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Correspondence Memorandum

Date: January 24, 2024

To: Group Insurance Board

From: Luis Caracas, Policy Advisor
 Molly Dunks, Disease Management and Wellness Program Manager
 Tricia Sieg, Pharmacy Benefits Program Manager
 Korbey White, Health Program Manager
 Office of Strategic Health Policy

Subject: 2025 Final Benefit Changes

The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) approve the modifications to the Program Agreement (PA), Uniform Benefits (UB) Certificates of Coverage (CoCs), and the Wellness and Disease Management (DM) Benefits.

Background

ETF presented initial change concepts to the Board for program year 2025 at the November 2023 Board meeting ([Ref. GIB | 11.15.23 | 8](#)). This initial review was intended to provide the Board with a summary of the possible changes under consideration for the coming benefit year. Following the November meeting, ETF reviewed annual potential benefit changes with Group Health Insurance Program (GHIP) vendors, and Segal, the Board’s actuary. Through this process, ETF identified a final set of proposed benefit changes. Highlighted recommended and not recommended changes are included in this memo. For a full list of benefit changes please see the attached spreadsheet.

Program Agreement Changes

PA changes were presented to health plans at the Council on Health Program Improvement (CHPI) meeting in January. Health plans were informed of the recommended and unrecommended changes that ETF would be requesting the Board to approve.

Communications

ETF will add language to the Health Plan Account Manager Administration Manual prescribing a seven-business day turnaround time for all communication and outreach materials submitted by vendors and reviewed by ETF.

Eileen Mallow

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
 Electronically Signed 02/01/2024

Board	Mtg Date	Item #
GIB	02.21.24	7C

Care Management Section

ETF will add the words "population health management" to the opening paragraph of the Care Management section for clarity.

Program Agreement Changes Not Recommended

Eligibility

A request was made to adjust the two-business day processing time for enrollment files received up to 10-business days for files produced during Open Enrollment with membership effective January 1 of the next plan year. This recommendation is a non-issue as the interpretation of this language was explained to the health plan that made the request.

Coordination of Benefits Inquiry Letters

A request was made to change the Coordination of Benefit (COB) investigation activities for State of Wisconsin enrollees due to the low member response rate and expenses associated with sending and processing returned COB inquiries or calls. ETF is not recommending a change as Segal is reaching out to national carriers for recommendations. ETF will revisit this recommendation for the 2026 plan year.

Certificate of Coverage Changes

ETF is making the follow recommendations: expanding the lifetime limit on orthoptic eye training and clarifying nutritional counseling coverage.

Expanding Lifetime Limit on Orthoptic Eye Training

Orthoptics is the treatment of defective visual habits, defects of binocular vision, and muscle imbalance by reeducation of visual habits, exercise, and visual training. Clinical studies have determined that more than 12 visits are not medically necessary. According to Merative, in 2022, ETF had 88 orthoptic eye training visits, which cost approximately \$25.00 each. With the low cost per session and continued low utilization, Segal projects the cost to be negligible. ETF recommends expanding the lifetime limit from two to no more than 12.

Clarifying Nutritional Counseling Coverage

Currently the CoC includes coverage for nutritional counseling for weight management when a member is preparing for bariatric surgery. In review with health plans, it was noted that most of the health plans do not know if a weight-management-related nutritional counseling claim is for bariatric surgery preparation or not. Segal noted that removing the bariatric surgery requirement for coverage of weight-related nutritional counseling will result in minimal additional cost since most health plans are already covering this. Additionally, the Well Wisconsin program includes weight management coaching programs for subscribers and spouses. ETF recommends refining the language for nutritional counseling to allow for nutritional counseling services related to weight management. Members can utilize the benefit that is the best fit for them.

Certificate of Coverage Changes Not Recommended

Benefit changes not being recommended due to projected cost increases or needing further analysis are outlined in Attachment A.

Wellness and DM Benefits Changes

ETF recommends postponing the decision to terminate coverage of Well Wisconsin for Medicare Advantage members because of the delay in the Insurance Administration System implementation and the upcoming Medicare Advantage request for proposals. Staff will be better able to provide a recommendation to the Board in 2025 after analyzing system capabilities and program options that may be available to members for program year 2026. Staff recommend continuing the program as currently designed for program year 2025. Medicare Advantage members can participate in Well Wisconsin program services and can earn incentives through UnitedHealthcare.

Wellness and DM Change Not Recommended

There was a request to add Well Wisconsin benefits related to weight management for adult child dependents. Child dependents are not currently eligible for any benefits through Well Wisconsin. The cost of adding them would be \$60,000. If the Board approves removing the specification that nutrition counseling for weight management is only for bariatric surgery preparation in the CoC, staff do not recommend adding child dependents to Well Wisconsin.

Pharmacy Benefit Changes

At the November 2023 Board meeting, ETF presented on a possible change to the pharmacy benefit for 2025. During the meeting, the Board asked for an update on the Board's pharmacy benefit manager, Navitus Health Solutions' (Navitus's), Access Guidance Services Program (AGS). This was a change that had been proposed for the 2024 benefit year but not enacted by the Board after presentations at the May 17, 2023, meeting ([Ref. GIB | 08.16.23 | 2A](#)) and the July 26, 2023, meeting ([Ref. GIB | 08.16.23 | 2C](#)).

