Health Insurance is a confusing and complicated subject for many people.
Group Health Insurance

State of Wisconsin Group Health Insurance Program
Group Health Insurance Program

- Created by Chapter 40 of Wisconsin Statutes
- The Group Insurance Board (GIB) and ETF have authority for administration and oversight of the group health insurance program
- The GIB sets guidelines and program requirements
- ETF staff prepare information and recommendations for GIB member’s consideration
- As of 01/01/2011: 22,636 state retiree contracts
- As of 01/01/2011: 2,213 WPE (local) retiree contracts
- Local Annuitant Health Plan: 263 retiree contracts
- State and WPE Actives contracts as of 01/01/2011: 85,335
The majority of plans offered to WRS members are Health Maintenance Organization (HMO) contracts.

- HMO plans manage care and cost.
- Members must use a specific network of providers.
- All HMO plans follow Uniform Benefits.
  - Uniform Benefits – WRS health plans that offer the same coverage.
  - WEA Trust, WPS Metro Choice, and the Humana Medicare Advantage PPO Plan also follow Uniform Benefits even they are not HMO plans.
WRS Plan Options

Preferred Provider Organization (PPO)

WPS Standard Plan is a PPO with a national network

- Does not follow Uniform Benefits
- Option for members not on Medicare who either do not want an HMO or move out of their network service area
- Automatically move to Medicare Plus when you enroll in Medicare A and B (will talk about this plan)
- Review the *It’s Your Choice Decision Guide* and the *Reference Guide* for information on plan options and plan coverage
Important Resource

Keep these books for reference
## Comparison Chart of Benefit Options

### Comparison of Benefit Options

<table>
<thead>
<tr>
<th>BENEFIT</th>
<th>UNIFORM BENEFITS</th>
<th>STANDARD PLAN (If under Medicare Age)</th>
<th>MEDICARE Plus (Over Medicare Age)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Deductible</td>
<td>Not deductible</td>
<td>$1,000 Individual/$2,500 Family</td>
<td>$500 Individual/$1,000 Family</td>
</tr>
<tr>
<td>Annual Coinsurance</td>
<td>As described below</td>
<td>80% for hospital, 20% for drugs</td>
<td>80% for hospital, 20% for drugs</td>
</tr>
<tr>
<td>Hospital Day</td>
<td>As medically necessary, plan provider only. No day limit.</td>
<td>365 per admission</td>
<td>365 per admission</td>
</tr>
<tr>
<td>Life</td>
<td>$60 copay per visit</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Ambulance</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Transplant Surgery</td>
<td>Bone marrow, parathyroid, renal, heart, liver, kidney, lung</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Mental Health/Drug Abuse</td>
<td>Inpatient, outpatient, transitional, 100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Routine Physical</td>
<td>One per year</td>
<td>One per year</td>
<td>One per year</td>
</tr>
<tr>
<td>Hearing Aid</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Hearing Aid (per ear)</td>
<td>$100 for first 5 years, $200 for each additional 5 years</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Supplemental notes 1 through 6 explained on page 37.
What is Medicare?

Medicare: A Single Payer Federal Health Insurance Program

People age 65 or older

People under age 65 with certain disabilities

People any age with ESRD or ALS
Medicare Oversight

- Center for Medicare and Medicaid Services (CMS) is the Federal agency that has oversight of all Medicare programs
  - When you get mail with the CMS logo, it is not junk mail, please open and read
- Medicare rules are based on federal laws passed by Congress and supersede state law
  - Employee Trust Funds is a state agency and has no direct connection or oversight of the Medicare, which is a federal program
Medicare Resources

- www. Medicare.gov
- You will get a new copy of *Medicare & You* each calendar year with updated information about program and coverage changes
ETF’s Medicare Requirements

- Any individual who is eligible for Medicare A and B coverage must enroll when first eligible either because of age or disability (a few exceptions apply).
- It is important to enroll in Medicare when you become eligible and are no longer actively employed because Medicare will pay primary on your medical bills.
- If you do not enroll, you may be responsible for the part of the bill that Medicare would have covered.
  - For example, Part B Medicare covers approximately 80% of your bill, you would pay 20%.
ETF’s Medicare Requirement

