

**From:** [Peter Anderson](#)  
**To:** [ETF SMB Board Feedback](#)  
**Subject:** To the Group Insurance Board concerning the charging of Part D Medicare premiums to retirees who have alternative prescription drug coverage  
**Date:** Thursday, January 19, 2023 9:49:49 AM  
**Attachments:** [DMR\\_Navitus Commercial.pdf](#)

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While I am writing solely on my own behalf, for ethical reasons, I would mention at the outset that I am an attorney.

My name is Peter C. Anderson, although I go by Pete. My DOB is [REDACTED]. The last 4 digits of my Social Security Number are [REDACTED]. The best number to reach me at is [REDACTED]. I'd prefer that correspondence be sent to me via email. However, if needed, my street address is [REDACTED].

My concern is that I am being charged the full premium amount for Medicare Part D coverage, provided through Navitus, even though I have elected to terminate that coverage and no longer have it.

I worked for the state for a little over thirty years, retiring in August 2020. When I was working, my health insurance was through the Dean Health Plan, which included a prescription drug benefit administered by Navitus. When I retired, I elected to have Medicare, and continued with the Dean Medicare Supplement. Premiums have been paid from my Accumulated Sick Leave account. When I began Medicare, I also elected to have Part D coverage, also administered through Navitus. I believe this was a specific election on my part, although it may have been automatic.

As far as I can tell, every retiree on Medicare who wishes to use their Sick Leave Account to obtain supplemental health coverage is required to select coverage from the options set out in the annual IYC brochure. This makes retirees a fairly captive customer base. Embedded in every supplemental plan is prescription drug coverage, administered by Navitus. The charge for this prescription drug coverage is not identified in any document provided to retirees that I am aware of. However, speaking recently with Doug Johnson of ETF (who was very helpful), I have learned that the monthly cost of single Part D coverage in 2023 is \$112.44. A Kaiser Foundation survey that I found online suggests that this amount may be a little pricey when measured nationally, but that is not the source of my concern.

Not every retiree needs Part D coverage. The class of Medicare recipients particularly relevant to my case consists of those who have what Medicare refers to as creditable prescription drug coverage. Page 83 of the 2023 Medicare handbook, "Medicare & You," explains that "[c]reditable prescription drug coverage could include drug coverage from a current or former employer or union, TRICARE, Indian Health

Service, the Department of Veterans Affairs, or individual health insurance coverage.”

I am a disabled Vietnam Vet, with a 100% service connected disability. As such, I am entitled to free health care from the VA. This includes free prescription and non-prescription medications. I didn't learn of my eligibility for this benefit until last Spring. For now, I continue to receive the bulk of my health care through SSM Health, mostly because they have provided effective and compassionate treatment for a serious and incurable illness, but also because I still have Medicare Parts A and B, which I would be quite hesitant to discontinue.

I began receiving VA prescription (and non-prescription) medications towards the end of April of last year. At that time, I had Part D coverage. I continued to have Part D until the end of November. During this seven-month period, I had two \$5 co-pay prescriptions, each filled one time, through Navitus. All other prescriptions during this period were filled by the VA.

After speaking with Medicare and ETF, in late November I asked to terminate my Part D coverage. I did this because the Part D coverage was largely duplicative of the VA prescription benefit, and I was only rarely using it. At the same time, I was being charged a Medicare Part D income-based premium. By letter dated November 28, 2022, Navitus advised me that I would be disenrolled from the Navitus MedicareRx (PDP) starting December 1<sup>st</sup>. They specifically advised that “beginning 12/1/2022, Navitus MedicareRx (PDP) won't cover your prescription drugs.”

As far as I know, I was not provided with anything in writing from either ETF or Navitus to the effect that I continued to have any kind of residual prescription drug benefit. Accordingly, I assumed I did not have drug coverage outside the VA and therefore assumed I would see my monthly premium reduced to reflect the termination of Part D coverage. When I contacted Navitus and ETF—and, in particular, ETF—there was strong, universal opposition to the idea that I shouldn't have to pay the regular Part D premium, even though I no longer had Part D coverage. It was repeated to me several times that the amount paid to Navitus was established by contract with either the GIB or ETF, that everyone with a supplemental health plan paid the same amount, and that there was no provision for paying a different premium for those choosing not to have Part D.

I later learned—and I would comment that what understanding I developed was, until very recently, not based on any written guidance, but solely on what I was able to discern by cold-calling and speaking with ETF and Navitus representatives-- that I continued to have what I believe may be called wrap-around coverage for those instances where my creditable (that is, VA) coverage did not cover medications prescribed to me. Navitus representatives (in particular, Sebastian, with whom I spoke on January 3<sup>rd</sup> and who was also very helpful) referred to this coverage as an ETF Commercial Plan. A brochure dated January 1, 2022, and entitled “YOUR PHARMACY BENEFITS” was mailed to me December 23<sup>rd</sup>. This brochure refers to the IYC Health Plan and IYC Access Plan.

