

May 23, 2008 (originated)  
June 2, 2008 (updated)

# **Medical Plan Certificate Analysis**

## Wisconsin Rapids School District

# MERCER

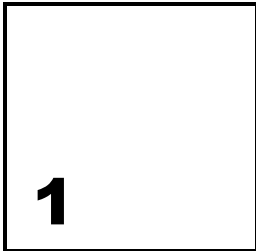


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## Contents

1. Project Engagement.....	1
2. Explanation of Updated Analysis.....	3
3. General Information and Administrative Guidelines.....	4
4. Coverage Provisions and Exclusions .....	12
5. Summary of Findings .....	17



## Project Engagement

Wisconsin Rapids School District has engaged Mercer Health & Benefits to perform a comparative analysis of the terms of certificates of coverage for the current medical plan vendor to the two proposed carriers. The goal of this engagement is for Wisconsin Rapids School District to be assured that the considered vendors can provide equal benefits and administration as compared to the current medical plan vendor.

To accomplish this analysis, Mercer Health & Benefits consultants have reviewed a total of three certificates of coverage: WEA Trust, WCA Group Health Trust, and Security Health Plan.

The provisions reviewed include:

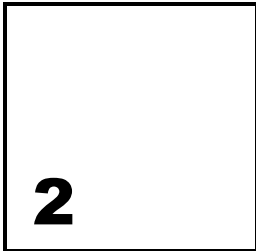
- General Information and Administrative Guidelines
  - Eligibility Guidelines
  - Pre-existing Condition Clauses
  - Conversion Privileges
  - Preauthorization Procedures and Penalties
  - Coordination of Benefits
  - Appeal Process
  - Subrogation Practice
  - Waiver of Premium

- Coverage Provisions and Exclusions
  - Covered Services
  - Specific Exclusions
  - Wellness/Preventive Care Guidelines

Provisions not reviewed as part of the scope of this project include:

- Premiums and Costs of the Plan
- Benefit schedules indicating levels of deductible, out-of-pocket, copays, and co-insurance
- Provider Network Disruption
- Legal Compliance of FMLA, USERRA, and COBRA
- Customer Service Platform (performance guarantees, hours of operation, service account team, etc.)
- Education Programs (disease management, prenatal/maternity care, wellness, etc.)

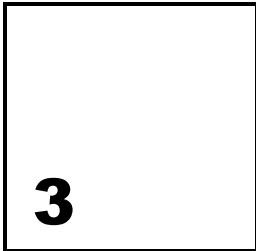
The purpose of this report is to provide a summary of administrative guidelines identified with each vendor as well as a detailed analysis on differences in the terms of coverage based upon the information contained within each of the certificates of coverage.



## Explanation of Updated Analysis

At the request of the Wisconsin Rapids School District, and in cooperation with Mortenson, Matzelle & Meldrum, Inc. (M3), the Medical Plan Certificate Analysis has been updated to present further clarification of the medical plan comparison as it relates to general information, administrative guidelines, coverage provisions and exclusions.

To accomplish the update, John Preuss and Beth Johnson of M3 arranged conference calls with each of the three medical plan vendors. John and Beth joined Kris McHenry and Carrie Lloyd of Mercer during the calls. On May 29, 2008, we spoke with Suzie Kaiser and Ross Hampton of WEA Trust, Ginger Wolf of Security Health Plan, and Kim Hurtz of WCA Group Health Trust. During each of the three conference calls a number of points were discussed and the verbal updates are reflected within the analysis.



### General Information and Administrative Guidelines

INFORMATION & GUIDELINES	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<b>Initial Enrollment Period for Employee and Subsequent Qualifying Events</b>	30-day enrollment period	30-day enrollment period	31-day enrollment period.	The difference in this guideline with SHP may need further clarification.
<b>Pre-existing Condition Limitations</b> (note: a certificate of continuous coverage (provided by the new participant) will shorten or eliminate a pre-existing condition limitation.	Silent – assume no pre-existing condition limitation applies.  <i>Per Conference Call: No pre-existing clause applies.</i>	<i>Per Conference Call: No pre-existing clause applies.</i>	Six Months  <i>Per Conference Call: No pre-existing clause applies.</i>	The difference in this limitation will need to be addressed.

