

**WYOMING STATE EMPLOYEES' AND OFFICIALS'
GROUP INSURANCE**

K-12 OPT-IN HANDBOOK

EFFECTIVE JULY 1, 2010

Table of Contents

| | |
|---|----|
| INTRODUCTION | 4 |
| NOTIFICATION OF ELECTION TO PARTICIPATE | 5 |
| EFFECTIVE DATE OF COVERAGE | 5 |
| BENEFITS ELECTION | 5 |
| HEALTH AND DENTAL RATES | 5 |
| ELECTION PERIOD | 5 |
| RETIREES..... | 6 |
| BILLING PROCESS | 6 |
| DEDUCTIBLE AND COINSURANCE CREDIT | 6 |
| ANNIVERSARY DATE..... | 6 |
| PROS AND CONS | 6 |
| EMPLOYEES' GROUP INSURANCE PURPOSE | 9 |
| VISION | 9 |
| MISSION | 9 |
| EGI OPERATIONS..... | 10 |
| EGI PROGRAMS/PRODUCTS..... | 11 |
| Health Insurance | 11 |
| Dental Insurance | 11 |
| Life, AD&D and Dependent Life Insurance – The Hartford..... | 12 |
| Flexible Benefits & Employee Reimbursement Accounts..... | 12 |
| VOLUNTARY (EMPLOYEE PAID) BENEFITS | 14 |
| Short Term Disability – The Standard | 14 |
| Long Term Disability – The Standard | 14 |
| Long Term Care – Genworth..... | 14 |
| Vision – Vision Service Plans (VSP) | 15 |
| WELLNESS | 15 |
| Health Risk Assessment | 16 |
| Health Coaching | 16 |
| COMMUNICATIONS | 16 |
| AUDITS | 17 |
| ELIGIBILITY..... | 17 |
| Employee Eligibility | 17 |
| Date of Eligibility | 18 |
| Dependent Eligibility..... | 18 |
| Retiree Eligibility | 19 |
| EMPLOYER CONTRIBUTIONS..... | 20 |
| Active Employees | 20 |
| Retirees | 20 |
| SPLIT PREMIUM | 21 |
| RATES | 21 |

| | |
|---|----|
| Factors affecting insurance rates..... | 21 |
| Health and Dental | 21 |
| Life Insurance | 22 |
| VOLUNTARY PRODUCTS RATES..... | 22 |
| Vision Rates..... | 22 |
| Long and Short Term Disability (LTD/STD)..... | 22 |
| Long Term Care (LTC)..... | 22 |
| ADVISORY PANEL | 22 |
| PANEL TERM..... | 23 |
| EGI STAFF | 24 |
| CONTACT INFORMATION..... | 24 |

INTRODUCTION

With the passage of Senate Enrolled Act No. 46 the legislature has provided an opportunity for K-12 districts to participate in the Wyoming State Employees' & Officials' group plan. The passage of this act provides a new benefit source on a guaranteed basis. The State's health and dental programs are community rated where the participating entities and their employees have the same rates for the same benefits. This means the entity of 10 employees pays the same as the 2,700 employee entity. This eliminates fluctuations in rates based upon your districts claims experience and the smaller the group the wider the fluctuations. In some ways the Wyoming State Employees' & Officials' group plan is a new competitor in the Wyoming benefits marketplace for K-12 districts. The State's program is just one benefits option compared with many fine insurance companies and third party administrators.

This handbook is being provided as a resource to K-12 district Business Managers, Superintendents and benefit committees exploring opting into the Employees' Group Insurance program. It is designed to provide you with information on the Wyoming State Employees' & Officials' group plan to aid in your decision process.

The Wyoming State Employees' and Officials' Group Plan provides health, dental, life, section 125 flexible benefits and voluntary products. Any District opting into the State's plan must enroll in the State's core benefits (health, dental, life, section 125 flex plans). Voluntary products are discretionary. The Wyoming State Department of Administration and Information, Employees' Group Insurance (EGI) Section is responsible for day-to-day operations. The State Health Benefit Plan covered 14,547 employees and retirees with 29,232 total members as of January 1, 2010.

Wyoming State Statutes, Title 9 – Administration of the Government, [Chapter 3](#) – Compensation and Benefits are the enabling statutes The Wyoming State Employees' & Officials' Group Plan.

The information provided in this handbook is an overview. Benefit booklets and rates can be found on EGI's website at <http://personnel.state.wy.us/EGI/Index.htm>.

NOTIFICATION OF ELECTION TO PARTICIPATE

Any school district may elect to participate in the State Employees' and Officials' Group Insurance plan by filing notification of election with the department of administration and information on a form and in a manner as prescribed by the department. A letter on district letter head with an authorized signature to Employees' Group Insurance (EGI) stating the district's decision to join the State's health will constitute notice of election. A memorandum of understanding signed by EGI and the District will be completed prior to the effective date. Notifications were allowed at the signing of the Act.

EFFECTIVE DATE OF COVERAGE

The earliest effective date provided by Senate Enrolled Act No. 46 is July, 1, 2010. Participation in the plan for any electing district shall commence not less than one hundred twenty (120) days following the date on which the district filed notification. EGI will work with the District to establish an effective date but would not anticipate a date later than the first of the month following the 120 period. Effective dates are flexible and do not need to be tied to traditional anniversary dates of the district or the State.

