

DRAFT

MINUTES

April 8, 2013

Group Insurance Board
Strategic Planning Workgroup
State of Wisconsin



Location:

State Revenue Building – Events Room
2135 Rimrock Road, Madison, WI

WORKGROUP MEMBERS PRESENT:

Brian Yerges, Vice-Chair	Chuck Grapentine
Michael Farrell, Secretary	Jessica O'Donnell
Roger Frings for Daniel Schwartzer	Nancy Thompson

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Division of Insurance Services:	Division of Management Services:
Lisa Ellinger, Administrator	Liz Jones-Queensland, Cheryllynn
Bill Kox, Deputy Administrator	Mullins, Board Liaisons

OTHERS PRESENT:

ETF Division of Insurance Services: Jeff Bogardus, John Bott, Roni Harper, Holly Klawitter, Arlene Larson, Emily Loman, Mary Statz	Delta Dental: Steve LeRoy
ETF Legal Services: Dan Hayes, Liz Doss-Anderson	Deloitte Consulting LLP: Tim Gustafson (by phone), Pat Pechacek, Dan Plante
The Alliance: Melissa Duffy	Department of Administration: Mickie Waterman
Anthem: John Braden, Tamara Garrett, Marin Kleinke, Jennifer Pitzen, Sandy Reblin	Gundersen Health Plan: Sam Schmirler
Ameritas Group: Jeremy Earp, Bob Geveligor	Group Insurance Board: Herschel Day
Colonial Life: Pat Flanagan	Legislative Audit Bureau: Jake Gasser
Dean Health Plan: Katie Beals, Penny Bound, Justin Hellenbrand, Brant Sonzogni	Office of State of Employment Relations: Paul Ostrowski
	Physicians Plus: Ron Sebranek
	State Engineering Association: Bob Schaefer

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Wisconsin Association of Health Plans: Phil Dougherty	University of Wisconsin System Admin: Beth Ritchie, Richard Thal
WPS: Greg Nelson	UWHC: Trina Ruppert
Unity Health Insurance: Kathy Ikeman	WEA Trust: Susan Baez, Sandra Dennis

Mr. Yerges called the meeting of the Group Insurance Board (Board) Strategic Planning Workgroup (Workgroup) to order at 9:31 a.m.

CONSIDERATION OF FEBRUARY 25, 2013, OPEN SESSION MEETING MINUTES

MOTION: Ms. Thompson moved approval of the February 25, 2013, open session meeting minutes as submitted by the Board Liaison.

Mr. Grapentine seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Ms. Ellinger introduced Herschel Day, who has been appointed as Esther Olson's replacement on the Group Insurance Board. His term begins on May 1, 2013. Mr. Day is in attendance for informational purposes only and is not participating as a voting member.

Mary Statz was introduced as the new Director of the Health Benefits and Insurance Plans Bureau.

Liz Jones-Queensland is the new liaison for the Group Insurance Board.

REQUEST FOR INFORMATION ON SELF INSURED PROGRAM DESIGN

Ms. Ellinger commented when the Group Insurance Board Strategic Planning Workgroup (GIB-SPW) convened on February 25, 2013, the target was to pull together information from the health plans during the month of March relating to a self-insured model, with the focus on potential program changes for 2014. The plan is now to pull information from the plans in April, with a focus on 2015 for major program changes.

Pat Pechacek, Dan Plante and Tim Gustafson of Deloitte Consulting, LLP reviewed the revised timeline for the Request for Information (RFI) on the self-insured program design. The RFI and the Supplemental Information Request are designed to collect information around the health plans' and other potential third party administrators' capability to administer benefits in a self-insured program. The RFI and supplemental

request were released to health plans on April 1, 2013. Deloitte has asked the plans to provide a letter of interest specifying whether they intend to respond, by April 8. The completed information submission is due by May 15, 2013.

Ms. Ellinger noted that depending on the response from health plans, the results of the RFI may be discussed at a potential Workgroup meeting in June.

