



STATE OF WISCONSIN
Department of Employee Trust Funds
 A. John Voelker
 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

Correspondence Memorandum

Date: April 20, 2022

To: Group Insurance Board

From: Korbey White, Health Program Manager
 Office of Strategic Health Policy

Subject: High Deductible Health Plan Initiative Update

This memo is for informational purposes only. No Board action is required.

Background

At the February 2022 meeting of the Group Insurance Board (Board), the Department of Employee Trust Funds (ETF) recommended a high deductible health plan (HDHP) product strategy ([Ref. GIB | 02.16.22 | 9B](#)) to improve member and employer education, increase member enrollment, and expand local government employer participation for the HDHP offering.

ETF requested feedback from external stakeholders regarding the HDHP product. External stakeholders include state and local government employers, health plans, and Optum, the Board’s pre-tax savings account administrator.

State Employer Suggestions

Throughout the year 2021, ETF hosted update meetings for state payroll centers. The purpose of these meetings is to present and discuss initiatives, proposals, and benefit changes that could potentially have an impact on state agencies. In mid-December 2021, ETF hosted an update meeting focused on HDHP improvement.

State of Wisconsin payroll centers identified a need for an increase in member education for the HDHP program option in addition to how to use the health savings account (HSA) and limited purpose flexible spending account (LPFSA). Of particular interest is developing educational resources about how to use the HSA as an investment tool for retirement.

They also suggested changing the HSA enrollment to “evergreen,” meaning making the HSA enrollment default to what the member had the previous year, rather than an annual requirement to fill out the form. This would increase satisfaction for members who do not wish to make an election change. Other benefit programs, including vision and dental, are already evergreen offerings.

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy Electronically Signed 05/02/2022

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Additional training for Optum Financial customer service staff to improve the accuracy of member assistance was also suggested.

Benefits Mentor was cited as a useful tool for members that should be continued, as it helps members identify the plan design that best fits their needs.

Local Government Employers

In late March 2022, ETF distributed a survey to local government employers who currently participate in the HDHP program option requesting feedback on how to improve the HDHP product. Fifty-eight percent of local government employers responded to the survey within the two-week response time allotted. Members reported enjoying the low premium and submit few complaints to local government employers regarding the HDHP program. More than half of responding employers feel confident explaining the HDHP program option to their employees. However, employers would like to see ETF offer more educational opportunities to members, especially in the form of webinars.

More than half of responding participating local government employers currently offer an HSA to their employees that are not administered by ETF, with most providing an employer contribution to the HSA election. More than half of these employers would not like the ability to offer more than one program option. In the past, local government employers who currently do not participate in the HDHP have stated that they would like the ability to offer HDHP and another program option to their employees. Local government employers who currently participate in the HDHP program option state offering more than one program option to their employees would be administratively burdensome.

Health Plans

In January 2022, ETF hosted its quarterly Council of Health Plan Improvement (CHPI) meeting. ETF requested feedback from health plans about how to improve the HDHP product. Health plans suggested ETF offer more member education regarding prescription drug cost and how it relates to the deductible and out-of-pocket limit. All health plans indicated they offer an HDHP product in their other books of business. Three health plans stated they offer more than one program option to other clients in their book of business like the state offerings. Other clients outside of the GHIP offer an HSA component with their HDHP product.

Health plans also provide flyers and other resources on their website, as well as work with brokers as educational resources to help new employees who sign up for HDHPs. Health plans supported offering software where members could enter last year's medical expenses to see if HDHP is the right option for them. The Benefits Mentor platform provides this capability.

Optum Financial

In March 2022, ETF met with Optum to discuss HDHP product improvement. Optum discouraged the consideration of the evergreen enrollment option for the HSA. Evergreen enrollments increase the risk of unwanted enrollments or incorrect election amounts and possibly permit access to employer contributions for which the member is not eligible. Member confusion is also possible if the HSA is seldom used or poorly funded in the long-term, especially regarding what may be perceived as unwanted communications from Optum.

The evergreen enrollment option also presents a significant challenge to post-enrollment auditing and may require additional administrative work from payroll centers to carry out account closures, election adjustments, contribution reversals, and possible claims repayments for members who either did not wish to continue their enrollment or desired a different election amount. Optum does have clients who make re-enrollment a default choice for their members. In this case, members must actively change their enrollment.

Optum had no opinion or position regarding minimum HSA funding for members. Optum currently has a minimal number of other clients who require members to enroll in an HSA while enrolling in the HDHP.

Next Steps

ETF is still considering HDHP-specific changes based on stakeholder input. At the February 2022 Group Insurance Board meeting, one board member suggested renaming or rebranding the HDHP offering to eliminate any negative connotation the current naming convention may convey. ETF may propose concepts in the future to improve the HDHP product.

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