BENEFITS ELECTION

The Wyoming State Employees' and Officials' Group Plan provides health, dental, life, section 125 flexible benefits and voluntary products. Districts opting into the State's plan will be identical to plans, eligibility and coverage provided other covered entities and enrollees. Any District opting into the State's plan must utilize the State's core benefits (health, dental, life, section 125 flex plans). Voluntary products are discretionary.

HEALTH AND DENTAL RATES

The State's health and dental programs are self funded; however, the program will act like a fully insured option with participating districts being charged a monthly premium rather than weekly claims. If a district later opts out, the district will have no claims run out responsibilities.

ELECTION PERIOD

A district's election to participate in the State group insurance plan is irrevocable for a period of five (5) years from the date on which plan participation originally commenced. A district may elect to cease its participation in the State group insurance plan by filing an election with EGI within 30 to 90 days prior to expiration of the initial five (5) year participation period. The district cancellation date following the notice by the district electing to cease its participation shall be the end of the fifth year. The District will automatically renew its participation in the Plan without interruption unless the District provides notice of its intent to cease participation in the plan. Renewal of plan participation shall be irrevocable for an additional period of five (5) years. Districts that drop participation with the State group insurance plan shall be prohibited from participation for a period of five (5) years commencing on the date plan participation ceased.

In the fifth year of participation, at a participating district's request, EGI will provide two years of paid claims and exposure data specific to the district in question allowing districts to conduct benefit requests for proposals.

RETIREES

Retired employees of districts electing to opt into the State program, who were continuously covered under the school district's insurance plan prior to the election, are eligible to participate in the State Employees' and Officials' Group Insurance Plan. There are employer contributions that will be required for retirees which are outlined later in this handbook. If a school district elects to cease participation in the group insurance plan the election shall also apply to retired employees of that school district who are receiving coverage under the State plan.

BILLING PROCESS

The monthly billing process will be a district self bill with adjustments. Entities provide EGI with a monthly bill and adjustments page with their premium payment. The district generated bill will be electronic based in formats designated by EGI. EGI staff will work with your payroll and IT staff in the initial development of the bills.

DEDUCTIBLE CREDIT

Deductibles and coinsurance maximums are on a calendar year basis for the State's program. District employees will get credit for any health insurance deductible amounts they have paid in the year the district joins the State plan. Districts will need to have their current carriers provide a report to establish the credit. These credits are good for the rest of the year. No credits will be provided for dental coverage.

ANNIVERSARY DATE

The State Employees' and Officials' Group Insurance Plan anniversary date is January 1st of every year. This is the time where rates and benefit changes go into effect. The new rates are collected in the December 31st payroll cycle. Effective dates for districts joining the State's program are flexible and do not need to be tied to traditional anniversary dates of the district or the State.

PROS AND CONS

There are numerous pros and cons when considering whether or not a school district should join the State's EGI employee benefits program. This is a decision that affects many employees throughout the State of Wyoming and should be given careful consideration. You will have your own unique pros and cons but we have included some of the items to consider below:

Pros:

- As of January 2010 there are approximately 14,500 employees/retirees enrolled in the State's EGI plan. Districts opting to join the State's program creates a larger purchasing

pool providing additional leverage with carriers and medical providers for developing networks and added value of network discounts.

- Based upon a larger group size of the State program, many of the school districts would have less fluctuation in claim costs year over year and therefore better stability in future premium increases since overall plan costs would be spread across a larger covered population.
- Along the same lines long-term administrative costs would likely be lower because costs would be spread across a larger covered population, no commissions are paid and many duplicative tasks (i.e., general plan administration, competitive periodic bidding for carriers/administrators, etc.) at the district would be reduced.
- Some districts may gain more choice of plan options for their employees, in some cases including retiree benefit options (for subsequent retirees) that may not currently be available for many of the school districts.
- The current “split” contribution structure utilized by EGI, likely will save the district money for additional dual-working couples that work for the school district and another covered entity.
- Similarly, a consistent four tier premium/funding structure reduces the cost of covering just a spouse or just children at most districts.
- The combined group of employees will likely produce greater leverage for developing networks and added value of network discounts, especially in small communities where there are few provider choices.
- The additional value-added services available under EGI’s medical programs will provide benefit and potential long-term cost savings to district plans (i.e., wellness, disease management, etc.)
- EGI’s vendors provide dedicated customer-service lines for all State employees.
- EGI’s health insurance vendors are required to have a customer service and claims processing office located in the State of Wyoming, promoting local service and potential job opportunities for Wyoming residents.
- Dedicated full-time administration of the State’s benefit programs would reduce district administration.

Cons:

- Opting into the State’s program requires a five year commitment during which time the district gives up local control and flexibility in designing and funding their employee benefit programs.
- Any time a group changes plans or insurance carriers, there are likely differences in the plan design elements covered, but often more important, the network of providers may differ. A move to the State’s program is no exception. Employees often build ties with a particular provider and having to change providers due to changes in provider networks is disruptive to employees.
- Some districts may lose the number choices of plan options for their employees.
- Some District costs could increase for a combination of factors, depending upon current circumstances:
 - Covering more employees due to 50% Full-Time Equivalency eligibility definition.
 - Paying more for covered dependents where currently only employee cost is funded by the employer/district.

- Implicit/explicit subsidy retiree coverage costs.
 - Not receiving lower rates for low district utilization due to community rating.
- District employee premium share may go up or down – depends upon change in employer funding strategy and potential coverage tiering changes.
- Another area of consideration in any type of consolidation process is the impact on people and their jobs. Brokers and consultants who work with school districts, independently or collectively as a trust, may lose work and revenue from a district joining the State plan.

