

DRAFT

MINUTES

May 7, 2013

Group Insurance Board
Strategic Planning Workgroup
State of Wisconsin



Location:

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

WORKGROUP MEMBERS PRESENT:

Bonnie Cyganek, Chair
Brian Yerges, Vice-Chair
Michael Farrell, Secretary
Herschel Day

Brian Hayes
Jessica O'Donnell
Nancy Thompson
J.P. Wieske for Daniel Schwartzer

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Division of Insurance Services:
Lisa Ellinger, Administrator
Bill Kox, Deputy Administrator

Division of Management Services:
Liz Jones-Queensland, Board Liaison

OTHERS PRESENT:

ETF Division of Insurance Services:
John Bott, Roni Harper, Holly
Klawitter, Arlene Larson, Emily
Loman, Mary Statz

ETF Legal Services: Dan Hayes,
Liz Doss-Anderson

Anthem:

Brian Martin

Ameritas Group:

Cathy Hodgson

Dean Health Plan:

Penny Bound

Deloitte Consulting LLP:

Dan Plante (by phone)

Department of Administration:

Jenny Kraus, Mickie Waterman,
Hannah Zillmer

Gundersen Health Plan:

Sam Schmirler

Legislative Audit Bureau:

Jake Gasser

Momentum:

Kathleen Bobholz-Rewey

Office of the Commissioner of Insurance:

Jen Stegall

Office of State of Employment Relations:

Paul Ostrowski

Physicians Plus:

Ron Sebranek

Security Health Plan:

Becky Gerst

State Engineering Association:

Bob Schaefer

The Alliance:

Melissa Duffy

Board	Mtg Date	Item #
GIB- SPW	6.26.13	1

WEA Trust: Susan Baez, Sandra Dennis	University of Wisconsin System Admin: Beth Ritchie
Wisconsin Association of Health Plans: Phil Dougherty	WPS: Greg Nelson
Wisconsin Dental Association: Forbes McIntosh, Erika Valadez	Unity Health Insurance: Jennifer Hartreig

Ms. Cyganek called the meeting of the Group Insurance Board (Board) Strategic Planning Workgroup (Workgroup) to order at 9:33 a.m.

CONSIDERATION OF APRIL 8, 2013, OPEN SESSION MEETING MINUTES

MOTION: Ms. Thompson moved approval of the April 8, 2013, meeting minutes as submitted by the Board Liaison. Mr. Farrell seconded the motion, which passed unanimously on a voice vote.

REQUEST FOR INFORMATION (RFI) ON SELF INSURED PROGRAM DESIGN UPDATE

Ms. Ellinger reaffirmed that ETF issued the RFI to both participating health plans and also to health plans and insurers not participating in ETF's programs to investigate the potential for a self insured model for ETF's programs. The deadline for response is May 15, 2013.

Dan Plante of Deloitte, LLC, updated the Workgroup on which health plans intend to respond to the RFI. Mercy will not submit information and Medical Associates has not yet specified if they will, but all other current plans have indicated they will submit information. Three outside carriers; Auxiant, Scas Management Group and Self Insured Services Company have also indicated they will submit information. All three of these groups are administrative service organizations.

Deloitte has received approximately a dozen questions from current and potential carriers asking for clarification on the questionnaire. Questions included the reasoning for the request, the confidentiality of provided responses, what level of detail will be provided for discounts, if fee estimates are final, network access, and whether to focus responses on current or potential membership. Deloitte has responded to most of these questions, and has provided answers to plans on a weekly basis.

Mr. Plante highlighted the next steps and related timing for the RFI process. All participating plans have indicated they will submit information by May 15, 2013. Deloitte will then start analyzing the data. It is estimated the analysis process will take until the

middle of July. In the interim, Deloitte plans on keeping the Workgroup apprised of any progress. Much of the analysis and timeline is contingent on the data provided by the plans.

Ms. Ellinger pointed out once Deloitte organizes their analysis, there could be a potential Workgroup meeting in June. This will give the Workgroup a chance to discuss the RFI, instead of waiting for the August 27, 2013 Board meeting to do so.

