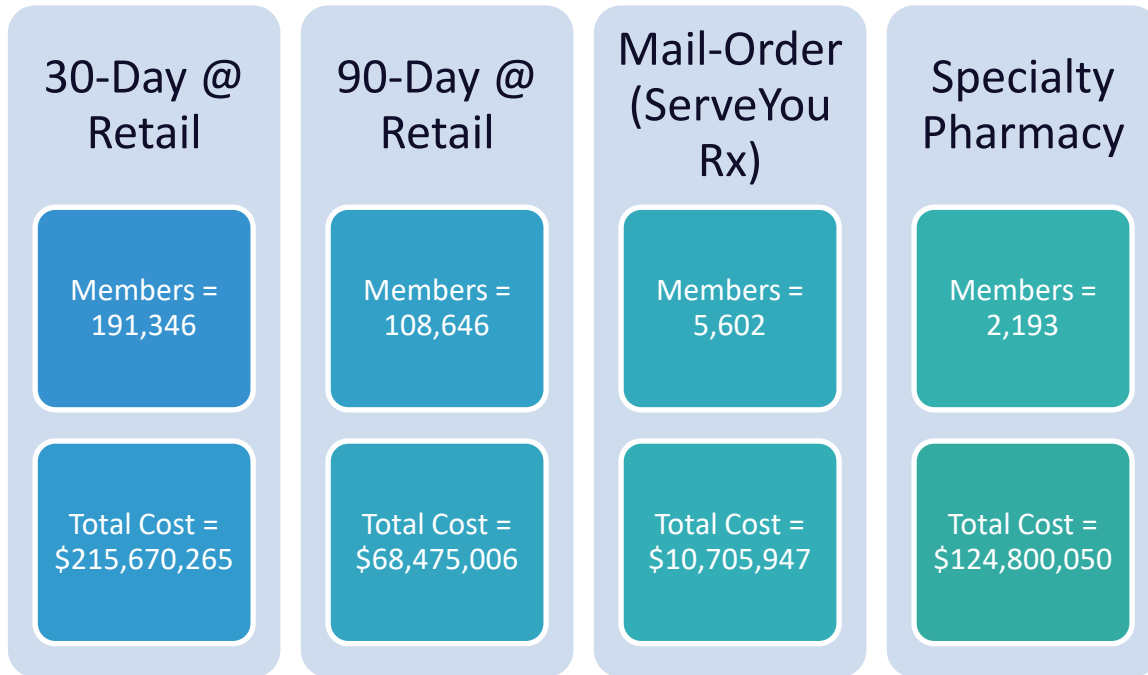
Where Participants Get Prescriptions

Participants have several options for filling prescriptions. The most common way is for a 30-day supply at a retail pharmacy, but they can also fill maintenance medications for 90 days at a retail pharmacy, or take advantage of Navitus’s mail order prescription service, ServeYouRx.

Members who take specialty drugs (sometimes called biologics) receive their medication through specialty pharmacies. Most use either Lumicera or UW Specialty Pharmacy to receive those drugs; both deliver directly to members’ homes. UW

Specialty Pharmacy offers in-pharmacy pickup for members who prefer to go to a retail pharmacy.

Below is a breakdown of where participants filled their prescriptions in 2021:



Cost Trends

The 2021 plan paid per-member, per-month cost increased \$4.18 over 2020, or an increase of 5.2%, for the commercial program. This was mostly driven by price inflation. Only 2.1% of the increase was driven by increased utilization by members.

For members enrolled in Medicare, costs increased by approximately \$0.70 per month, down substantially from the 2020 increase, and resulting in only a 0.3% increase for 2021. This change was also primarily driven by price inflation. Utilization actually decreased the trend by -3.3%.

Changes in 2021

The Board did not make any changes to benefit programs for 2021, given the ongoing pandemic, as well as a Board Initiative aimed at improving the costs of specialty drugs that began in 2020. The Board did implement an administrative change called eHealth Solutions to help facilitate easier access to medications for members. These changes

help prescribers submit prescriptions and prior authorization requests electronically to Navitus, which helps members get access to their medications faster. Navitus also added the ability for providers to check member costs for prescriptions real-time online, so providers can help members pick the most cost-effective prescription options before they leave the clinic. In 2021, a total of 2,223,712 prescriptions were sent electronically using these new programs. Providers used the benefit check tool to look up pharmacy benefits for members 164,359 times.

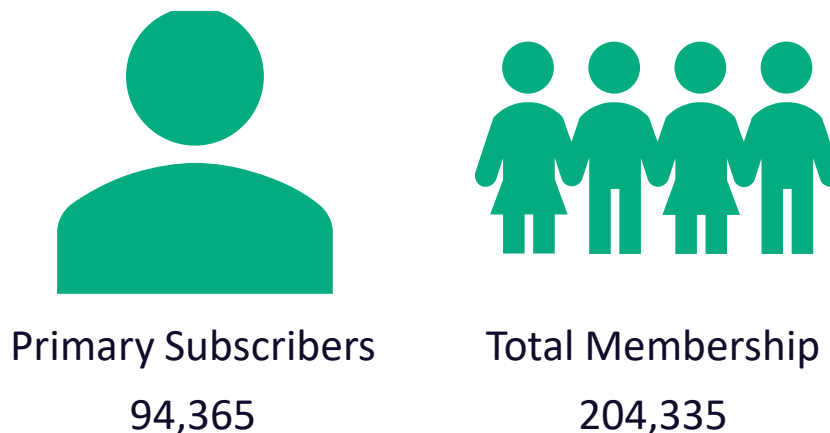
For additional information on pandemic impacts and Board Initiatives, please see the [In Depth sections](#) included later in this report.

Dental Benefits

The Uniform Dental Benefit (UDB) provides basic dental coverage to employees and retirees who enroll in the GHIP. UDB covers diagnostic services like x-rays, preventive cleanings and exams, and basic fillings. It also provides some coverage for children’s orthodontic services. The UDB is administered by a single vendor, Delta Dental of Wisconsin (Delta), for all members who enroll in the plan.

Participants

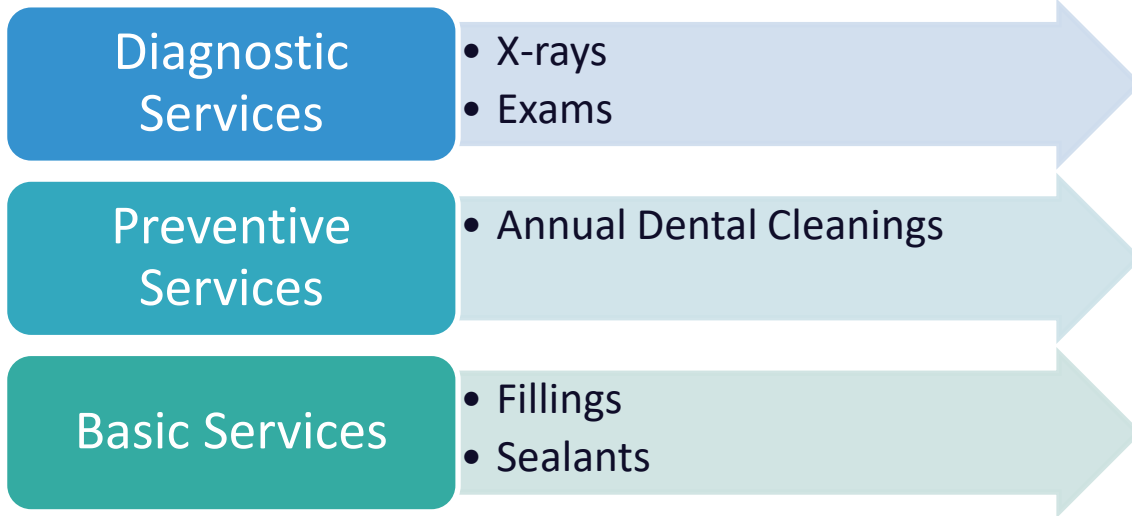
Participants who have the plan offered to state and UW employees and retirees can choose whether to add the low-cost UDB to their health insurance premiums. Local government employees and retirees whose employer chooses to offer UDB can opt in as well. Below is the total enrollment for the Uniform Dental Plan in 2021:



2021 enrollment was nearly the same as in 2020.