INFORMATION & GUIDELINES	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<b>Late Enrollees</b>	First of the month following a 12-month waiting period from date of receipt of application.	<p>First day of the month following a 12-month waiting period from date of receipt of application.</p> <p><i>Per Conference Call: Current guideline is first day of the month following receipt of application with a pre-existing clause of Six months prior / Twelve months forward.</i></p> <p><i>WCA will match current plan language.</i></p>	<p>Effective date of coverage will be the policyholder's next annual enrollment date, as agreed upon between the policyholder and SHP.</p> <p><i>Per Conference Call: SHP offering pre-existing condition clause of 0/0 or 0/12.</i></p> <p><i>SHP will match current plan language.</i></p>	It is not known to Mercer if WRSD holds an annual open enrollment. If no open enrollment is held, the SHP guideline will need to be addressed.
<b>Dependents</b>	Your unmarried children under age 19 are covered. Children are covered to age 25 if full-time students or meet income criteria. Coverage ends on December 31 of calendar year in which dependent turns 25.	Your unmarried children under age 19 are covered. Children are covered to age 25 if full-time students or meet income criteria. Coverage ends on December 31 of calendar year in which dependent turns 25.	Your unmarried children under age 19 are covered. Children are covered to age 25 if full-time students. Coverage ends on December 31 of calendar year in which dependent turns 25.	Match – no action needed.

INFORMATION & GUIDELINES	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<b>Grandchildren</b>	<p>Unknown</p> <p><i>Per Conference Call: A biological child of your covered dependent child or legal ward (i.e., your grandchild), but only until your child or legal ward becomes 18 years old or marries, whichever occurs first.</i></p>	<p>Unknown</p> <p><i>Per Conference Call: Match to current plan. This provision is stated in the new case document.</i></p>	<p>An unmarried natural child of a dependent child is eligible for coverage until the dependent child is 18 years of age.</p>	<p>Current plan provisions and WCA provisions will need to be addressed. If WRSD does not wish to offer this eligibility to this defined dependent, the provision will need to be addressed with SHP.</p>
<b>Retirees</b>	<p>If retiree at age 55 or older, may continue on same group plan at group rates. Once coverage is waived, retiree cannot elect coverage later.</p>	<p>If retiree at age 55 or older, may continue on same group plan at group rates. Once coverage is waived, retiree cannot elect coverage later.</p>	<p>If retiree at age 55 or older, may continue on same group plan at group rates. Once coverage is waived, retiree cannot elect coverage later.</p>	<p>Match – no action needed.</p>



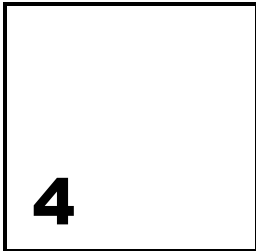
INFORMATION & GUIDELINES	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<b>Survivor Benefits</b>	<p>If employee is under age 55, coverage continuation is offered to surviving spouse/dependents are limited to those required by state and federal law.</p> <p>If employee/retiree is over age 55, surviving spouse coverage can continue on the group plan at group rate.</p>	<p>If employee is under age 55, coverage continuation is offered to surviving spouse/dependents are limited to those required by state and federal law.</p> <p>If employee/retiree is over age 55, surviving spouse coverage can continue on the group plan at group rate.</p>	<p>If employee is under age 55, coverage continuation is offered to surviving spouse/dependents are limited to those required by state and federal law.</p> <p>If employee/retiree is over age 55, surviving spouse coverage can continue on the group plan at group rate.</p>	<p>Match – no action needed.</p>
<b>Conversion Coverage</b>	<p>Conversion policy is available and similar (but not identical) to the coverage provided by the group plan. 60-day enrollment period from date of qualifying event.</p>	<p>Conversion policy is available and similar (but not identical) to the coverage provided by the group plan. 60-day enrollment period from date of qualifying event.</p>	<p>Conversion policy is available. 31-day enrollment period from date of qualifying event.</p> <p><i>Per Conference Call: SHP will match current plan language of 60-day enrollment period.</i></p>	<p>The difference in the conversion enrollment period with Security Health Plan may need to be addressed.</p>

INFORMATION & GUIDELINES	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<p><b>Preauthorization</b></p>	<p>Preauthorization is required for a specific list of services. Reimbursements are limited to the preauthorized amount.</p> <p>In general, minimum five-day advance notice is required for planned treatment. For emergency or unplanned treatment, notification is required within three days (72 hours).</p> <p>If required services are not preauthorized, reimbursement may be reduced or withheld.</p>	<p>Preauthorization is required for a specific list of services.</p> <p>In general, minimum three-day advance notice is required for planned treatment. For emergency or unplanned treatment, notification is required within three days (72 hours).</p> <p>If required services are not preauthorized, a non-compliance penalty up to \$250 can be assessed per occurrence.</p> <p><i>Per Conference Call: WCA has fewer pre-certification requirements. WCA will match 5-day language.</i></p>	<p>Preauthorization or notification requirements are limited in description. Amendment indicates precertification required for transplant services and non-affiliated providers only.</p> <p><i>Per Conference Call: SHP has fewer pre-certification requirements and no monetary penalty. They do require 72 hours advance notice.</i></p>	<p>Requirements and penalties differ between plans. Required referrals and approval of nonaffiliated providers may need to be clarified.</p> <p>The difference in this guideline may need further clarification.</p>

