

**DRAFT**

**MINUTES OF MEETING**

**STATE OF WISCONSIN  
GROUP INSURANCE BOARD**

**Tuesday, February 13, 2007**

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

**BOARD PRESENT:** Stephen Frankel, Chair  
Cindy O'Donnell, Vice-Chair  
Robert Baird  
Martin Beil  
Janis Doleschal  
Eileen Mallow  
Gary Sherman  
Karen Timberlake

**BOARD NOT PRESENT:** Jeannette Bell  
Esther Olson  
David Schmiedicke

**PARTICIPATING ETF STAFF:** Eric Stanchfield, Secretary  
Dave Stella, Deputy Secretary  
Tom Korpady, Administrator, Division of Insurance Services  
Bill Kox, Director, Health Benefits and Insurance Plans Bureau  
Sharon Walk, Group Insurance Board Liaison  
Robert Willett, Chief Trust Financial Officer

**OTHERS PRESENT:** Barbara Belling, Office of the Commissioner of Insurance  
Caroline Berghammer, Wisconsin Physicians Service Insurance Corporation  
Marcia Blumer, Division of Insurance Services  
Jeff Bogardus, Division of Insurance Services  
Penny Bound, Dean Health Plan  
Chris Bruni, Security Health Plan  
Lydia Colon, Blue Cross Blue Shield of Wisconsin  
Liz Doss-Anderson, Division of Management Services  
Andy Dole, Anthem  
Rhonda Dunn, Office of the Secretary  
Elizabeth Dye, Group Health Cooperative  
Colleen Evans-Carter, Compcare Blue  
Charlotte Gibson, Department of Justice  
Emily Halter, Group Health Cooperative South Central  
Ross Hampton, Wisconsin Education Association Trust  
Ron Harms, Department of Employee Trust Funds  
Sandy Hayes, Dean Health Plan  
Carrie Helms, Network Health Plan

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Sue Hill, Navitus  
Steve Hurley, Division of Management Services  
Kathy Ikeman, Unity Health Insurance  
Christina Keeley, Division of Management Services  
Sari King, Division of Retirement Services  
Jon Kranz, Office of Internal Audit and Budget  
Arlene Larson, Division of Insurance Services  
Chris Mead, Navitus  
Paul Merline, Wisconsin Association of Health Plans  
Peg Narloch, Division of Insurance Services  
Kris Nichols, Wisconsin Physicians Service Insurance Corporation  
Ted Osthelder, Anthem  
Paul Ostrowski, Office of State Employment Relations  
Jeremy Ott, Wisconsin Physicians Service Insurance Corporation  
Kathryn Otto, Dean Health Plan  
Diane Poole, Division of Insurance Services  
Barbara Posekany, Wisconsin Physicians Service  
Insurance Corporation  
Deb Roemer, Division of Insurance Services  
Paul Romuald, Minnesota Life Insurance Company  
Lois Sater, Wisconsin Physicians Service Insurance Corporation  
Chris Schmelzer, Minnesota Life Insurance Company  
Sam Schmirler, Gundersen Lutheran Health Plan  
Ron Sebranek, Physicians Plus Insurance Corporation  
Mel Sensenbrenner, State Engineers Association  
Sonya Sidky, Division of Insurance Services  
Joan Steele, Division of Insurance Services  
Jamie Stock, Wisconsin Physicians Service Insurance Corporation  
Jill Thomas, Office of State Employment Relations  
John Trochlell, Wisconsin Physicians Service  
Insurance Corporation  
John Verberkmoes, American Federation of Teachers-Wisconsin  
Allan Zimmerman, Navitus

Stephen Frankel, Chair, Group Insurance Board (Board), called the meeting to order at 8:31 a.m.

Eric Stanchfield introduced Ron Harms to the Group Insurance Board. Dr. Harms is the new chief medical advisor for the Department of Employee Trust Funds (Department). He will be addressing issues such as disease management, health care promotion and wellness.