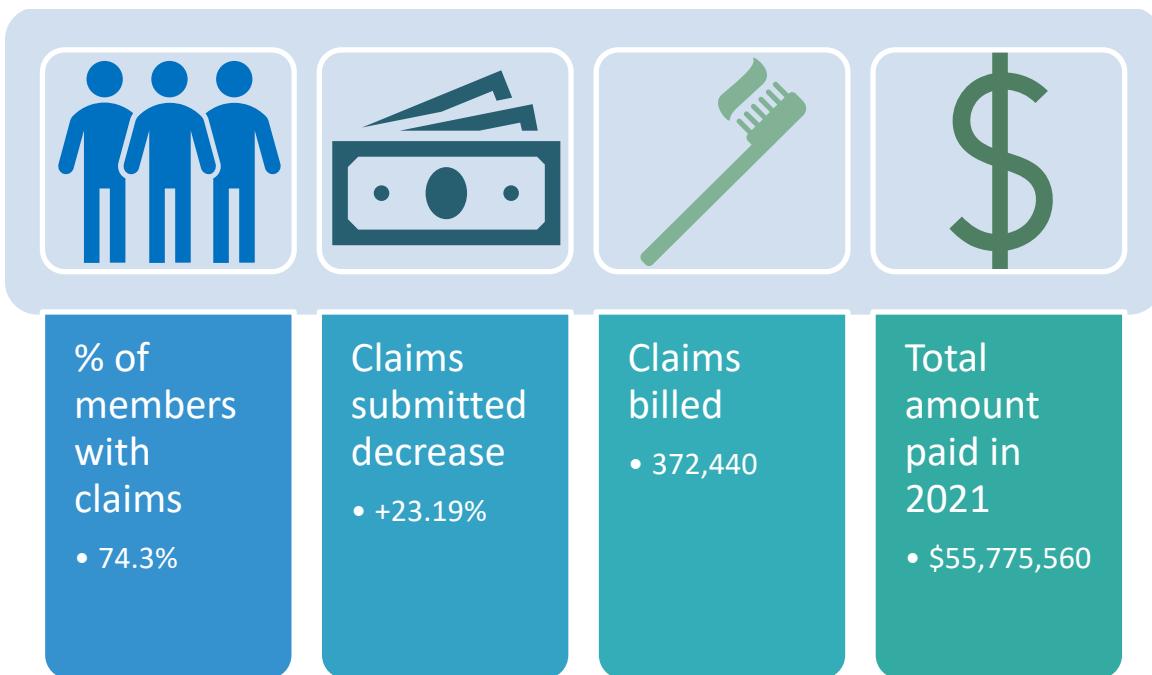
Features

The UDB covers diagnostic, preventive, and basic services for all members. It also covers orthodontic services for children under 19 years of age. The coverage has no deductible or waiting period, and it has an annual benefit maximum of \$1,000 per person. Orthodontics coverage has an additional \$1,500 lifetime maximum benefit, with 50% coverage.



Visits & Services

74.3% of participants had at least one claim for dental services in 2021, up from 68% in 2020:



The Uniform Dental Benefit proved to be a reliable indicator of when members were comfortable returning to in-person care in both 2020 and 2021 -- and care engagement clearly rebounded in the 2021 program year.

Well Wisconsin

Well Wisconsin is designed to improve the health and well-being of employees, retirees and their spouses through education and activities that support a healthy lifestyle. Participants can earn a \$150 incentive each year by completing a health check, a health assessment questionnaire, and a well-being activity. In 2020, the program added new options for the health screening, and the expanded options continued in 2021.

The Well Wisconsin Program is administered by a single wellness vendor for all participants. In 2021, The StayWell Company (StayWell) was purchased by WebMD, and the contract for services transitioned to WebMD at that time. WebMD provides access to the same health coaching, disease management, flu shot clinics, an online portal, and educational materials, as well as communications and customer service support that StayWell did under the original contract for Well Wisconsin.

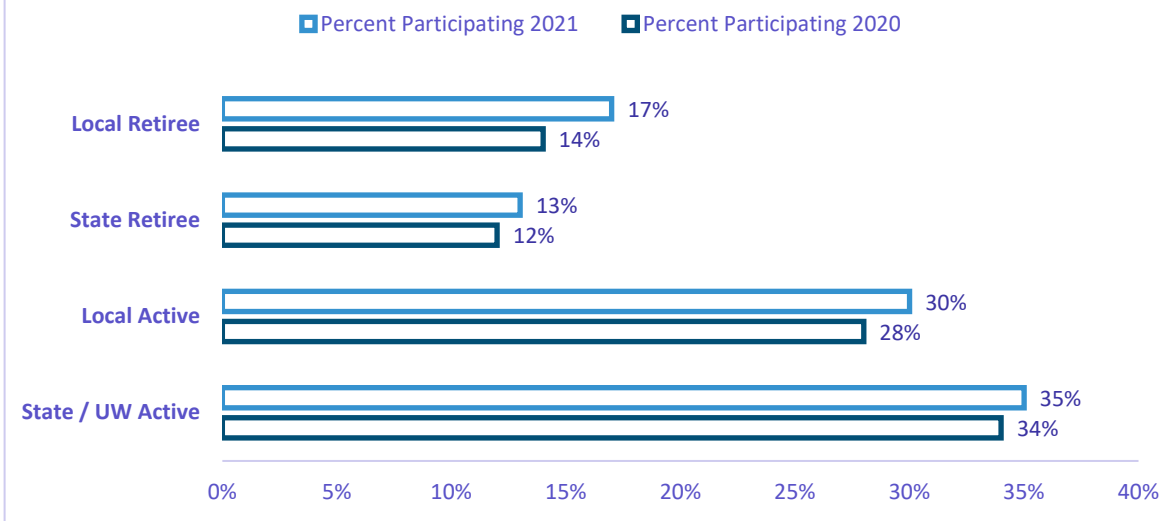
A total of 104,380 State and UW active employees and their spouses were eligible for the Well Wisconsin program in 2021; 17,465 active local employees and spouses were eligible. A total of 41,577 state retirees and their spouses and 2,960 local retirees and their spouses were eligible in 2021. Following federal law, Well Wisconsin does not include dependent children as eligible for the incentive program.

