

It's *Your* Benefit

Health insurance and other benefit programs for state and local employees and retirees



Program Changes Help Hold Down Premium Rate Increases for 2005

Strategic efforts set in place last year to control escalating health insurance costs and improve quality of care and service delivery are successfully bearing fruit. The Group Insurance Board (GIB) announced after its August 24 meeting that premium rate increases for the state's group health insurance program members will be in the single digits, approximately 5%, next year. Results like these, said Employee Trust Funds (ETF) Secretary Eric Stanchfield after the meeting, are "phenomenal. This is a huge success story."

Two years ago the GIB and Governor Doyle initiated innovative program changes designed to provide quality health care at a reasonable cost to state government employees and employers without simply shifting costs. Last

January ETF, administrator of the state's group health insurance program, set them in place.

Already, the bottom-line results – including a significant reduction in the cost of prescription drugs — are noteworthy. At the board meeting, ETF's consulting actuary said most peer retirement systems in other states are predicting health insurance premium rate increases in the 15-18% range.

The news is very good for retirees in the Medicare Plus \$100,000 Plan: Because prescription drugs are such a substantial portion of the plan, participants' premium rates will actually decrease next year (see page 2). The rate reduction affects approximately 10,000 participants age 65 and over.

Of the program revisions implemented last

Program Changes, continued on page 2

Dual-Choice Enrollment Period Set for October 11-29

The Dual-Choice health insurance enrollment period for 2005 has been set for October 11-29, 2004. Dual-Choice is for currently insured active employees and retirees who take part in the State of Wisconsin Group Health Insurance Program. It gives participants the opportunity to change from one health plan to another or switch from single to family coverage without a waiting period for pre-existing medical conditions. Changes become effective January 1, 2005.

Even if you are satisfied with your current plan, you should take the time to review any changes to the plan's premium, service area and health care providers. If you want to remain with your current plan, you do not need to file a health application if your plan is still offered in 2005. **Active employees:** If you want to switch

plans or change your level of coverage (i.e., single to family) for 2005, you must complete a new

health application. Give it to your payroll representative to send to ETF. All forms must be postmarked by 4:30 p.m. October 29.

Retirees: You must submit completed applications to the Department of Employee Trust Funds by 4:30 p.m. on October 29. Significant health plan changes will be listed on the first page of the 2005 *It's Your Choice* booklet. You will receive the booklet prior to the beginning of the Dual-Choice enrollment period. **It is especially important that you take the time to ensure that your plan and/or plan service area will be offered in 2005.**



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Program changes, continued from page 1

January, those that have had the biggest effect on problem areas identified by the GIB were:

- Carving out the prescription drug benefit by contracting with a single Pharmacy Benefit Manager (PBM);
- Changing the premium contribution structure to a tiered approach, also called “value-based purchasing”;
- Integrating quality and safety standards into program requirements; and
- Converting the Standard Plans into one preferred provider plan.

Pharmacy Benefit Manager

A key factor in holding down premium rates in 2005 came from significant savings realized by carving out the prescription drug benefit and selecting Navitus Health Solutions, a Wisconsin-based PBM to provide pharmacy benefit services. Within a few months, the program achieved 95% compliance with the formulary, a list of prescription drugs determined to be clinically sound and cost effective by a state-wide committee of physicians and pharmacists.

Such a high rate of compliance is not only key to the new program's success, it is further evidence that members are getting the drugs they need at the same or at more reasonable prices as before. Stanchfield commended all health insurance program participants for doing their part to help keep drug costs down.

Through the PBM, participants can also participate in other “value added” programs to help save money on drugs: tablet splitting, mail order purchasing, and the generic sampling program – in which the first fill of a new (to the patient) generic drug is free. For more information on these specific programs, review the January 2004 edition of *It's Your Benefit*, or refer to the Navitus Internet site, www.Navitus.com.