#### **CONSIDERATION OF MINUTES OF NOVEMBER 7, 2006, MEETING**

***MOTION: Mr. Beil moved approval of the open and closed session minutes of the November 7, 2006, meeting as submitted by the Board Liaison. Mr. Baird seconded the motion, which passed without objection on a voice vote.***

## ELECTION OF OFFICERS

***MOTION: Ms. Timberlake moved to nominate Steve Frankel as the Chair of the Group Insurance Board. Mr. Sherman seconded the nomination, which passed without objection on a voice vote.***

***MOTION: Mr. Beil moved to nominate Cindy O'Donnell as the Vice-Chair of the Group Insurance Board. Ms. Mallow seconded the nomination, which passed without objection on a voice vote.***

***MOTION: Mr. Baird moved to nominate Esther Olson as the Secretary of the Group Insurance Board. Mr. Beil seconded the nomination, which passed without objection on a voice vote.***

## HEALTH INSURANCE PROGRAM

**Presentation by Wisconsin Physicians Service (WPS).** Jeremy Ott, of WPS, presented the 2006 Health Care Utilization Report to the Board. Mr. Ott reviewed the enrollment in the Standard Plan and the State Maintenance Plan. He discussed the claims that have been paid, the per-member per-month costs and the types of services provided. WPS is attempting to control costs through care management, which includes utilization management, pre-authorization of services, behavioral health management and disease management.

**Guidelines/Uniform Benefits Timeline.** Mr. Kox discussed the timeline for development of changes to the Guidelines and Uniform Benefits for contract year 2008. An ETF staff discussion group will meet to review the benefits that the health plans are required to offer. Board members and their staff will be invited to participate in this discussion. Final recommendations for changes will be presented to the Board at the April 17, 2007, meeting.

**2007 Dual-Choice Enrollment Statistics.** Mr. Kox provided the Board with information on the 2007 Dual-Choice enrollment results. There were about 15 percent fewer dual-choice applications submitted for 2007. This may have been due to the lack of movement in tier placement. Mr. Kox highlighted the significant changes for the Board.

Mr. Korpady reviewed various memos contained in the Board's packet of materials. He noted that there is an audit from Claims Technologies Incorporated on the runout from BlueCross BlueShield of Wisconsin. Also included in the packet is a memo detailing the 2007 Local Annuitant Health Plan Rates, the Report on Health Plan Employer Data and Information Set (HEDIS<sup>®</sup>) and Consumer Assessment of Health Plans Survey (CAHPS<sup>®</sup>) and the Anthem BlueCross BlueShield 2005 Utilization Report.

Note: Mr. Sherman left the meeting at 9:45 a.m.

## MISCELLANEOUS

**Aetna Service Approach.** Mr. Korpady advised the Board that, beginning April 1, 2007, Aetna will be changing the method of delivery of services to a home-based model. Aetna has assured the Department that adequate security measures will be in place to insure

compliance with the Department's privacy and data integrity standards are met. Many of the staff will remain the same but some of the administrative functions will be outsourced.

**Rebid of Actuarial Services Contract.** Mr. Willett discussed the rebid of the retirement and insurance actuarial services contracts. The Request for Proposal will be released March 19, 2007, with proposals due by April 16, 2007. Finalists' presentations will be made to the Board at the June 12, 2007, meeting. At the June 22, 2007, Employee Trust Funds (ETF) Board meeting, the recommendation will be made and the ETF Board will be awarding the contract at that time. The contract will go into effect on October 1, 2007. Mr. Willett asked for a volunteer from this Board to evaluate the proposals. Mr. Frankel volunteered to assist in this capacity.

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

#### **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) for the purposes of quasi-judicial deliberations. Assistant Attorney General Charlotte Gibson, Mr. Ostrowski, Ms. Thomas, Ms. Walk and Ms. Belling were invited to remain during the entire closed session discussion. Staff from the Department were invited to return for the discussion of the settlement proposal.

***MOTION: Mr. Beil moved to convene in closed session pursuant to the exemptions contained in Wis. Stat. § 19.85 (1)(a) for the purposes of quasi-judicial deliberations. Ms. O'Donnell seconded the motion, which passed on the following roll call vote:***

**Members Voting Aye: Baird, Beil, Doleschal, Frankel, Mallow, O'Donnell, and Timberlake**

**Members Voting Nay: None**

The Board convened in closed session at 9:54 a.m. and reconvened in open session at 10:15 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:

**Appeal No. 2005-037-GIB.** The Board voted to adopt the hearing examiner's proposed decision.

**Settlement Proposal.** The Board approved the settlement as recommended by the Department.

**ADJOURNMENT**

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

The Board adjourned at 10:17 a.m.

Dated Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

Esther Olson, Secretary  
Group Insurance Board