Incentive Participation

WebMD's goal for overall participation in 2021 was 50,000 eligible participants (30%) achieving the \$150 incentive payment. A total of 47,554 participants (29%) actually participated, which is a slight increase from 2020. Given the transition to a new portal platform and brand name, this was an excellent outcome for the year.

Participation varies by group; participation in each group increased slightly in 2021.

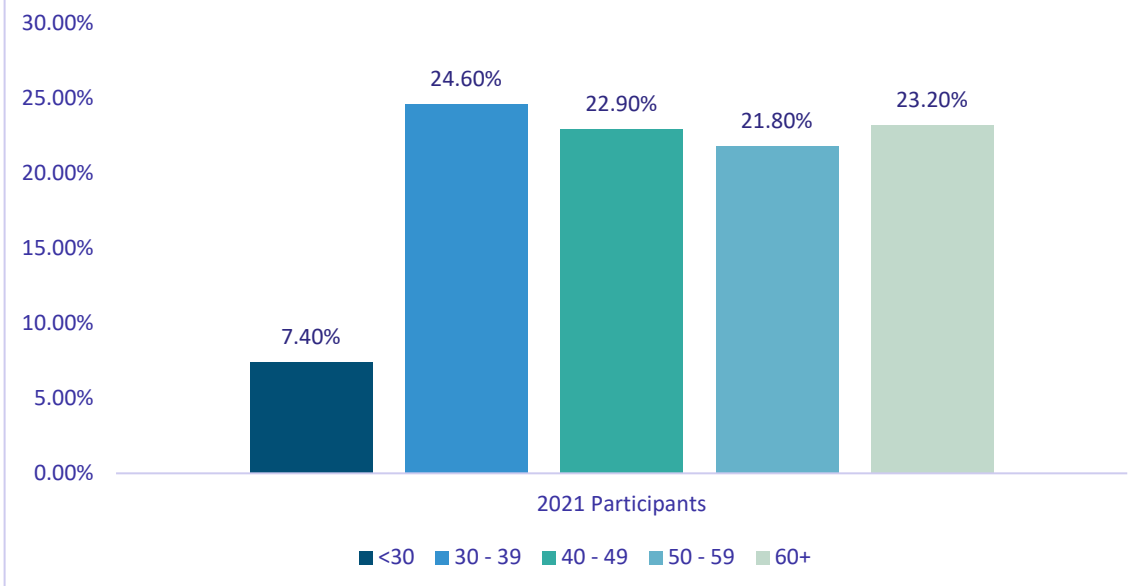
Percent Participating in 2020, 2021 by Type



Demographics

Well Wisconsin participation is spread somewhat evenly among age groups. The largest group of participants is 30 to 39 years old, followed by participants over age 60, although all age ranges except those under 30 are equally represented. This is consistent with the overall demographics of state workers, where a relatively small number of employees are under 30 years of age.

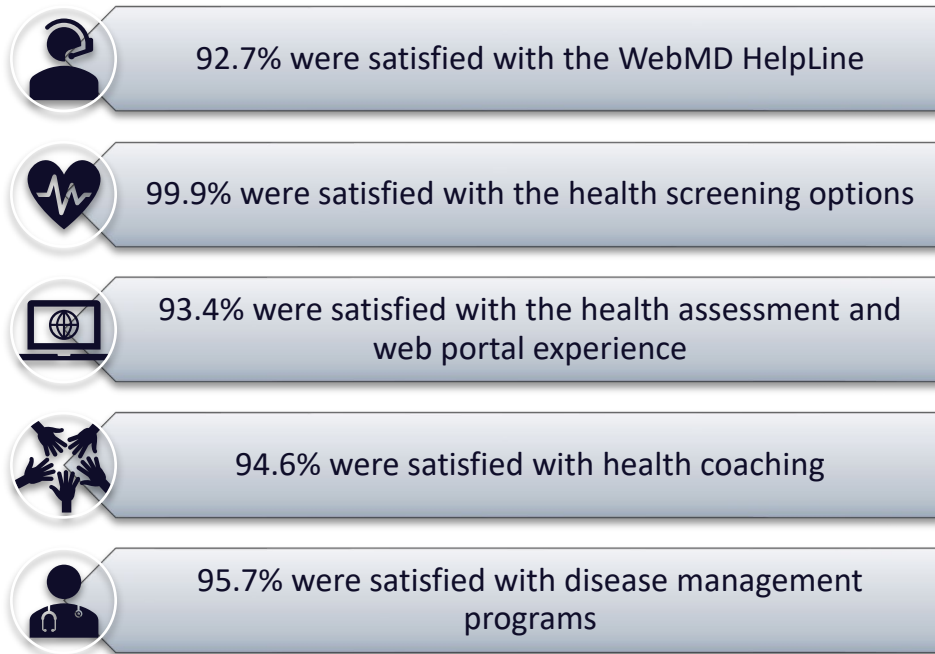
Well Wisconsin Participants by Age Group



Participants in Well Wisconsin are slightly more female than the overall GHIP population; 59.5% of Well Wisconsin participants were female, 39.7% were male, 0.3% were non-binary, and .5% declined to answer.

Program Satisfaction

The Well Wisconsin program continues to report high levels of satisfaction among those who participate in the program. The 2021 program goal was to reach and maintain a satisfaction rate of 90% in nearly all measured categories.



There was a marked increase in member satisfaction with the health assessment and portal experience, up 6.7 percentage points from 2020. There was also a slight decrease in satisfaction scores of around three points each for health coaching and disease management. However, in 2021 the program met its metrics in all areas measured.

Health Outcomes and Risks

In prior years, ETF has reported on participant risk reduction for those in the lifestyle and disease management coaching programs. Due to the change in portals, platform, and underlying assessments, ETF is not able to provide an analysis of risk change for 2021, but this will be reported in future years of the program.

Culture of Wellness

Wellness presents an opportunity to help employers create a culture of wellness in the workplace that can help to support employees to maintain and/or improve their health. ETF assists employers by providing technical support, training and grant funding.

In 2021, ETF:

- Created two new webpages to support Well Wisconsin-related communications. One geared toward employers (<https://etf.wi.gov/well-wisconsin-employers>) and another focused on members (<https://etf.wi.gov/well-wisconsin-members>).
- Sponsored attendance for 32 Wellness Champions at the annual Wellness Council of Wisconsin conference.
- Sponsored 15 employer memberships to the Wellness Council of America and the Wellness Council of Wisconsin.
- Provided 36 grant awards totaling \$74,655 in new funds for 2021.
- Alongside WebMD:
 - Supported 76 State agency and UW Wellness Champions designated by their employers to work on wellness as a part of their regular work duties.
 - Established a local Wellness Champion network with 25 employers.
 - Supported 26,174 participants, who found ways to engage coming out of the pandemic.
 - Sponsored the third annual employer Well Wisconsin Awards and Kick-off Celebration.

ETF and WebMD will continue to leverage existing channels to communicate with all employers throughout the year regarding wellness opportunities and will design wellness resources that are easy to implement at employer sites.

