

MINUTES OF MEETING

**STATE OF WISCONSIN
GROUP INSURANCE BOARD**

Tuesday, November 8, 2005

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

BOARD PRESENT: Stephen Frankel, Chair
Randy Blumer, Vice-Chair
Esther Olson, Secretary
Robert Baird
Martin Beil
Janis Doleschal
Cindy O'Donnell
David Schmiedicke
Gary Sherman
Karen Timberlake

DRAFT

**BOARD
NOT PRESENT:** None

**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
Nancy Nankivil Bennett, Director, Strategic Health Policy
Sharon Walk, Group Insurance Board Liaison
Robert Weber, Chief Counsel

OTHERS PRESENT: Larry Bach, Blue Cross Blue Shield of Wisconsin
Marcia Blumer, Division of Insurance Services
Christopher Burke, Broadspire
Lydia Colon, Blue Cross Blue Shield of Wisconsin
Phil Dougherty, Wisconsin Association of Health Plans
Liz Doss-Anderson, Division of Management Services
Rhonda Dunn, Executive Assistant
Colleen Evans-Carter, CompCare Blue
Cheryl Forser, Wisconsin Physicians Service
Charlotte Gibson, Department of Justice
Steve Grob, Division of Insurance Services
David Grunke, Wisconsin Physicians Service
Emily Halter, Group Health Cooperative South Central
Jane Hamblen, State of Wisconsin Investment Board
Ross Hampton, Wisconsin Education Association Trust
Carrie Helms, Network Health Plan

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Pamela Henning, Division of Management Services
Steve Hurley, Division of Management Services
Kathy Ikeman, Unity Health Insurance
Nancy Ketterhagen, Office of the Secretary
Sari King, Division of Retirement Services
Jana Knapp, Blue Cross Blue Shield of Wisconsin
Jon Kranz, Office of Budget and Deferred Compensation
Arlene Larson, Division of Insurance Services
Christina Licari, Division of Management Services
Pam Licht, Division of Management Services
Eileen Mallow, Office of the Commissioner of Insurance
Gloria Melvin, Blue Cross Blue Shield of Wisconsin
Peg Narloch, Division of Insurance Services
Deborah Nelson, Dean Health Plan
Kris Nichols, Wisconsin Physicians Service
Bob Olafson, Minnesota Life Insurance Company
Paul Ostrowski, Office of State Employment Relations
Kathryn Otto, Dean Health Plan
Robert Parr, Delta Dental Plan
Mary Pierick, Division of Insurance Services
Diane Poole, Division of Insurance Services
Vicki Poole, Office of the Secretary
Deb Roemer, Division of Insurance Services
Paul Romuald, Minnesota Life Insurance Company
Chris Schmelzer, Minnesota Life Insurance Company
Sam Schmirler, Gundersen Lutheran Health Plan
Ken School, Blue Cross Blue Shield of Wisconsin
Ron Sebranek, Physicians Plus Insurance Corporation
Mel Sensenbrenner, State Engineers Association
Sonya Sidky, Division of Insurance Services
Jill Thomas, Office of State Employment Relations
John Vincent, Division of Trust Finance and Employer Services
Al Wearing, Blue Cross Blue Shield of Wisconsin
Tom Wendlick, Blue Cross Blue Shield of Wisconsin
Steve Werner, Wisconsin Professional Police Association
Sharon Whitwarm, Wisconsin Physicians Service
Kari Zika, Division of Insurance Services
Allan Zimmerman, Navitus

Stephen Frankel, Chair, Group Insurance Board (Board), called the meeting to order at 8:35 a.m.

Mr. Frankel introduced new Board member Cindy O'Donnell. Ms. O'Donnell replaces Jane Hamblen who has accepted a position with the State of Wisconsin Investment Board. Mr. Frankel presented Ms. Hamblen with a resolution from the Board and a letter of appreciation from Secretary Stanchfield. Ms. Hamblen expressed her appreciation for the opportunity to serve on the Board.

CONSIDERATION OF MINUTES OF AUGUST 30, 2005, MEETING

MOTION: Mr. Blumer moved approval of the minutes of the August 30, 2005, meeting as submitted by the Board Liaison. Ms. Doleschal seconded the motion, which passed without objection on a voice vote.

