

# It's *Your* Benefit

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



## Program Changes Help Mitigate Premium Rate Increases

Innovative efforts set in place two years ago continue to improve healthcare quality and moderate increases in health insurance costs. Health insurance premiums from the plans participating in the Group Health Insurance Program will average about 9.8% for both state and local employers. This is the second consecutive year that rate increases have been held to single digits.

The Department of Employee Trust Funds (ETF) gives credit to health insurance program changes, initiated by the Group Insurance Board (GIB) and Governor Doyle two years ago, for keeping rate increases relatively low. The changes included adopting for state employees a three-tiered structure for premium contributions, incorporating quality measures into the health plan negotiation process, and providing prescription drugs through a single, Wisconsin-based pharmacy benefit manager that continues to save

money for all of the health programs. The cost of our prescription drug benefits are about 5% to 6% below national averages.

**The news is also good for approximately 7,700 retired state participants in the Medicare Plus \$1,000,000 plan:** Their premiums next year will decrease by more than 11%. Last year, premiums fell 6% for this plan.

**How Will Uniform Benefits Change Next Year?** Each year, the Department and the GIB review the Uniform Benefits package looking for ways to clarify, improve, or modify aspects of the package to better meet the healthcare needs of members while remaining "cost neutral." This means that any cost increases caused by changes or improvements to the package must be reduced by changes or modifications elsewhere in the package. The net effect is over-

*Premium Rates, continued on page 2*

## Dual-Choice Enrollment Period Set

The Dual-Choice health insurance enrollment period for 2006 has been set for October 10-28, 2005. 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, 2006. **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 healthcare 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 2006.

**Active employees:** If you want to switch plans or change your level of coverage (i.e., single to family) for 2006, you must complete a new health

application. Give it to your payroll representative to send to ETF. All forms must be post-marked by 4:30 p.m. on October 28.

**Retirees:** You must submit completed applications to the Department of Employee Trust Funds by 4:30 p.m. on October 28. Significant health plan changes will be listed on the first page of the 2006 *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 2006.**

The Department's Internet site contains complete information, including all health insurance related forms, brochures, a complete copy of Uniform Benefits for 2006, *Its Your Choice* booklets, and more. Visit us at [http://etf.wi.gov/members/health\\_ins.htm](http://etf.wi.gov/members/health_ins.htm).

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Volume 4, No. 3  
September 2005

### Premium rates, continued

all benefit levels, taken as a whole, stay the same from year to year. Note: Uniform Benefits do not apply to the Standard Plan, the State Maintenance Plan (SMP) or Medicare Plus \$1,000,000 plan.

There are just a few changes to the Uniform Benefits package for 2006. They include the following:

- The transplant maximum will increase from \$500,000 to a \$1 million lifetime benefit maximum.
- The emergency room copayment will increase from \$50 to \$60.

### Other Notable Changes

#### • Significant Plan Provider Network Changes:

For state employees and retirees, the SMP will be newly available in Ashland, Burnett, Buffalo, Douglas, Marinette, Pepin, Pierce, Polk, St. Croix, Sawyer, and Washburn counties. For local employees, SMP will be newly available in Marinette County. You must live in a SMP county to be eligible to enroll in SMP.

• **Change of Administrator for the Standard Plan, Medicare Plus \$1,000,000 and SMP:** The administration of these plans is changing to Wisconsin Physicians Service (WPS) Health Insurance to Blue Cross & Blue Shield of Wisconsin. See related article on page 4.

• **Plans newly available:** Patient Choice Plan 1 and Patient Choice Plan 2 will be available as of January 1, 2006. These plans are located in Milwaukee, Ozaukee, Washington and Waukesha counties and insured by WPS Health Insurance. These Preferred

Provider Plans offer Uniform Benefits for in-network services.

**Please note: A number of plans have changed their service areas; some have made significant changes.** Please refer to the map and plan description pages in your *It's Your Choice* booklet. Verify with your health plan that your provider is still available in 2006.

### Information on Provider Quality: Leapfrog, CheckPoint, Healthclick Wisconsin

The Group Insurance Board and the Department of Employee Trust Funds support the goals of improving quality and safety of healthcare services. We commend hospitals that make improvements in patient safety and quality. **The Leapfrog Group, CheckPoint and Healthclick Wisconsin** gather information from Wisconsin hospitals on their efforts toward attaining safety practices or standards proven to reduce medical errors and save lives. Information about hospitals that have reported this information to these organizations is available in your *It's Your Choice* booklet and at the following Internet sites:

[www.leapfroggroup.org](http://www.leapfroggroup.org)

[www.wicheckpoint.org](http://www.wicheckpoint.org)

[www.healthclickwisconsin.org](http://www.healthclickwisconsin.org)

## Reminders:

### January Health Insurance Premiums Collected In December

For retirees who pay for health insurance through deductions from their monthly Wisconsin Retirement System annuities: You will first see the new premium amount deducted from your **December 1, 2005**, annuity payment. Health insurance premiums are collected in advance, so the premium for January 2006 is deducted in December.