DELOITTE STUDIES

Mr. Plante reviewed the *Medical Cost Containment Strategies for Key States* study. In designing this study, Deloitte was asked to look at how other states manage their health care costs to see the best practices available. States analyzed in this study included Alabama, Indiana, Oregon, Arkansas, Maine, Georgia, Minnesota, and also Manitowoc County and the federal employee health program.

Groups selected in this comparison study have methodologies and strategies in place that have similar benefits and populations to Wisconsin. Other factors for selection included whether the state had a high deductible health plan, consumer driven health care initiatives, or a robust wellness program.

For Wisconsin, the sustained average trend over the last few years has been about 4% below the national average trend. From an actuarial perspective, for a group the size of Wisconsin's population, this is a significant success story. All of the studied groups have exhibited better-than-average trends, although only Arkansas has performed better than Wisconsin.

A major factor in Wisconsin's success is the managed competition approach. The study did not reveal other approaches that would make a significant improvement to what is currently being done in Wisconsin.

The Workgroup discussed the alternate scenarios under the high deductible design that were provided in the study. These scenarios looked at issues regarding Health Reimbursement Arrangements (HRAs) versus Health Savings Accounts (HSAs), and how plan designs could be structured on a cost-neutral basis. Mr. Plante emphasized that it is early to be looking at these issues, and these scenarios can be refreshed as new information becomes available.

BIENNIAL BUDGET

Tobacco Surcharge and Cessation Program

Mr. Kox referred the Workgroup to the tobacco surcharge memo, which highlighted the statutory language included in the Governor's budget proposal. This surcharge is to be paid by active employees and annuitants. The collected fees will be used to fund

administration of the program and lowering premiums for annuitants and employees. The surcharge will apply to the state employee program, but the proposed statutory language does not apply to the local program. The Board is responsible for imposing the premium surcharge. Issues to be addressed regarding administering the surcharge include:

- Defining tobacco usage;
- Determining who is responsible for paying the surcharge;
- Determining if sick leave can be used to pay the surcharge;
- Determining whether continuants are subject to surcharge; and
- Developing guidelines for how to handle members who file false attestations.

UNIFORM DENTAL OPTIONS

Mr. Kox commented that at the February 5, 2013 GIB meeting, the Board adopted a recommendation to provide a uniform dental plan. Health plans did not have significant concerns with the concept, with the exception of the out-of-network requirement. Several plans are also concerned about a reduction in benefits, which could result in an end-of-year “benefit rush.” Mr. Kox explained that any time there is a change in a benefit, there is risk for a “rush.” ETF staff does not believe that this is sufficient reasoning to maintain the current dental benefits structure.

Mr. Kox noted that ETF staff will be working with Deloitte to fine tune the uniform dental certificate, and will report back to the Workgroup at the May 7, 2013 meeting before seeking final Board approval at the May 21, 2013 GIB meeting.

WISCONSIN HEALTH INFORMATION ORGANIZATION

Ms. Ellinger referred the Workgroup to the Wisconsin Health Information Organization’s (WHIO) *Semi-Annual Datamart Quality and Value Report*, which was requested at the last Workgroup meeting. This report outlines the size, scope and the claims involved with the WHIO Datamart. A more comprehensive presentation on this topic will be given at the May 21, 2013 Board meeting.

FUTURE ITEMS FOR DISCUSSION

The following items were noted:

1. Uniform Dental Options Update
2. Tobacco Surcharge and Cessation Program Update

Ms. Ellinger noted that a June workgroup meeting may be scheduled at the Group Insurance Board meeting on May 21, 2013. The next scheduled Workgroup meeting will be based on the results of the RFI and whether the information collected warrants a Workgroup discussion.

ADJOURNMENT

Motion: Mr. Grapentine moved to adjourn the meeting. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.

The meeting adjourned at 10:55 a.m.

Date Approved: _____

Signed: _____

Michael Farrell, Secretary
Group Insurance Board
Strategic Planning Workgroup