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Correspondence Memorandum

Date: October 18, 2023

To: Group Insurance Board

From: Douglas Wendt, Supplemental Plans Program Manager
 Office of Strategic Health Policy

Subject: Long-Term Care Standards Changes

The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) approve modifications to the Long-Term Care Insurance Standards (ET-7423) for contract effective for the 2025 plan year.

Background

The Board oversees several employee-pay-all plans, including supplemental dental, vision, accident, and long-term care (LTC) insurance. LTC insurance is an authorized plan offering in [Wis. Stat. § 40.55](#). LTC insurance is offered outside of the standard new hire/open enrollment benefit elections. ETF lists the approved agent/insurer contact information on the agency website, and it is up to members to contact the agent for information about plan benefits and how to apply. Members apply for the insurance directly with the approved insurer with assistance from the approved agent/broker, separate from any other benefit elections. Applicants must complete a health screening, and acceptance is not guaranteed. Due to the underwriting approval, when the Board has changed approved insurers, members retain their coverage with the former insurer and do not move to the new insurer. This means that ETF membership may still have coverage with multiple past insurers that are no longer contracted with the Board.

The LTC program is available to state employees and retirees, their spouses, and parents, and members must reside in Wisconsin.

Each time this agreement is renegotiated, staff review the current standards for possible updates. Proposed Changes to LTC Insurance Standards (ET-7423) for 2025 include:

- ETF will not accept proposals for hybrid plans or LTC riders to life insurance. This is not a policy change. ETF wants to make it more explicit up front to potential vendors.
- The contract term will run from January 1, 2025-December 31, 2027. Three-year contract terms for supplemental plans were approved by the Board at the November 2021 meeting. This contract period for LTC will complete the

Eileen K Mallow

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
 Electronically Signed 10/25/2023

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realignment of the supplemental plan contract periods into a three-year cycle, with vision and accident renewing in year one, supplemental dental renewing in year two, and LTC renewing in year three.

- Remove references to “individual” plans. [Wis. Stat. § 40.03\(6\)\(h\)](#) refers to a group long-term care plan. The LTC plan offered by the Board has always been an individual plan, and it is unclear if there are still any group LTC plans offered in Wisconsin. Being silent on group or individual reduces the risk of issues following statute and opens opportunities for potential proposals.
- Change the due date for the annual reporting from January 15 to February 15. This formalizes a partial contract exception that has been in place since 2020. January 15 was too short of a turnaround time for some data from the end of the prior calendar year.
- Add clarification that the plan is only available to Wisconsin residents and add link to [Wis. Stat. § 40.02\(25\) \(bm\)](#) where the requirement is stated.
- Add a requirement to disclose any direct or indirect ownership relationships. This aligns with the same requirement for some of our other insurance plans.
- Other minor wording and formatting changes to sync the ET-7423 with the Supplemental Insurance Plan Guidelines (ET-7422). The ET-7422 is a comparable document that governs the supplemental dental, vision, and accident plans.

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

Attachment A: [Long-Term Care Insurance Standards \(ET-7423\)](#)