As approved by the Board ([Ref. GIB | 11.15.23 | 12B](#)), ETF will be publishing the Request for Proposals (RFP) to administer the Administrative Services for the State of Wisconsin Pharmacy Benefit Program in April of this year. The RFP will include questions seeking information from potential vendors regarding copay assistance programs offered to clients and how those programs assist members with high deductible health plans (HDHPs). ETF does not recommend implementing AGS in 2025 due to the pending RFP.

Pharmacy Change Not Recommended

Adding Weight-Loss Drugs to the Commercial Pharmacy Formulary

Adding coverage of weight-loss drugs, also known as anti-obesity medications (AOMs), is an item that the board discussed at the meetings on May 18, 2022 ([Ref. GIB |](#)

[05.18.22 | 5C](#)), June 30, 2022 ([Ref. GIB | 06.30.22 | 4](#)), November 16, 2022 ([Ref. GIB | 11.16.22 | 13](#)), and May 17, 2023 ([Ref. GIB | 05.17.23 | 3C](#)). The same issues that were explained in the previous memos and talked about at the Board meetings still exist. The cost of weight-loss drugs has not lowered, and independent scientific studies have not been published to show there is an offset of the cost of the drugs with long-term medical savings.

ETF requested the Board's actuary, Segal, to conduct a cost/savings analysis for covering weight-loss drugs under the Board's pharmacy benefit. Segal's in-depth analysis took a multi-year approach as to allow the Board to see the cost of covering weight-loss drugs over multiple years.

Table 1. Segal Weight Loss Drug Cost Analysis 2025-2030

Year	Utilizers	AOMs Prescriptions	AOM Cost	Medical Savings	Net Loss
2025	7,406	31,844	\$24,790,552	\$3,503,319	\$21,287,233
2026	9,315	48,406	\$39,689,528	\$12,373,407	\$27,316,121
2027	9,602	54,802	\$47,317,429	\$19,912,500	\$27,404,929
2028	9,412	58,174	\$52,885,125	\$27,175,462	\$25,709,663
2029	8,950	59,520	\$56,963,097	\$34,048,327	\$22,914,770
2030	8,390	59,612	\$60,052,890	\$40,423,105	\$19,629,785

To conduct this analysis, Segal had to make several assumptions. Those assumptions include:

- Using data from the Centers for Disease Control and Prevention (CDC) specific to the State of Wisconsin to project obesity prevalence for the Board's plan.
- Assuming only those with a Body Mass Index (BMI) of 35 or higher would take a weight-loss drug.
- Based on Segal's experience with other clients, assuming in 2025, 25% of those eligible would take a weight-loss drug, and that rate would increase by 5% a year through 2030.
- Based on research of other payers' pharmacy and medical claims, assuming 60% of members would stop taking the weight-loss drug during the first year of beginning the drug¹.

¹ Prime Therapeutics LLC, Magellan Rx Management. (2023, July 11). *Real-World Analysis of Glucagon-Like Peptide-1 Agonist (GLP-1a) Obesity Treatment One Year Cost-Effectiveness and Therapy Adherence* [Press release]. <https://www.primetherapeutics.com/wp-content/uploads/2023/07/GLP-1a-obesity-treatment-1st-year-cost-effectiveness-study-abstract-FINAL-7-11.pdf>

- Using costs for weight-loss drugs provided by Navitus.
- Assuming 50% of the eligible population utilized the weight-loss drug, Wegovy, and the remaining 50% took Zepbound, the newest weight-loss drug on the market.
- Using the assumed economic value of weight-loss drugs on obese adults based on a 2021 study sponsored by Novo Nordisk², the maker of Wegovy.

For 2023, Segal's cost analysis for adding weight-loss drugs to the commercial formulary stated that the Board would spend between \$9M–\$14M to save \$2M per year. As indicated in Table 1, Segal estimates that the Board would spend \$24,790,552 on weight-loss drugs to save \$3,503,319 in 2025. This would lead to a net loss of \$21,287,233. Segal explains that the increased cost in 2025 over 2023 is due to the higher demand for weight-loss drugs which creates a higher utilization assumption.

Due to the estimated increase in costs without concurrent opportunity for savings and the limiting language of [Wis. Stat. §40.03\(6\)\(c\)](#), ETF does not recommend adding this benefit.

ETF is very aware of the continued interest of members in adding weight-loss drug coverage to the pharmacy benefit, as demonstrated in Board Correspondence received over the past three years. ETF will continue to update the Board with any information that becomes available about the utilization, costs and quality of weight-loss drugs and the possibility of coverage.

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

Attachment A: [2025 Final Benefit Changes](#)

² Ding, Y., Fan, Z., Blanchette, C. M., Smolarz, B., Weng, W., & Ramasamy, A. (2021). Economic value of nonsurgical weight loss in adults with obesity. *Journal of Managed Care + Specialty Pharmacy*, 37-50.