Supplemental Benefits

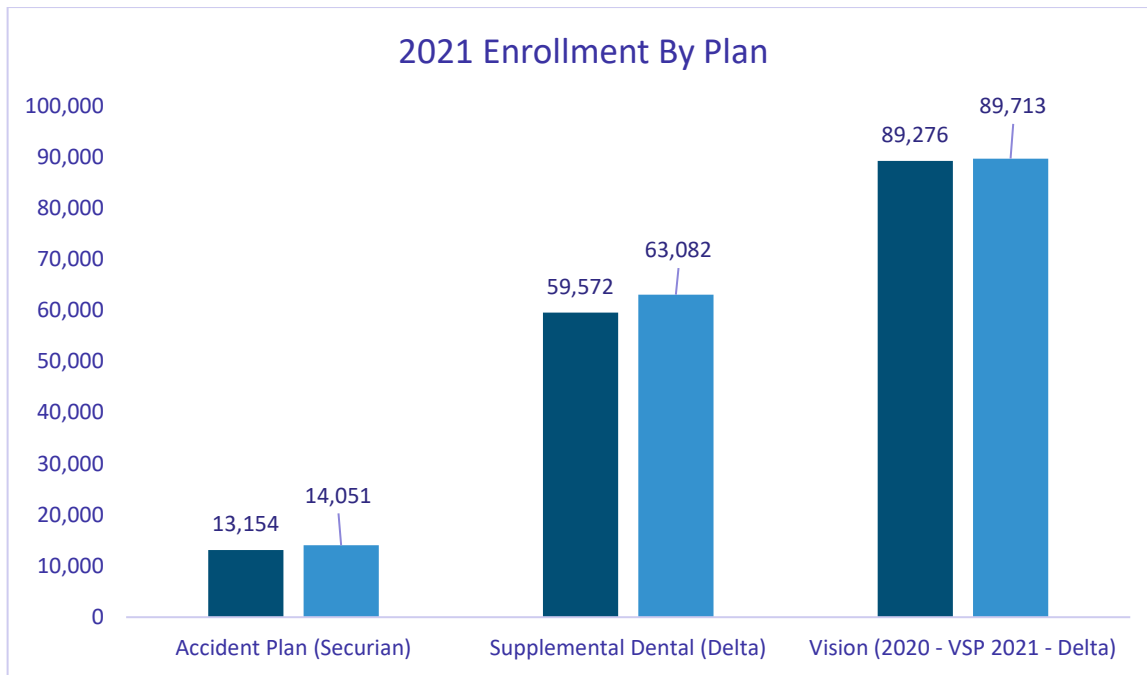
Supplemental benefit programs are paid for in full by the employees and retirees who elect to participate. In 2021, the Board continued expansion of supplemental benefits to local employers and began offering both vision and accident benefits. The Board also transitioned to a new vendor, DeltaVision.

Participation

Supplemental plans in 2021 were offered by three vendors:

- Securian: Accident Plan
- Delta Dental of Wisconsin (Delta): Supplemental Dental & Vision
- Mutual of Omaha/HealthChoice: Long Term Care (LTC)

The chart below shows the enrollment in each plan in 2020 and 2021 for subscribers and dependents. Enrollment in each benefit plan was relatively stable year over year.



Supplemental Dental enrollment numbers from 2020 were revised to reflect corrected totals.

Dental Plans

Supplemental dental plans continued to be popular among employees in 2021. In total, members paid \$22,628,601 in premium in 2021 for all three plans. Utilization also increased in 2021 from 2020.

Supplemental Dental Claims		
	2020	2021
Number of Claims Paid	223,385	271,289
Dollar Amount Paid	\$22,872,899	\$27,560,992

In 2021, the supplemental dental program was rebid for a two-year contract, versus the one-year contract that had been done in the years since ETF and the Board assumed ownership of these programs. The contract was won again by Delta Dental.

Vision Plan

The supplemental vision insurance offered by DeltaVision includes allowances for yearly exams as well as frames, lenses, and contacts for members who need vision correction.

The DeltaVision policy also offered discounts on laser vision correction, sunglasses, and lens enhancements. DeltaVision’s network is provided in partnership with EyeMed.

Accident Plan

In 2020, Securian became the new vendor for the Accident Plan, which takes the place of the Accidental Death & Dismemberment (AD&D) plan offered by Zurich in prior years. The benefit expands the range of injuries for which a member can be reimbursed. Retired or former employees can keep their plan until age 70 if they choose. The program was opened to local employers starting in 2021. Enrollment has remained strong since moving to Securian, and customer service experience has been positive.

Long-Term Care Insurance

Long-Term Care (LTC) insurance was provided by Mutual of Omaha through a local broker, HealthChoice. Coverage in 2021 was available to state active employees, retirees, their spouses, and the parents of members and spouses. Long-term care insurance is the only employee-pay-all offering that has premiums based on a person’s age, gender, and health at the time of enrollment. LTC policies offered in this program are individual policies, rather than group policies.

Life Insurance

The Board has offered life insurance since 1958, making it the longest-running benefit program offered to employees and retirees. Program participants can choose from a variety of affordable coverage options to provide peace of mind. Benefits are administered by Securian Financial Group.

The Group Life Insurance Program offers four different term life policies:

- Basic Plan: pays out employee's prior year earnings rounded to the highest \$1,000.
- Supplemental Plan: pays an additional year of earnings at the same rate as the initial year.
- Additional Plan: coverage in addition to the Basic Plan at up to three times the prior year's earnings.
- Spouse & Dependent Plan: participants may choose from two levels of coverage with fixed dollar values.

Participants can keep the Basic Plan into retirement; the Supplemental and Additional plans end when a retiree turns 65.

Enrollment

Enrollment changes across plan options was mixed again in 2021:

Basic Plan

- State = 85,682, -0.9% from 2020
- Local = 124,660, +0.8% from 2020

Supplemental Plan

- State = 38,383 Members, -3.1% change from 2020
- Local = 28,731 Members, -0.4% from 2020

Additional Plan

- State = 26,687 Members, -2.4% from 2020
- Local = 33,344 Members, -1.4% from 2020

Spouse & Dependent Plan

- State = 23,084, -2.2% from 2020
- Local = 31,303, -2.0% from 2020

Claims Costs in 2021

A total of 2,877 claims were paid in 2021. The total amount paid out by the Life Insurance benefit in 2021 was \$75,946,806. 99.65% of claims were paid within 10 calendar days of receiving the claim.

Demographics in 2021

The average member age in 2021 was 49.8 among state participants and 47.7 among local participants, which was very similar to 2020.

Average Age of Death

- State = 79
- Local = 80

Gender Mix of Members

- State M(F) = 50%(50%)
- Local M(F) = 53%(47%)

Gender Mix of Claims Paid

- State M(F) = 61%(39%)
- Local M(F) = 55%(45%)