INFORMATION & GUIDELINES	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<b>Coordination of Benefits</b>	Standard procedures are in place for determining order of payment and benefit calculation.	Standard procedures are in place for determining order of payment and benefit calculation.	Standard procedures are in place for determining order of payment and benefit calculation.	Match – no action needed.
<b>Complaint, Grievance or Claim Appeal Resolution</b>	Current certificate is very detailed in its description of a participant’s right to a resolution of complaints.	Limited description of claim review procedure. You may wish to request further details.  <i>Per Conference Call: Further details available in administrative policy.</i>	Sample certificate is very detailed in its description of a participant’s right to a resolution of complaints.	The difference in this guideline description may need further clarification with WCA.
<b>Waiver of Premium due to disability</b>	Premium is waived up to 30 months following 60 days of total disability.	Premium is waived up to 30 months following 60 days of total disability.	Silent  <i>Per Conference Call: Match to current plan language. Provision is stated in the rate sheet.</i>	The absence of a waiver of premium provision with SHP may need to be addressed.

INFORMATION & GUIDELINES	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<p><b>Subrogation</b></p>	<p>Plan reserves the right to seek repayment from any liable party or parties. The participant's right to be made whole for loss will take priority over the Plan's right to recover the benefits paid from any liable party.</p>	<p>The Plan's recovery rights have first priority over any and all other claims to recover damages, including first priority to receive payment from any liable or responsible party before the participant. These rights will apply regardless of whether or not the participant is made whole.</p> <p><i>Per Conference Call: WCA will match current plan guideline and language. They will change to a "pay and pursue" process.</i></p>	<p>Plan reserves the right to seek repayment from any liable party or parties. The participant's right to be made whole for loss will take priority over the Plan's right to recover the benefits paid from any liable party.</p>	<p>The difference in this guideline may need to be addressed with WCA.</p>

INFORMATION & GUIDELINES	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<b>Minimum Employer Premium Contribution</b>	Employer contribution must be at least 50%	Silent  <i>Per Conference Call: Match to current plan language. Provision is stated in the administrative set-up document.</i>	Silent  <i>Per Conference Call: Match to current plan language. Provision is stated in the group insurance policy.</i>	The difference in this requirement may need further clarification.
<b>Minimum Participation Requirement</b>	70% of eligible employees	Silent  <i>Per Conference Call: 50% of eligible employees.</i>	Silent  <i>Per Conference Call: 50% of eligible employees.</i>	The difference in this requirement may need further clarification.



### Coverage Provisions and Exclusions

MEDICAL SERVICES AND EQUIPMENT	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<b>Elective Abortions</b>	Silent  <i>Per Conference Call: Service is covered.</i>	Excluded  <i>Per Conference Call: Will cover service.</i>	Covered (per amendment)	The difference in this benefit coverage may need to be addressed.
<b>Bariatric surgery, gastric restrictive or bypass procedures, or similar surgeries</b>	Excluded	Gastric Bypass/Weight Reduction Surgery Covered if medically necessary.	Gastric Bypass/Weight Reduction Surgery Covered if medically necessary.	The difference in this benefit coverage may need to be addressed.
<b>Pregnancy/Maternity Program</b>	Special Maternity Program	Is a maternity education program available?  <i>Per Conference Call: Maternity program is available.</i>	Is a maternity education program available?  <i>Per Conference Call: Maternity program is available.</i>	You may wish to check the availability of education programs.

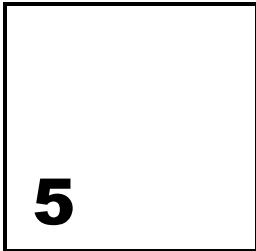
MEDICAL SERVICES AND EQUIPMENT	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<b>Chiropractic Treatment</b>	Current certificate is very detailed in its description of covered and not covered services.	Limited description. You may wish to request further details of covered and not covered services.  <i>Per Conference Call: WCA will match current plan language.</i>	Limited description. You may wish to request further details of covered and not covered services.  <i>Per Conference Call: SHP's medical criteria does match current plan.</i>	Further detail may be necessary if you have a high utilization of chiropractic services.
<b>Prescription Drugs</b>	Requirements for some preauthorization and step therapy	No preauthorization or step therapy requirements.  <i>Per Conference Call: WCA will match provisions and language. They do not require step therapy currently.</i>	Requirements for some preauthorization. Step therapy requirements are not addressed.  <i>Per Conference Call: Preauthorization requirements and step therapy do apply and are detailed in the formulary document.</i>	In general, the prescription drug benefits match. The prior authorization provisions differ and may need clarification.  For cost control reasons, you may want to require some preauthorization and step therapy for certain drugs and/or drug classes.

