

DRAFT

MINUTES

February 21, 2018

Group Insurance Board
State of Wisconsin

Location:
Lussier Family Heritage Center
3101 Lake Farm Road, Madison, WI 53711



BOARD MEMBERS PRESENT:

Michael Farrell, Chair
Stacey Rolston, Vice Chair
Herschel Day, Secretary (via phone)
Chuck Grapentine
Waylon Hurlburt
Ted Neitzke

Jennifer Stegall
Francis Sullivan
Nancy Thompson
JP Wieske
Bob Ziegelbauer

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Bob Conlin, Secretary
John Voelker, Deputy Secretary
Lisa Gurley, Board Liaison
Office of Strategic Health Policy:
Eileen Mallow, Interim Director
Rachel Carabell, Tara Pray, Jessica
Rossner, Shayna Schomber, Renee
Walk

OTHERS PRESENT:

ACE/WCOA

Jack Lawton

Association of Career Employer

Sally J Drew

Baraboo Ambulance

Troy Snow

Dean Health Plan

Katie Beals

Penny Bound

Delta Dental of WI

Sunshine Mikulau

Anne Treankler

Megan Wohlfeil

Medical Associates Health Plan

Karen Brunton

MercyCare Health Plans

Sherrie Sargent

Momentum Insurance

Stephanie Steel

Navitus

Steve Alexander

Karen Markstahler

Tom Pabich

Network Health

Cara Techlin

Board	Mtg Date	Item #
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Department of Administration

Derek Sherwin
Nicole Zimm

EPIC

Jon Luchetti
Colleen Walsh

Employee Trust Funds (ETF)

Jennie Bauernhuber
Jeff Bogardus
Bonnie Cyganek
Liz Doss-Anderson
Molly Heisterkamp
Pam Henning
Arlene Larson
Mary Richardson
Yikchau Sze
Wade W Whitmus

Group Health Cooperative

Elizabeth Dye
Emily Halter
Al Wearing

Health Choice

Bob Pearson

Johnson & Johnson

Tom Moer

Legislative Audit Bureau

Martha Czerniakowski
Nick Lardinois
Sara Sanders

LFB

Rachel Janke

Maclver Institute

Chris Rochester

Public

Dr. Sharon E Hutchinson

Quartz

Cari Alexander

Rural Wisconsin Health

Cooperative

Dan Stall

Securian Financial

Kirsten Eisner

TASC

Kim Fancher
Brad Hoffman
Sherry Wiedmer

UHG

Amy Boyu

UW Health System

Anthony Dix
Karen Hensal
Brienne Jobke
Erin Schoonmaker

UW-Madison

Danielle Peterson

Village of Kimberly

Barbara Rein

Watson Health

Mike Curtiss
Ronda Daugherty
Eric Poston

WEA Trust

Greg Cieslewicz

Wisconsin Association of Health

Plans

Tim Lindquist

Michael Farrell, chair, called the meeting of the Group Insurance Board (Board) to order at 8:30 a.m.

CONSIDERATION OF NOVEMBER 15, 2017, OPEN AND CLOSED MEETING MINUTES

MOTION: Mr. Wieske moved to approve the open session meeting minutes of the November 15, 2017, meeting as submitted by the Board Liaison. Ms. Rolston seconded the motion, which passed on a voice vote.

MOTION: Mr. Wieske moved to approve the closed session meeting minutes of the November 15, 2017, meeting as submitted by the Board Liaison. Ms. Rolston seconded the motion, which passed on a voice vote. Mr. Neitzke and Ms. Thompson abstained from voting.

ANNOUNCEMENTS

Ms. Mallow made the following announcements:

- Lisa Ellinger left the OSHP Director position. Recruitment for a replacement is underway.
- Sara Bradley left for another position in November.
- Sherry Etes left for another position in December.
- ETF is recruiting for three program managers.
- Sara Brockman has accepted the Health Program Manager position.
- Tara Pray transferred to a Lead Worker position in OSHP.
- Molly Heisterkamp, from Staywell, has joined ETF as Wellness Program Manager.
- Lisa Gurley joined us as the new Board Liaison in December.
- Ryan Perkins left ETF for another position, and Wes Gudenkauf will provide audiovisual support for the GIB meetings.
- ETF is almost finished with evaluating Medicare Advantage proposals and will devote most of the special March meeting to reviewing the results and recommendations with the Board.
- The Legislative Audit Bureau has begun its review of the Group Health Insurance Program (GHIP).

