

DRAFT

MINUTES

February 5, 2013

Group Insurance Board
State of Wisconsin

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



BOARD MEMBERS PRESENT:

Esther Olson, Chair	Chuck Grapentine
Jon Litscher, Vice-Chair	Brian Hayes
Jessica O'Donnell, Secretary	Daniel Schwartzer
Bonnie Cyganek	Nancy Thompson
Michael Farrell	Brian Yerges

BOARD MEMBERS NOT PRESENT:

Jane Nikolai

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Bob Conlin, Secretary	Division of Insurance Services:
Rob Marchant, Deputy Secretary	Lisa Ellinger, Administrator
Cheryllynn Mullins, Sharon Walk	Bill Kox, Deputy Administrator
Board Liaisons	Lucien Adams, John Bott, Roni Harper,
	Holly Klawitter, Arlene Larson, Emily
	Loman, Deb Roemer, Brian Shah
	Office of Communications and Legislation:
	Mark Lamkins, Tarna Hunter

OTHERS PRESENT:

ETF Division of Insurance Services:	ETF Office of Internal Audit:
Marcia Blumer, Jeff Bogardus	John Vincent
ETF Division of Management Services:	Department of Administration:
Pam Henning	Mickie Waterman, Hannah Zillmer
ETF Legal Services:	Legislative Audit Bureau:
Allen Angel, Vickie Baker, Cris	Brian Geib
Borgogni, Liz Doss-Anderson, Dan	Office of Commissioner of Insurance:
Hayes, David Nispel	Jennifer Stegall
	Office of State of Employment Relations:
	Paul Ostrowski

Board	Mtg Date	Item #
GIB	5.21.13	1

Anthem:

John Braden, Susan Brins, Angie
Gehrmann, Marin LaPlante Kleinke,
Brian Martin, Jen Pitzen, Sandy
Reblin, Matt Shumms

Ameritas Group:

Jeremy Earp, Cathy Hodgson

Associated Dentists:

Kate Danielson

Dean Health Plan:

Penny Bound, Justin Hellenbrand

Delta Dental:

Steve LeRoy

EPIC:

Russell Hann, Wendy Hougan

HealthChoice:

Juliatt Dykstra

Humana:

Emily Cada, Shari Stoltmann, Lisa
Willis

Mercy Care:

Sherri Sargent

Minnesota Life:

Chris Schmelzer

Momentum:

Andy Fabreu

Physicians Plus:

Ron Sebranek

State Engineering Association:

Bob Schaefer

The Alliance:

Melissa Duffy

UW Health:

Lisa Maroney

University of Wisconsin Hospital & Clinics:

Sarah Grumke, Kris Sutcliffe

University of Wisconsin System Admin:

Lindi Farra, LaDonna Steinert

United Healthcare:

Andrea Darling

Unity Health Insurance:

Kathy Ikeman

WEA Trust:

Susan Baez, Sandra Dennis

Wisconsin Association of Health Plans:

Joy Kaiser

Wisconsin Dental Association:

Erika Valadez

WPS:

Greg Nelson

Esther Olson, Chair, Group Insurance Board (Board), called the meeting to order at 9:00 a.m.

CONSIDERATION OF NOVEMBER 13, 2012, OPEN AND CLOSED SESSION MEETING MINUTES

MOTION: Mr. Litscher moved approval of the November 13, 2012, open and closed session meeting minutes as submitted by the Board Liaison. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Ms. Ellinger announced a number of personnel changes:

- The recruitment process for the Director of the Health Benefits and Insurance Plans Bureau is underway.
- Marcia Blumer, Administrator of Life Insurance, ERA and Commuter Benefit programs is retiring on February 7.
- Hannah Zillmer has been hired as the Wellness Coordinator at the Department of Administration.

ELECTION OF OFFICERS

Ms. Olson advised the Group Insurance Board (Board) that her term is ending in May 2013 and that she would be stepping down as Chair at this time. She thanked the Board for its support over the years.

MOTION: Ms. Olson moved to nominate Jon Litscher as Chair of the Group Insurance Board. Mr. Yerges seconded the motion, which passed unanimously on a voice vote.

MOTION: Mr. Litscher moved to nominate Esther Olson as Vice Chair of the Group Insurance Board. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote.

MOTION: Ms. Olson moved to nominate Jessica O'Donnell as Secretary of the Group Insurance Board. Mr. Farrell seconded the motion, which passed unanimously on a voice vote.

HEALTH INSURANCE

Guidelines and Uniform Benefits Timeline

Ms. Loman referred the Board members to the memo (ref. GIB | 2.5.13 | 4A) highlighting the contract changes for state group health insurance programs for 2014. Changes are being reviewed and discussed by the Guidelines Study Group. This study group is comprised of the Department of Employee Trust Funds (ETF) staff, GIB representatives and state agency employees and will discuss minor changes to the health insurance contract. Recommendations will be presented to the Board at the May 2013 meeting for approval.