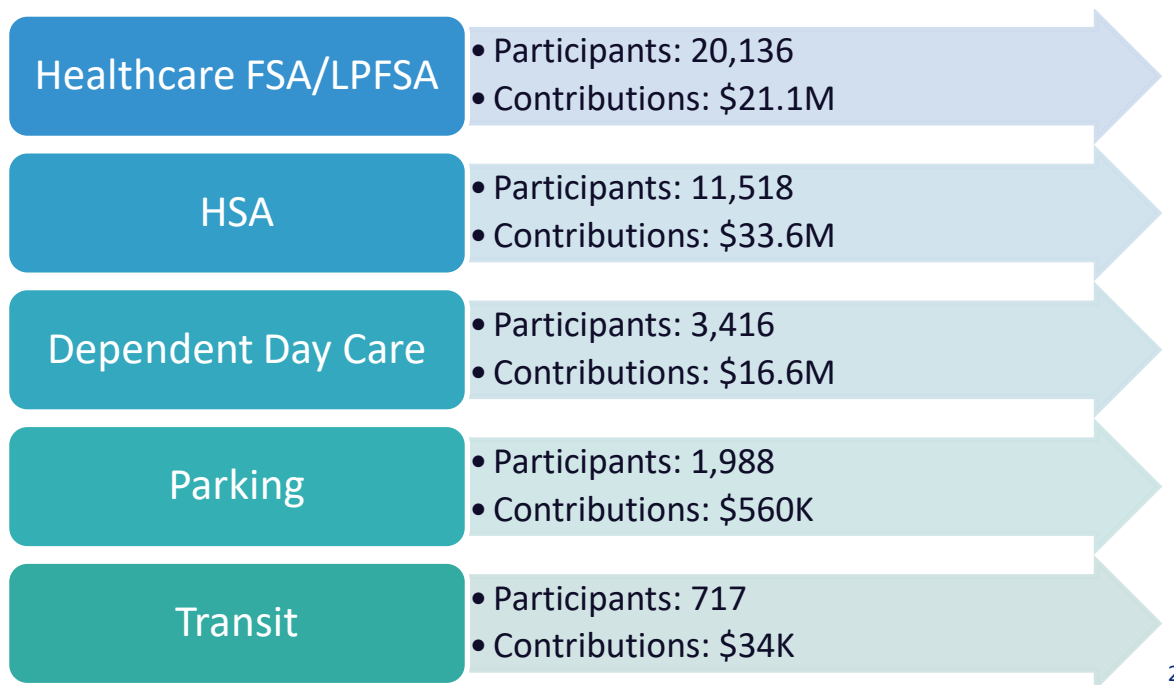
Health Savings & Employee Reimbursement Accounts

The health savings and employee reimbursement accounts offered by the Board help members grow their savings while paying less for medical and everyday expenses. The Health Savings Account (HSA) is offered in conjunction with the Board's qualified high-deductible health plan (HDHP) product. Employee reimbursement accounts (ERA) include flexible spending accounts (FSA), limited-purpose flexible spending accounts (LPFSA), parking & transit accounts, and dependent daycare accounts.

In 2021 Optum Financial purchased ConnectYourCare and rebranding of the programs was completed during the July open enrollment period. Following the purchase of ConnectYourCare by Optum Financial, members enjoyed an upgraded app and web experience, along with the same benefit and services provided in 2020.

Participation & Contributions

Participation in the HSA and ERA accounts was steady in 2021. The table below shows the participation, as well as contributions as of the fourth quarter of 2021:



2

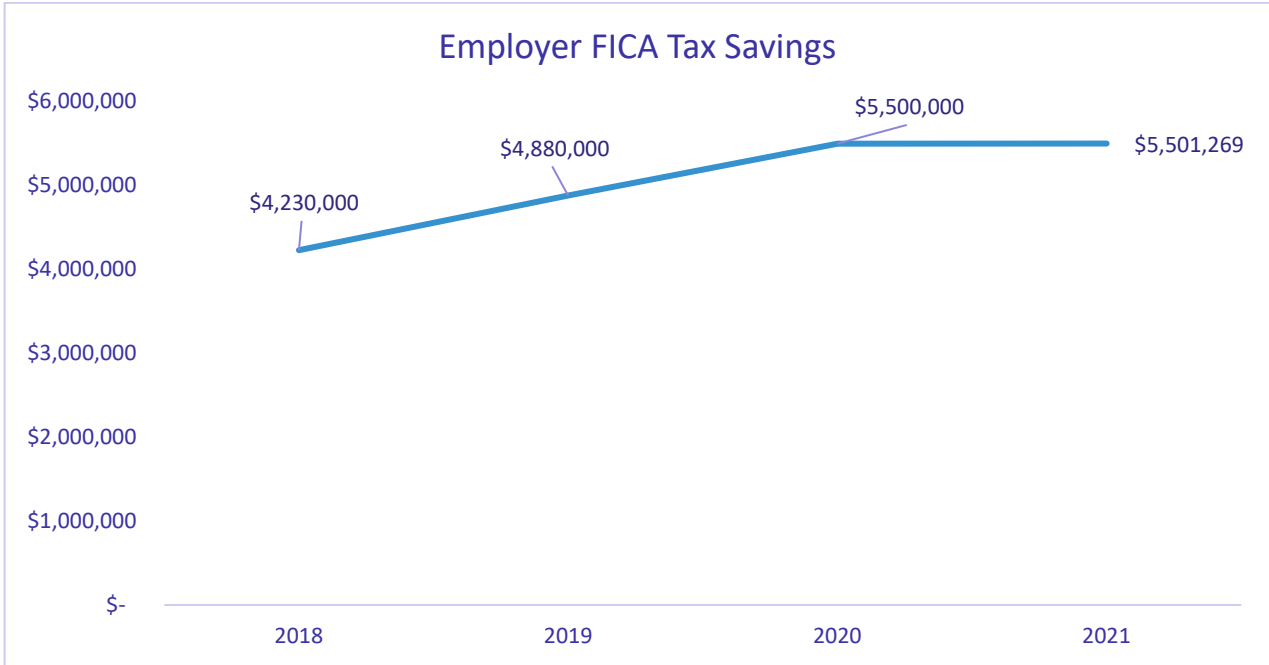
Overall enrollment in all ERA programs increased 2.2%, and contributions increased 6.8%. Of note, while enrollment in the parking accounts and the transit accounts remained stable, contributions declined significantly. This is likely related to larger numbers of employees having either flexible or completely work-from-home schedules.

Employer Tax Savings

An important savings element for the employers that offer the HSA and ERA programs is in the payroll taxes that employers themselves pay, since these contributions are pre-tax.

The chart below shows employer tax savings over the past four years.

² Total HSA contributions for 2020 were later revised to \$28.6M. The original \$90.6M included in the 2020 Annual Report included money that was transferred from the old vendor to the new vendor.



At the beginning of 2021 ETF expected programs to achieve 7.5% total increase in tax savings for both employers and employees enrolled in the programs. The actual estimated increase in savings was 0%, mostly due to the decrease in savings for parking and transit accounts.