EMPLOYEES’ GROUP INSURANCE PURPOSE

The Employees’ Group Insurance purpose is to develop and maintain a competitive and cost effective benefit package as a valuable tool in the recruiting and retention of quality individuals for all participating entities including the State of Wyoming, University, Community Colleges and now K-12 districts opting into the program.

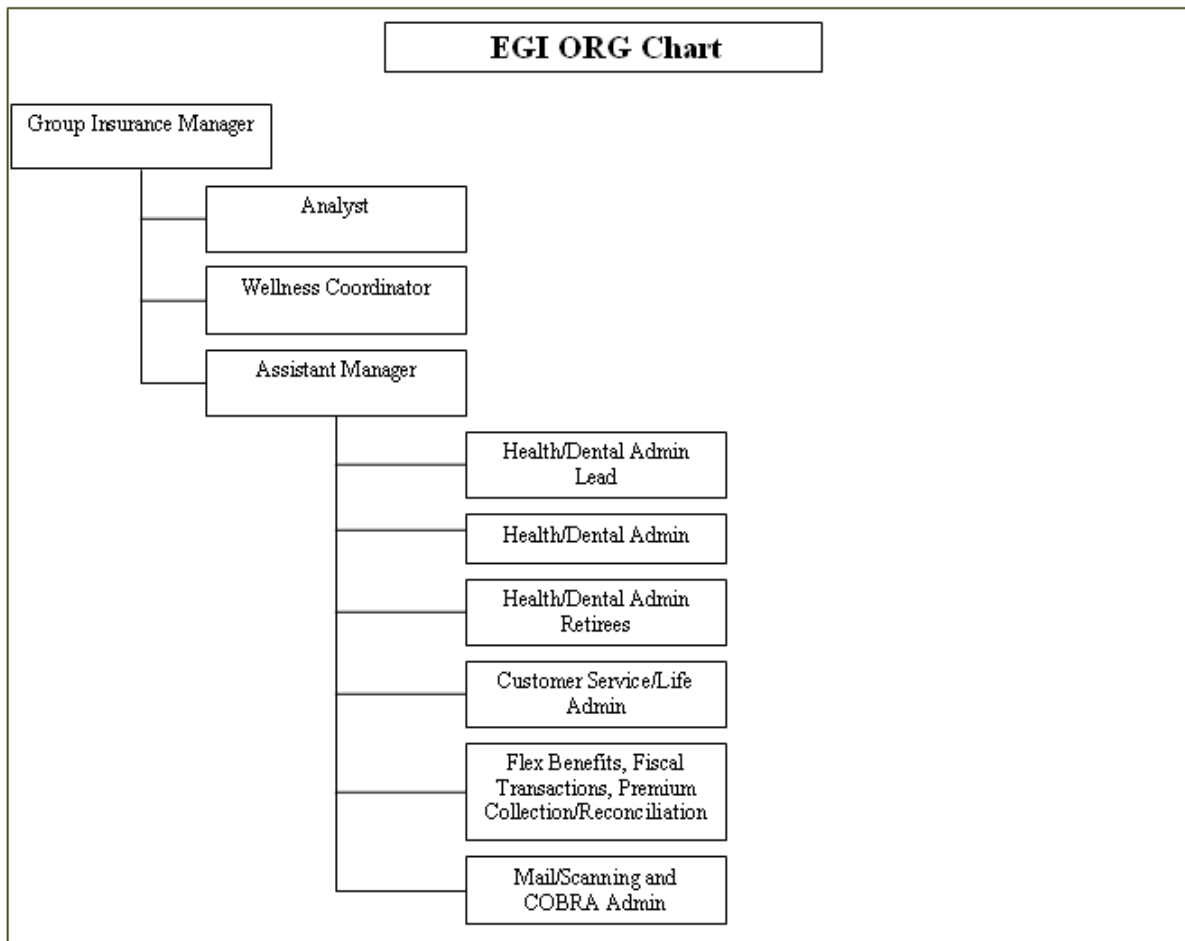
VISION

Employees’ Group Insurance is committed to providing superior customer services with courteous, competent, and consistent communication. We are proactive in informing and educating our customers to our mutual benefit.

MISSION

To provide our members competitive benefits designed for choice and cost effectiveness; superior administration and promotion of healthy lifestyles.

EGI ORGANIZATION CHART



EGI OPERATIONS

EGI was assigned to the Department of Administration and Information on July 1, 2001. EGI operates as a section of the Human Resources Division. The applicable statutes come from Title 9 – administration of the government, Article 2 – insurance plans, 9-3-201 through 9-3-218. The statutes outline the administration and management of the group insurance program including authority and duties; adoption of rules and regulations.