### Watch for Annual "Student Status" Letter

For subscribers who have dependents age 19 or older (other than spouses): The Department of Employee Trust Funds requires annual verification of student eligibility for health insurance through a questionnaire process. Here are some important reminders about that process:

- Questionnaires must be returned to the health plans no later than November 30, 2005. Failure to do so may result in the loss of coverage for your dependent and unpaid claims.
- Notify your employer if your dependent will no longer be eligible for health insurance coverage. Failure to do so may result in loss of insurance continuation rights.

# Medicare Part D Prescription Drug Coverage Begins January 1

Many members have been hearing about Medicare's new prescription drug coverage, sometimes called Medicare Part D. This voluntary coverage starts January 1, 2006. In order to obtain coverage, participants typically will choose a Medicare prescription drug plan (PDP) from a private company.

The Department of Employee Trust Funds (ETF) and the Group Insurance Board (GIB) have been working to determine the best way to continue providing prescription drug benefits to state and local Group Health Insurance Program participants who are Medicare beneficiaries. The federal government made several options available to programs such as ours, including not offering drug coverage at all, but it primarily wanted to ensure that Medicare beneficiaries *continue* receiving quality, cost-effective drug coverage.

Because our program covers two types of Medicare beneficiaries, those who retired from the State of Wisconsin, and those who retired from a local unit of government (such as a city, town, or other municipality), it was necessary that the GIB develop two strategies. One involves ETF receiving payments (subsidies) from the federal government to continue covering Medicare beneficiaries who are **state retirees**. For retired **local government** participants, the GIB has contracted with a private PDP called Dean Health Insurance, Inc. PDP.

**For retired state employees only:** Because you are already paying for and receiving comprehensive prescription drug coverage, it is not necessary to enroll in a Medicare PDP. Under federal law, having "creditable coverage" through the GIB program allows you to defer enrollment in Part D without penalty. Nevertheless, you should carefully consider all options before making any kind of enrollment decision. It is important to note that if you choose to enroll in a Medicare PDP, you will continue to pay the same health insurance premium through our program, in addition to your Medicare Part D premium.

**For retired local government employees only:** The Wisconsin Public Employers (WPE) Program will not qualify for subsidies from Medicare. Therefore, the GIB chose Dean Health Insurance, Inc. PDP as the preferred Medicare PDP for Medicare beneficiaries who are local government retirees. Please note that even though you will be required to enroll in a PDP, the WPE Program will provide you with an enhanced, integrated prescription drug benefit in addition to the Medicare D benefit. This will ensure

that you continue to receive at least the same level of prescription drug benefit you now enjoy.

ETF will continue communicating with participants who are Medicare beneficiaries, through the 2006 *It's Your Choice* booklet and on the Department's Internet site, <http://etf.wi.gov>. In addition, we'll send a letter in late September explaining in more detail how pharmacy benefits will be affected by Medicare Part D.

## Additional resources:

### Navitus Customer Service

Phone toll free: 1-866-333-2757

Regular Hours: 7 a.m. - 9 p.m. CST, Monday through Friday

Holiday Hours: 8:30 a.m. - 5p.m. CST, (Closed Thanksgiving and Christmas Day)

### Department of Employee Trust Funds

Phone toll free: 1-877-533-5020

Local Madison: (608) 266-3285

### Prescription Drug Helpline

Phone toll free: 1-866-456-8211, Monday through Friday

### Medigap Helpline

Phone toll free: 1-800-242-1060 (leave message)

### Wisconsin Coalition for Advocacy

Information and resources for Medicare beneficiaries who receive disability benefits. Phone toll free: 1-800-926-4862, Monday through Friday

### Wisconsin Benefits Specialists Program

To locate your benefits specialist, contact your County Aging Unit or the Department of Health and Family Services-Bureau of Long-Term Care Resources. Phone: (608) 266-2536; TTY: (608) 267-9880

### Center for Medicare and Medicaid Services Retiree Fact Sheet (online)

<http://www.cms.hhs.gov/medicarereform/pdbma/11162-retireefact-web.pdf>

**Attend a health fair during the Dual-Choice period.** More than 20 have been scheduled for locations throughout the state. Check your *It's Your Choice* booklet or our Internet site for the complete list of dates and sites.