- It is your responsibility to notify ETF when any covered member enrolls in Medicare A and B
- ETF sends a form to each covered member 2 to 3 months before their 65th birthday – please respond!
- This is a benefit to you because the WRS health insurance premium is lowered and coordination of benefits is done correctly
Medicare and WRS Members

- If your spouse is still working and you are covered under his or her Employer Group Plan (EGP), you do not have to enroll in Medicare Part B; or
- If you work in another job with an EGP you do not need to enroll in Medicare Part B
- What you should do is:
  - Enroll in Part A because there is no monthly premium
  - Establish coverage for period of time not enrolled in Part B
  - Avoid later premium penalty
- If you do not enroll when you are first eligible for Medicare CMS will:
  - Limit when you can enroll in the future
  - Add premium penalties to your Medicare cost
When you are enrolled in a WRS health plan, you have coverage with a **Retiree Group Plan (RGP)**

The RGP is available to a member because of being eligible for health insurance coverage through the Wisconsin Retirement System.

Eligibility for coverage with the state group plan does not rely only on Medicare enrollment as with a commercial individual plan.
WRS Health Insurance

- RGP pays secondary to Medicare and fills in the gaps Medicare does not cover, such as deductibles and copayments
- You do not have a Medicare supplement
  - Commercial Medicare Supplements have different coverage and different rules
- Your WRS health plan coverage does not change when you are enrolled in Medicare
- Your coverage is based on the contract the state has with the health plans
In addition to paying Medicare deductibles and copayments, there is additional coverage in your WRS health plan that is typically not found at this level in other Medicare commercial plans.

Commercial Medicare plans may offer some of these benefits either with an additional premium, or with higher out-of-pocket costs than you have with the state group plan:

- **WRS HMO** plans offer dental coverage, additional preventative care, eye exams, additional chiropractic services, coverage outside of the U.S. and cover the cost of hearing aids up to $2,000 every 3 years.

- Note: the non-HMO plan offered with the WRS plans called Medicare Plus does not follow Uniform Benefits.
Your WRS health plan pays for covered services listed in your plan even if Medicare does not pay for them.

An important factor in your premium is the cost of comprehensive prescription drug coverage offered through the state plan that limits your out-of-pocket costs.

- For 2011 $410 for a single contract
- For 2011 $820 for a family contract
The Wisconsin Retirement System offers comprehensive prescription drug coverage:
- The WRS plan has a larger formulary than Part D plans
- There is less out-of-pocket expense than with a Part D plan if you do not qualify for Low Income Assistance (LIS)
  - Co-pays of $5, $10, or $35 per prescription
- Pharmacy Benefit Manager for the WRS RX plan is Navitus
  - State retirees and actives use this card from Navitus at their pharmacy
  - The Navitus and ETF member ID’s are the same
WRS Insurance and Medicare Part D

IT IS NOT NECESSARY TO ENROLL IN A COMMERCIAL MEDICARE PART D PLAN

- You are already paying for comprehensive RX coverage
- Prescription drug coverage with the WRS is considered *Creditable Coverage*
  - “*Creditable Coverage*” means that the WRS RX insurance has been determined to be as good or better than the average Medicare Part D plan
ETF provides Members with a Certificate of Creditable Coverage each calendar year in the It’s Your Choice Decision Guide

(You will need this notice to enroll in a commercial Part D plan without a penalty)
Part D

Important notice from the Department of Employee Trust Funds about your prescription drug coverage and Medicare Part D

Certificate of Creditable Coverage for Medicare Part D 2011
Move out of Service Area

- If you move out of the service area of the HMO plan in which you are enrolled, you are able to change your WRS health plan enrollment outside of the It’s Your Choice annual change period in October.
- You have up to 30 days from the date of your move to send ETF an application form indicating the new WRS health plan you choose in your new area.
- If you do not move out of your current plan’s service area, you cannot make this change.
Many retirees on Medicare travel or move out of state

- Option: WPS Medicare Plus
  - Referred to as a Medicare Carve Out plan
- Still a Retiree Group Plan
- Member is not required to use a network of providers
- Does not follow Uniform Benefits. Cost is generally less because it has less coverage than a WRS HMO plan
- Keep the same RX coverage under Navitus
Medicare Supplement – Individual health insurance policy sold in the commercial market

- A person eligible to enroll in Medicare can purchase an individual Medicare Supplement because of their Medicare enrollment/coverage
- Office of the Commissioner of Insurance (OCI) has oversight of Medicare Supplements (not employer group plans)
- Coverage and laws governing these policies are different than those for an employer sponsored group plan

The WRS Group Plan is not a Medicare Supplement
What is my Sick Leave Conversion Account?

