

It's Your Choice 2020 Local Government Employers

Employer Reminders

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Department of Employee Trust Funds



How are rates set?

Health plans submit rate bid & claims experience data, separately



The Group Insurance Board's actuary reviews both to check that the bid makes sense when compared to the claims data



If bid isn't reasonable, plan called in for negotiations

If plan's bid isn't reasonable, the plan is placed into Tier 2 or 3

What is tiering?

- Tiering is a method of ranking health plans by cost and quality
- Tier 1 plans typically offer lower premium than Tier 2 or Tier 3
- Qualified, Tier 1 plan rates are used to establish the 88% employer contribution amounts

What Makes a Plan Qualified?

Meets Minimum Provider Requirements in a County

- Includes 5 primary care physician who accept new patients
- Includes 1 hospital in the county and/or within 35 miles of members
- Includes 1 chiropractor

The 88% Calculation Method

- Employers are allowed to pay up to 88% of the **average premium cost of the *qualified Tier One** health plans within the service area of the employer
- The 88% (and 105%) rate tables ETF provides indicate the maximum employer share.

* A qualified health plan is a plan in which there are at least 5 Primary Care Physicians, a hospital, and a Chiropractor associated with the health plan in the given county.

88% Calculation (CNTD)

- Employer may adjust the contribution downward to require employees who select low cost plans to pay the same amount.
- Employer must apply the same adjusted contribution rate equally to all employees regardless of the plan they select.
- The minimum employer premium contribution for all local employees cannot be less than 50% for employees who work 1,040 hours or more per year or less than 25% for employees who work fewer than 1,040 hours.

88% Calculation (CNTD)

Program Option: P02 WPE Traditional +Dental			88% of Tier 1 Qualified Plans' Average Premium					
* = Not in calculation - Plan not qualified in county			Single			Family		
County	Tier	Carrier	Maximum Employer Share	Minimum Employee Share	Total Premium	Maximum Employer Share	Minimum Employee Share	Total Premium
Brown								
	1	Dean Hlth Ins - Prevea 360	\$746.18	\$0.00	\$746.18	\$1,831.94	\$0.00	\$1,831.94
	1	Network Health	\$748.41	\$145.11	\$893.52	\$1,841.53	\$358.75	\$2,200.28
	2	HealthPartners Health Plan - Robin	\$748.41	\$228.61	\$977.02	\$1,841.53	\$567.51	\$2,409.04
	1	WEA Trust - East	\$748.41	\$163.29	\$911.70	\$1,841.53	\$404.21	\$2,245.74
	3	Local IYC Access Plan	\$748.41	\$567.99	\$1,316.40	\$1,841.53	\$1,415.97	\$3,257.50

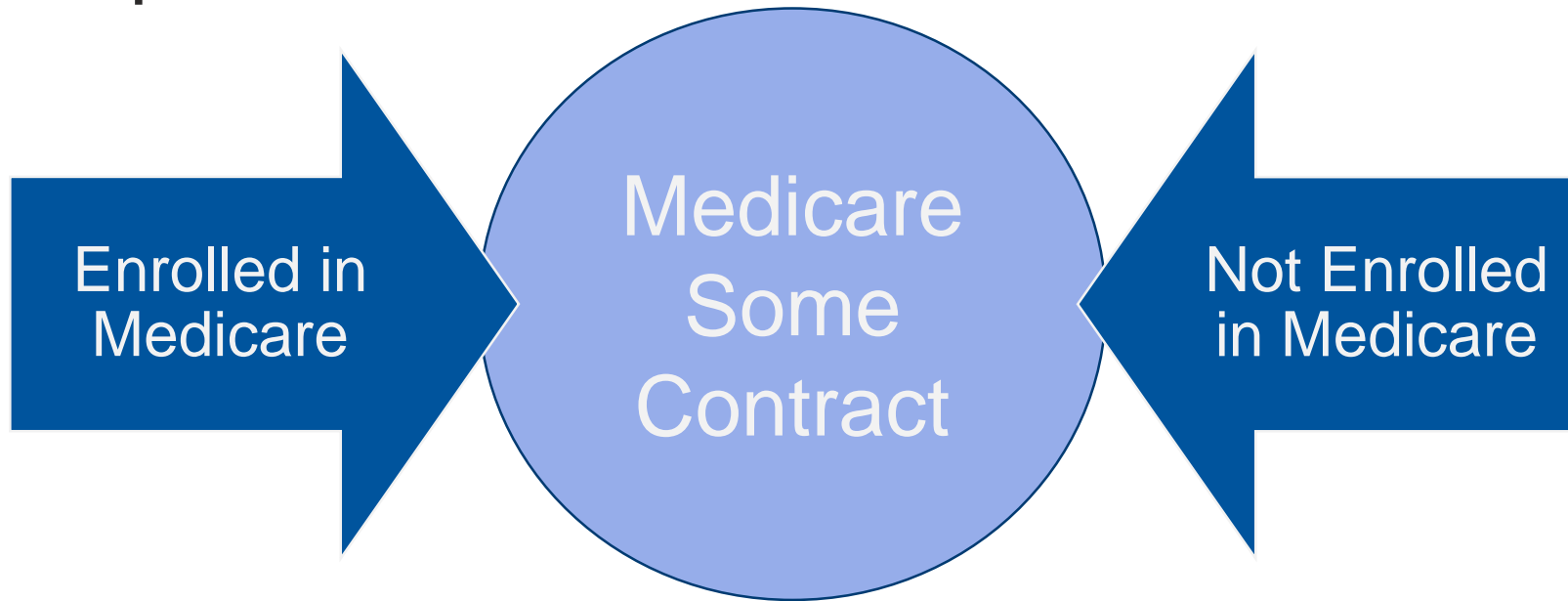
Using Brown County as an example, we take the average cost of the single qualified plan multiplied by 88%, we can calculate the Maximum Employer Share shown above for single coverage.

$$746.18 + 893.52 + 911.70 = 2551.40 / 3 = 850.46$$

850.46 X 88% = 748.41 The Maximum Employer Share seen above.

What Is a Medicare Family Some Contract?

A contract which gives Retirees the option to divide their family health contract into a Medicare plan and a non-Medicare plan.



Which Health Plans Are Available?

Member Enrolled in Medicare

Medicare Plus
(WEA Trust)
Or
Medicare Advantage
(UnitedHealthcare)

Other IYC Health
Plans

Member Not
Enrolled in Medicare

What Are The Health Contract Coverage Levels in MEBS?

NEW

Coverage Levels 12 & 22

ALL

01 - SINGLE

02 - FAMILY

03 - GRAD ASSISTANTS - SINGLE

04 - GRAD ASSISTANTS - FAMILY

05 - MEDICARE - SINGLE

06 - MED FAM SOME - HEALTH PLAN MED

07 - MEDICARE - FAMILY - ALL

12 - MED FAM SOME - MED ADVANTAGE

22 - MED FAM SOME - MED PLUS

Local Annuitant Health Plan (LAHP)

- Medicare eligible retirees who enroll in the LAHP insurance during one of the special enrollment periods are also eligible for Medicare Family Some contracts.
- The special enrollment periods include:
 - When the individual terminates from their **non-participating** local employer
 - OR
 - When the retiree becomes eligible for and enrolled in **Medicare Parts A and B** (typically when they turn 65)

Local Employee Re-enrollment Opportunity



Who

Eligible retirees who cancelled coverage from a currently participating Local Government Employer can re-enroll in the WPE.

For more information, please direct retirees to the FAQ on ETF's website.



How

- Submit an ET-2331 to ETF

Thank you



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