Ms. Rolston requested ETF provide regular updates regarding the Legislative Audit Bureau audit.

Mr. Voelker added that ETF will be moving to the new Hill Farms location in March. There are discussions as to whether future meetings will be moved to the Hill Farms building after the move. A decision will be made following review of parking space availability. ETF will inform the Board of any meeting changes that may occur.

ELECTION OF OFFICERS

MOTION: Mr. Neitzke moved to nominate Michael Farrell as Chair, Stacey Rolston as Vice Chair, and Herschel Day as Secretary of the Group Insurance Board. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote, with Mr. Farrell abstaining.

HEALTH INSURANCE

2019 It's Your Choice Open Enrollment Period

Ms. Brockman referred the Board to the memo, It's Your Choice Open Enrollment. (Ref. GIB | 2.21.18 | 4A). She provided an overview of the It's Your Choice Enrollment Period and requested the Board approve October 1-31, 2018, as the It's Your Choice (IYC) open enrollment period for plan year 2019. Ms. Brockman explained that the reason for recommending a full month, rather than the traditional four-week open enrollment period, is due to member and employer feedback following the 2018 IYC open enrollment period.

MOTION: Ms. Thompson moved to approve October 1 – 31, 2018, as the It's Your Choice (IYC) open enrollment period for plan year 2019. Mr. Wieske seconded the motion, which passed on a voice vote.

Health Benefit Program Agreement & Uniform Benefits for the 2019 Plan Year

Ms. Walk referred the Board to the memo, Health Benefit Program Agreement & Uniform Benefits for the 2019 Plan Year (Ref. GIB | 2.21.18 | 4B). She provided an overview of the proposed changes to the GHIP and related pharmacy benefit changes, as well as opportunities for improvement. The improvement opportunities included ETF stakeholder group forums, more time to vet proposals, and invested vendor partners that will allow for early cost and impact analyses.

Proposed Health Contract Changes

Ms. Walk stated that during discussions in a Council for Health Plan Improvement (CHPI) meeting, the health plans raised questions regarding how to report performance standards and expressed concerns regarding certain items that either do not conform to industry standards or might have unintended consequences. Ms. Walk also provided an overview of suggested changes, which included administrative changes to activities required of the plans, clarification to required activities, and administrative and technical updates. ETF proposes to work with plans during 2018 standards implementation to determine modifications to those standards as necessary, and will report these modifications to the Board in May.

Proposed Health Benefit Changes

Ms. Walk discussed proposed benefit changes, additions, modifications, and exclusions. Proposed modifications include moving to a single coinsurance rate, removing copays from High Deductible Health Plans, extraction of impacted teeth only, and simplifying prior authorization limits for therapies. Proposed exclusions included skin tag removal and limitations to covered custom orthotics.

Mr. Day requested information regarding the number of members that will be impacted by any proposed co-pay change. Ms. Walk stated that she will report this information to the Board in May.

Ms. Walk identified proposed benefit concepts that centered on simplifying transplant language, clarifying coverage of lab services related to biometric screenings, and investigating coverage of bariatric surgeries.

Proposed Pharmacy Benefit Changes

Ms. Walk discussed proposed Pharmacy Benefit changes, which include stand-alone Uniform Pharmacy benefits, value-based pharmacy benefit design, increased cost-sharing for DAW-1 drugs, removing pharmacy out-of-pocket limits in non-HDHP, and exploring maximizing MedicareRX subsidies.

Disease Management

Ms. Walk discussed the review process for proposed pilot Disease Management programs. She stated that health plans submitted pilot program ideas in December 2017. ETF is set to review and discuss the proposed plans in March/April and will bring recommendations to the Board in May.

2018 It's Your Choice Enrollment Statistics

Ms. Schomber presented 2018 IYC enrollment statistics (Ref. GIB | 2.21.18 | 4C) and 2018 health plan changes. She informed the Board that Anthem, Arise Health Plan, Health Tradition, Humana, and United Healthcare are no longer participating health plans.

Ms. Schomber stated that total enrollment in the High Deductible Health Plan (HDHP) increased 5%; 97% of state employees and 85% of state retirees are enrolled in the Uniform Dental Benefits program in 2018.