BIENNIAL BUDGET

Tobacco Surcharge and Cessation Program Update

Mr. Kox explained the *Tobacco Surcharge and Cessation Program Update* memo is being presented to the Workgroup as a draft, and will be presented in final form at the May 21, 2013 Board meeting. Issues needing Board approval include:

- Tobacco Use Definition: ETF recommends following federal guidelines, which is defined as using tobacco four or more times per week.
- Uniform Benefits: ETF is not recommending changes to this. It is not necessary to expand to counseling or other types of benefits available in order to meet federal requirements for an alternative policy. This can be accomplished through a member getting a medical certification.
- Appeals: There will potentially be appeals regarding surcharge determinations. Those determinations are appealable to the Board.
- Administration of Attestations: ETF is looking for a vendor to handle this. Staff is also looking into the option of individuals inputting this information directly into the myETF Benefits system. Either option will filter into ETF's payment and vouchering system. The issue with myETF Benefits is the current inability to reach staff at the University, who do not have access to this system. The costs involved with obtaining a vendor will be available at the May 21, 2013 Board meeting.
- False Claimants: ETF recommends employers should be responsible for determining if employees have filed a false attestation. Recent federal guidance appears to prohibit terminating a member's coverage because of a false attestation. ETF staff believes it will be easiest to have members re-attest if the employer finds they filed a false attestation.
- Non-response to an Attestation: People who do not file an attestation are subject to the surcharge. Employees who have a change in tobacco use status can re-attest.

Mr. Kox explained there is a limit on the ability to administer a retroactive penalty for the tobacco surcharge. Although the federal government does not prohibit this, it does limit a retroactive penalty to six months. Payroll systems have indicated crossing calendar years would generate tax complications. Going back retroactively within the benefit

year is less problematic, but still remains a concern. There was also discussion regarding who is responsible for generating tobacco use reports and how to handle members who have more than one change in tobacco use status per year. Mr. Kox explained these are issues that will need to be addressed moving forward.

Wellness Benefits

Mr. Kox directed the Workgroup to the *Wellness Benefits* memo, which is an update on a number of discussions ETF staff has had with the Department of Administration (DOA) and the Office of State Employment Relations (OSER). Discussions were focused on how to streamline and standardize wellness incentives. Some people feel the current pilot program, which allows plans to use what they have in-house for their incentive program, does not treat employees equally who are trying to earn a wellness incentive. The issue is whether ETF can standardize the wellness incentive benefit and the mechanism in which information is relayed back to members' primary care physicians through the health plans. There has been discussion with plans regarding standardizing the amount of incentive at the \$100 - \$150 range, which most health plans are capable of doing. At this point, these discussions are ongoing and ETF staff is working on the logistics of wellness standardization.

UNIFORM DENTAL OPTIONS

Mr. Kox noted that Board members have already reviewed much of the information provided in the *Uniform Dental Options* draft memo. ETF is continuing to work on this and the final determination as to what will be included in Uniform Benefits will be made at the May 21, 2013 meeting.

Mr. Kox pointed out that ETF is giving health plans the flexibility to indicate that there are out of network options available, but plans must make people aware which providers are in the network and which providers are considered out of network.

2014 GUIDELINES\UNIFORM BENEFITS WORKGROUP

Ms. Ellinger explained Mr. Kox will be giving a detailed analysis of the *2014 Guidelines\Uniform Benefits* memo at the May 21, 2013 meeting. The draft version of this memo was provided to the Workgroup for informational purposes only, and to provide an opportunity for Workgroup members to note any concerns with staff recommendations.

FUTURE ITEMS FOR DISCUSSION

Mr. Hayes suggested inviting a group of licensed allergists from LaCrosse to present at a future Workgroup meeting. They would discuss an allergy treatment being used in Europe, with the focus being on cost savings and explaining their practices.

Mr. Hayes asked whether there is specialty drug presentation planned for the May 21, 2013 Board meeting. Ms. Ellinger responded that Navitus will give a presentation at the meeting. There will also be a memo regarding online pharmacy services presented at the May 21, 2013 Board meeting.

Ms. Ellinger explained this is the last Workgroup meeting on the calendar. There has been discussion regarding a meeting in June to review the RFI analysis. Over the past few months, the Workgroup has focused on short-term initiatives. The Workgroup was intended to be longer-term strategic planning group. Moving into the fall, the top priority of the Workgroup will be focusing on the consumer driven health plan proposal in the biennial budget. Ms. Ellinger expressed the intent to reach out to members for future meetings and feedback on the structure of this Workgroup.

Mr. Yerges requested there be discussion about converting the high deductible option for the local government program at the same time there is discussion about the high deductible health plan for the state.

ADJOURNMENT

MOTION: Ms. Cyganek moved to adjourn the meeting, which passed unanimously on a voice vote.

The meeting adjourned at 10:35 a.m.

Date Approved: _____

Signed: _____

Michael Farrell, Secretary
Group Insurance Board
Strategic Planning Workgroup