## Generics: The New Drug Alternative



The cost of prescription medications continues to rise. For healthy people, prescription drug costs are minimal if anything at all. However, for those with more than one chronic medical condition, taking many prescription drugs is commonplace and can be costly. The primary purpose of generic drugs is to make available the exact same active ingredient found in brand name drugs at more affordable prices.

The Food and Drug Administration reviews generic drugs and approves them using the same strict criteria used when reviewing brand name drugs. Generic manufacturers are not required to repeat the expensive multimillion-dollar clinical trials that the brandname company performed during the original approval process. However, the generic company is re-

quired to prove that the generic version of the brand name drug provides the same benefits as the branded product.

Navitus Health Solutions developed the **Generic Copay Waiver Program** in order to help encourage the use of generic medications. The program allows our members to have access to certain generic medications as an alternative to certain high cost, brand name alternatives. After the physician writes a prescription for one of the products on this list, the member presents the prescription to the pharmacy and then receives their first 30-day supply of the generic with a \$0 copay. More information is available on the Navitus Internet site, [www.navitus.com](http://www.navitus.com). It's always good to ask your healthcare professional if there is a generic equivalent to the prescribed brand name drug—a simple question can help you save money! The following medications are currently available in the program:

### Generic (Brand) Drug

Atenolol (Tenormin)  
Bisoprolol/HCTZ (Ziac)  
Doxazosin (Cardura)  
Enalapril (Vasotec)  
Estradiol (Estrace)  
Famotidine (Pepcid)

Fluoxetine capsules (Prozac)  
Glipizide (Glucotrol)  
Glyburide (Diabeta, Micronase)  
Lisinopril (Prinivil, Zestril)  
Loratadine (Claritin)  
Metoprolol (Lopressor)

Metformin (Glucophage)  
Ranitidine (Zantac)  
Terazosin (Hytrin)  
Triamterene/HCTZ (Dyazide, Maxzide)  
Verapamil SR (Calan SR, Isoptin SR)

## Department Announces Switch to WPS From Blue Cross & Blue Shield Wisconsin

**Attention Standard Plan, Medicare Plus \$1,000,000 and State Maintenance Plan (SMP) Members:** Effective January 1, 2006, the administrator of these plans is changing to WPS Health Insurance (WPS). Blue Cross & Blue Shield of Wisconsin (BCBSWI) will cease administering the program as of this date. However, for services performed in 2005, BCBSWI will continue to process and pay those claims for one year.

### What this means to subscribers

1. Subscribers currently enrolled in one of these plans will receive information about providers and policies from WPS in late September. **In addition**, those with dependents over age 19 will receive the "student status" request forms from BCBSWI in November.

2. In December, subscribers who pay their health insurance premiums to BCBSWI will start receiving premium notices from WPS. Those who pay any premium to BCBSWI in 2005 for 2006 coverage will receive a refund from BCBSWI for the 2006 premium paid. (Example: Some subscribers pay quarterly and have bills come due for an effective date of November 1, 2005. At the same time the subscriber receives a refund, the subscriber will also receive a bill from WPS for the amount due for 2006 health insurance.)

3. Subscribers who plan to stay enrolled in these plans for 2006 will receive new identification cards and booklets showing WPS as the administrator in late December. For any services received on or after January 1, 2006, subscribers must show this new card to the provider so claims will go to WPS. **Failure to show the WPS card may result in delayed claims payment.**

4. For subscribers currently enrolled in the plans who have hospital prior-authorizations or SMP referrals approved by BCBSWI for services in 2006, those agreements will be honored by WPS. However, future hospital prior-authorizations or SMP referrals must follow WPS guidelines. These policies will be communicated in the September and December WPS mailings, with additional information in available in the *It's Your Choice* booklet.

5. For those enrolled in the State Standard Plan, (a Preferred Provider Plan), Dean Health System will be an in-network provider in 2006. Please check the provider listings carefully to determine if your providers are in the WPS network.

6. Contact WPS for more information at 1-800-634-6448 or through its Internet site, <http://www.wpsic.com/state>, beginning in late September.