Major Duties Include:

- Administer and manage the State Employees' and Officials' Group Insurance Program. This includes determining benefit plan designs and negotiation of vendor contracts and compliance;
- Prepare specifications for the group insurance plans contracted for by the department;
- Contract with vendors/carriers to manage/underwrite group insurance plans. This includes calling for bids, negotiating, terminating services, and developing relationships;
- Determine the methods of claims administration under group insurance plans, whether by the State or carrier or both.
- Apply the eligibility regulations to participate in group insurance plans and assist members with their issues and efficiently process member changes into vendor's membership systems.
- Efficiently process payroll deductions within State payroll system.
- Provides information to payroll locations, benefit specialists and members on the plan's workings and changes.
- Provide customer service to eligible participants to our program.
- Develop relationships, provide training and customer service to participating entities' benefit specialists. Assist benefit specialists with solving employee issues;
- Establish a procedure by which the department shall hear complaints by insured employees concerning the allowance and payment of claims, eligibility for coverage and other matters.
- Administer State group insurance reserve monies.
- Study the operation of the group insurance plan including analysis of:
 - Gross and net costs, including administrative costs;
 - Claims administration;
 - Health claims utilization information to determine the causes of plan health care cost increases and strategies to control those costs;
 - Factors in the plan's design that may adversely affect participation;
 - The affect of benefit changes;
 - Contribution levels and recommendations to attract a broad mix of participants to the plan;
 - Demographic information about existing and eligible participants;
 - Trends in costs and benefits of the plan relative to other plans.
- Contract consulting/actuarial services, the preparation of specifications for group insurance plans and other specialized services which cannot be performed by the department. Contracts for these services are awarded through responsible competitive bidding at intervals of five years, and are reviewed annually by the department;
- Administration of a flexible benefits plan including enrollment and claims payment.

EGI PROGRAMS/PRODUCTS

Health Insurance

The State of Wyoming is fully responsible for the self-funded medical benefits. Great West Healthcare has been hired as the medical programs Third Party Administrator (TPA) to handle the day to day claims processing. Great West does not insure or guarantee the self-funded medical benefits. The programs currently offered by the State are:

Active Employees

\$350 Deductible, \$2,000 Coinsurance Maximum*, \$2,000,000 lifetime maximum

\$750 Deductible, \$2,000 Coinsurance Maximum*, \$2,000,000 lifetime maximum

\$2,500 Deductible, \$2,000 Coinsurance Maximum*, \$2,000,000 lifetime maximum

\$1,500/\$3,000 Deductible HDHP**, \$2,000 Coinsurance Maximum*, \$2,000,000 lifetime maximum

Retirees

\$750 Deductible, \$2,000 Coinsurance Maximum*, \$2,000,000 lifetime maximum

\$2,500 Deductible, \$2,000 Coinsurance Maximum*, \$2,000,000 lifetime maximum

\$1,500/\$3,000 Deductible HDHP**, \$2,000 Coinsurance Maximum*, \$2,000,000 lifetime maximum

Medicare Wraparound program – acts as a Medicare supplement.

*In network and/or in Wyoming

** High Deductible Health Plan federally qualified for health savings accounts (hsa)

Dental Insurance

The State of Wyoming is fully responsible for the self-funded dental benefits. Delta Dental of Wyoming has been hired as the dental programs Third Party Administrator (TPA) to handle the day to day claims processing. Delta Dental does not insure or guarantee the self-funded dental benefits. The programs offered by the State are:

Preventive Dental

- *No Deductible*
- *Diagnostic & Preventive Services 100%*
- *Exams & cleanings - twice each calendar year (separated by five months)*
- *Bitewing x-rays - once every 12 months*
- *Full mouth x-rays - once every 24 months*

Optional Dental

- *\$50 Deductible*
- *Basic Services - 50%*
- *Major Services - 50%*
- *Annual Maximum - \$1,500.00*
- *NOTE: No orthodontia coverage*

Life, AD&D and Dependent Life Insurance – The Hartford

Active Life Insurance – an amount equal to \$50,000 or reduced by age as indicated in the table below:

| | | | | | | |
|-----------|-----|-----|-----|-----|-----|-----|
| Age | 60 | 65 | 70 | 75 | 81 | 85 |
| % Reduced | 36% | 58% | 72% | 82% | 88% | 91% |

Active AD&D – an amount equal to \$20,000 or reduced by age as indicated in the table below:

| | | | | | | |
|-----------|-----|-----|-----|-----|-----|-----|
| Age | 60 | 65 | 70 | 75 | 80 | 85 |
| % Reduced | 35% | 55% | 70% | 80% | 85% | 90% |

Retiree Life Insurance - an amount equal to \$50,000 or reduced by age as indicated in the table below:

| | | | |
|-----------|-----|-----|-----|
| Age | 60 | 65 | 70 |
| % Reduced | 36% | 58% | 91% |

Retiree AD&D - None

Dependent Life Spouse: An amount equal to \$4,000 not to exceed 50% of the basic amount of life insurance in force for the member.

Dependent Life Children: 15 days(s) of age or older: \$4,000

Flexible Benefits & Employee Reimbursement Accounts

The Flexible Benefits Plan allows active employees to set aside pre-taxed money through payroll deductions to pay for eligible medical and dependent care expenses. Most importantly, it allows employees to save tax dollars through careful planning.

The Flexible Benefits Plan is divided into four accounts:

Pre-tax Insurance Premiums - Insurance premiums for employee paid health; life and dental insurance are deducted prior to taxes. The employee must be enrolled in at least one of the State of Wyoming health/life/dental insurance to participate in this account. Insurance premiums for other health insurance plans (such as an employee’s spouse’s employer’s plan) are not eligible for reimbursement from this account. Neither can dependent life or the voluntary benefits insurance premiums be paid through this plan.

Dependent Day Care Account – Day care, home care or child care expenses for care of dependent children under the age of 13, disabled children of any age, a disabled spouse, or disabled dependent parent may be reimbursed from this account. The employee must be eligible for benefits but does not have to be insured with the State in order to participate in this account.

