

## MINUTES OF FEBRUARY 8, 2011, MEETING

### STATE OF WISCONSIN GROUP INSURANCE BOARD

Holiday Inn and Suites  
1109 Fourier Drive, Madison, WI

**DRAFT**

#### BOARD MEMBERS PRESENT:

Cindy O'Donnell, Chair Eileen Mallow, Vice Chair Esther Olson, Secretary Robert Baird	Marty Beil Janis Doleschal Jodi Jensen Paul Ostrowski for Greg Gracz
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#### BOARD MEMBERS NOT PRESENT:

Rosemary Finora	
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#### PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Dave Stella, Secretary Bob Conlin, Deputy Secretary Lisa Ellinger, Bill Kox, Arlene Larson, Brian Shah, Joan Steele and Betty Wittmann, Division of Insurance Services	Cindy Gilles, Board Liaison David Nispel, Office of the Secretary John Vincent, Office of Internal Audit
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#### OTHERS PRESENT:

ETF Office of the Secretary: Rhonda Dunn, Sharon Walk ETF Office of Budget and Trust Finance: Jon Kranz ETF Office of Communications and Legislation: Liz Doss-Anderson, Sari King, Matt Stohr ETF Division of Insurance Services: Marcia Blumer, Jeff Bogardus, Russell Hann, Roni Harper, Brian Schroeder ETF Office of Internal Audit: Claudius Lebi American Federation of Teachers-Wisconsin: John Verberkmoes Anthem: John Braden, Susan Brins, Angie Gehrman, Marin LaPlante Kleinke, Sandy Reblin Dean Health Plan: Penny Bound Delta Dental: Jerry Wirth EPIC: Mark Granoff Group Health Cooperative SCW: Emily Daws, Elizabeth Dye Humana: David Osinski, Robin Peterson, Kurt Rich	Legislative Audit Bureau: Brian Bellford Mercy Care: Josh Mummery Office of the Commissioner of Insurance: Barb Belling Navitus: Steve Alexander, Sue Hill, Tom Radloff Network Health Plan: Carrie Helms Physicians Plus: Ron Sebranek Public Consulting Group: Kevin Meegan Security Health Plan: Becky Gorst State Engineers Association: Bob Schaefer United Health Care: Brandon Widell Unity Health Insurance: Andrea Darling, Kathy Ikeman, Bradon Widell University of Wisconsin Systems Administration: Beth Ritchie Wisconsin Association of Health Plans: Phil Dougherty WEA Insurance Trust: Radovan Bursac, Melanie Hirshfeld, Cheryl McIlquham, Randy Mullin Wisconsin Physicians Service Insurance: Greg Nelson Thomas Hirsch, M.D.
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Board	Mtg Date	Item #
GIB	6.7.11	1

Cindy O'Donnell, Chair, Group Insurance Board (Board), called the meeting to order at 9:30 a.m.

## **CONSIDERATION OF NOVEMBER 9, 2010, OPEN SESSION MEETING MINUTES**

***MOTION: Mr. Beil moved approval of the minutes of the November 9, 2010, meeting as submitted by the Board Liaison. Ms. Olson seconded the motion, which passed without objection on a voice vote.***

## **ELECTION OF OFFICERS**

Ms. O'Donnell noted that at the first meeting of the calendar year the Board is required to elect officers. A memorandum was provided to the Board, which included a list of current officers and the current Board roster.

***MOTION: Mr. Beil nominated the current slate of officers (Cindy O'Donnell as Chair, Eileen Mallow as Vice Chair, and Esther Olson as Secretary) for another term. Mr. Baird seconded the nomination, which passed without objection on a voice vote.***

Jodi Jensen joined the Board meeting at 9:40 a.m.

## **HEALTH INSURANCE PROGRAM**

### **Disease Management and Cost Containment Strategy**

Lisa Ellinger, Division of Insurance Services (DIS), introduced Dr. Thomas Hirsch, Medical Consultant to the Department of Employee Trust Funds (ETF). Dr. Hirsch told the Board that due to the volume of members in Wisconsin health plans, ETF has the power to influence care management programs (ref. GIB | 2.8.11 | 4A). ETF could further impact cost-effective health care in Wisconsin by:

- Requiring health plans to meet or beat thresholds of performance.
- Requiring health plans to create or expand programs of particular interest.
- Sharing best practices among ETF health plans.

In 2009, a disease management survey was conducted. Based on the results, each plan received a letter from ETF stating its strengths, identifying areas for improvement, and listing three to four programs areas of interest to ETF. Each plan committed to working on at least one of the programs identified by 2011 and submit quarterly progress reports to ETF.

The programs that have been shown to improve patient satisfaction and safety, improve health outcomes and increase cost savings include:

- Prior authorization for high technology outpatient radiology (i.e., CAT, MRI, etc.). Research has shown that approximately 1/3 of the procedures performed are not necessary.
- Coordination of care within 48 hours of hospital discharge. Patients with complicated cases frequently do not understand the changes made to the medical regimen and may not get prescriptions filled on time, get follow-up appointments made, etc., which can lead to readmission to the hospital.
- Shared decision-making provides patients with an unbiased set of facts about medical intervention options.
- Improving end-of-life care for patients and family.

ETF held its first seminar for all participating health plans in November 2010; it was called "Cost-Effective Management of Low Back Pain." Another seminar is planned in 2011.

The results of the 2010 disease management survey have been compiled. Similar to 2009 results, the key areas of interest include improving care, satisfaction and safety, while containing costs.