## November is National Diabetes Awareness Month

**D**iabetes is one of the most costly and common chronic diseases in the United States. According to the Wisconsin Diabetes Prevention and Control Program, two out of every twenty-five Wisconsin residents has diabetes. It is the fourth leading cause of death in our state. Many diabetics suffer debilitating complications such as heart disease, blindness and amputations. However, many complications can be prevented if diabetes is detected and addressed in the early stages.

Learning about your diabetes is the first step. Knowing what to do is next. According to the National Diabetes Education Program ([www.ndep.nih.gov](http://www.ndep.nih.gov)), you should always remember the **ABCs of Diabetes**:

✓ **A is for the A1C test.**

It shows how well your blood glucose has been controlled over the last 3 months. The goal for most people is less than 7.

✓ **B is for Blood Pressure.**

The goal for most people is 130/80.

✓ **C is for Cholesterol.**

The LDL goal for most people is less than 100.

If you have diabetes, managing it is a choice. The health plan you choose can make a difference in the quality of care you get. See how well your health plan compares in managing the care of its patients with diabetes by reviewing the Health Plan Report Card Summary in the annual *It's Your Choice* booklet. You'll find comparative statistics on glucose testing, cholesterol screening, retinal eye examination, and kidney disease monitoring.

In addition, ask your doctor or health plan provider what mailings, materials or disease management programs they offer to help you and your family better manage your diabetes. Check out other credible sources for information on diabetes management including: [www.diabetes.org](http://www.diabetes.org), and the State of Wisconsin Department of Health and Family Services Internet site, [www.dhfs.state.wi.us](http://www.dhfs.state.wi.us).

Get the following checked out twice a year:

**A1C check**

Have it checked more often if over 7.

**Blood pressure**

If it's over 130/80, ask what steps to take to reach your goal.

**Your weight**

**Dental exams**

Regular exams will help prevent gum disease and loss of teeth. Tell your dentist you have diabetes.

Once a year, take time to get a:

**Cholesterol check**

If your LDL over 100, ask what steps to take to reach your goal.

**Dilated eye exam and complete foot exam**

To detect problems before they get worse.

**Urine and blood tests**

To check for kidney problems.

**Flu shot**

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

For the latest information, consult the following resources:

- The Group Health Insurance Program information section on our Internet site, [http://etf.wi.gov/members/health\\_ins.htm](http://etf.wi.gov/members/health_ins.htm). You'll find fact sheets, forms, brochures, Dual-Choice materials, and premium rates organized by participant type (state employee, state annuitant and continuant, local employee, and local annuitant and continuant).
- The *It's Your Choice* booklet; watch for yours in early October.
- ETF's Telephone Message Center at 1-800-991-5540 or (608) 264-6633.
- One of the more than 20 health fairs set up around the state during the Dual-Choice period, which runs October 10-28. Representatives from area plans will be available to provide you with information. The complete listing is posted on our Internet site and printed in your *It's Your Choice* booklet.

## Enroll in the ERA Program and Save Money!

Open enrollment for medical expense and dependent day care reimbursement accounts for the 2006 plan year is from October 10 to November 18. Log on to the Department's Internet site, <http://etf.wi.gov> and click on the Employee Reimbursement Accounts (ERA) enrollment link; or call 1-800-847-8253.

Watch for enrollment materials in early October. When you participate in the ERA Program, the money you pay for insurance premiums or deposit into your medical expense and/or dependent day care reimbursement account comes out of your gross pay before taxes are calculated. You keep more money in your pocket because you pay less in taxes.

### Before you enroll...

- Carefully review your expected expenses for 2006. 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.

- Read the *It's Your Choice* booklet for changes in your health plan coverage. Review the drug formulary found at [www.Navitus.com](http://www.Navitus.com) to determine the copayment amount for the prescriptions your family uses. Remember: Out-of-pocket maximums apply only to Level 1 and Level 2 drugs and insulin. Drugs listed under Level 3 are not subject to the maximums.

### New this year...

The U.S. Treasury now permits plans to offer a "grace period" following the end of each plan year. **For the current plan year, medical expenses for services provided through March 15, 2006, may be reimbursed with funds remaining from the 2005 plan year.** However, any unused amounts from the prior plan year that are not used for expenses incurred by March 15 remain subject to the "use it or lose it" rule and will be forfeited. This new rule applies only to medical expense accounts. Expenses reimbursed through a dependent day care account must still be incurred by December 31. The deadline for filing both medical expense and dependent care claims incurred during the plan year, as well as medical expenses incurred during the grace period, will be April 15, 2006.

*It's Your Benefit* is published three times a year by the Wisconsin Department of Employee Trust Funds for subscribers in Wisconsin Retirement System insurance programs.

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