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**Department of Employee Trust Funds**  
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 SECRETARY

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**Correspondence Memorandum**

**Date:** September 13, 2024

**To:** Group Insurance Board

**From:** Arlene Larson, Federal Health Programs and Policy Manager  
 Office of Strategic Health Policy

**Subject:** Align Retiree Health Plan Change with Medicare Initial Enrollment Period

**The Department of Employee Trust Funds (ETF) recommends the Group Insurance Board (Board) alter the timeframe when a retiree can change health plans due to Medicare enrollment to match Medicare’s seven-month initial enrollment window. This would be effective when the Insurance Administration System (IAS) goes live.**

**Background**

ETF’s policy is to permit members to enroll or make health insurance changes within 30 days of a life event, unless a longer period is required by law, such as adding a dependent within 60 days of birth or adoption. This 30-day window applies to retirees and their dependents who gain Medicare and want to change health plans. Currently, retirees may submit their application up to three months in advance, per guidelines from the Center for Medicare and Medicaid Services (Medicare), with coverage effective when Medicare begins (typically the first day of the member’s birth month). They may also submit their application up to 30 days after their Medicare effective date.

In the Medicare program, members have an initial enrollment period that lasts seven months, consisting of the three months before their birth month, their birth month, and three months afterwards. Medicare coverage is effective either the first of the birth month if a member applies before their birth month, or the first of the month following Medicare’s receipt of their enrollment if the application is submitted after the first day of the birth month.

Note that gaining eligibility for Medicare is not an initial enrollment opportunity for most retirees. It is only an enrollment opportunity for retirees who are eligible to join the Local Annuitant Health Program (LAHP), a program offered to local retirees whose former employer does not participate in the Wisconsin Public Employers Group Health

Reviewed and approved by Renee Walk, Director, Office of Strategic Health Policy  
 Electronically Signed 09/27/2024

Board	Mtg Date	Item #
GIB	10.03.24	3

Insurance Program (GHIP). Currently, eligible retirees may enroll in LAHP during Medicare's seven month enrollment window.

### **Considerations**

Recently Benefitfocus, the vendor implementing ETF's IAS, released a system change to permit an eligible retiree to enroll or change plans in alignment with Medicare's seven-month initial period. If ETF were to retain their 30-day window when IAS goes live, ETF would need to manually adjust member records to close the window earlier than the system permits. About 150 retired members enroll in Medicare every month. To eliminate the need for this additional work, ETF is recommending that our policy on the timeframe when a retiree can change plans due to enrollment in Medicare be modified to align with Medicare's seven-month window. We recommend this to be effective when IAS goes live.

ETF feels that members will appreciate a longer time period to change health plans. ETF does not feel that extending an enrolled retiree's timeframe to change plans will adversely impact the GHIP. Further, extending the period is not expected to result in much more work for ETF staff, as currently members who want to enroll after the 30-day window has closed must be informed by ETF that they have missed the timeframe and can only make this change during open enrollment. If the Board approves this policy, those applications will be processed.

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