As a result of a Board recommendation, the Guidelines Study Group will meet four times this year instead of twice, as in past years. The change will allow more time for

participation from study group members and feedback from insurers and state employers.

Possible administrative changes include:

- technical changes to guidelines due to federal health care reform;
- the possibility of a premium differential for Health Reimbursement Account (HRA) and biometric screening participants;
- following medical guidelines for frequency of biometric tests in order to prevent overtreatment;
- updating contract changes to reflect the changes to the medical necessity dispute review that the Board had approved in November; and
- reviewing the handling of adult dependent enrollment process.

Possible changes to the benefit plan include:

- the potential review of language to offer optional dental coverage, if the Board approves the uniform dental benefit;
- the review of the status of co-insurance and examination of the implementation of an actuarially equivalent co-pay arrangement;
- consideration of a proposal made by a provider group to re-examine the coverage of bariatric surgery; and
- determining whether the 10% coinsurance charges should be waived for services associated with obtaining biometric screenings.

Mr. Schwartzer suggested the study group include members with insurance expertise, such as representatives of the health plans and members of the public, in order to receive immediate feedback on the technical changes to administration. Ms. Ellinger noted that the health plans are included throughout the study group process, and they receive summaries and outlines of the group's action and are encouraged to give feedback. Mr. Litscher recommended that any members providing insurance expertise be separate and distinct from the groups bidding on the plans.

MOTION: Mr. Schwartzer moved to include up to two non-voting members from the insurance trades as members of the study group, at ETF's discretion to choose these members. Mr. Litscher seconded the motion, which passed on a voice vote.

Consideration of Uniform Dental Plan

Mr. Adams discussed the no deductible, cost-neutral uniform dental plan designed for benefit year 2014 (ref. GIB | 2.5.13 | 4B).

Deloitte Consulting reviewed each plan's current dental offerings to construct a preliminary composite dental plan design based on the weighted average actuarial

value for the 19 plans offering dental benefits. The average actuarial value represents the value of a cost-neutral uniform dental plan, which means a plan would cover approximately 35.8% of all expected services for a normalized population. As an alternative to a cost-neutral uniform design, the WEA Trust Fund plan design has an actuarial value estimated at .531, compared to the .358 weighted-average for all 19 plans. This plan's 42% richer benefit would result in an estimated \$19.3 million in additional cost if implemented for all plans in 2014.

Deloitte noted its analysis does not account for potential "benefit rush." In addition, federal healthcare reform will begin requiring health plans to cover "pediatric oral" service costs. The effect of this change would be \$3.1 million for ETF in 2014, without any plan design changes.

Based on the analysis provided by Deloitte, ETF staff recommends the implementation of the Option 1 (No Deductible) uniform dental plan design. The annual benefit maximum of \$1,000 under the no deductible plan option is similar to what is being currently offered by most plans. ETF staff does not believe a stand-alone dental plan is feasible for 2014, due to the lead time needed for implementation.

MOTION: Mr. Litscher moved to direct staff to develop a no deductible, cost-neutral uniform dental plan design for benefit year 2014. Mr. Yerges seconded the motion, which passed on a voice vote, with Mr. Grapentine and Ms. Thompson dissenting.

It's Your Choice Enrollment Statistics

Mr. Shah directed the Board to the memo (ref. GIB | 2.5.13 | 4C) that summarizes changes in *It's Your Choice* enrollment in 2013. Overall, enrollments were down compared to 2012. ETF staff will continue to monitor this change over the next few years.

Report on Health Plan Employer Data and Information Set and Assessment of Health Plans Survey

Mr. Bott referred the Board members to the memo (ref. GIB | 2.5.13 | 4D) regarding the report on Healthcare Effectiveness Data and Information Set (HEDIS®) and Consumer Assessment of Health Plans Surveys (CAHPS®). Health plan performance is assessed by HEDIS® and CAHPS®.

Health plans do not perform uniformly high or low across the 21 areas that are measured. Ratings are given a one to four star rating, with four being the highest and one being the lowest. Because performance changes occur over time, the data used to measure performance needs to be updated regularly. Shared Decision Making is a

specific area of emphasis for ETF. The average performance of the 25 health plans ETF offers, ranks in the 59th percentile.

Disease Management Update

Dr. Hirsch, with the assistance of Ms. Klawitter, gave a presentation titled “Disease Management Overview” (ref. GIB | 2.5.13 | 4E).

In 2009, ETF chose five different clinical interventions and encouraged the health plans to adopt them. Each of these programs had been proven to accomplish one or more of the following:

- Improve patient and caregiver satisfaction;
- Improve patient safety;
- Improve clinical outcomes that are important to patients; and
- Decrease overall cost of healthcare.

Future initiatives include:

- Improving cost effective utilization of elective high technology outpatient radiology.
- Improving coordination of care around time of hospital discharge.
- Improving treatment of Low Back Pain (LBP).
- Graduating from informed consent to Shared Decision Making.
- Improving end-of-life care.

