

2026 Final Benefit and Contract Changes



Item 3B – Group Insurance Board

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Action Needed

ETF requests the Board approve modifications to the Program Agreement (PA), Uniform Benefits (UB) Certificates of Coverage (CoCs), wellness and condition management (CM), and the Uniform Pharmacy Benefits (UPB).

Background

Initial change concepts for program year 2026 were presented at the November 2024 Board meeting.

ETF reviewed potential changes with employer groups, vendors, and Segal (Board's actuary) and identified a final set of proposed benefit changes.

Health Program Agreement Changes

Memo Pages 1-3

Program Agreement Changes

Data Integration

Performance Standards

(Sample Calculation on Next Slide)

Performance Standards Modification Sample Calculation

- **Small Plans**

- Penalty: **\$1,000 per percentage** point below 80% target metric
- Example: Plan scores 75% → 5% shortfall × \$1,000 = **\$5,000 penalty**

- **Medium Plans**

- Penalty: **\$3,000 per percentage** point below 80% target metric
- Example: Plan scores 75% → 5% shortfall × \$3,000 = **\$15,000 penalty**

- **Large Plans**

- Penalty: **\$5,000 per percentage** point below 80% target metric
- Example: Plan B scores 75% → 5% shortfall × \$5,000 = **\$25,000 penalty**

Program Agreement Changes Continued

Communications

- Adding Language

Care Management Section

- Diabetes Prevention and Management

Cost-Neutral Benefit Changes

Memo Pages 3-5

Cost-Neutral Certificate of Coverage Changes



Clarifying Language Within Eligibility, Enrollment and Termination

Aligning Definition of Dependent Student

Removing Prior Authorization Requirement

Cost-Neutral CoC Changes Continued



Awarding Discretion to ETF to Determine “Reasonable Timeframe” for Proof of Claim



Changing Health Plan Following Death of Subscriber or Dependent



Expanding Conditions Eligible Under Biofeedback

Cost-Neutral Wellness and Pharmacy Changes



It's Your Health: Diabetes

Continuous Glucose Monitoring Coverage
All Under the Pharmacy Benefit

Cost Pressures Relevant to Benefit Changes that Increase Cost

Memo Pages 5-9

Additional 2026 Cost Pressures

Reserve
Fund

Dean Health Plan
Settlement

Premium
Increases

AOMs in
Medicare Part D

Well WI for
Medicare
Advantage (MA)

Alternatives to Mitigate Costs for 2026

Memo Pages 9-10

Redirect Funds from Well Wisconsin

- Program costs of \$16M per year.
- \$8.5M is for program service fees paid to vendor.
 - Services support over 50,000 members with managing health and preventing chronic illness, including overweight and obesity.
 - Services could be paired with AOMs, and vendor is able to work directly with PBM.
- \$7.5M is for incentives paid to members.
 - Small extrinsic award to support members' relationship with vendor for when members are intrinsically motivated to deepen engagement.
 - \$150 incentive is well below the Wisconsin average of \$737/person.

Deductible, Copay/Coinsurance Increases

Memo Pages 9-15

2025 Plan Designs

Plan Design	PO1, PO6/P16, and PO8	PO4/P14	HDHP PO1 and PO7/P17
Deductible (Individual/Family)	\$250/\$500	\$500/\$1,000	\$1,650/\$3,300
Out-of-Pocket Limit (Individual/Family)	\$1,250/\$2,500	\$9,200/\$18,400	\$2,500/\$5,000
Coinsurance	10%	0%	10%
Primary Care Office Visit Copay	\$15	100%*	\$15*
Specialist Office Visit Copay	\$25	100%*	\$25*
ER Copay	\$75 (\$60 for P08)	\$60*	\$75*