Value-Based Purchasing

A three-tier premium contribution structure for state employees replaced the existing system on January 1. ETF evaluates each health plan's cost of providing benefits to members and places them in tiers, based on their ability to control costs while providing quality health care. The most cost-effective plans (mostly health maintenance organizations)

Department Has Good News for Medicare Plus Program Participants

There is good news for state annuitants who were concerned about reaching their policy limits under the Medicare Plus \$100,000 plan administered by Blue Cross/Blue Shield of Wisconsin. Beginning January 1, the Group Insurance Board has changed the benefit limit from \$100,000 per illness to \$1,000,000 per lifetime. This lifetime accumulation will now appear on all Blue Cross Explanation of Benefit (EOB) forms.

In addition, the Department extends kudos to all participants for helping make the new pharmacy benefit program such a success. Due in part to your willingness to work with the new prescription drug formulary, we have been able to lower the cost of the overall premium by approximately 5%, while increasing the policy limit maximums!

are categorized as tier 1 plans. Less efficient plans were placed in tier 2 or tier 3. Plans that received high marks for quality and patient safety measures were rewarded during the negotiation of their premium bids. This new approach also enhanced the GIB's ability to negotiate more effectively with the health plans – which resulted in a \$14 million savings for next year.

Quality and Safety Standards

Wisconsin hospitals are working to provide consumers of health care better information on quality and safety. The majority are also self-reporting their progress in adopting proven measures to prevent mistakes and protect patients from injury. ETF rewards plans that have been successful in meeting patient safety and quality goals. The goals are set by organizations of health purchasers and medical experts include Leapfrog and the Wisconsin Hospital Association's Checkpoint initiative. In doing so, ETF holds the insurance plans and their providers accountable for their compliance with these efforts and performance to date.

Preventive Treatments for Migraines

- by Brent Eberle, RPh, Clinical Pharmacist, Navitus Health Solutions

Migraine headaches are painful and can often make you feel weak or tired. Medications used to stop an attack already underway (acute medications) are the treatments used most often. These treatments include drugs known as triptans (e.g., *Amerge*, *Imitrex*, *Maxalt* and *Zomig*) as well as analgesics (e.g., *Fiorinal* and *Midrin*). While these medications are often very effective, they are not approved to treat four or more headaches per month. Overusing these medications can lead to serious health problems including drug-induced or rebound headaches. Fortunately, alternative preventive therapies can reduce the need for triptans or analgesics.

Preventive therapies can be drug based or non-drug based. Both forms of therapy try to:

- reduce attack frequency, severity, and duration;
- improve responsiveness to the treatment of acute attacks; and
- improve function and reduce disability.

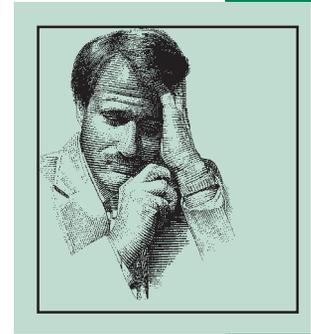
A wide variety of medications are available for use as preventive therapies, including beta blockers and calcium channel blockers (often used to treat high blood pressure), antidepressants, anti-inflammatory agents, and antiepileptics. These medications can take time to work (sometimes as long as one to two months) and should be taken on a daily basis - not just when the headache occurs.

Available non-drug therapy includes the use of counseling and relaxation techniques. Combining drug and non-drug therapies can often drastically decrease the number of attacks suffered by migraine patients.

In addition, avoiding certain foods and other factors that may trigger headaches can often reduce the need for acute medications. Possible headache triggers include: alcoholic beverages; caffeine and caffeine withdrawals; certain food additives (MSG, aspartame tyramine and sodium nitrite); certain foods (chocolate, citrus, dairy, and fatty foods); and environmental changes (bright light, strong odors and high humidity).

Lifestyle can play a role in triggering migraines as well. Factors such as insufficient or excessive sleep, stress, smoking, physical activity and schedule changes can all be triggers for migraines.

Migraines can be treated effectively through a combination of both acute medications and preventive therapies. If your migraine headaches are uncontrolled or you feel you are relying too heavily on acute medications for the treatment of your migraines, please contact your physician to explore the options available to you.



Vision Coverage Enrollment/Disenrollment Opportunity in 2005

An open enrollment period for the Spectera Vision Care plan has been set from October 11 to November 12, 2004. If you are a retiree and planning to enroll in the plan, your application must be received by the Department of Employee Trust funds by November 12, 2004. Active state employees interested in learning more about the program should contact their payroll representative during the open enrollment period.