- Wisconsin Statute allows an “eligible employee” when they retire, to convert unused sick time to an account that can be used to pay for health insurance premiums.
- There is no cash value attached to this account.
- The sick leave conversion account is a “credit” that is used to pay health insurance premiums.
- State statute allows you to use this credit to pay only for an insurance plan that participates with the WRS.
- You cannot “cash-out” your credits and purchase individual commercial insurance.
Sick Leave Certification (ASLCC)

- Employer calculates sick leave credits
- Employer submits Accumulated Leave Certification form to ETF
- ETF sends Health Insurance Certification to Participant
Calculating Sick Leave

Must have State of Wisconsin coverage in effect at termination of employment
Sick leave credits determined by your employer

Highest Rate of Pay  \times \text{Hours of Sick Leave Accumulation} = \text{Credits Available for Health Insurance Premiums}

Example: $10.00 \times 1,500 \text{ hours} = $15,000
Sick Leave Credit

- Health Insurance premiums will be paid out of a sick leave credit account as long as the balance is large enough to cover the entire premium.
- There are two payment options when a sick leave account is depleted:
  - Pay the monthly premium to your health insurance plan out of your monthly annuity, or direct pay to the plan.
  - ETF sends the premium to the health plan for you if it is paid from your annuity check.
- If you will become a direct pay participant, you will receive a letter from ETF and begin to pay premiums directly to your health plan.
Sick Leave Credits:

Important document related to your sick leave account
Sick Leave Credits

- The majority of the time WRS members have a large enough monthly annuity to pay their monthly health insurance premium
  - *Automatic conversion* to this method of payment when sick leave account is exhausted
- **Accumulated Leave Credits-Statement of Account**
- Members receive this statement the first quarter of every calendar year
- It is the responsibility of the member to read their annual statement and keep track of their sick leave account to know when conversion will take place
Accumulated Leave Credits
Statement of Account

- Shows original Certified Leave Credit Amount
- Shows the account balance as of the date of the statement
- Shows if this is an active or escrowed account
- Shows the monthly premium if one is being taken out (family or single coverage)
Accumulated Leave Credits
Statement of Account

- Tells you that the premium will be taken out of your annuity one month in advance when the escrow account is depleted
- Tells you to estimate the life of the account by dividing the current monthly premium into the balance shown
- Tells you that the premiums paid for you out of your escrow account are not tax-deductible (due to still using employer contribution for premium payment)
ACCUMULATED LEAVE CREDITS - STATEMENT OF ACCOUNT

This statement reflects the amount of sick leave credits you have available for the payment of your health insurance through the State of Wisconsin Employees Group Health Insurance Program. If you have placed your credits in escrow, this will be acknowledged below. If you are currently utilizing your leave credits by being insured through the state program, your account will be reduced each month for a premium payment by the premium rate amount stated below. You can forecast your account's life by dividing the premium rate into your account balance; this will give you an estimate at today's premium rate on how many months you can continue to have your insurance paid from your leave credit account. When your credits are exhausted, your health insurance coverage is continued. The premium deduction will automatically be taken one month in advance from your monthly annuity payment or if your annuity payment is not sufficient, you will be billed directly by your health insurance carrier. Premium payments that are made on your behalf from your leave credit account are not a tax-deductible item.

Subscriber Social Security Number: 
Subscriber Birthdate: 
Information for Family Coverage: 
Dependent Name: 
Dependent Social Security Number: 
Dependent Birthdate: 08/03/48
Note - you may have more than one dependent on your insurance plan, only one will be listed on this statement.