Medical Reimbursement Account – Co-insurance, deductibles and most medical expenses not covered by insurance, including dental and vision expenses and prescription drug co-payments may be reimbursed from this account. The employee must be eligible for benefits but does not have to be insured with the State in order to participate in this account.

Wrap Around Medical Reimbursement – Intended for individuals participating in a Health Savings Account (HSA). Only expenses not allowed under the health plan are eligible for reimbursement, i.e., vision or dental expenses.

The dependent day care and medical reimbursement accounts are administered by EGI with payment cycles of approximately two weeks.

VOLUNTARY (EMPLOYEE PAID) BENEFITS

Short Term Disability – The Standard

Short term disability (STD) pays a percentage of an individual's salary if they become temporarily disabled, meaning that they are not able to work for a short period of time due to sickness or injury (excluding on-the-job injuries, which are covered by workers compensation insurance).

Voluntary Short Term Disability Plan Design:

- Replaces up to 66 2/3% of the first \$2,250 of your gross weekly Insured Earnings
- Maximum Weekly Benefit: \$1,500 per week
- Waiting Period For Accident or Sickness: 14 Calendar Days
- Payable up to 24 Weeks (approximately 6 months)
- Definition of Disability - You are considered disabled if you are unable to perform with reasonable continuity the material duties of your own occupation and you suffer a loss of at least 20 percent of your pre-disability earnings when working in your own occupation.

Individuals who have lots of accumulated sick leave don't typically need STD coverage. STD is a good benefit for new employees.

Long Term Disability – The Standard

Long term disability (LTD) policies provide you with income for a long period of time, such as two years. LTD picks up where short-term disability (STD) leaves off. Voluntary Long Term Disability Plan Design:

- Replaces up to 60% of the first \$10,833 of your gross Monthly Insured Earnings
- Maximum Monthly Benefit: \$6,500
- Waiting Period: 180 Days
- Maximum Benefit Period: To Age 65
- Definition of Disability:
 - 24 Month Own Occupation Definition - you are considered disabled, if you are unable to perform with reasonable continuity the material duties of your own occupation and you suffer a loss of at least 20% of your earnings when working in your own occupation.
 - After the Own Occupation period, you are considered disabled if you are unable to perform with reasonable continuity the materials duties of any occupation that you are able to perform, whether due to education, training or experience you can earn at least 60% of your pre-disability earnings within 12 months following your return to work.

Long Term Care – Genworth

Long term care (LTC) is a type of insurance that provides payment assistance for skilled, intermediate, and custodial care in a private home, adult daycare setting, assisted-living facility, or nursing home. Individuals who require long-term care are generally not sick in the traditional sense, but instead, are unable to perform the basic activities of daily living (ADLs) such as dressing, bathing, eating, toileting, continence, transferring (getting in and out of a bed or chair), and walking. Once an individual qualifies for benefits, their benefits will begin after a 90 day elimination period. An elimination period is similar to a deductible. This is the period of time that you pay for care before your benefits begin. The elimination period begins on the first day

an individual receive covered long term care services. If an individual continues to qualify, they will receive benefits for the covered long term care services after 90 calendar days. An individual will only need to satisfy the elimination period once in their lifetime.

Vision – Vision Service Plans (VSP)

Vision insurance is a specialist type of coverage, and is designed to provide for expenses relating to eye care and health. A vision policy will cover office visits and services rendered by eye doctors, both general eye health practitioners and specialist optometrists (up to a certain level based on the plan selected). As with other policies, the insured will pay a monthly premium in addition to a set deductible or excess amount every time a claim for reimbursement of specific eye-related services and costs is made. Whether you wear glasses, contacts or you simply are interested in checkups to ensure the best possible vision and eye health, a vision policy can provide significant value. Policies generally have a reasonable premium amount attached to them, many find that having coverage is more cost-effective than not, as eye health services and glasses/contacts can be expensive.

Copays:

Exam.....\$10.00
Prescription Glasses\$25.00
Contacts No copay applies

Coverage:

Exam covered in full after copay.....*every 12 months*

Prescription Glasses

Lenses covered in full after copay.....*every 12 months*

- *Single vision, lined bifocal, and lined trifocal lenses.*

- *Polycarbonate lenses for dependent children.*

Frame-*every 12 months for Plan C and every 24 months for Plan B*

- *Frame allowance after copay..... \$120.00.*

- *Plus, 20% off any out-of-pocket costs.*

~OR~

Contact Lens Care*every 12 months*

WELLNESS

The State has contracted with Integrated Health and Wellness (IHW) for its employee wellness program. We continue our efforts to educate, engage, and empower employees.

The wellness program has a Wellness Insurance Premium Discount incentive. The Wellness activity year runs from October 1st through September 30th. This provides members 12 months to complete requirements for the premium discount. To receive a \$480 wellness insurance premium discount for plan year 2011, the following three Healthier WY requirements must be completed no later than September 30, 2010:

1. Complete a confidential health risk assessment online after October 1, 2009.
2. Receive an annual wellness physical from their personal licensed healthcare provider.
3. Register and participate in at least three of the six offered bi-monthly challenges and adhere to guidelines.

Health Risk Assessment

The online Health Risk Assessment is free to the employee, confidential and voluntary. Employees, Retirees and COBRA participants enrolled in the health plan who complete the health risk assessment receive a \$50 incentive. This profile is to be available to individuals once each wellness plan year and is designed to help individuals identify the health areas in which they are doing well and the health areas in which individuals may need to make some lifestyle improvement. Identifying these health areas is important for maintaining and improving an individual's health.