I recognize that this wrap-around prescription benefit is of more value than having no prescription coverage whatsoever. I have tried to envision circumstances where I would utilize the ETF Commercial Plan rather than VA coverage. So far this hasn't occurred.

Nevertheless, the benefit of Commercial Plan coverage to someone who has terminated Part D due to their having creditable drug coverage is plainly inferior to the Part D coverage for which \$112.44 is charged monthly. The essential rationale for Medicare's recognizing creditable drug coverage as an alternative to Part D is that creditable coverage is largely comparable to that available through Medicare. Thus, the creditable drug coverage should substantially reduce payments made by Navitus for covered medications. This strongly suggests that a retiree with creditable drug coverage will receive fewer medications paid by Navitus than were they to have strictly Part D coverage.

In addition, if a retiree with creditable plan coverage wishes to obtain medications using the Commercial Plan, he/she does not have the option of simply presenting the prescription and Navitus member card to, say, Walgreen's, and paying the relevant co-pay. Rather, the creditable coverage retiree is required to pay the full cost of the prescription and then submit a paper request for reimbursement with supporting documentation (receipts, EOB from the primary insurer's denial of coverage). Navitus advised me that this procedure is not customary in the industry, but that ETF requires it. The retiree is required to bear the full out-of-pocket purchase price pending reimbursement, to prepare and submit the request for reimbursement, and to incur the cost of mailing. I am attaching Navitus' Direct Member Reimbursement form that a non-Part D retiree is required to submit to obtain payment for any wrap around medication. Significant information that a patient would not typically know is required to complete the form, including Diagnosis Code and Description, National Drug Code, and Prescribing Physician NPI.

Underscoring the secondary nature of Commercial Plan coverage is the fact that the Navitus reimbursement form references "the primary insurance carrier" as principally responsible for prescription drug payments.

While a retiree who obtains their prescription drugs through a creditable prescription drug program saves the Part D insurer from bearing the costs of medications obtained through the creditable coverage, he or she is nevertheless required to pay the full Part D premium. In my case, as noted above, even when I had Part D coverage, nearly all of my medications were provided through the VA. Navitus was not required to pay any part of these, although all would have been (and previously were) covered by Part D. Essentially, Navitus receives the benefit of coverage that I am entitled to as a result of being disabled from having served in Vietnam.

I do not know if any consideration has been given in the past to the appropriateness or inappropriateness of assessing the same premium to retirees who have creditable prescription drug coverage as is paid by retirees who have Medicare Part D alone.

Nor do I know if there has ever been any determination of the costs and benefits of Commercial Plan coverage to retirees who have creditable prescription drug coverage. If documentation of such evaluations, determinations and/or analyses exist, I would ask that they either be forwarded to me as an email attachment or, if that is not feasible, made available for inspection and copying at your Hill Farm offices.

My understanding is that the Commercial Plan provided to non-Part D retirees is the same or very similar to that provided to employees who have not yet retired. If this isn't the case, could you let me know how the costs and coverage differ between the two groups? Would it be possible to find out the total number of state employees who receive prescription drug coverage through Navitus, the total number of retirees with Medicare Parts A and B who have supplemental Medicare coverage who also have Part D, and the total number of retirees with Part A and B coverage who have supplemental Medicare coverage but who do not have Part D? Finally, as to this last group—those with supplemental Medicare coverage who do not have Part D—are you able to state the number who have creditable prescription drug coverage? I would like to request an opportunity to review the documents upon which the answers concerning these totals are based.

At bottom, I would ask that at this time, ETF and/or this Board determine the actual cost to Navitus and ETF of Commercial Plan coverage that is provided to retirees with creditable prescription drug coverage.

Basically, I am asking that Part D and Commercial Plan premiums be treated similarly to dental coverage differentials. In 2023, a retiree with the Dean Health Plan supplement with dental pays \$469.38 per month. In contrast, a retiree electing to forego dental is charged a monthly premium of \$438.22, or \$31.16 less. Other levels of dental coverage are available for additional premiums. For example, I currently pay an additional \$31.12 monthly for a higher level of dental coverage.

I assume that if it is subsequently determined that I should be paying a lower prescription drug premium, my Sick Leave Conversion account will be appropriately credited going back at least to the date of this email. If this is incorrect, I would ask that ETF promptly advise me of this determination in writing so that alternative means of preserving the value of my claim may be explored.