Ms. Schomber presented notable changes in the state and local contracts to include a 170% increase in contracts (16,763 contracts) with WEA; 9.6% increase in contracts (696 contracts) with Access; 61.5% decrease in SMP contracts (30 contracts); 123% increase in Network Health contracts (4,461 contracts); and an increase of 4.3% in contracts with Quartz (1,642 contracts).

WPS Audit Result

Ms. Schomber referred the Board to the WPS Audit Results memo (Ref. GIB | 2.21.18 | 4D). The audit results presented information from January 1, 2016, through June 30, 2017. The scope of the audit consisted of electronic claims screening and claims processing. The performance measures used were accuracy of finances, payments, and processing. Ms. Schomber presented the next steps, which include WPS's response to audit findings, collaboration for recovery and resolution, lessons learned on what to include into contracts moving forward, and CTI Post-audit services.

Ms. Stegall inquired about progress related to WPS Contract Recoverables. Ms. Schomber stated that ETF will provide a progress report to the Board in May.

EMPLOYEE REIMBURSEMENT ACCOUNTS AND HEALTH SAVINGS ACCOUNT PROGRAMS

Third Party Audits of Total Administrative Services Corporation (TASC) Update

Ms. Rossner referred the Board to the memo, Health Savings Accounts (HSA) and Employee Reimbursement Accounts (ERA) Overview (Ref. GIB | 2.21.18| 6A). The HSA and ERA programs are administered by TASC, a third-party administrator (TPA), with support and oversight from ETF. Ms. Rossner reported that all suggestions from the November 15, 2017, GIB meeting regarding the Wipfli Audit have been completed. Ms. Rossner added that TASC continues to remain engaged with ETF and the Payroll Centers to remedy the matters identified in the audit and that ETF will continue to monitor the progress and provide quarterly progress updates to the Board.

Contract Extension Request - TASC

Ms. Rossner and Ms. Brockman presented the memo, Third-party Audits of TASC (Ref. GIB | 2.21.18 | 6B). Ms. Rossner and Ms. Brockman provided a brief overview of these programs, including:

- 2017 Program Participation and Savings
- HSA Program Overview
- ERA Program Overview
- Administrator Performance
- Audit Activity and Findings

Previous TASC extensions had stipulations that had to be met regarding performance enhancements. The performance enhancements included advanced training and guidance for benefits, payroll, and ETF staff; customer service; member communication and education; and reporting the enhancements for payroll processing centers and ETF in 2017. Ms. Rossner discussed proposed performance enhancements to include annual project plan establishment and adherence, unsubstantiated claim process design and documentation, non-discrimination testing process design and project plan, and recommendation of a new audit implementation.

Ms. Brockman noted that if a contract extension is approved, TASC has proposed a 3% per-participant-per-month (PPPM) rate increase for plan year 2019. The 2019 plan year will be January 1, 2019 – December 31, 2019, which will be the third and final contract extension.

MOTION: Mr. Neitzke moved to approve a one-year extension of the administrative services contract with Total Administrative Services Corporation (TASC), with a proposed fee increase not to exceed 3%, for the Employee Reimbursement Accounts (ERA), Commuter Benefit, Limited Purpose Flexible Spending Account (LPSFA), and Health Savings Account (HSA) programs for the 2019 plan year, January 1, 2019, through December 31, 2019. In addition, ETF should negotiate revised performance standards

and guaranteed enhancements with TASC. Ms. Thompson seconded the motion, which passed on a voice vote. Mr. Grapentine opposed.

Request for Proposals – Section 125 Cafeteria Plan, Health Savings Account, Employee Reimbursement Account and Fringe Benefit Programs

Ms. Rossner and Ms. Brockman referred the Board to the memo, ERA, Commuter Benefits, Limited Purpose Flexible Spending Account (LPFSA), and HSA Contract Extension and Contract Amendment (Ref. GIB | 2.21.18 | 6C). Ms. Brockman and Ms. Rossner reviewed the goals of an RFP and provided background in the development of the RFP.

Ms. Brockman reminded the Board about the Board Oversight change from the ETF Board to the GIB. She also reviewed the contract terms for the original contract and the extensions. The current contract term with TASC runs through December 31, 2018, and the Board approved to extend the contract for a third and final one-year period which will run from January 1, 2019 – December 31, 2019.

