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

Correspondence Memorandum

Date: October 16, 2024

To: Group Insurance Board

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

Subject: Supplemental Plan Guidelines Changes

The Department of Employee Trust Funds (ETF) requests that the Group Insurance Board (Board) approve modifications to the Supplemental Insurance Plan Guidelines (ET-7422) for vision and accident plan contracts, effective for the 2026 plan year.

Background

The Board oversees several employee-pay-all plans, including dental, vision, and the accident plan. These plans are offered to state and local members with no employer contribution and are referred to as "other group insurance plans" (Wis. Stats. § 40.03 (6) b). This includes any insurance plan other than group health insurance (medical, pharmacy, uniform dental benefits, and wellness), life insurance, income continuation insurance (ICI), or Long Term Care (LTC) insurance approved by the Board as a voluntary group plan. LTC insurance is an authorized plan offering in Wis. Stats. § 40.55.

State agencies, excluding the Universities of Wisconsin (UW) and the University of Wisconsin Hospital and Clinics (UWHC), are required to offer only Board-approved supplemental insurance plans. UW and UWHC have the option to offer Board-approved supplemental insurance plans but may enter into their own agreements with vendors to offer different or additional supplemental insurance options.

Local government employers can elect to opt into the supplemental dental, vision, and accident insurance plans.

All state and local retirees are eligible to enroll in supplemental dental and vision. Retirees may convert to an individual accident plan if the retiree had coverage as an active employee.

Reviewed and approved by Renee Walk, Director, Office of Strategic Health Policy
Electronically Signed 10/23/2024

Board	Mtg Date	Item #
GIB	11.13.24	5

ETF requests that the Board review the recommended modifications to the Supplemental Insurance Plan Guidelines (ET-7422). Upon the Board's approval, ETF will move forward with the publication of the updated ET-7422 document and post the invitation to bid for the vision and accident programs on the ETF procurement website.

Proposed General Changes to Supplemental Insurance Plan Guidelines (ET-7422)

- Update the title page to reflect that proposals will only be accepted for the vision and accident plans.
- Update the title page with the contract period of January 1, 2026, through December 31, 2026, for vision and the accident plan contracts. The Board approved a change to three-year contracts at the November 2021 meeting (Ref. GIB | 11.17.21 | 11).
- Make the timing for implementing the supplemental plans into ETFs data warehouse less specific. This initiative was delayed due to IAS, and a new timeline has not been set but is expected before 2028 (ET-7422, p. 5).
- Add that ETF will request data on vendor complaint history from the Office of the Commissioner of Insurance (OCI) and the Department of Agriculture, Trade, and Consumer Protection (DATCP). This was a new element of the review of LTC proposals last year (ET-7422, p. 9).
- Change penalty for not consistently meeting the loss ratio requirement. The old penalty was a return of premium, but this is not administratively feasible. The new penalty is a mutually agreed reduction in premiums going forward for the remainder of the contract period (ET-7422, p. 12).
- Change the penalty for violations of the non-disclosure requirement. The old penalty was a return of premium, but this is not administratively feasible. The new penalty is $1000 per name per incident.(ET-7422, p. 17).
- Add updated versions of ET-7422 Attachment F (Departmental Terms and Conditions) and Attachment G (Designation of Confidential and Proprietary Information) which will be attached when ET-7422 is posted online.

Proposed Changes related to the implementation of the Insurance Administration System (IAS)

- Remove the requirement for the vendor to offer an online enrollment portal for small employers. In the future, all enrollments will be entered online directly into ETF's IAS (ET-7422 Pages 5 & 6).
- Remove three requirements for timeliness of processing enrollments and disenrollments by the vendor. The focus of this requirement was the processing of paper enrollment forms. With IAS, the vendors will receive all enrollments, coverage changes, and disenrollments in a file from ETF (ET-7422, p. 19).

- Replace the above three eliminated requirements with a requirement to process the enrollment file from ETF within two business days (ET-7422, p. 19).

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

Attachment A: Supplemental Insurance Guidelines (ET-7422)