* Member pays 100% until deductible

2026 Plan Design Change Options

	Option 1	Option 2	Option 3	Option 4
Plan Design	PO1, PO6/16, PO8, HDHP PO1, and PO7/17	PO1, PO6/16, PO8, HDHP PO1, and PO7/17	PO1, PO6/16, PO8, HDHP PO1, and PO7/17	PO4/14
Non-HDHP Deductible	\$1,000/\$2,000	\$750/\$1,500	\$500/\$1,000	\$750/\$1,500
Non-HDHP OOP	\$1,750/\$3,500	\$1,750/\$3,500	\$1,750/\$3,500	NC
Coinsurance	20%	20%	20%	20%
Primary Care Office Visit	\$25	\$25	\$25	NC
Specialty Office Visit	\$40	\$40	\$40	NC
ER Copay	\$200	\$200	\$200	\$200
HDHP OOP	\$3,000/\$6,000	\$3,000/\$6,000	\$3,000/\$6,000	NC
Projected Savings	\$56,112,061	\$49,720,889	\$41,790,236	\$12,965,185

Weight Loss Drugs and Cost Sharing Considerations

Memo Pages 15-18

AOM Cost Analysis with Full Rebates

Year	Utilizers	AOMs Prescriptions	AOM Cost	Medical Savings	Net Loss
1	13,053	56,129	\$37,185,614	\$6,175,060	-\$31,010,553
2	16,234	84,530	\$59,012,775	\$21,716,516	-\$37,296,259
3	17,078	97,049	\$71,382,889	\$34,977,832	-\$36,405,057
4	17,461	106,382	\$82,425,828	\$48,469,853	-\$33,955,975
5	17,520	113,381	\$92,524,228	\$62,186,799	-\$30,337,428
6	17,355	118,429	\$101,772,140	\$75,948,834	-\$25,822,306

AOM Cost Analysis with Partial Rebates

Year	Utilizers	AOMs Prescriptions	AOM Cost	Medical Savings	Net Loss
1	7,406	31,844	\$26,908,178	\$3,503,319	-\$23,404,859
2	9,315	48,406	\$43,069,498	\$12,373,407	-\$30,696,091
3	9,602	54,802	\$51,335,325	\$19,912,500	-\$31,422,825
4	9,412	58,174	\$57,363,445	\$27,175,462	-\$30,187,983
5	8,950	59,520	\$61,774,139	\$34,048,327	-\$27,725,812
6	8,390	59,612	\$65,112,307	\$40,423,105	-\$24,689,201

Pilot Program

Administer via Well Wisconsin vendor and PBM.

An estimated cost of \$14.4M per year will cover the costs of GLP-1s and \$335K per year for coaching program for 1,000 members.

Vendor can send qualifying participants who complete lifestyle management activities to PBM to fill GLP-1 prescription.

Concern regarding pilot program having similar findings as other published studies and coverage of GLP-1s ending.

Summary of Recommendations

Memo Pages 18-19

2026 Changes Not Recommended

Commercial
pharmacy
coverage of
AOMs

Diverting Funds
from the Well
Wisconsin
Program

Implementing
an AOM pilot
program

2026 Changes Recommended

All cost-neutral benefit changes

Allow MA members to earn the Well WI incentive

Increase ER copays across all plan designs

Plan design option 3

Recommended Option 3

	Current State	Option 3
Plan Design	PO1, PO6/16, PO8, HDHP PO1, and PO7/17	PO1, PO6/16, PO8, HDHP PO1, and PO7/17
Non-HDHP Deductible	\$250/\$500	\$500/\$1,000
Non-HDHP OOP	\$1,250/\$2,500	\$1,750/\$3,500
Coinsurance	10%	20%
Primary Care Office Visit	\$15	\$25
Specialty Office Visit	\$20	\$40
ER Copay (across all plans)	\$75	\$200
HDHP OOP	\$2,500/\$5,000	\$3,000/\$6,000
Projected Savings	--	\$41,790,236

Action Needed

ETF requests the Board approve the modifications to the Program Agreement (PA), Uniform Benefits (UB) Certificates of Coverage (CoCs), wellness and condition management (CM), and the Uniform Pharmacy Benefits (UPB).

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Questions?

Thank you



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