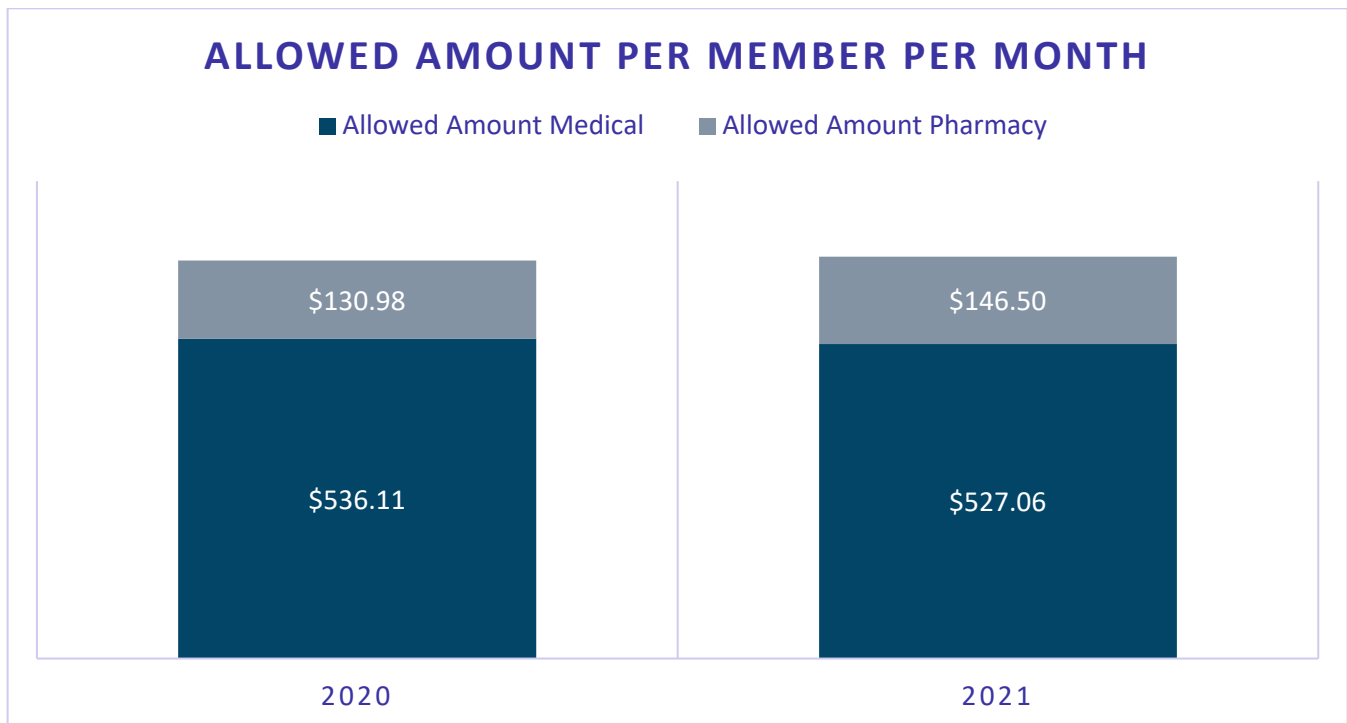
In Depth: COVID-19 Impacts

2021 marked the second year of the COVID-19 pandemic. While enduring multiple waves of different virus variants, the Board’s programs played a key role in ensuring members had access to needed care, vaccines, and tests. The Board’s programs experienced several secondary impacts related to the pandemic — some challenging, but others hopeful.

COVID-19 by the Numbers

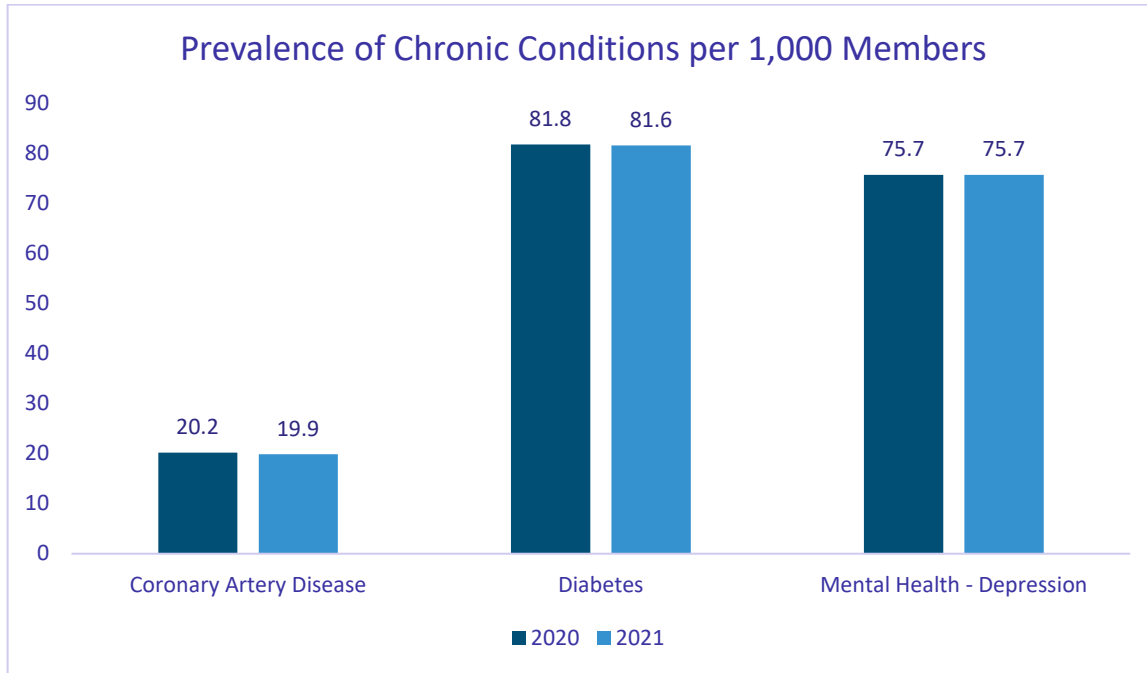
In 2021, 9,317 GHIP members had a confirmed diagnosis of COVID-19 that entailed them getting any medical service. This figure is likely an undercount of all members with COVID-19, given the number of tests administered by public health authorities and the proportion of people who were able to care for their symptoms at home. For those who did have a COVID-19 claim, the GHIP paid \$42.9 million in medical claims, or about \$4,600 per member.

Total health care experience continued to normalize in 2021. Per-member, per-month (PMPM) costs for both medical and pharmacy benefits were slightly higher in 2021.



Impact to Chronic Illness

Key chronic conditions remained at the same levels in 2021 as they were in 2020.