When I spoke with Navitus during the last couple of months, I asked if there was an email address I could use to communicate with them. I was told there was not. I believe Navitus should be apprised in writing of my concerns. If you could provide me with an appropriate mailing or email address, I will forward a copy of this email to them. Otherwise, I would ask that ETF forward a copy, letting me know that this has been done. Absent either of these occurring, I suspect I will print off a copy of this email and mail it to the person who signed Navitus' November 28<sup>th</sup> letter.

I would mention in closing that overall, I have had positive interactions with both Navitus and ETF over the past couple of months. Even when the representatives I

spoke with did not know the answer to a specific question, they clearly attempted to provide what help they could. Nevertheless, I cannot escape the belief that the premium structure established for prescription drug coverage for members with alternative creditable drug coverage is discriminatory and unfair.

Thank you for your attention to this matter. I look forward to hearing from you.

Sincerely,

Peter Anderson

# Prescription Drug Claim Form

## Direct Member Reimbursement

This claim form can be used to request reimbursement of covered expenses. Please check which reason applies.

- I did not have my ID card at the time of purchase
- I was charged for medication received during an Urgent/Emergent Visit
- I was administered a Medicare Part D covered vaccine in my doctor's office
- Primary coverage is with another insurance carrier. (Coordination of Benefits)

Additional Explanation:

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### Part 1: Member Information

1. Complete ALL information. Your ID Number can be located on your member ID card.
2. Submit claims within the filing period specified by your Benefit plan. For questions about your filing period please review your Member handbook or call the Customer Care number on your member ID card.
3. Please submit a separate form for each patient for which you purchased medications.
4. Reimbursement will be made directly to the CARDHOLDER unless otherwise noted.

First Name	Last Name	MI
Telephone Number ( )	Date of Birth	Gender (Circle One) Male          Female
ID Number	Subscriber's Employer (PCN)	
Mailing Address		
City	State	ZIP Code
Member Signature		Date Signed

### Part 2: Pharmacy Information

1. Complete ALL information.
2. Please submit a separate form for each pharmacy from which you purchased medications.

Name		
Street Address		
City	State	ZIP Code
Pharmacy National Provider Number (NPI)		Telephone Number ( )

**Part 3: Receipt Information**

1. Include original pharmacy receipt(s) or pharmacy printout(s); Cash Register Receipt(s) without pharmacy detail will not be accepted. Tape original pharmacy receipt(s) to bottom of this page. *Please DO NOT staple.*
2. Receipt(s) must contain the information outlined under Part 3. If your receipt(s) are missing any of this information, have your pharmacist fill in the missing information under Part 3.
3. Please provide the explanation of benefits (EOB) or denial letter from the primary insurance carrier if you have primary coverage with another insurance carrier.
4. An incomplete form may be denied, delayed or returned.
5. Receipts will not be returned, remember to keep a copy of the completed claim form and receipt(s) for your records.

Rx Written Date	Date Rx Filled	Medication Name
Rx Number	Diagnosis Code and Description	
National Drug Code	Quantity	Day Supply
Prescribing Physician First/Last Name		Prescribing Physician NPI
Original Cost of Rx	Amount Primary Insurance Paid on Rx	Member Paid Amount

**Mail this form along with receipts to:**

Navitus Health Solutions, LLC  
P.O. Box 999  
Appleton, WI 54912-0999  
OR

Fax this form along with receipt(s) to:  
(920)735-5315 / Toll Free (855)668-8550



**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

February 8, 2023

Peter Anderson  
[REDACTED]

Dear Mr. Anderson:

Thank you for your email regarding your Medicare Part D benefit through the Department of Employee Trust Funds (ETF). In your message, you expressed concern that you are still being charged the full premium for ETF's Medicare Part D program even though you terminated your Medicare Part D coverage on December 1, 2022.

ETF's Group Health Insurance Program (GHIP) premium covers uniform benefits (medical and pharmacy) along with administrative fees. Dental benefits are optional for retirees, as explained below. As you note, you are a member within the GHIP by enrolling in Dean Health Plan supplement and are using your sick leave credit account to pay for the monthly premium.

GHIP participants are not allowed to opt out of the medical and pharmacy benefits. There are many reasons for this, ranging from administrative necessity to risk management. Medical and pharmacy benefits and costs are negotiated based on participant risk pools and actuarial risk analyses of claims, market trends, and various other actuarial assumptions. Depending on the benefit, the State, health plan, and/or pharmacy benefit manager bears the risks. There are substantial overall cost benefits for the Board and ETF to take this approach.

Since 2012, there have been only moderate increases in health insurance premiums as opposed to the larger increases seen by other health insurance providers. For example, in 2023, the national average for monthly health insurance premium increases was 10%, whereas ETF's average health insurance premium increase was 4.4%. This premium savings is something all members, even those who opt out of the Medicare Part D program, realize because the health insurance premium includes the pharmacy premium.

