



# Employer *Bulletin*

Employer Communication Center (608) 264-7900 Toll free: 1-888-681-3952 <http://etf.wi.gov>

## Consider Participating in the Wisconsin Public Employers Group Health Insurance Program

Now is the time for you to consider joining the Wisconsin Public Employers (WPE) Group Health Insurance program, authorized by the Group Insurance Board and available to employers participating in the Wisconsin Retirement System (WRS). The program is administered by the Department of Employee Trust Funds (ETF) and offers the following benefits:

- Competitive health insurance premium rates.
- One-stop shopping for access to more than 20 health plan service areas statewide.
- A successful prescription drug benefit program administered by a pharmacy benefits manager (PBM) credited with saving state and local employers millions of dollars in prescription drug costs.

### Participation Process

Joining the WPE Group Health Insurance program consists of the following two steps:

1. Completing the group underwriting process to learn how much, if any, surcharge your group would have to pay for a limited time. This process begins 120 days prior to your effective date and takes about 30 days to complete. Groups can enter the program quarterly effective January, April, July or October 1 of any year.
2. Filing a resolution to select the benefit option you will offer your employees and annuitants (see benefit options listed within this Bulletin for further details). Once you receive your group rates following underwriting, the resolution to join must be filed no later than 90 days prior to your chosen effective date.

To begin coverage effective January 1, 2013, you must begin the underwriting process by August 31, 2012, and your resolution must be received by September 30, 2012.

**All of your WRS-eligible employees must be offered the health insurance coverage, including part-time employees.** Eligibility includes current and future WRS retirees covered under your current group health insurance plan.

### Underwriting Process

Group underwriting applies to all employers seeking insurance in the state. Our program follows an underwriting process similar to those used by commercial insurers and established under rules of the Office of the Commissioner of Insurance.

Underwriting determines if the group may join at the rates published in the *It's Your Choice: Decision Guide* booklet (ET-2128d) or addendums (ET-2158 or ET-2168), or if the group will receive an additional per-contract per-month surcharge, as determined by the Group Insurance Board's

consulting actuary, for an average of 24 months. The surcharge will be applied if the group's risk is determined to be detrimental to the existing pool.

A checklist itemizing the information required for submittal is included in the *How to Become a Participating Employer Under the Wisconsin Public Employers' Group Health Insurance Program* booklet (ET-1139), available on ETF's Internet site at: <http://etf.wi.gov/publications/et1139.pdf>. It describes what prospective employer groups must submit to ETF to complete the underwriting process and includes:

- ▶ Groups with **51 or more** WRS active employees must submit:
  1. Employee census.
  2. Two years of claims history.
  3. Two years of enrollment history.
  4. Benefit information, current coinciding with the two years of claims/ enrollment history.
  5. Other data and fees requested on the checklist (ET-1139).
  
- ▶ Groups with **50 or fewer** WRS active employees must submit:
  1. Small Employer Uniform Employee Application for Group Health Insurance (OCI 26-501 available online at: <http://www.oci.wi.gov/ociforms/26-501.pdf>) completed by each WRS eligible employee and retiree (sealed by the individual in an envelope with their name on it for confidentiality of personal health information and submitted in that individually sealed envelope to ETF).
  2. State Department of Workforce Development quarterly wage and tax statement including employee names.
  3. Recent health insurance carrier bill listing all covered subscribers.
  4. Other data requested on the checklist (ET-1139).

Once ETF receives this information, it is forwarded onto WPS Health Insurance (WPS) to perform the initial underwriting function, and to the Group Insurance Board's consulting actuary for review and determination of the surcharge amount, if applicable.

For groups with 50 or fewer WRS active employees, an underwriter will review all materials and, if necessary, call individual employees to gather more information as required on the Uniform Employee Application. The employer will be notified by WPS when employee calls will begin in case the employer is contacted by employees with questions about the process. If certain employees are difficult to contact, the underwriter may call the employer to get assistance in reaching that employee.

Final rates will be provided to the employer from ETF. Following underwriting, the employer's governing body must decide whether to pass a resolution to join the program. Upon filing the resolution with ETF, coverage is effective on the first day of the quarter following the 90-day enrollment process.

## **Benefit Program Options (PO)**

To support its commitment to establish and maintain quality, long-term partnerships with participating local government employers, ETF offers three program options.