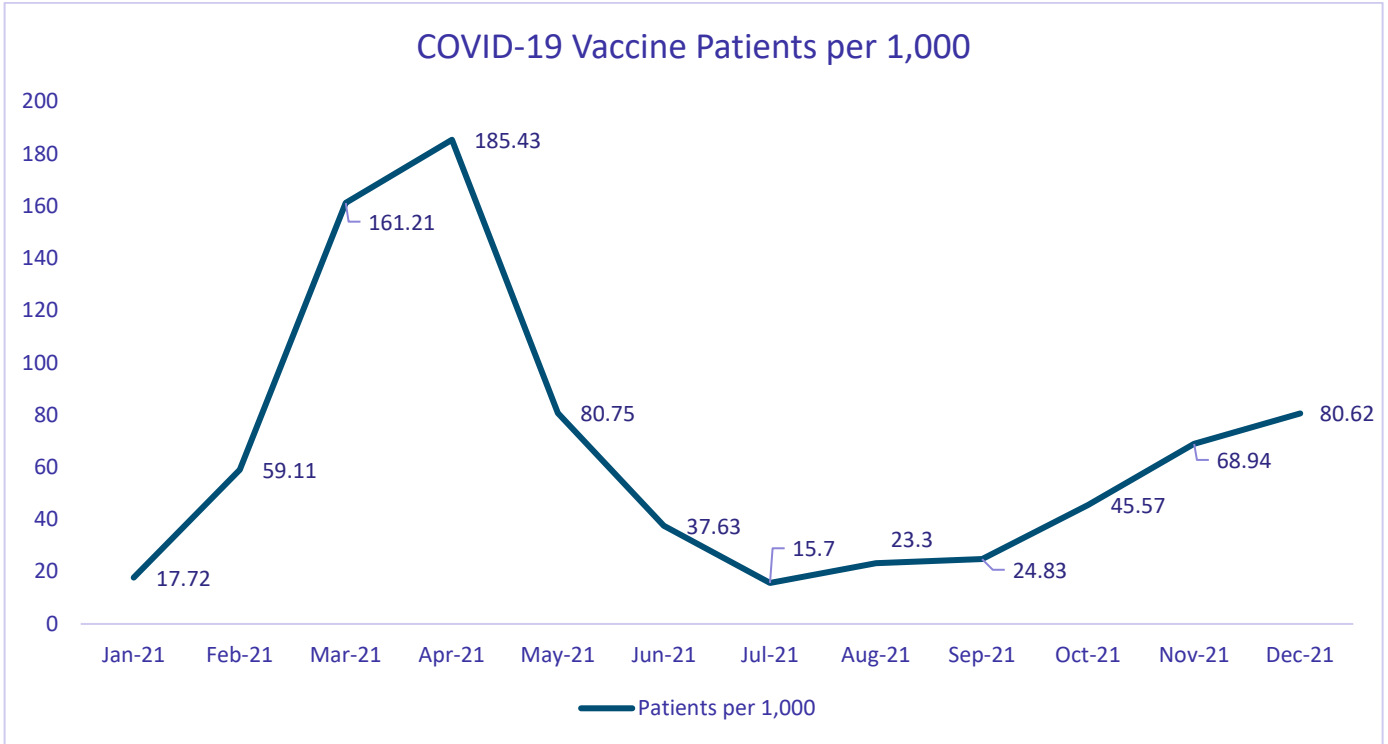


Rates of depression and diabetes were unchanged between years. In reports to the Board, ETF has highlighted both the higher impact of COVID-19 on diabetic members, as well as the risk related to depression on all other chronic conditions.

GHIP Members & COVID-19 Vaccines

The development and deployment of safe and effective COVID-19 vaccines in a very short period was a triumph for public health. The Wisconsin Department of Administration reported in early 2022 that more than 70% of state employees had been vaccinated for COVID-19, and many University of Wisconsin System campuses met or exceeded that number as well.

The data available to the Board on vaccinations is limited only because so many public health vaccine sites were made available to members early in the pandemic, and those sites usually did not send bills to insurance plans. However, the GHIP did see good uptake on vaccines through both the medical and pharmacy benefits.



According to the data available to ETF and the Board, a total of 104,273 members have had a vaccine that was paid for by the GHIP. The GHIP has paid a total of \$3.18 million for COVID-19 vaccines between both the medical and pharmacy benefits. All vaccines have been free to members.

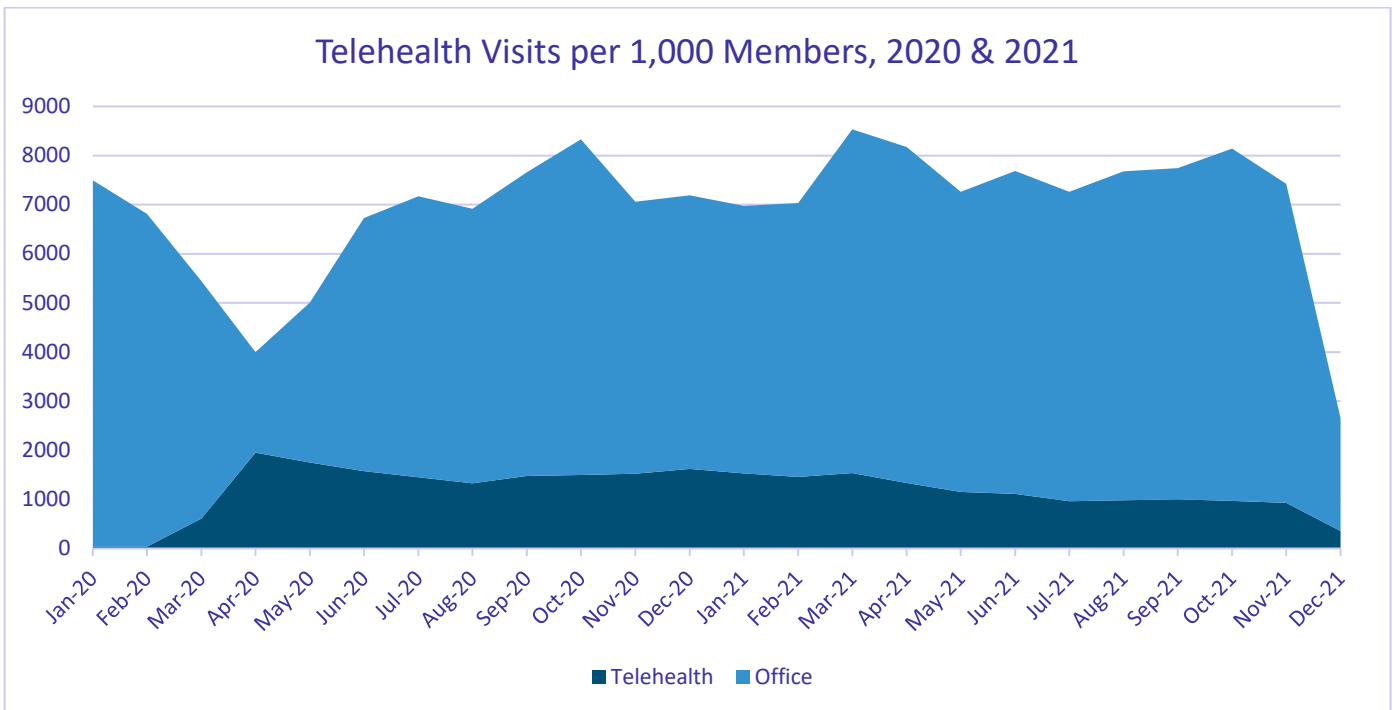
Digging further into the GHIP COVID-19 vaccination data, the highest rate of vaccinations by group was in early retirees (pre-Medicare age) and their dependents. This is a group that was likely eligible for their vaccines earlier than the rest of the population, due both to age and higher prevalence of chronic conditions that made them eligible sooner in 2021. The group with the lowest rate of vaccination, by contrast, appears to be the Medicare-age retirees and their dependents. However, this is likely a data issue—these are the groups that were eligible earliest for vaccines, and given early vaccine supply limitations, many Medicare-age retirees could have received those vaccines at a public health clinic that did not bill insurance.

COVID-19 Vaccines Paid by the GHIP

Group	Total Patients Vaccinated	Rate of Vaccination per 1,000 (Med and Rx)	% Male (% Female)
Active Employees & Dependents	86,569	400.32	47% (53%)
Early Retirees & Dependents	6,844	524.73	43% (57%)
Medicare Retirees & Dependents	11,089	291.10	42% (58%)

Telehealth Holds Ground

Telehealth continues to account for a larger share of provider visits than it did pre-pandemic. While the rate of use is lower than its peak in 2020, with visits trending downward slightly since that time, telehealth visits are still about one in five of all provider office visits. Some provider types, particularly behavioral health providers, have found telehealth to be an effective way to expand services to people who may have had other limitations in coming to care before.