Ms. Ellinger thanked Dr. Hirsch for his expertise and leadership in taking this effort to a new level.

### **2012 Guidelines/Uniform Benefits Timeline**

Bill Kox, DIS, discussed the *2012 Guidelines and Uniform Benefits* (Guidelines) timeline and changes (ref. GIB | 2.8.11 | 4B). In the past, at least one Board member has participated on the study group. Mr. Kox invited the Board members to contact him if they were interested in participating. The Guidelines timeline is as follows:

- Study group will meet around February 23 to identify issues.
- About February 25, health plans will be sent the first draft of the Guidelines and will be expected to return their comments by March 4.
- About March 9, the study group will meet to finalize recommendations to the Board with a deadline of March 18.

The recommendations will be presented to the Board at the April 12 meeting.

Mr. Kox discussed some of the possible administrative changes in the Guidelines:

- Review the Medicare ratio with the Board's actuary to determine if the 50% ratio for the Medicare-reduced rate is an appropriate limit.

- Consider revising the provider qualification criteria by including “hospitalists” when the minimum number of required primary care providers with admitting privileges is not available at hospitals in the county.
- Review Patient Protection and Affordable Care Act (PPACA) for updates and any other healthcare reform provisions that may be required in 2012.
- Eliminate the late enrollment opportunity into the Standard Plan, due to the elimination of the 180-day waiting period for pre-existing conditions for participants under age 19.

Joan Steele, DIS, reviewed some of the possible changes for the Guidelines:

- Update Guidelines if “grandfathering” status is lost for the state program under PPACA.
- Consider the following benefit changes: coverage for hearing aids (100% up to \$1000), dental implants, bariatric surgery, acupuncture, and massage therapy.
- Suggested opportunities to free up dollars, if needed, to offset benefit additions:
  - Implement mandatory mail order prescriptions.
  - Increase copayment for emergency room visits.
  - Implement copayment on office visits.
  - Increase copayment on prescriptions.

### **Random Sample Dependent Eligibility Pilot Project**

John Vincent, Office of Internal Audit (OIA), reviewed the discussions that took place at previous Board meetings regarding a random sample Dependent Eligibility Verification (DEV) Pilot Project. There are 135,000 dependents in the state and local government group health insurance plans, and the random sample will involve 1,000 of the 135,000 dependents.

Kevin Meegan, a senior consultant with Public Consulting Group (PCG), was introduced to the Board. PCG is conducting the project. Mr. Vincent directed the Board to the packet that will be sent to the 1,000 subscribers (ref. GIB | 2.8.11 | 4C). It will contain the following items:

- A cover letter explaining the pilot program.
- A table describing the different types of dependents.
- The dependent affidavit.
- Frequently asked questions.

OIA will report back to the Board at the June meeting.

### **Dental Benefits**

Mr. Kox reviewed the dental benefits memo that was carried over from the November 2010 Board meeting (ref. GIB | 2.8.11 | 4D) regarding the cost of dental benefits included under each of the health plans. Deloitte, the Board's consulting actuary, determined that, based on the current enrollment, the State of Wisconsin (State) will spend approximately \$37 million for dental coverage for active State employees in 2011.

In November 2000, the Department of Employment Relations (now Office of State Employment Relations – OSER) established a dental study group to examine the possibility of a stand-alone dental plan. Based on OSER's study, Deloitte estimated three stand-alone options for 2011:

1. Stand-alone dental plan that would cost the State a similar amount to what the State would spend for coverage in 2011, assuming a 100% employer subsidy and 100% participation rate.
2. Stand-alone dental plan that would cost the State a similar amount to what the State would spend for coverage in 2011, assuming an 80% employer subsidy and a 90% participation rate.
3. Stand-alone dental plan that would cost the State a similar amount to what the State would spend for coverage in 2011, assuming a 60% employer subsidy and an 80% participation rate.

There are many concerns to take into account as the Board considers the eligibility and administrative issues.

***MOTION: Mr. Beil made a motion to receive a report in June from Department staff on what the process of a stand-alone dental plan would be. Ms. Olson seconded the motion, which passed without objection on a voice vote.***

### **2011 It's Your Choice Enrollment Results**

Brian Shah, DIS, reviewed the *It's Your Choice* enrollment results with the Board (ref. GIB | 2.8.11 | 4E):

- There were approximately 6,072 requests submitted; 4,154 of those were for changes in health plans.
- There were 18,448 active dependents ages 19-47, an increase of 32%.
- There are 1,347 domestic partners on family contracts, an increase of 43%.
- There were 1,060 new contracts, 598 of which were new employees.

The feedback from members has been very positive regarding the myETF Benefits System. Staff will continue to make improvements as more members use the system.

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

Ms. Ellinger referred the Board to the memo in their packets (ref. GIB | 2.8.11 | 4F).

**OPERATIONAL UPDATES**

Ms. Ellinger referred the Board members to the Operational Updates section of their binders.

She advised the Board that the GIB will hold four meetings per year rather than five meetings in 2012 (ref. GIB | 2.8.11 | 5I).

Ms. O'Donnell and Mr. Beil took a moment to praise ETF staff for their work on the changes to the life insurance policy and administrative agreement.

**ADJOURNMENT**

***MOTION: Mr. Baird moved to adjourn the meeting. Ms. Olson seconded the motion, which passed without objection on a voice vote.***

The Board meeting adjourned at 11:15 a.m.

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

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

Esther Olson, Secretary  
Group Insurance Board