Based on ETF's approach to reduce overall GHIP costs while managing risks, if a member chooses another Medicare Part D plan or any other insurance, they cannot decide which parts of ETF's GHIP program they wish to drop and then receive a refund. As of January 2023, there are 204,919 members who are enrolled in ETF's GHIP and 35,535 eligible members with Medicare Part D insurance. During that same time, 193



members have opted out of the ETF's Medicare Part D insurance and only have the commercial/wrap benefit.

When you opted out of the ETF's Medicare Part D coverage, Navitus Health Solutions (Navitus), the Group Insurance Board's (Board's) pharmacy benefit manager (PBM) canceled your Medicare Part D coverage, which they refer to as your Employer Group Waiver Plan (EGWP) coverage. However, since you are still paying your premium, your pharmacy coverage was moved to the pharmacy coverage ETF's non-Medicare members receive. Navitus calls this coverage "commercial coverage," and ETF refers to this coverage as "wrap coverage." This commercial/wrap coverage pays secondary to any member's Medicare Part D coverage and other creditable coverage, such as what you are receiving through the Veterans Administration.

Many members who opt out of ETF's Medicare Part D coverage do so because they live outside of the United States. When they are back in the United States visiting, they can use their Navitus commercial/wrap coverage as secondary coverage if they get prescriptions filled while in the country.

Your Tricare Medicare Part D insurance sounds like a great plan and one that you have earned through your service to our country. However, not everyone who opts out of ETF's Medicare Part D plan has access to alternative coverage. Hopefully, having secondary coverage that may cover drugs that their primary pharmacy coverage does not cover gives members some peace of mind. If you would like to compare and contrast the GHIP commercial formulary with your Tricare Medicare Part D formulary, please visit <https://etf.benefits.navitus.com/> and click on the "IYC Health Plan/IYC Access Plan State & Local" button to view the commercial formulary. To see the cost difference between commercial coverage and Medicare coverage, please review the *It's Your Choice 2023 Decision Guides for State of Wisconsin Group Health Insurance Retirees and Employees*, which can be found by searching "[Decision Guide](#)" in the keywords section of the Forms, Brochures and Publications page on the ETF website.

In your email, you reference being able to opt into the uniform dental benefit (UDB) and pay more, or not opt into the program and pay less. The UDB is different than the Medicare Part D Benefit. There is no risk or adverse selection in the UDB program whereby the cost of the benefit is passed through directly to the retiree through premiums. Thus, an option is offered to retirees to enroll in the UDB.

Regarding the pharmacy reimbursement process, Navitus is not currently administratively able to allow a pharmacy to submit an electronic claim for wrap coverage. Instead, the member must submit a Direct Member Reimbursement Form, like the one you included with your email, to Navitus along with their Medicare Part D Evidence of Benefits (EOB). Navitus will then issue any applicable reimbursement to the member. The EOB allows Navitus to see that the drug was not covered by a member's Medicare Part D provider. This is an area we would like further automation in the future.

Peter Anderson  
February 8, 2023  
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You expressed concern in your email with not being provided anything in writing from ETF or Navitus that you continued to have any residual prescription drug benefit. For your records, on the [“Medicare Information FAQs”](#) page on the ETF website, there is a section with the heading, “Will my health insurance premiums go down if I enroll in a different Medicare Part D prescription Drug plan?” This section states:

*No. Your health insurance premium includes both medical and prescription drug coverage. If you choose to enroll in a different Medicare Part D plan, you will be dropped from the Navitus MedicareRx (PDP) plan and you will have to pay an additional premium to the other plan you enroll in. However, you will still have secondary coverage with the supplemental wrap benefits under the State of Wisconsin Group Health Insurance Program. There is no partial refund of the State of Wisconsin Group Health Insurance Program premium if you choose to enroll in a different PDP. Navitus will coordinate coverage with Medicare and pay secondary claims after Medicare processes your prescription claims from the other Medicare Part D plan, minus the applicable copayments and coinsurance that are your responsibility. If you enroll in another Medicare Part D plan, and you intend to stay in that program, notify ETF immediately. If ETF enrolls you in Navitus MedicareRx, you may be automatically disenrolled from your other plan by the Centers for Medicare and Medicaid Services (CMS).*

Again, thank you for your email. Per your request, I shared your letter and this response with Navitus. If you have any other questions, comments, or concerns please do not hesitate to contact me using the contact information provided below.

Sincerely,

Tricia Sieg, Pharmacy Benefits Program Manager  
Office of Strategic Health Policy  
Department of Employee Trust Funds  
[tricia.sieg@etf.wi.gov](mailto:tricia.sieg@etf.wi.gov)  
608-261-6006

cc: Navitus