Once an individual completes the confidential online assessment, they will receive immediate, personalized results with a personal health score. The reports are printable and can be taken to the individual's next doctor visit for review. Customized tips and encouragement on how to lead a healthier lifestyle are included in the report. The feedback reports are specific to the individual based on the information they provided and their biometric data. Report topics shall include but not limited to cholesterol, blood pressure, physical activity, nutrition, weight, stress, back care, tobacco or alcohol use, chronic conditions, self-care and preventive information. In addition, if an individual completes the Health Risk Assessment each year, the report will also include a year-over-year comparison of their progress.

Reports developed for plan management of overall results are provided to the State. Reports are aggregated with no personal information included.

Health Coaching

After taking the Health Risk Assessment, employees may, depending on identified health risks, be eligible to participate in a free, confidential **Wellness Health Coaching** program provided by the vendor. This program is designed to help individuals reduce health risks and prevent chronic conditions identified in the Health Risk Assessment through education, motivation and support. The **Wellness Health Coaching** program is delivered telephonically by a personal health coach. The coaching staff will include registered nurses, exercise physiologists, health educators, registered dietitians and other health professionals. The individual's personal health coach will work with individuals one-on-one to develop goals aimed at improving their health. Health risks that may be addressed include but are not limited to back care, blood pressure, cholesterol, nutrition, physical activity, stress management, weight management. The individual's health coach will work with the individual to set goals tailored to their individual needs.

COMMUNICATIONS

Benefit descriptions for the health, dental, flexible benefits and life insurance are provided to all employees. These are booklets that outline the eligibility and benefits of the States' programs. The booklets are also available electronically on EGI's website at <http://personnel.state.wy.us/EGI/Index.htm> . The website also contains a voluntary benefits brochure which provides basic outlines of the programs available and website links to the voluntary benefits companies.

EGI currently utilizes two newsletters that carry the bulk of communications to our membership. The Benefits Press is EGI's homegrown newsletter that generally is distributed on a quarterly basis. The Wyoming on Wellness newsletter is a purchased wellness specialty newsletter promoting the value of good health and educating employees on ways to lead a healthier lifestyle.

AUDITS

The Wyoming Insurance Department conducts a site audit of EGI once every three years. This review includes auditing EGI operations plus audits of EGI claims processing vendors. EGI conducts an independent audit of the medical claims administrator once every three years. The audit firm is selected through a RFP process. Audits may be suspended if there has been a recent change in the medical claims administrator. The applicable statute is:

[Wyo. Stat. § 9-3-206 \(c\)](#). For the purposes of determining financial condition, ability to fulfill and the manner of fulfillment of its statutory duties, the nature of its operations and compliance with law, the insurance commissioner shall examine the affairs, accounts, records and assets of the Wyoming State Employees' and Officials' Group Insurance Plan, as often as he deems advisable but not less frequently than every three (3) years.

ELIGIBILITY

Employee Eligibility

- A. Employees who are permanent or probationary full-time or permanent or probationary, part-time employees *working at least eighty (80) regular hours per calendar month*.
- B. Temporary and At Will Contract Employees (only if their contract indicates eligibility for insurance benefits) who are expected to be in a position for at least six (6) months should be offered the insurance when the agency first knows the position will last six (6) months or longer and will be working a minimum of 80 hours per calendar month.

An At Will Contract Employee, who currently is not enrolled in the State insurance plans and is then hired into a position that is eligible for benefits, will be allowed to enroll in the State plans as if they are a new hire.

- C. Employees working intermittent, irregular or less than half time positions *are not eligible*.

If an employee works part of the year as an intermittent employee and part as a full-time or part-time (at least 80 hours per calendar month) employee, then they are eligible for insurance benefits during the full-time or part-time work schedule but *not* during the intermittent work schedule. These employees are treated as new hires and must elect or waive benefits each time

their work schedule changes from a non-benefited status to a benefited status. Those employees who work 9 months and off 3 months are not considered intermittent.

Board members who are not employees as described above are not eligible for coverage under the State's plan.

Date of Eligibility

Eligible employees become eligible for the insurance benefits on the first day of the month following the date their service begins provided they enroll within 31 days of their eligibility.

Example: A new employee is hired on August 15th and is eligible for the State's Group Insurance Benefits. The employees' Date of Eligibility begins on September 1st.

Example: A new employee is hired on February 1st and is eligible for the State's Group Insurance Benefits. The employees' Date of Eligibility begins on March 1st. If the employee elects benefits on March 31st (the last day of eligibility), the effective date of coverage will be March 1st.

Dependent Eligibility

Dependents *may not* be enrolled in the Group Insurance Plans if the employee *is not* enrolled. Dependents must be a resident of the US or Puerto Rico to be eligible for coverage. The following are considered to be dependents for purposes of coverage under the insurance plans:

- A. The legal spouse as defined by the State of Wyoming.
- B. Dependent children under the age of nineteen (19) who are *unmarried*. This includes any legal stepchildren, adopted or foster children, or any child *the employee is legally responsible to provide for on a permanent basis by virtue of a legal court order*. Copies of such legal documents must be provided at the time application for dependent coverage is made.
- C. Unmarried dependent children who are between the ages of nineteen (19) and twenty five (25) providing they are registered and attending as a full-time student in high school or at an accredited university, college or similar institution of higher learning, including a vocational institution. They also *must be chiefly dependent upon the employee as the major source of financial support*.
- D. Children who are serving in the military or on religious assignments are *not* eligible to be covered as dependents.
- E. Any child who is not self-supporting due to developmental disabilities or physical handicap is eligible. The child *must have been covered under the insurance policy on the day before the date the child would otherwise lose dependent status due to age*. The following procedure must be initiated two (2)

months prior to the dependent's nineteenth birthday: The employee needs to contact Great West directly to obtain the necessary paperwork for determination of the disability or handicap.