Ms. Klawitter explained that ETF annually collects utilization rates and additional data from health plans. Moving into 2013, this data will be collected quarterly, and plans will submit this data based on Current Procedural Terminology (CPT) codes to ensure uniformity. CPT Codes are billing codes used throughout healthcare, maintained by the American Medical Association. It is used to create one universal language for insurance claims.

Strategic Planning Workgroup

Ms. Ellinger updated the Board on plans to create a Strategic Planning Workgroup, which will meet throughout 2013. The purpose of this new workgroup is to engage a subset of GIB members on more long-term strategic planning. Topics such as federal health care reform, the concept of a stand-alone dental program, and disease management may be discussed. All GIB members are invited to participate in this workgroup. Because a quorum of GIB members will be participating in this workgroup, the meetings will be publicly noticed.

The Board took a break at 10:33 a.m. and reconvened at 10:43 a.m.

OPTIONAL PLANS ADMINISTRATION

Ms. Harper discussed the memo titled *Optional Plan Contracts and Administration* (ref. GIB | 2.5.13 | 5).

Currently, authority for the GIB to review and provide optional insurance plans is provided in Wis. Stats. 40.03 (6), and Wis. Admin. Code ETF 10.20. Under the GIB's "Guidelines for Optional Plans Seeking Group Insurance Board Approval" (Guidelines), an insurer's proposal is reviewed by ETF and the GIB's actuary. Administration of the optional insurance plans is shared by the insurers and employers.

In discussions ETF had with the Fringe Benefits Committee (FBC), it was identified that agencies strongly prefer to choose whether to offer a given insurance plan. FBC members have limited time to devote to optional plan issues and feel they lack the expertise to manage the drafting and review of complex insurance certificates and documents. The FBC prefers to have eligibility for member enrollment consistent with state uniform health benefits. FBC members and affected agencies would continue to identify issues and advise on suggested resolutions.

The Board discussed whether the GIB or ETF could sign contracts. While the Board has authority to do so, it would create additional responsibilities for the Board and ETF and require additional resources. Staff does not recommend the Board directly contract but instead continue to review and approve optional insurance employee-pay-all plans.

MOTION: Mr. Yerges moved to keep the administration of optional employee-pay-all insurance plans as currently structured. Ms. Cyganek seconded the motion, which passed on a voice vote, with Mr. Grapentine, Mr. Hayes, and Mr. Schwartzer dissenting.

INCOME CONTINUATION INSURANCE AND LONG-TERM DISABILITY INSURANCE PROGRAMS

Third Party Compliance Audit of Aetna by Wipfli

Ms. Roemer referred the Board to the memo (ref. GIB | 2.5.13 | 6A) analyzing Wipfli's audit of Aetna, the third party administrator of ETF's income continuation insurance and long-term disability insurance programs. Wipfli was contracted to administer a compliance audit of Aetna's work. The audit focused on years 2009, 2010 and 2011. Aetna was found to be in compliance with the administrative agreement, and there were no performance concerns.

Contract Extension – Aetna

Ms. Roemer directed the Board to the memo (ref. GIB | 2.5.13 | 6B) regarding a contract extension for Aetna to administer our programs under contract until December 31, 2013, with an option for two, two-year extensions. Based on the audit of Aetna administered by Wipfli, staff is recommending the option for a two-year extension for calendar years 2014 and 2015.

MOTION: Mr. Litscher moved to exercise the option for a two-year extension of Aetna's contract for the administration of the Income Continuation Insurance and Long-Term Disability Insurance. Ms. Thompson seconded the motion, which passed on the following roll call vote:

Members Voting Aye: Ms. Cyganek, Mr. Farrell, Mr. Grapentine, Mr. Hayes, Mr. Litscher, Ms. O'Donnell, Ms. Olson, Mr. Schwartzter, Ms. Thompson, and Mr. Yerges.

Members Voting Nay: None

Members Absent or Not Voting: None

MOTION: Mr. Yerges moved to direct ETF to negotiate with Aetna to clarify 2014-2015 reporting requirements and administrative costs. Ms. Cyganek seconded the motion, which passed unanimously on a voice vote.

OPERATIONAL UPDATES

Patient Protection and Affordable Care Act Update

Ms. Larson directed Board members to the memo (ref. GIB | 2.5.13 | 7H) listing items that health plans and staff are implementing to conform to the Patient Protection and Affordable Care Act (PPACA) for 2013 and 2014. Ms. Larson discussed her memo, which provided an overview of the effects that PPACA will have on the Board's plans.

FUTURE ITEMS FOR DISCUSSION

Mr. Schwartzter suggested discussing the Local Annuitant Health Program and potential statutory changes at a future point in time.

Mr. Hayes suggested requesting written standards from Navitus pertaining to their vendor selection criteria for the specialty pharmacy program.

Mr. Grapentine suggested reviewing the Governance Manual's policy regarding exiting closed session.

ADJOURNMENT

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

The Board meeting adjourned at 11:36 a.m.

Date Approved: _____

Signed: _____

Jessica O'Donnell, Secretary
Group Insurance Board