HEALTH INSURANCE PROGRAM

Presentation by Blue Cross Blue Shield of Wisconsin (BCBSWI)

Lydia Colon, BCBSWI Employer Services Representative, presented the 2004 Utilization Summary to the Board. The previous reporting package used for the annual Utilization Summary is no longer available and has been replaced by a new package. The new reports provide data that the Board is familiar with as well as information by which to analyze the healthcare utilization of the State of Wisconsin Employees and Wisconsin Public Employees members. One significant change is the use of Episode Treatment Group families to analyze medical conditions in a more precise manner.

Value-Based Healthcare Purchasing Initiative for FY2005-07

Ms. Nankivil Bennett provided an update on Value-Based Purchasing Projects. The agency is currently involved in two projects that are scheduled for completion in the summer of 2006. Project 1 will be to conduct an assessment of members' use of quality information provided for healthcare decision-making. Project 2 will explore the creation of a high performance provider network within the current State Maintenance Plan. Ms. Nankivil Bennett also discussed the Department's role in the Wisconsin Health Information Organization.

Health Plan Employer Data and Information Set (HEDIS®) and Consumer Assessment of Health Plans Survey (CAHPS®) 2004 Data

Mr. Korpady provided the HEDIS® and CAHPS® 2004 Data for the Board's review.

Local Annuitant Health Plan (LAHP) Rates for 2006

Mr. Korpady provided a memo to the Board that outlined the LAHP rates for 2006.

GROUP LIFE INSURANCE PROGRAM

Mr. Korpady introduced Bob Olafson, Vice President of Group Insurance at Minnesota Life Insurance Company, and Chris Schmelzer, Manager of the Madison Branch Office. Mr. Olafson and Mr. Schmelzer outlined the history of the group life insurance plan, the benefit structure, the financial basis, the administration and the customer services aspects of the plan.

MISCELLANEOUS

Mr. Korpady referred the Board members to the various miscellaneous items included in the board packets.

Ms. Timberlake asked whether it would be possible for Department staff to develop a list of potential dental benefits for 2007. Mr. Korpady recommended that a workgroup be convened and Ms. Timberlake suggested the group should consist of Ms. Timberlake, Mr. Beil and agencies that provide employee-pay-all benefits.

MOTION TO CONVENE IN CLOSED SESSION

Mr. Frankel announced that the Board would convene in closed session pursuant to the exemptions contained in Wis. Stat. § 19.85 (1) (a), (c), and (e) for the purposes of quasi-judicial deliberations, discussion of personnel matters and the use of public funds. Staff from the Department of Employee Trust Funds, Office of State Employment Relations and Office of the Commissioner of Insurance were invited to remain during selected portions of the closed session. Ms. Walk was invited to remain during deliberations on the appeal.

MOTION: Mr. Beil moved to convene in closed session pursuant to the exemptions contained in Wis. Stats. § 19.85 (1)(a), (c) and (e) for the purposes of quasi-judicial deliberations, discussion of personnel matters and the use of public funds. Ms. Timberlake seconded the motion, which passed without objection on the following roll call vote:

Members Voting Aye: Baird, Beil, Blumer, Doleschal, Frankel, O'Donnell, Olson, Schmiedicke, Sherman and Timberlake.

Members Voting Nay: None

The Board convened in closed session at 9:55 a.m. and reconvened in open session at 11:35 a.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:

HEALTH PLAN CONTRACT NEGOTIATIONS UPDATE

Wisconsin Physicians Services (WPS) Health Insurance

The Board was updated on the status of contract negotiations with WPS.

Navitus

Mr. Korpady provided information on the terms of the final agreement reached with Navitus with respect to terms of the incentive payment.

CONSIDERATION OF INCOME CONTINUATION INSURANCE (ICI) AND LONG-TERM DISABILITY INSURANCE (LTDI) PROGRAM THIRD PARTY ADMINISTRATOR CONTRACT

The Board extended the third party administrator contract with Broadspire for two years for the administration of ICI and LTDI programs.

CONSULTATION WITH LEGAL COUNSEL

- The Board was updated on *Helgeland, et al. v. DETF, et al.*, Case No. 2005-CV-1265.
- The Board was updated on proposed legislation regarding hearsay evidence.

Appeal No. 2004-051-GIB

- The Board upheld the Department's determination with respect to Appeal No. 2004-051-GIB.

ADJOURNMENT

MOTION: Mr. Blumer moved adjournment. Ms. O'Donnell seconded the motion, which passed without objection on a voice vote.

The Board adjourned at 11:38 a.m.

Dated Approved: _____

Signed: _____

Esther Olson, Secretary
Group Insurance Board