Employers may offer up to three program options to different classes of employees (that is, collective bargaining units). Individual employees cannot choose between program options. Note, any medical out-of-pocket amounts do not apply to pharmacy benefits. There are separate pharmacy benefit out-of-pocket maximums that apply to all program options. The program options are:

1. Traditional or Full Pay Uniform Benefits Option paired with a newly-offered Standard Preferred Provider Organization (PPO) Plan (P02)

Under this program option, subscribers select from:

- Full pay (no coinsurance or deductible) Uniform Benefits offered by many HMOs and two PPOs: WEA Trust and WPS Metro Choice
- Standard PPO that allows participants to see their choice of provider with higher out-of-pocket costs for out-of-network providers. The plan is administered by WPS.

2. Deductible Uniform Benefits Option paired with a Standard PPO (P04)

Employees select either a deductible Uniform Benefits or a Standard PPO option. Uniform Benefit premium rates in this PO4 are approximately 10% lower than PO2 rates. Under this program option, participants select from:

- Deductible Uniform Benefits, offered by many HMOs and two PPOs: WEA Trust and WPS Metro Choice, contains an up-front deductible on all medical services except for federally-required preventive care (listed at <http://www.healthcare.gov/news/factsheets/2010/07/preventive-services-list.html>). Such care is 100% covered. The deductible is \$500 individual/\$1,000 family per calendar year. Once the deductible is met, benefits are administered as described in Uniform Benefits.
- The Standard PPO allows participants to see their choice of providers, with higher out-of-pocket costs for out-of-network providers. This program has larger deductible and coinsurance costs than the Standard PPOs (PO2 and PO6) allowing for greater premium savings. WPS is the plan administrator.

3. Coinsurance Uniform Benefits Option paired with a Standard PPO (P06)

Employees select from a new coinsurance option for Uniform Benefits or the Standard PPO. This program option offers Uniform Benefits premium rates that are approximately 5% lower than PO2 rates. Under this program option, subscribers select from:

- Uniform Benefits with a member coinsurance of 10% up to a maximum of \$500 individual/\$1,000 family except for federally required preventive care (listed at <http://www.healthcare.gov/news/factsheets/2010/07/preventive-services-list.html>). Such care is 100% covered. This program option mirrors the Uniform Benefits offered to state employees. Over time, if changes are made to the State Uniform Benefits plan, this plan will mirror those changes.
- The Standard PPO allows participants to see their choice of provider, with higher out-of-pocket costs for out-of-network providers. This program has larger deductible and coinsurance costs than the PO2 Standard PPO allowing for greater premium savings. WPS is the plan administrator.

The following chart summarizes these non-Medicare benefit options available January 1, 2013:

**Wisconsin Public Employees  
Non-Medicare Benefits  
Program Options (PO) Effective January 1, 2013**

<b>NON-MEDICARE BENEFITS</b>		<b>Program Option 2</b>	<b>Program Option 4</b>	<b>Program Option 6</b>
<b>Uniform Benefits (For HMOs and some PPOs: benefits described for services at plan providers only)</b>		Full Pay Uniform Benefits (No deductible or coinsurance.)	\$500 Individual/ \$1000 Family deductible except as required by federal law. After deductible is met, Uniform Benefits apply.	<b>NEW</b> 90%/10% coinsurance to \$500 Individual/\$1000 Family out-of-pocket limit, except as required by federal law. After coinsurance is met, Uniform Benefits apply.
<b>Standard PPO Benefit</b>	<b>Freedom of Provider Choice Benefit:</b>	<b>Standard PPO NEW</b>	<b>Standard PPO:</b> <i>Modernized, but no change to former PO 5s deductible/coinsurance</i>	<b>Standard PPO:</b> <i>Modernized, but no change to former PO 3s deductible/coinsurance</i>
	<b>Deductible</b> (Unless otherwise noted, it is an overall deductible.)	<i>In-Network:</i> \$100 Individual/ \$200 Family  <i>Out-of-Network:</i> \$500 Individual/ \$1000 Family	<i>In-Network:</i> \$500 Individual/ \$1000 Family  <i>Out-of-Network:</i> \$1000 Individual / \$2000 Family	<i>In-Network:</i> \$250 Individual/ \$500 Family  <i>Out-of-Network:</i> \$500 Individual/ \$1000 Family
	<b>Coinsurance</b>	<i>In-Network:</i> 100%/0%  <i>Out-of-Network:</i> 80%/20%	<i>In-Network:</i> 80%/20%  <i>Out-of-Network:</i> 70%/30%	<i>In-Network:</i> 90%/10%  <i>Out-of-Network:</i> 70%/30%
	<b>Annual out-of-pocket limit</b> (Includes deductible & coinsurance.)	<i>In-Network:</i> \$100 Individual/ \$200 Family  <i>Out-of-Network:</i> \$2000 Individual/ \$4000 Family	<i>In-Network:</i> \$2000 Individual/ \$4000 Family  <i>Out-of-Network:</i> \$4000 Individual/ \$8000 Family	<i>In-Network:</i> \$1000 Individual/ \$2000 Family  <i>Out-of-Network:</i> \$2000 Individual/ \$4000 Family