Original Certified Leave Credit Account Amount: $142,516.84
Leave Credit Account Balance as of 12/31/10: $138,214.84
Account Active with Health Insurance Coverage: FAMILY
Monthly Premium Rate as of 01/01/11: $1,517.20

Please notify us of birthdate or Social Security number corrections or if you have questions by contacting us toll free at 1-877-533-5020 or (608) 266-3285 (Local Madison). If you are having your annuity payment directly deposited, you can change your address through our self-service line by calling 1-877-383-1888. Otherwise, please notify us of your address change by sending us a signed and dated letter.

ET-4108 (Rev. 11/2006)
Accumulated Leave Credit
Statement of Account

Single Coverage

Department of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931

ACCUMULATED LEAVE CREDITS - STATEMENT OF ACCOUNT

This statement reflects the amount of sick leave credits you have available for the payment of your health insurance through the State of Wisconsin Employees Group Health Insurance Program. If you have placed your credits in escrow, this will be acknowledged below. If you are currently utilizing your leave credits by being insured through the state program, your account will be reduced each month for a premium payment by the premium rate amount stated below. You can forecast your account's life by dividing the premium rate into your account balance; this will give you an estimate at today's premium rate on how many months you can continue to have your insurance paid from your leave credit account. When your credits are exhausted, your health insurance coverage is continued. The premium deduction will automatically be taken one month in advance from your monthly annuity payment or if your annuity payment is not sufficient, you will be billed directly by your health insurance carrier. Premium payments that are made on your behalf from your leave credit account are not a tax-deductible item.

Subscriber Social Security Number:
Subscriber Birthdate:
Original Certified Leave Credit Account Amount: $ 19,286.57
Leave Credit Account Balance as of 12/31/10: $ 18,543.57
Account Active with Health Insurance Coverage: SINGLE
Monthly Premium Rate as of 01/01/11: $ 781.30

Please notify us of birthdate or Social Security number corrections or if you have questions by contacting us toll free at 1-877-533-5020 or (608) 266-3285 (Local Madison). If you are having your annuity payment directly deposited, you can change your address through our self-service line by calling 1-877-363-1888. Otherwise, please notify us of your address change by sending us a signed and dated letter.

ET-4108 (Rev. 11/2006)
Sick Leave Credits

• What are my options when my sick leave credits are exhausted? (applies whether or not on Medicare)
  ○ You have *not* lost your insurance or RX coverage
  ○ You have exhausted your sick leave credit account
  ○ You can keep your health insurance coverage as long as you pay the premium
  ○ No guarantee issue into an individual commercial health plan or coverage with a Medicare plan
Sick Leave Credits

- **Remember**: When you look at the individual commercial market, you are comparing different types of insurance products, they are not the same.

- If you dis-enroll from a WRS health plan, you will also lose your RX coverage, so you need to consider the cost and coverage gaps of a Medicare Part D RX plan.
Sick Leave Credits

Carefully consider what your options are in the commercial market before you drop your WRS health insurance coverage

- Information about commercial plans: Medigap Helpline and WI Prescription Drug Helpline, Office of Commissioner of Insurance (OCI)

Find out what your options are if you may want to return to WRS coverage at a later date

- State retiree is limited to the Standard Plan with 6 months waiting period for coverage of pre-existing conditions (2011)
If you have accrued sick leave to use when you return to WRS coverage, you must have completed a sick leave escrow form when you dis-enroll and must meet “comparable coverage criteria”

- Meeting comparable coverage criteria can be difficult due to the comprehensive coverage offered in the state plan
- Need to also have comprehensive prescription drug coverage to meet this criteria
Sick Leave Credits

Do not make these decisions lightly

- You may end up saving money on your premium, but paying more in out-of-pocket costs in the form of deductibles, co-payments, co-insurance, non-covered services, or for your medications

- Consider your own individual circumstances. What works for your neighbor or your friend may not work for you!
Important Forms Related to Your Sick Leave Account

SICK LEAVE ESCROW APPLICATION
Wis. Stat. § 45.05 (4) (b)

Name and Mailing Address (print):

Social Security Number:

The reverse side of this form contains important information concerning your rights, responsibilities and escrow effective date.

☐ I am a retiring or retired state employee, and/or I am eligible to use my sick leave credits to pay health insurance premiums. I hereby apply to escrow my sick leave credits. I certify that I am currently insured by health insurance coverage comparable to the coverage offered by the State of Wisconsin Employees Group Health Insurance Program. If my spouse and eligible dependents are not covered by comparable coverage, they cannot be covered on re-enrollment to use my sick leave credits again.