The Spectera plan, first offered to retirees and active state employees last year, is voluntary. There is no employer contribution; you cannot use accumulated sick leave credits to pay the premium.

The plan provides:

- Vision care coverage through over 17,000 providers nationwide

- A routine annual eye examination
- Lenses for glasses or contacts every 12 months and frames every 24 months

Various co-payments apply to covered benefits beyond standard frames and lenses. The benefit level and premium remain the same as in 2004. The annual rates for retirees and active employees are:

Subscriber Only	\$ 64.80
Subscriber + Spouse	\$126.00
Subscriber + Children	\$132.00
Subscriber + Family	\$198.00

If you are a retiree currently enrolled in the vision plan, Spectera will automatically send you a

Vision coverage, continued on page 4





Hospital Quality and Safety: Protecting Your Health

Each day, thousands of patients visit hospitals across the state for surgeries, childbirth and emergencies. Many receive quality care, but mistakes happen and the quality of care varies. In fact, up to 98,000 Americans die each year because of preventable hospital errors, according to one national study. However, with more groups like Leapfrog shining the light on the importance of quality, hospitals can follow proven measures to prevent mistakes and protect patients from injury. Even better, you can access information online to find out how safe your local hospitals are.

Take the Leap to Quality and Safety

In 2003, the Department of Employee Trust Funds endorsed the activities of the Leapfrog Group. Leapfrog is a nationwide effort to improve the quality and safety of hospital care. Leapfrog surveys hospitals around the country on their efforts to implement standards that improve patient safety and care, and publicly reports their progress to raise consumer awareness and ultimately save lives. The effort involves four main standards, or “leaps” and are as follows:

The Four Leaps

- **An Rx for Rx**—Choose a hospital that requires its staff to use computers to order medications, tests, and procedures. Studies show Computerized Physician Order Entry (CPOE) systems can reduce serious medication mistakes by up to 88 percent.

Vision coverage, continued from page 3

premium notice and a re-enrollment form to continue coverage for 2005.

If you are a retiree and not currently covered, you will not receive an offer in the mail unless you request one. To obtain additional program and enrollment information, contact Spectera as indicated below:

- Visit Spectera’s web site at www.Spectera.com
- Write to Spectera Vision, Attn: Wisconsin Annuitant Plan, 121 West Wacker Drive, Suite 1400, Chicago, IL 60601

- **Practice Makes Perfect**—Select a hospital with a lot of experience and the best results for specific procedures, surgeries, or conditions. The hospital where your surgery is performed can have a strong impact on your odds of survival.

- **Sick People Need Special Care**—Choose a hospital with an Intensive Care Unit (ICU) that is staffed by doctors and caregivers who have special training in critical care. These individuals are called “intensivists” and are experts in caring for critically ill people.

- **Leapfrog Quality Index**—Select a hospital that has a high Leapfrog Quality Index. A higher score on the Index means the hospital has put in place up to 27 practices known to reduce preventable medical mistakes.

What You Can Do

Patient safety is a serious topic. Protecting yourself from medical mistakes may be as easy as three simple steps:

CHECK the Leapfrog Hospital Survey Results for hospitals in your area by visiting www.leapfroggroup.org. The Leapfrog Group’s survey is voluntary. More and more hospitals are completing it each day. Keep checking the website for updated information.

CHOOSE hospitals that have put Leapfrog’s four quality and safety practices into place and are actively making improvements.

ASK hospitals that are not listed with Leapfrog to report their results. If your hospital is listed, ask what steps they are taking to ensure safer care.

- FAX your request to (312) 920-9228, Attn: Wisconsin Annuitant Plan.

Note: Active state employees who want to terminate participation in the Spectera plan must submit written notice to their payroll representatives prior to December 1, 2004 to cease coverage for 2005. Failure to disenroll by that date will result in continued coverage for the entire calendar year of 2005. Active employees pay premium by payroll deduction and the premium is taken in pretax dollars.

Enroll in the ERA Program and Save Money!