The following individuals are not eligible for insurance benefits: Dependent parents, Grandchildren (unless permanent guardianship is assigned by court order or the child(ren) is adopted by the State employed Grandparent), Domestic Partners, Girlfriends/Boyfriends, Fiancée/Fiancé.

An employee may be enrolled in the health and dental insurance as an employee OR the dependent of another employee but not as *both* an employee and the dependent of another employee. If two covered entity employed spouses are electing coverage for themselves (excluding split elections), they must elect single coverage in order to be equitable to the covered entities. Should divorced spouses both working for the covered entities have eligible children, only one parent may cover the dependent children under the Group Health Insurance Plan. The Group Plan cannot insure a dependent as the primary insurance under one parent and the secondary insurance under another parent if both parents are employed by any EGI sponsored employer (State, Colleges, Districts etc.). If both spouses enrolled in the life insurance they may insure each other as dependents but only one spouse may insure the dependent children for life insurance purposes.

Retiree Eligibility

If an employee meets the following qualifications, he/she may continue with the State of Wyoming Group Insurance Plan at retirement **or** termination of active employment:

1) The retiring employee must have had coverage in effect under the school district plan continuously for at least one year just prior to termination.

2) The retiring employee must have at least 20 years of service with the school district.

AND

3) The retiring employee must be eligible for State of Wyoming Retirement Benefits or TIAA Cref.

OR

1) The terminating employee must be fifty (50) years of age or over

AND

2) The terminating employee must have completed at least 4 years of service for the school district and is eligible for the State of Wyoming Retirement Benefits or TIAA Cref.

AND

3) The terminating employee must have had single and/or dependent coverage in effect continuously for one (1) year just prior to termination.

NOTE: If a school district elects to cease participation in the group insurance plan the election shall apply to retired employees of that school district who are receiving coverage under the State plan. Districts must take their retirees with them.

EMPLOYER CONTRIBUTIONS

Active Employees

The participating entities provide an employer contribution towards the health, dental and life insurance programs. No employer contribution is provided for voluntary products. The employer contributions are fixed dollar amounts calculated by EGI based on the level of coverage elected: Employee only, employee + children, employee + spouse, family or split contracts. Districts must contribute at a minimum the EGI calculated employer contribution to all eligible employees. Districts may pay a higher contribution than the EGI calculated employer contribution. To protect the plan from adverse selection, participating entities may not provide incentives (financial or otherwise) for employees to decline coverage for the employee or dependents. This includes, but not limited to, incentives that encourage individuals to go without health coverage, to purchase individual coverage or to enroll in a spouse's insurance coverage. Currently EGI collects the full single employer contribution for individuals who decline health insurance coverage but enroll in dental or life insurance. The additional premiums received are offset by lowering health insurance rates on an annual basis.

Currently the legislature provides EGI with the authority to increase employer contributions when rate increases occur up to specified annual caps. The formula utilized to create the employer contribution is to add the \$350.00 deductible rate, the preventive dental rate and the highest life insurance rate to create a total. This total is multiplied by 85% to create the State employer contribution level. The current rates and employer contributions are located in the Premium Rates and Calculators section of EGI's website at <http://personnel.state.wy.us/EGI/Index.htm>.

Each EGI sponsored employer is required to pay the monthly contribution, for each employee who has elected any part of the insurance benefits, to EGI. If the monthly premium for an employee's elected insurance benefits is less than the amount the State contributes, the balance remaining is retained by EGI and used to offset the cost of the self-insured health plan for all enrollees. Plan rates are reduced to offset this premium income.

Retirees

Retirees in the State plan receive a monthly employer contribution at the rate of eleven dollars and fifty cents (\$11.50) per year of service up to a maximum of thirty (30) years of service for those retirees who are not Medicare eligible, and at the rate of five dollars and seventy-five cents (\$5.75) per year of service up to a maximum of thirty (30) years of service for those retirees who are Medicare eligible. The retiree subsidy for retirees covered by the District at the time the district joins the State plan will be based on the years of service for participating entities with the State at the point the District joins the State program. The retiree subsidy for employees who retire after the District joins the State plan will be based on the years of service for participating entities with the State at the point the employee retires.

Participating entities will be required to pay EGI this amount for retirees on the program prior to the District opting into the State's program. Participating entities are required to provide the State Auditor with a monthly contribution of .6% of eligible employee's payroll which will be used to provide employer contributions for retirees who retire while the District is a participating entity. Participating Entities all pay into the health insurance benefits account created by 2008 Wyoming Session Laws, Chapter 48, Section 303 each pay period an amount up to one percent (1.0%), as established by the Department of Administration and Information, of each benefit eligible employee's salary.