The 2013 monthly premium rates and a map showing plans available by county and Tier will be available on [etf.wi.gov](http://etf.wi.gov) in mid-September. **Note:** The map will indicate which plans are “qualified,” meaning they meet minimum requirements for the number of primary providers, including a hospital (if one exists in the county), pharmacy, chiropractor, and dentist (if applicable) physically located in specific counties. This map will also show plans that are “non-qualified” (not underlined) where they offer limited provider availability in the county.

## Premium and Employer Contribution Information

2011 Wisconsin Act 10 requires that local employers pay no more than 88% of the average premium cost of a Tier 1 health plan unless: a collective bargaining agreement was in place before June 28, 2011 that provides otherwise; or an employee is a member of an exempted class. The Group Insurance Board has further established by rule that the 88% limitation on employer premiums applies to the average premium cost of a Tier 1 health plan *offered in the service area of the employer, i.e., the county*. The previous 105% of the low-cost qualified health plan contribution method still applies but only for those employees who are specifically exempt from the 88% contribution method.

The 88% calculation method provides the *maximum* premium contribution that a local employer may pay for non-exempt employees. The employer can pay less down to the minimum limit. The minimum employer premium contribution for eligible local employees cannot be less than 50% of the low-cost qualified health plan within the service area of the employer (this may be reduced to a minimum of 25% for employees who work less than half-time) as provided in rules being established by the Group Insurance Board. Once determined by the employer, this dollar amount remains unchanged regardless of the health plan chosen by the employee.

The 88% rate tables ETF provides indicate the *maximum employer* share. If a health plan's premium is equal to or less than the employer's share, the employer pays the entire premium, and, therefore the employee's share would be \$0. In some cases, an employer may wish to make employees pay some amount toward their health insurance coverage. This is permissible as long as the employer share does not exceed 88% of the average premium cost of the qualified Tier 1 health plans within the county. Also, remember that if an employer adjusts the employer contribution downward to require employees who select low-cost plans to pay some amount, the employer must apply the same adjusted contribution rate equally to all employees regardless of the plan they select.

All employees of participating local employers are subject to the 88% maximum contribution method **except:**

- Represented employees who are subject to a collective bargaining agreement that was in place before June 28, 2011.
- Non-represented managerial law enforcement or managerial fire-fighting employees initially hired by a local employer before July 1, 2011. These employees are paid at the same percentage as represented law enforcement or fire-fighting personnel hired before July 1, 2011.
- Represented law enforcement or fire-fighting employees initially hired before July 1, 2011 who on or after July 1, 2011 became a non-represented law enforcement or fire-fighting managerial employee. These employees are paid at the same percentage as represented law enforcement or fire-fighting personnel hired before July 1, 2011.

## Conclusion

Your employees will have their choice of health plans offered by the WPE Group Health Insurance Program when you elect to join. During the annual It's Your Choice Open Enrollment Period in October, employees and insured annuitants may elect, without restriction, a different participating health plan within their option or to change from single to family coverage or family to single, effective the following January 1.

For more information on joining the WPE Group Health Insurance Program, contact the Employer Communication Center toll free at (888) 681-3952, option 1 or locally at (608) 264-7900, option 1, or e-mail ETF at [ETFHealthandIns@etf.state.wi.us](mailto:ETFHealthandIns@etf.state.wi.us).

More information regarding the WPE Group Health Insurance Program, such as ETF's booklet, *How to Become a Participating Employer Under the Wisconsin Public Employers' Group Health Insurance Program* (ET-1139), can be found on ETF's Internet site at <http://etf.wi.gov>. Look for the red envelope to sign up for ETF E-mail Updates

\*\*Remember to start checking ETF's Internet site in early-September for the 2013 monthly premium rates and a map showing plans available by county.

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## FIRST CLASS

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This *Employer Bulletin* is published by the Wisconsin Department of Employee Trust Funds. Questions should be directed to contact persons listed in the *Bulletin*. Employer agents may copy this *Bulletin* for further distribution to other payroll offices, subunits or individuals who may need the information. Copies of the most recent *Employer Bulletin* are available on our Internet site at the following URL: <http://etf.wisconsin.gov/employers.htm>

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