In Depth: Board Initiatives

In November of 2019 the Board approved using the Healthcare Triple Aim — improving health, improving quality, and decreasing costs — as its guidepost for evaluating new programs and changes. The Board also approved a series of initiatives to further push programs toward the Triple Aim. ETF made progress on several of these initiatives during 2021, summarized below.

Avoidable Emergency Room (ER) Use

Initiative Goal: find opportunities to reduce emergency room use for illnesses or injuries that could be better addressed in lower-acuity levels of care.

In 2021, ETF pursued several avenues to improve the rates of avoidable ER use by members:

- *Member Survey:* ETF presented an analysis of a survey conducted in 2020 that was aimed at better understanding member knowledge of appropriate ER use. Members reported they felt confident in their knowledge about when to go and how to find an ER; members were less sure regarding urgent care centers, which can be lower-cost sites of care. At that time, most members did not say they were likely to use either telehealth or a nurse line.
- *Health Plan Outreach:* ETF held a series of meetings with the Board's health plans to better understand what trends they see in ER use and how they help members locate the best, lowest-cost sites of care.
- *Resource Page Created:* Following up on trends observed in GHIP data, in addition to survey and health plan outreach, ETF created a [resource website](#) to provide useful information and handouts for members. These are quick reference tools to help members learn how to triage their own conditions and know where to get care when they need it fast.

Local Employer Program Sustainability

Initiative Goal: Ensure the stability and sustainability of the local employer portion of the GHIP.

ETF completed several opportunity analyses for the Board in 2021, as well as completing the following:

-
- *Rating & Tiering Opportunity Analysis:* ETF provided a report to the Board in February examining how tiering and rates affect local government employers in the program. The report explored options that have been proposed in the past for stabilizing the rates offered to these employers.
 - *Local Employer Advisory Council:* ETF convened a group of local employers that participate in the GHIP to provide feedback on the offerings available. Employers provided useful feedback on how the Board might improve GHIP offerings, including allowing locals to offer more than one benefit design.

Mental Health Parity & Access

Initiative Goal: Improve access to mental health and substance use disorder services for GHIP members, help them better understand their benefits and coverage, and reduce stigma.

Mental health and substance use disorders have long been a significant challenge for the Board's members, and this only increased in 2021. In February 2021, ETF provided the first review of issues and possible approaches to improve the experience of members who need mental health or substance use disorder support, with recommendations to be made to the Board in 2022.

Specialty Drugs & Site of Care

Initiative Goal: Reduce the costs of specialty prescription drugs by looking at options for members to access these drugs through lower cost sites of care.

The cost of specialty drugs to the GHIP continues to grow. In 2021 ETF provided a series of options for the Board to consider regarding accessing those drugs for lower prices. Often, part of the cost associated with specialty drugs is the visit to the office or hospital needed to receive the drug; part is also associated with cost mark-ups at the site of care for the drug itself. Working with the Board's pharmacy benefit manager and data warehouse vendor, ETF identified a group of drugs that could be purchased at lower costs through the pharmacy benefit. ETF then offered a series of options to change benefits to achieve those savings. The Board will vote on adopting an approach in May 2022.

Social Determinants of Health (SDOH) Preliminary Report

Initiative Goal: Analyze the effects of social determinants of health on the Board's programs and offer ways to improve programs based on social determinants where possible.

Social determinants of health include all of the non-clinical factors that affect people's health — education, race/ethnicity, employment, built environment, access to resources, and many more. In 2021 ETF provided the first report to the Board on social determinants of health and offered approaches for the Board to consider in factoring SDOH into programs and policies. A comprehensive literature review was presented in November 2021, and additional research and follow up will be provided to the Board in coming years.

Conclusion & 2022 Preview

The GHIP continued to support members in 2021 to live healthier lives. The Board and ETF look forward to continuing to maintain quality and services that support public employees.

Looking ahead to 2022, ETF will be able to share more information on:

- Telehealth policy enhancements
- Specialty drugs and site of care
- Mental health service access
- Bariatric surgery and other benefit change outcomes

Questions regarding this report can be sent to:

ETFSMInsuranceSubmit@etf.wi.gov

Sources

Health and claims related data: DAISI Data Warehouse and Analytics Tool administered by IBM Watson Health

Vendor information provided by: Navitus Health Solutions, WebMD Health Services Group, Inc., Delta Dental of Wisconsin, and Securian Financial Group, Inc.

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Appendix A: Our Programs

The State of Wisconsin Group Health Insurance Program (GHIP) benefits are governed by federal and state law. Programs are overseen by the Group Insurance Board (Board) and administered by the Department of Employee Trust Funds (ETF).

The GHIP is available to employees and retirees of:

- State agencies and authorities (State)
- The University of Wisconsin System (UW)
- The University of Wisconsin Hospitals & Clinics (UWHC)
- Local government employers who are part of the Wisconsin Retirement System and choose to participate.

The GHIP's medical benefits offer four different plan designs to State, UW, and UWHC employees. Employees in these programs can pick any of the following options:

IYC Health Plan	<ul style="list-style-type: none">• Local coverage• 2nd lowest premium• Lower cost when visiting providers
High Deductible Health Plan (HDHP)	<ul style="list-style-type: none">• Local coverage• Lowest premium• Higher cost when visiting providers
Access Health Plan	<ul style="list-style-type: none">• Nationwide coverage• Out-of-network benefits• Highest premium
Access HDHP	<ul style="list-style-type: none">• Nationwide coverage• Out-of-network benefits• 3rd highest premium

For local government employers, the GHIP offers four different program options, with varying levels of out-of-pocket costs for employees. Each program has both a local coverage version as well as an Access Plan option with nationwide coverage.

<p>Local Traditional Plan</p>	<ul style="list-style-type: none"> •No deductible •Few copays •Highest premiums
<p>Local Deductible Plan</p>	<ul style="list-style-type: none"> •\$500 deductible per person •Few copays •3rd highest premiums
<p>Local Health Plan</p>	<ul style="list-style-type: none"> •Similar benefits to state employee IYC Health Plan •2nd highest premiums
<p>Local HDHP</p>	<ul style="list-style-type: none"> •Similar benefits to the state employee IYC HDHP •Lowest premiums

Local government employers pick a program option from the list above; their employees can choose either the local coverage plan or the Access Plan version of those program options.

When a State, UW, or UWHC employee retires, the employee can continue health insurance coverage. When the retiree turns 65, they are required to add Medicare coverage. With Medicare, the retiree can choose to keep their existing health plan and the same benefits they had while employed, or they can choose one of two other plans:

- Medicare Plus**
- Supplemental benefit plan
 - Covers the difference for services covered by Medicare
 - Does not cover services not covered by Medicare
 - Worldwide coverage

- Medicare Advantage**
- "Part C" plan
 - Covers Uniform Benefits as well as some supplemental benefits
 - Nationwide coverage

Some local government employers may also offer health benefits in retirement; employees should check with their employers before retiring.

All employees and retirees have the same Uniform Pharmacy Benefit coverage, which offers a four-tier pharmacy benefit:



Employees and retirees can also elect basic dental benefits coverage with their health insurance through the Uniform Dental Benefit.

All employees, retirees, and their spouses have access to a uniform wellness program benefit, Well Wisconsin, that is administered through a single vendor. As a part of this program, participants can complete activities to receive a \$150 incentive, as well as participate in disease management and lifestyle coaching to help with healthy habits that contribute to their overall wellbeing.