Ms. Rossner provided a detailed explanation of the Section 125 Cafeteria Plan and discussed the criterion for the plan. She highlighted that ETF has not previously sought a third-party administrator for this plan. She also added that this employee benefits program is designed to take advantage of Section 125 of the Internal Revenue Code, which allows employees to pay certain qualified expenses on a pre-tax basis and for reduced FICA taxes for employers.

Ms. Brockman discussed the structure of the RFP and reiterated that this will be one RFP with four distinct components. She also stated that vendors will be able to bid on one program, a combination of any programs, or all the RFP components.

MOTION: Mr. Neitzke moved to approve the development and release of a Request for Proposals (RFP) to select an administrator(s) for the Section 125 Cafeteria Plan, Health Savings Account (HSA) program, Employee Reimbursement Account (ERA) programs, and Fringe Benefit Account programs, to be effective for the 2020 plan year. Mr. Ziegelbauer seconded the motion, which passed unanimously on a voice vote.

The Board took a break from 9:44 a.m. to 10:00 a.m.

Dental Benefits

Ms. Wohlfeil referred the Board to the 2017 Utilization Report. (Ref. GIB | 2.21.18 | 7A). She discussed the agenda for Delta Dental's presentation, as well as the plan design, and deductibles for self-funded Uniform Dental Benefit. She discussed 2018 benefit changes and explained that this plan is focused on preventative benefits. Ms. Wohlfeil also informed the Board that 94% of dentists in the state of Wisconsin are in-network.

Ms. Treankler from Delta Dental discussed demographics and utilization of current population. She explained the differences in utilization and how it affects the cost as well as the trends that have been recognized from 2016-2017. Further information presented offered opportunities to educate the younger population on the importance of preventive care. Delta also pointed out the tools that it has in place to help keep members informed.

Ms. Wohlfeil presented information about ETF's population, reporting that it has a higher utilization of preventative services than their peer groups and a lower risk in comparison to peers for tooth decay, tooth loss, and gum disease. Ideas for future opportunities were presented to the Board regarding dental benefits for members.

Data Warehouse

Ms. Carabell presented the memo, Truven Health Analytics (Truven) Contract Extension (Ref. GIB | 2.21.18| 8A). Truven has been the Board's data warehouse and business intelligence vendor since March 2017. The current contract runs through December 31, 2018.

Ms. Carabell provided a data warehouse implementation overview, including procurement background and status. Truven is mid-way through data warehouse implementation, with anticipated phase one implementation estimated for early May 2018. The Board approved a 2-year contract extension at the November 2017 meeting, which will begin December 31, 2018 and run through December 31, 2020.

Ms. Carabell discussed the status as well as what is included in phase 1 and phase 2 of implementation. She discussed phase 3 implementation and inclusions, which is set to begin in May 2018.

Truven Presentation

Mr. Curtiss discussed the goals of the 3 phases of the project plan. Phase 1 is set to complete May 2018 which includes ensuring that the initial database will be available and include data from all medical data suppliers except for three plans which are working with Truven to get the needed information. Mr. Curtiss provided information regarding the analytical planning guide that they have in place which includes understanding the population, measurement and management, and refinement.

An initial plan comparison was presented to the Board for the thirteen plans current and previous health plans under contract to the Board. Three health plans have not yet submitted final data and their results may further change plan comparisons.

In addition, Mr. Curtiss supplied data documenting chronic condition trends from 2015-2016 for participating members. It was noted that Coronary Artery Disease is higher in ETF's population, and Diabetic members are lower than in predicted benchmarks.

Mr. Curtiss discussed the Benefit Modeler Tool and explained how the benefit plans that ETF designs for their population aligns with ETF's strategic goals. The Benefit Modeler Tool allows members to make specific changes and project the aggregate cost savings for the new plan design.

OPERATIONAL UPDATES

Mr. Farrell referred the Board to the Operational Updates in the Board packets (Ref. GIB | 2.21.18 | 9) and offered that staff were available if the Board had questions.

ADJOURNMENT

MOTION: Mr. Wieske moved to adjourn the meeting. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote.

The meeting adjourned at 11:24 a.m.

Date Approved: _____

Signed: _____

Herschel Day, Secretary
Group Insurance Board