In addition, for state employees in the process of retiring, I also certify that I was covered by the State of Wisconsin Employees Group Health Insurance Program at the time of employee's death. I understand that the Department of Employee Trust Funds must receive this application within 90 days after the date of death or within 30 days of notification by the Department, whichever is later. If I want the deceased employee's sick leave credits escrowed immediately and not used for the payment of my state health insurance premiums at this time. The sick leave escrow account is in the name of:

Decedent Employee's Name
Social Security Number

Comparable non-state health insurance coverage means a plan with hospital and medical benefits substantially equivalent to the state's Standard Plan. My comparable non-state health insurance plan is with:

Name of Employer
Subscriber policy No.
Group Number
Coverage End Date

I understand that the following forms apply to my re-enrollment:

☐ I must be re-enrolled in the State of Wisconsin Employees Group Health Insurance Program before my comparable non-state health insurance coverage ceases unless coverage is involuntarily lost (see reverse side). Failure to re-enroll before the non-state coverage ceases will result in forfeiture of sick leave credits.

☐ I can re-enroll in any plan in the State of Wisconsin Employees Group Health Insurance Program without waiting periods or exclusions for pre-existing conditions.

☐ I understand that the following forms apply to my re-enrollment:

MAKE A COPY FOR YOUR RECORDS.
A COPY WILL BE RETURNED TO YOU AS AN ACKNOWLEDGMENT.

ET-4305 (REV 02/2007)

ET-4317 (REV 06/2005)
Life Insurance Conversion

- If all sick leave credits have been used to pay health insurance premiums, you can use life insurance benefits to pay premiums if:
  - You are age 66, retired, and your final Basic coverage reduction to 50% of your pre-retirement value has been reached
  - You cannot receive any cash payments if you use the conversion option

- ETF booklet **ET-2101** - The Wisconsin Public Employers Group Life Insurance Program
- ETF brochure **ET-2325** - Converting Your Group Life Insurance to Pay for Health or LTC Insurance Premiums
- ETF brochure **ET-4104** - Group Life Insurance After You Terminate Employment
- **ET-2324** - Election Form to convert policy to pay premiums
- ETF Media Site presentation @ etf.wi.gov under New Employee Orientation section
ETF Resources

- It’s Your Choice Decision Guide (new every year)
- It’s Your Choice Reference Guide (keep this)
  - Important Changes for the upcoming year
  - Frequently Asked Questions
  - Health Plan Options
  - Comparison of Benefit Options
  - Grievance and Complaint Information
  - Health Insurance Application
  - Uniform Benefits (Schedule of Benefits, Benefits and Services, Exclusions and Limitations on coverage)
  - Definitions
  - Plan contact information
ETF Resources

- Call Center Staff
- Member Services Staff
- Ombudsperson Staff
- Sign up for and learn to use My ETF Benefits
- *It’s Your Benefits* member newsletter (published every September)
- Fall Health Fairs
- ETF Website ([www.etf.wi.gov](http://www.etf.wi.gov))
- ETF Video Library
Sign up for alerts so you know when ETF has added new or updated information to the Department website.

Watch for the red envelope.
For in-depth information about Medicare and your WRS health insurance coverage, including Medicare Part D prescription drug benefits, watch this presentation on your home computer.

ETF Video Library Presentations are a good resource for all WRS members.
• Benefits Basics – Your WRS Benefit Handbook
• Annual Statement of Benefits – how to read this and what everything on this statement means to you as a WRS member
• Returning to Work after Retirement
• Death Benefits and Beneficiaries
• Annual Retirement Annuity Adjustments
• Canceling Variable Participation
• Life Insurance
Resources Outside of ETF

- Medicare 800-633-4227 or [www.medicare.gov](http://www.medicare.gov)
- Your County Benefit Specialist if 60 or older
- Social Security – local district offices when possible
- WI Prescription Drug Helpline 866-456-8211 for individual Medicare Part D questions or issues
- Medigap Helpline 800-242-1060 for individual Medicare supplements and Medicare Advantage
- Navitus Customer Care 866-333-2757
The End

QUESTIONS?