SPLIT PREMIUM

If both husband and wife, *with eligible dependent children*, are employed by an EGI sponsored employer, they are required to enroll in the Split Premium Arrangement if they are electing family coverage. Spouses must choose the same benefits under the Split Premium Arrangement (i.e., same deductible health plan and same dental benefit). The requirement is in place to make employer contributions equitable for the employing covered entities.

Covered entity employed spouses are not eligible for Split Premium if there are no eligible dependent children to be covered. Each spouse will be enrolled with single coverage when there are no longer any eligible dependents to be covered.

If one of the spouses on split coverage terminates employment, then the remaining employed spouse *automatically begins family coverage* effective the first of the month following the other spouse's termination unless EGI is notified that the dependents are to be dropped.

RATES

Factors affecting insurance rates

There are many drivers of rising health care costs that are pointed to increase utilization created by increased consumer demand, new treatments, and more intensive diagnostic testing. As public employers, the State, University and Community Colleges typically have a work force population with a higher average age than the private sector and an older population requires more intensive medical care than a young healthier population. Advances in medicine and medical technology can also increase the cost of medical treatment. Lifestyle-related factors can increase utilization and therefore insurance prices, such as: increases in obesity caused by insufficient exercise and unhealthy diets; excessive alcohol use, and smoking. Other factors impacting insurance prices include adverse selection, higher-priced technologies, and cost-shifting from Medicare, Medicaid, and the uninsured to insurance companies and private payers like the State of Wyoming.

Health and Dental

The State of Wyoming self-funds the medical and dental benefits. Thus the State is the "insurance" company for the health and dental benefits. EGI uses actuarial formulas to estimate the overall risk and projected paid claims for healthcare and dental expenses. Projected fixed administrative costs are combined with projected paid claims to develop the anticipated total cost to administer the programs. The administrative costs are less than four cents out of every dollar leaving ninety six cents to pay for medical claims. No commissions, risk charges or profit

margins are included in the rates. Rates are established based on a formula using projected costs and current enrollment levels. Rates provide a routine finance structure (monthly premium) ensuring that money is available to pay for the healthcare and dental benefits specified in the benefit booklets. The bottom line is that utilization and enrollment drive rates. Higher utilization means higher rates and reductions of utilization mean lower rates. All participating entities will have the same rates. The current rates and employer contributions are located in the Premium Rates and Calculators section of EGI's website at <http://personnel.state.wy.us/EGI/Index.htm>.

Life Insurance

The State's life insurance coverage is fully insured with rates developed by the Life Insurance Company. The current rates are located in the Premium Rates and Calculators section of EGI's website at <http://personnel.state.wy.us/EGI/Index.htm>.

VOLUNTARY PRODUCTS RATES

Vision Rates

The State's voluntary vision insurance coverage is fully insured with rates developed by the Vision Insurance Company. The current rates are located in the Vision Application located in EGI's website at <http://personnel.state.wy.us/EGI/Index.htm>.

Long and Short Term Disability (LTD/STD)

The State's voluntary LTD and STD insurance coverage is fully insured. Rates are based upon age and salary levels. Premium calculators are located at the Standard Insurance website located at <http://www.standard.com/mybenefits/wyoming/>.

Long Term Care (LTC)

The State's voluntary LTC insurance coverage is fully insured. Rates are based upon age and benefit levels. Limited underwriting for newly eligible employees actively at work with full underwriting required for employees not actively at work, spouses, and late enrollees. Premium calculators are located at the Genworth Insurance website located at <https://longtermcare.genworth.com/SimpleEngine/login.do>.

ADVISORY PANEL

The Wyoming State Employees' & Officials' Group Plan Advisory Panel is a 10-member group, with 8 members appointed by the Director of A&I proportionally representing specified participating entities, one member from the Governor's office and one member from the Wyoming Insurance Department.

The broad purpose of the Advisory Panel is to provide input into the rates and benefits of the Plan. Advisory Panel members are representatives of the participants of the program. While the Panel does not manage the benefits program, they do act in an advisory capacity as

advocates, bringing the concerns and requests regarding benefits to the attention of A&I and Employees' Group Insurance. Advisory Panel members have the opportunity to have input on plan design and administrative options and thus have influence on the administration of the program.

The Panel meets on a quarterly basis. The panel elects a panel chair who runs the meetings. The chairman works with the EGI program manager in the development of the agenda. Advisory Panel meetings are recorded and minutes developed. Minutes from the previous meeting are reviewed with motions made for approval.

Active participation is encouraged to provide opinions and discussion as topics/issues can be challenging, diverse, and controversial with contrasting viewpoints. Honest participation helps EGI:

- to weigh and track membership opinions on issues and priorities;
- as a test "public" for new policy areas, rate, benefit and service changes; plus,
- to develop a depiction of our membership's opinion over time.

Advisory Panel meetings are open to the public.

PANEL TERM

Advisory Panel members shall serve for a term of three calendar years. The term shall begin at the quarterly meeting following appointment. Each Panel member shall hold office until his/her term expires, death, resignation, or removal. No Advisory Panel member, other than the Governors' appointee and Wyoming Insurance Department appointee, may serve more than three consecutive years. Any Panel member may resign at any time by giving written notice to the program manager. The resignation takes effect upon receipt of notice or at a later date as specified in the notice. Any Advisory Panel member other than the Governors' appointee and Wyoming Insurance Department appointee, may be removed at any time with or without cause by 2/3 vote of the Panel or by the Director of A&I. Removal for cause includes, but not limited to, HIPAA violations, financial impropriety, abuse, etc..

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