Open enrollment for Medical Expense and Dependent Care Reimbursement Accounts for the 2005 plan year is from October 11 through November 12. Simply log on to the ETF Internet site and click on the ERA enrollment link, or call 1-800-847-8253 and follow the voice prompts. Watch for enrollment materials in early October.

How you can save...

When you participate in the Employee Reimbursement Accounts Program, the money that you pay for insurance premiums or deposit into your Medical Expense and/or Dependent Day Care Reimbursement Account comes straight out of your gross pay before taxes are calculated. You keep more money in your pocket because you pay less in taxes.

How you can participate...

You must enroll in a Medical Expense and/or Dependent Care Reimbursement Account during the fall open enrollment period to participate in 2005.

A Medical Expense Reimbursement Account allows you to contribute money on a tax-free basis to pay for your family's health plan copayments, deductibles, and other qualifying expenses that you pay out-of-pocket such as dental, orthodontia, and vision care. You can contribute up to \$7,500 annually.

A Dependent Care Expense Reimbursement Account allows you to contribute up to \$5,000 annually on a tax-free basis to pay for dependent

day care expenses.

Before you enroll...

Carefully review your expected expenses for 2005. The ERA enrollment booklet contains information about qualified expenses for the reimbursement accounts.

Plan conservatively when contributing to a reimbursement account. Your annual election amount cannot be changed during the plan year unless you experience a qualified change-in-status event. Any money contributed but not used by the end of the plan year will be forfeited to the state.

Read the Dual-Choice booklet for changes in your health plan coverage. Review the drug formulary found at www.Navitus.com to determine the copayment amount for the prescriptions you and your family use. Remember, the out-of-pocket maximums apply only to Level 1 and Level 2 prescription drugs and insulin. Drugs listed under Level 3 are not subject to the out-of-pocket maximums.

Mid-year changes in drug coverage (i.e. switching to a lower or higher copayment drug) are not events that allow election changes. If you are unsure of your drug needs for the upcoming year, consider contributing the lower copayment amount for your monthly prescriptions.



It's Your Choice Answers Your Questions

Every year members covered under the group health insurance program receive an *It's Your Choice* booklet during the Dual-Choice enrollment period. This publication helps participants select a health plan by comparing plans based on provider networks, quality of care, member satisfaction, premium rates and other factors important to you.

But *It's Your Choice* has other valuable information about the health insurance program that can be helpful throughout the year. For example, you'll find complete information about:

- Your health insurance benefits (certificate of coverage)

- Enrollment and eligibility – when to report changes
- Referral and prior authorization requirements for your plan
- Answers to frequently asked questions
- Complaint and grievance process

So, keep your 2005 booklet within reach all year long. It is a very handy resource and can answer a lot of your questions! You can also view it on the Department of Employee Trust Funds Internet site at the following address:

http://etf.wi.gov/members/health_ins.htm

Navitus Launches Newsletter for Participants

Navitus Health Solutions, the pharmacy benefit manager for the state's Group Health Insurance Program, has published a quarterly on-line newsletter specifically for program participants. The summer 2004 edition of *Currents* is now available on the Navitus Internet site, www.Navitus.com. The six-page newsletter contains a variety of news and information on such topics as the Navitus formulary, preventing adverse reactions to sun exposure when on certain medications, and tips for putting together an up-to-date

first aid kit. There is also an article on the Medicare prescription drug card, which is not designed to be coordinated with pharmacy benefits offered through the group health insurance program. Due to this fact, members may not use a Medicare discount drug card and also have their prescriptions processed through Navitus. Look for the September edition of *Currents* online soon. You can print copies from the Internet site or call Navitus to request a paper copy. Dial toll-free: 1-866-333-2757.



Where Can I Get More Information About the Health Insurance Program for 2005?

For the latest information, try the following resources:

- ETF's Internet site at http://etf.wi.gov/members/health_ins.htm
- Review your *It's Your Choice* booklet (available in late September)
- Call ETF's Telephone Message Center at 1-800-991-5540 or (608) 264-6633.
- Attend a health fair in your area during the Dual-Choice period, which runs October 11-29. Representatives from the area plans will be available to provide you with information about their plans. The complete listing (about 30 have been scheduled thus far) is posted on our Internet site and printed in your *It's Your Choice* booklet.

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