

ACE Newsletter

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By Sally Drew, President

Employee Trust Funds (ETF) Announces New Plans for Employee and Retiree Health Benefits

The Group Insurance Board met on August 30, 2017 to discuss the new plan for state and local employee and retiree health benefits. After the Joint Committee on Finance (JFC) rejected the concept of self-insurance on July 15, 2017, ETF and Segal Consulting solicited fully-insured bids from participating health plans for the current and proposed regional structures. After reviewing the responses, ETF decided that there was not sufficient cost savings to implement the proposed regional structure. In addition JFC also required additional savings from the 2017-2018 plan of approximately \$60M. .

There will not be a rate increase for state workers in 2018. Local government employees

and retirees who participate in the program will have an overall 3.3% premium increase although the increase may vary by provider.

ACE Positions

The ACE Board carefully monitored and communicated about the health benefit process proposed changes over a period of years and opposed both the self-insurance health plan and the proposed regionalization. In brief, ACE opposed self-insurance by the State because it drastically lessened competition without clear evidence of any benefits. As a result of the rejection of the self-insurance plan, existing plans were renegotiated for the coming year.

2018 Health Plans

In general, ETF chose to renegotiate and approve plans according to the current structure. The bid responses were competitive and 10 providers will be continuing with the program. The least competitive providers and those with the most complaints chose not to submit bids and to leave the program.

ETF was able to achieve the required savings through renegotiation and use of reserve funds originally set aside for the self-insured structure and for premium fluctuation stabilization

The Board approved the following health plans that will be available in 2018. These county-based plans will be Tier 1 for state members, which means that they meet program requirements for cost, quality and access.

- Dean Health Insurance and Dean Health Insurance-Prevea360
- Group Health Cooperative of Eau Claire
- Group Health Cooperative of South Central Wisconsin
- HealthPartners Health Plan
- Medical Associates Health Plans
- MercyCare Health Plans
- Network Health
- Security Health Plan – Central and Valley
- Quartz – Community and UW Health (see additional information below)
- WEA Trust – East, Northwest Chippewa Valley and Mayo Clinic Health System (also It's Your Choice (IYC) Access Plan, Medicare Plus and State Maintenance Plan)

Quartz

Gundersen Health Plan, Physicians Plus and Unity Health Insurance have partnered and will be offered under the name "Quartz". Participants in these plans will be automatically enrolled in either Quartz-Community or Quartz-UW Health and can select a different plan

during IYC open enrollment. Participants will receive information from both Quartz and ETF about these changes.

WEA Trust: IYC Access Plan, Medicare Plus, and the State Maintenance Plan

WEA Trust will replace WPS as the new administrator of the IYC Access Plan, Medicare Plus and the State Maintenance Plan (often referred to as Standard Plans) for 2018. These programs will be offered on a fully insured basis for the first time in program history. Participants in these plans will be automatically transitioned to WEA Trust if they do not select a different plan during IYC open enrollment.

Six Health Plans Leaving Program

The following health plans chose not to participate in the program for 2018:

- Anthem Blue Preferred Northeast (serves Northeast WI, 4,300 members)
- Arise Health Plan (serves Northeast WI, 1,700 members)
- Health Tradition Health Plan (serves Western WI, 4,600 members)

- Humana Eastern and Western, including Medicare Advantage (serves Eastern and Western WI, with Medicare Advantage providing nationwide access, 18,100 members)
- UnitedHealthcare of Wisconsin (serves Eastern WI, 14,000 members)
- WPS contract terminates December 31, 2017 (serves all of WI, nationwide and the MedicarePlus population; 10,600 members)

Other Group Insurance Board Action

- **Pharmacy Benefits** – The Board approved some additional pharmacy benefit changes; other changes were approved in [May](#). These include:
 - CVS pharmacies, including Target pharmacies, will no longer be in-network
 - Certain over-the-counter medications for non-Medicare participants will no longer be covered
 - Non-Medicare participants must fill Level 4 prescriptions at mandatory specialty pharmacies – Lumicera or UW Specialty Pharmacies
 - New mail order pharmacy will be Serve You
 - New discount drug list will include drugs used for infertility, weight loss, cosmetic and lifestyle needs as prescribed
- **State and Local Group Life Insurance**

Premium rates and benefits will not change in 2018.

- **EPIC Benefits+ and EPIC Dental Wisconsin**

Participants will see relatively minor changes to benefits and premium rates in 2018.

ACE Future Actions

ACE plans to continue to work with ETF on Medicare Advantage plans. ETF is developing a Request for Proposal (RFP) to solicit proposals from vendors to offer a group Medicare Advantage plan to Medicare members starting in 2019. ACE is working with the Wisconsin Coalition of Annuitants (WCOA) to assure that a retiree will be on the RFP review panel. ACE also plans to continue to monitor health data collection and aggregation by ETF.

Other Sources of Information

The following documents provide additional important information for those who want more detail.

ETF announcement on website following the meeting

http://etf.wi.gov/news/ht_20170830.htm

ETF memo from August 30 meeting

<http://etf.wi.gov/boards/agenda-items-2017/gib0830/item7a.pdf>

State Journal article, August 30, 2017

http://host.madison.com/wsj/news/local/health-med-fit/board-oks-million-in-state-worker-health-benefit-savings-but/article_f23d5b4a-e6f0-5bbb-a474-1d7ea4e1dfe2.html

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