MEDICAL SERVICES AND EQUIPMENT	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<p><b>Smoking Cessation &amp; Nicotine Addiction Counseling, Treatment, and Drugs</b></p>	<p>Excluded</p> <p><i>Per Conference Call: This is covered under a separate program. Telephonic counseling and tobacco cessation aids (90-day supply) are available.</i></p>	<p>Covered:</p> <p>Treatment programs including prescriptions for smoking cessation/nicotine addiction.</p> <p><i>Per Conference Call: 180-days supply of prescription meds is available.</i></p>	<p>Nicotine replacement products (OTC) are limited to 180-day supply per calendar year. Certificate is silent on counseling, treatment, and prescription drugs.</p> <p><i>Per Conference Call: Prescription meds and medically necessary treatment are covered.</i></p>	<p>It appears this coverage is currently excluded. You may wish to consider adding this coverage as it is becoming increasingly advantageous to assist employees and families to end their nicotine addictions.</p>
<p><b>Charges incurred outside the United States if you traveled to such location to obtain the service, drug or supply</b></p>	<p>Silent</p> <p><i>Per Conference Call: Covered if medically necessary and appropriate.</i></p>	<p>Excluded</p> <p><i>Per Conference Call: Covered if medically necessary and appropriate. Will match current plan language.</i></p>	<p>Silent</p> <p><i>Per Conference Call: Covered if medically necessary and appropriate.</i></p>	<p>Further clarification may be necessary.</p>
<p><b>Urgent Care or Walk-in Clinic</b></p>	<p>Silent</p> <p><i>Per Conference Call: Services are covered. No differentiation in coverage.</i></p>	<p>Charges for covered expenses provided by an Urgent Care Center are payable as shown on the Schedule of Benefits.</p>	<p>Charges for covered expenses provided by an Urgent Care Center are payable as shown on the Schedule of Benefits.</p>	<p>You may wish to check the provisions of the current plan.</p>



MEDICAL SERVICES AND EQUIPMENT	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<b>Charges for a standby surgical team, unless surgery is actually performed</b>	Silent <i>Per Conference Call: Excluded.</i>	Excluded	Silent <i>Per Conference Call: Excluded.</i>	Further clarification may be necessary.
<b>Services of a second surgeon or surgical assistant, unless medically necessary for the safe and effective performance of a covered surgical procedure.</b>	Silent <i>Per Conference Call: Excluded unless medically necessary.</i>	Excluded	Silent <i>Per Conference Call: Excluded unless medically necessary.</i>	Further clarification may be necessary.
<b>Treatment, services or supplies for a surrogate mother or any pregnancy resulting from your service as a surrogate mother</b>	Silent <i>Per Conference Call: Excluded.</i>	Excluded	Excluded	This may be excluded under current plan; however, certificate is silent.

MEDICAL SERVICES AND EQUIPMENT	WEA TRUST	WCA GROUP HEALTH TRUST	SECURITY HEALTH PLAN	COMMENTS
<p><b>Treatment of a sexual dysfunction, including, but not limited to sexual counseling or therapy, implants and hormonal therapy</b></p>	<p>Silent</p> <p><i>Per Conference Call: Services are covered if medically necessary and provider is credentialed as defined in the Plan. For example: Viagra (limited to eight tablets per month) and penile implants are covered services.</i></p>	<p>Excluded</p> <p><i>Per Conference Call: Will match current plan coverage and language.</i></p>	<p>Silent on counseling and therapy. Coverage available for drugs for the treatment of sexual dysfunction (e.g. Viagra) limited to eight tablets per month. Penile implants are covered.</p> <p><i>Per Conference Call: Services are covered if medically necessary and provider is credentialed as defined in the Plan.</i></p>	<p>Further clarification may be necessary.</p>



## Summary of Findings

We trust you will find this objective analysis advantageous in your decision-making process to select a medical plan carrier for the Wisconsin Rapids School District. Overall the plans are comparable and we encourage you to work with Security Health Plan and/or WCA Group Health Trust to equate the administrative guidelines and benefit coverage provisions to your satisfaction.

We are available to you as you review this medical plan certificate analysis. For questions and clarifications, please contact a member of the project team.

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If we can be of service to you in the future, we would welcome the opportunity.

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