

March 23, 2023

Group Insurance Board
c/o Board Liaison
Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53707-7931

Dear Group Insurance Board Members:

I am writing to express recent observations regarding the administration of the group health insurance program by Wisconsin Employee Trust Funds administration (ETF).

A recent shifting of a Tier 1 drug to a Tier 3 drug which resulted in an unexpected and fairly sizable increased out-of-pocket expense for the plan participant. In addition to the abrupt tier change, notification to the plan participant was given late in 2022, after the Employee Reimbursement Account (ERA) open enrollment period had **closed** making it too late to modify 2023 ERA withholdings to accommodate the additional 2023 prescription expenses. If that decision had to be made, couldn't it have been done in a more logical and gradual approach and during open enrollment? A discussion with Navitus assured me that the decision was made by ETF and/or their consultants. It certainly would have been a benefit to the employee to have been notified earlier of this tiering change.

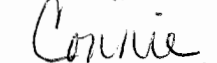
Calls placed to the ETF Ombudsman have not been returned. Is there an Ombudsman? Is the position working as it should be working? An inquiry to ETF staff for an address to the Ombudsman to be able to send written correspondence was denied and only a phone number was offered with messages not being returned.

On another matter of concern, the transition from WEA Trust insurance to Dean Health Plan last fall was executed in a questionable manner. Perhaps an "after action review" by Group Insurance Board members should be completed to determine how the process can be improved for plan participants? Summarily, new plan enrollment cards were not received until December 28, 2022, incorrect mailings were sent by Dean Health plan to the enrollee showing HMO coverage areas versus PPO coverage, data transfer from the state of Wisconsin to Dean Health plan was incomplete resulting in a failed execution of enrolling new plan participants. When I telephoned the ETF for help, I was told to call Dean Health plan. In the end, ETF staff were unaware of widespread systemic issues that needed their intervention to correct. I couldn't understand, and still do not, why I was asked to call Dean Health and get it figured out?

Finally, I would like to make the ETF board members aware of the shrinking pool of health care plan availability in Northern Wisconsin. In particular, the It's Your Choice (IYC) health plans are getting extremely limited in the providers that they cover. The health plans that are offered are providing a narrower and narrower provider list that is essentially forcing plan participants to obtain health care from the insurer's affiliated health care plan. This phenomena can be seen with the re-introduction of Security Health Plan covering only its Marshfield Clinic facilities which were already covered by another plan provider Group Health Cooperative of Eau Claire Greater Wisconsin. What benefit did this reinstatement of Security Health plan provide plan participants? Recent news stories have highlighted rural health care challenges faced by employee layoffs, financial distress and possible merger discussions for Marshfield Clinic organization. Perhaps the Group Health Insurance Board can try to work with their consultants to broaden the health plan availability and provider network in northern Wisconsin to provide true uniform coverage benefits with access to the caliber of facilities and professionals similar to other areas of the state? Can you provide another level of health plan availability beyond IYC and Access plan that will broaden the health plan providers for employees to consider?

Thank you for allowing me to highlight these issues.

Sincerely,


Connie Antonuk



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

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of Employee Trust Funds
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April 7, 2023

CONNIE ANTONUK
[REDACTED]

Dear Connie Antonuk:

Thank you for reaching out to the Group Insurance Board (Board) and the Department of Employee Trust Funds (ETF). I am writing in response to your observations about changes in the formulary of Navitus Health Solutions (Navitus), ETF's Ombudsperson Services (OS), the award of the Access Plan to Dean, and offering the First Health provider nationwide network.

First, you expressed concern about a change in Navitus' formulary that resulted in your prescription changing from level 1 to level 3. Changes to the non-Medicare formulary occur monthly based on new drugs that become available, the latest medical studies on treatment outcomes, and cost-effectiveness. Navitus sent you a Formulary Change Notice regarding your prescription's level change in the mail on December 19, 2022. The change was effective February 1, 2023. As you mentioned, you were not able to change your Flexible Spending Account (FSA) election for 2023 at that time. This is because, under federal law, FSA enrollment must be made for the next plan year during open enrollment. Outside of the open enrollment period, members can only make election changes due to a qualifying life event. A change in prescription drug copayments is not a qualifying life event.

Additionally, you wrote of your frustration with a lack of response from ETF's OS related to your calls and messages. OS first became aware of your situation through a December 6, 2022, email from Dean. Dean responded and OS felt the response addressed the problem. On December 27, 2022, you contacted ETF's call center about two issues. They were forwarded directly to OS. The first, regarding Dean and enrollment, was found to have been previously addressed. The second issue was a concern with the December 19, 2022, Navitus Formulary Change Notice you received. ETF's staff shared your formulary concern with Navitus. The ombudsperson staff member reviewed the responses that were provided to you from Dean and Navitus. Your questions and concerns appeared to have been fully addressed by the vendors. On January 30, 2023, you left a voicemail for OS expressing your dismay over the drug level change and the health plan enrollment choices offered to you, and you requested

Connie Antonuk

April 7, 2023

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a call back to discuss this. Due to very high call volumes associated with vendor changes in 2022, as well as OS's understanding that your questions had been resolved earlier, OS staff were not able to schedule a call back with you. We apologize that your call was not acknowledged, along with an offer to set a future date for a more in-depth discussion.

Furthermore, you mentioned concerns about the implementation of Dean as a new vendor for programs previously offered by WEA Trust (WEA). ETF was not notified until June 2022 that WEA planned to exit the Group Health Insurance Program (GHIP), and consequently had a very short timeline to find a new vendor and implement the change. That said, ETF continues to work with Dean to improve their services.

Finally, regarding your comments about health plan availability in Northern Wisconsin, the Board is required by law to offer the Access Plan and one other plan in every county in Wisconsin. Health plans may request to enter or exit the GHIP annually. The Board decides whether a new plan should be permitted to participate in the GHIP for the following year and does not prohibit a health plan from joining because of provider system coverage overlap. The GHIP uses a competitive model, whereby plans who operate in a given part of the state compete for members through the insurance premiums they offer. The more plans that the Board offers, the greater the competition, which helps to control premium costs.

Ultimately, plans make business decisions about the risks and rewards of participation. In addition, plans may decide they no longer want to compete in the GHIP, and they exit the program. Once a plan leaves the GHIP, they may not reenter for three years.

I hope you have found this response helpful. If you have additional questions or concerns, please feel free to reach out using the contact information provided below.

Sincerely,

Arlene Larson, Manager of Federal Program and Policy
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