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Correspondence Memorandum

Date: October 14, 2022

To: Group Insurance Board

From: Tom Rasmussen, Life Insurance and Dental Program Manager
 Douglas Wendt, Supplemental Plans Program Manager
 Office of Strategic Health Policy

Subject: Supplemental Plan Guidelines Changes

The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) approve modifications to the Supplemental Insurance Plan Guidelines (ET-7422) for contract effective for the 2024 plan year.

Background

The Board oversees several employee-pay-all plans, including dental, vision, accident, and long-term care (LTC). These plans are offered to state and local members with no employer contribution and are referred to as “other group insurance plans” as provided for in [Wis. Stats. § 40.03 \(6\)](#). This includes any insurance plan other than group health insurance (medical, pharmacy, uniform dental benefits, and wellness), life insurance, income continuation insurance (ICI), or LTC insurance approved by the Board as a voluntary group plan. LTC insurance is an authorized plan offering in [Wis. Stats. § 40.55](#). The Board will consider potential changes to the ICI program at the November 2022 meeting ([Ref. GIB | 11.16.22 | 5](#)). The outcome of that decision will have no impact to the guidelines being presented in this memo.

State agencies, excluding the University of Wisconsin System (UWS) and the University of Wisconsin Hospital and Clinics (UWHC), are required to offer only Board-approved supplemental insurance plans. UWS and UWHC have the option to offer Board-approved supplemental insurance plans but may enter into their own agreements with vendors to offer different or additional supplemental insurance options.

Local government employers can elect to opt into the supplemental dental, vision, and accident insurance plans.

All State and Local retirees are eligible to enroll in supplemental dental and vision. Retirees may convert to an individual accident plan if the retiree had coverage as an active employee.

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
 Electronically Signed 10/27/2022

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ETF requests that the Board reviews the recommended modifications to the Supplemental Insurance Plan Guidelines on an annual basis. Upon the Board's approval, ETF will move forward with the publication of the updated Supplemental Insurance Plan Guidelines (ET-7422) document and post the invitation to bid for the supplemental dental program on the ETF procurement website.

Proposed Changes to Supplemental Insurance Plan Guidelines (ET-7422)

ETF staff propose minimal changes to the ET-7422 for the coming year. Changes recommended are primarily modifications made to reflect that dental is the only supplemental plan ETF is inviting bids for, as well as additional language that outlines insurers' responsibilities and requirements for submission to the data warehouse and the insurance administration system (IAS). Attachment A included with this memo contains additional, supporting documentation. An overview of the proposed changes is listed below:

- ETF will only be accepting proposals for the Supplemental Dental Insurance Plan. Proposals for the accident, vision, and LTC plans were accepted this past year.
- The contract term will run from January 1, 2024–December 31, 2026. Three-year contract terms for supplemental plans were approved by the Board at the November 2021 meeting.
- Require prospective vendors to submit their bid with a two-year rate guarantee and propose a percentage premium increase cap on year three that must be mutually agreed upon by ETF. ETF feels it is unrealistic for prospective vendors to propose firm dental premiums as far out as for calendar year 2026 and is asking prospective insurers to provide a maximum premium cap on the third year of the contract.
- Include language on the requirement to send claims information to the ETF Data Analytic and Insights (DAISI) data warehouse. The implementation of data submission to DAISI is expected for supplemental dental during the stated contract period (Section 5.B.10).
- Add the “Data Warehouse File Requirements” as a supporting document which provides additional details regarding the data warehouse submission requirements, data quality, insurers deliverable requirements and performance standards and penalties.
- Enhance the responsibilities and requirements of insurers to submit and/or receive data from ETF and Benefitfocus' Benefitplace, the new IAS (Section 5.C).
- Amend the instructions for insurers to submit questions and proposals to a single email address which will be monitored by the Bureau of Budget, Contract Administration and Procurement (BCAP).
- Amend the “Benefit Design/Cost Proposal” document to reflect only supplemental dental plan designs and premium.
- Update “The Department Term and Conditions” document to the current version.
- Add “The 834 Companion Guide” document.

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