

MINUTES OF MEETING

**STATE OF WISCONSIN
GROUP INSURANCE BOARD**

DRAFT

Tuesday, April 19, 2005

**Sheraton Hotel - Madison
706 John Nolen Drive
Madison, WI 53719**

BOARD PRESENT:

Stephen Frankel, Chair
Randy Blumer, Vice-Chair
Robert Baird
Martin Beil
Janis Doleschal
Brian Fusie (*representing Karen Timberlake*)
Jane Hamblen
Esther Olson, Secretary
David Schmiedicke
Gary Sherman

**PARTICIPATING ETF
STAFF:**

Eric Stanchfield, Secretary
Dave Stella, Deputy Secretary
Tom Korpady, Administrator, Division of Insurance Services
Bill Kox, Director, Health Benefits & Insurance Plans Bureau
Christina Licari, Board Liaison
Sharon Walk, Acting Group Insurance Board Liaison

OTHERS PRESENT:

Larry Bach, Blue Cross Blue Shield of Wisconsin
Christine Bodilly, Dean Health Plan
Lydia Colon, Blue Cross Blue Shield of Wisconsin
Elizabeth Dye, Group Health Cooperative
Colleen Evans-Carter, Compcare Blue
David Fee, Humana
Amanda Finn, Humana
David Grunke, Wisconsin Physicians Service
Lisa Halbach, Blue Cross Blue Shield of Wisconsin
Emily Halter, Group Health Cooperative South Central
Tim Hammersmith, Humana
Ross Hampton, Wisconsin Education Assoc. Insurance Trust
Carrie Helms, Network Health Plan
Kathy Ikeman, Unity Health Insurance
Dana Klauk, Legislative Audit Bureau
Eileen Mallow, Office of the Commissioner of Insurance
Gloria Melvin, Blue Cross Blue Shield of Wisconsin
Paul Merline, Wisconsin Association of Health Plans
Marisa Molitor, Humana
Deb Nelson, Dean Health Plan
Beca Nix, Minnesota Life Insurance Company

Sonya Olsen-Hasek, Department of Administration
Larry Rambo, Humana
Beth Ritchie, University of Wisconsin System Administration
James Scearcy, Deloitte Consulting LLP
Chris Schmelzer, Minnesota Life Insurance Company
Ron Sebranek, Physicians Plus Insurance Corporation
Mel Sensenbrenner, State Engineers Association
Jill Thomas, Office of State Employment Relations
Al Wearing, Blue Cross Blue Shield of Wisconsin
Michael Weber, Dean Health Plan
Tom Wendlick, Blue Cross Blue Shield of Wisconsin
Nancy Wenzel, Wisconsin Association of Health Plans
Steve Werner, Wisconsin Professional Police Association
Allan Zimmerman, Navitus Health Solutions

Mr. Frankel, Chair, called the meeting to order at 8:33 a.m.

Mr. Korpady announced that Deborah Budzisz has left the Department of Employee Trust Funds (ETF). Sharon Walk and Christina Licari are present today to act as Board Liaisons. Mr. Korpady introduced Diane Poole to the Group Insurance Board. Ms. Poole is the new Director of the Disability Programs Bureau. Mr. Korpady also welcomed Kari Zika to the Division of Insurance Services and introduced Sari King, new Administrator of the Division of Retirement Services.

Mr. Korpady discussed the format of the meeting noting that the Board would go into closed session to discuss the contract bids for the Administrative Services Only (ASO) contract for the self-insured health plans. Select staff, with the Board's approval, would be permitted to stay for the closed session. An announcement of any action taken during the closed session will occur once the Board reconvenes in open session.

CONSIDERATION OF MINUTES OF FEBRUARY 15, 2005, MEETING.

MOTION: Mr. Blumer moved approval of the minutes of the February 15, 2005, meeting as submitted by the Board Liaison. Ms. Doleschal seconded the motion, which passed without objection on a voice vote.

HEALTH INSURANCE PROGRAM

Dual-Choice Enrollment Dates.

Mr. Korpady recommended that the Board establish October 10-28, 2005, as the period for Dual Choice Enrollment for coverage effective on January 1, 2006.

MOTION: Mr. Baird moved to establish October 10-28, 2005, as the Dual Choice Enrollment dates. Ms. Hamblen seconded the motion, which passed without objection on a voice vote.

2006 Guidelines and Uniform Benefits.

Mr. Kox discussed the Guidelines and Uniform Benefits for the 2006 Benefit Year. A guidelines discussion group met on February 26 and March 16, 2005, to establish recommendations for consideration by the Board. A comprehensive memorandum describing the proposed changes and clarifications was presented to the Board for review.

Guidelines:

Medicare Data Match, also known as resolution of Medicare as a Secondary Payor Issues: Clarify that it is the plan's responsibility to respond to Medicare on behalf of employers when Medicare raises questions about whether or not they should have been prime on a previously paid claim.

Health Plan Employer Data and Information Set (HEDIS[®]) prescription drug measures: Require health plans to include ETF membership in their HEDIS drug measures. Staff will supply plans with additional information to assist them in meeting the requirement.

COBRA notification at 60 days, rather than 30 days: Require that plans issue notices 60 days before COBRA coverage in order to allow affected participants more time to research options.

Notification to member upon nearing lifetime maximum limit: Require that plans provide written notification to a member when they reach approximately 75% of the benefit maximum.

Local group underwriting surcharge: Clarify that the determination of surcharge amount is not appealable by the employer.

Prohibit employers from self-insuring deductibles in our high deductible plans: Clarify the contract to prevent employers from reimbursing employees for their new, higher deductibles as this practice could undermine the pricing of the programs

Participation of local bargaining units: Clarify contract language to prevent individual bargaining units within a participating employer from dropping out and entering into an agreement with another insurer.

Uniform Benefits:

Congenital and birth abnormalities: The group recommends removing the portion of the definition that states "but is not hereditary." In addition, staff will work with the Office of the Commissioner of Insurance (OCI) to adjust the listed benefit for congenital defects and birth abnormalities to clarify coverage for secondary aspects of such defects, especially in regards to orthodontia and dental services.

Nutritional counseling: The group considered coverage for gastric bypass surgery and found the cost to be considerable and greater than the estimated cost from prior years. Discussion centered on alternatives to care that are less invasive, such as

nutritional counseling. This type of counseling is more than obesity counseling. It would be available for any medically necessary condition, for example, diabetes and pre-natal care. The cost for this benefit is \$.09 per member per month (PMPM) and includes consult evaluation, management for assessment and/or intervention, re-assessment (both individual and group), and dietician visit(s).

Travel-related preventative treatment: The group recommends adding health plan coverage of medically necessary travel-related preventative treatment (excluded when required for work). The cost for this benefit is \$.03 PMPM.

Transplant maximum: The transplant benefit maximum traditionally was half of the lifetime benefit maximum. When the lifetime benefit maximum was increased from \$1,000,000 to \$2,000,000, the transplant benefit maximum was not adjusted. An increase in the transplant benefit maximum from \$500,000 to \$1,000,000 has a cost impact of \$0.12 PMPM.

Emergency room (ER) copayment: In order to offset the cost of these benefit increases and maintain the value of the program, the group recommends increasing the ER copayment from \$40 to \$60.

MOTION: Ms. Doleschal moved to approve the changes as recommended by the guidelines discussion group and to allow staff to make technical changes as necessary. Mr. Blumer seconded the motion, which passed without objection on a voice vote.

Mr. Blumer thanked staff for the excellent memo and presentation.

Medicare Part D Update.

Mr. Searcy provided a PowerPoint presentation on the *Medicare Prescription Drug Improvement and Modernization Act of 2003*. He emphasized that there is much guidance yet to come from the Center for Medicare and Medicaid Services (CMS). ETF has four options available, all of which will involve meaningful savings. With some limitations, the option the Board ultimately selects for 2006 may need to be replaced for 2007.

MISCELLANEOUS

BadgerRx.

Mr. Korpady reported on the BadgerRx program. The program launched on March 30, 2005. As of today, there are 3,200 citizens enrolled in the program. Identification cards are being delivered. Mr. Stanchfield thanked Mr. Korpady for the work he did to make this effort a success.

Legislative Update.

Ms. Poole distributed a legislative report and discussed some proposed bills that have the potential to negatively affect our program. She stated that ETF staff has spent a considerable amount of time trying to educate legislators and explain the effects of proposed legislation if bills are enacted.

MOTION TO CONVENE IN CLOSED SESSION

Mr. Frankel announced that the Group Insurance Board would convene in closed session pursuant to the exemptions contained in Wis. Stat. § 19.85 (1) (e) for deliberations that involve competitive bargaining aspects of the expenditure of trust funds. Department of Employee Trust Funds staff, Department of Administration staff, Office of State Employment Relations staff, Office of the Commissioner of Insurance staff, and Jim Searcy were invited to remain during all portions of the closed session.

MOTION: Mr. Beil moved to convene in closed session pursuant to the exemptions contained in Wis. Stats. § 19.85 (1) (e) for deliberations that involve competitive bargaining aspects of the expenditure of trust funds. Mr. Blumer seconded the motion, which passed without objection on the following roll call vote:

Members Voting Aye: Baird, Beil, Blumer, Doleschal, Frankel, Fusie, Hamblen, Olson, Schmiedicke and Sherman.

Members Voting Nay: None.

The Board convened in closed session at 9:40 a.m. and reconvened in open session at 1:13 p.m.

ANNOUNCEMENT OF ACTION TAKEN ON BUSINESS DELIBERATED DURING CLOSED SESSION

Mr. Frankel announced that the Board took the following action during the closed session:

- The Board issued an intent to award the Administrative Services Only (ASO) contract to Wisconsin Physicians Service subject to the successful negotiation of the final terms.

ADJOURNMENT

MOTION: Mr. Beil moved adjournment. Mr. Blumer seconded the motion, which passed without objection on a voice vote.

The Group Insurance Board adjourned at 1:15 p.m.

Dated Approved: _____

Signed: _____

Esther Olson, Secretary
Group Insurance Board