

DRAFT

MINUTES

May 21, 2013

Group Insurance Board
State of Wisconsin

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



BOARD MEMBERS PRESENT:

Jon Litscher, Chair	Chuck Grapentine
Bonnie Cyganek, Vice-Chair	Brian Hayes
Jessica O'Donnell, Secretary	Daniel Schwartzer
Herschel Day	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
Liz Jones-Queensland, Cheryllynn	Bill Kox, Deputy Administrator
Mullins, Board Liaisons	Jeff Bogardus, John Bott, Jim Guidry,
	Roni Harper, Holly Klawitter, Emily
	Loman, Deb Roemer, Mary Statz
	Legal Services: David Nispel

OTHERS PRESENT:

ETF Division of Insurance Services: Gina Fischer, Arlene Larson, Brian Shah, Ann Suchomel	ETF Office of Communications and Legislation: Tarna Hunter, Nancy Ketterhagen, Mark Lamkins
ETF Division of Management Services: Pam Henning	ETF Office of Internal Audit: John Vincent
ETF Division of Retirement Services: Anne Boudreau	Department of Administration: Jenny Kraus, Mickie Waterman, Hannah Zillmer
ETF Legal Services: Allen Angel, Liz Doss-Anderson, Dan Hayes	Department of Justice: Charlotte Gibson

Board	Mtg Date	Item #
GIB	8.27.13	1

Legislative Audit Bureau: Jake Gasser, Brian Geib	Mercy Care: Sherri Sargent
Office of Commissioner of Insurance: Terri Carlson, Jennifer Stegall	Minnesota Life: Kjirsten Elsner, Chris Schmelzer
Aflac: Jason Sizepeniak	Momentum: Heather Huber
Altria: Chris Borgerding	Navitus: Steve Alexander, Brent Eberle, Tom Pabich
Ameritas Group: Jeremy Earp, Cathy Hodgson	Network Health Plan: Carrie Helms
Anthem: Angie Gehrman, Marin LaPlante Kleinke, Brian Martin	Physicians Plus: Ron Sebranek
Colonial Life: Pat Flanagan	Security Health Plan: Becky Gorst
Dean Health Plan: Penny Bound	The Alliance: Melissa Duffy
Deloitte: Tim Gustafson, Pat Pechacek, Dan Plante	University of Wisconsin Hospital & Clinics: Trina Ruppert, Kris Sutcliffe
EPIC: Russell Hann, Bill Weyers	University of Wisconsin System Admin: Lindi Farra, Beth Ritchie, LaDonna Steinert
Gundersen Health Plan: Sam Schmirler	United Healthcare: Andrea Darling
Group Health Cooperative – South Central Wisconsin: Emily Daws, Elizabeth Dye, Allan Wearing	Unity Health Insurance: Kathy Ikeman
HealthChoice: Juliatt Dykstra	WEA Trust: Susan Baez, Sandra Dennis
Humana: Shari Stoltmann, Lisa Wills	Wisconsin Association of Health Plans: Phil Dougherty, Nancy Wenzel
Medical Associates Clinic and Health Plans: Joy Kaiser	Wisconsin Dental Association: Erika Valadez
	WPS: David Grunke, Greg Nelson

Jon Litscher, Chair, Group Insurance Board (Board), called the meeting to order at 8:30 a.m.

CONSIDERATION OF FEBRUARY 5, 2013 OPEN SESSION MEETING MINUTES

MOTION: Ms. Thompson moved approval of the February 5, 2013 open session meeting minutes as submitted by the Board Liaison. Mr. Yerges seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Ms. Ellinger made several announcements:

- Mary Statz is the new Director of the Health Benefits and Insurance Plans Bureau.
- Herschel Day is a new Board member. He is Esther Olson's replacement and his term was effective May 1, 2013.
- Liz Jones-Queensland is the new Board Liaison.

Chair Litscher presented Esther Olson with a plaque commemorating her years of service on the Board.

ELECTION OF OFFICERS

Chair Litscher stated that due to Esther Olson's departure from the Board, a new Board Vice-Chair must be elected.

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

HEALTH INSURANCE

Request for Information – Self-Insured Plan Design

Ms. Ellinger explained that earlier this year, the Department of Employee Trust Funds (ETF) requested that Deloitte Consulting, LLC, solicit information from ETF's existing health plans and other interested insurers to analyze the potential cost savings of moving ETF's programs to a self-insured model. The information submissions were due on May 15, 2013.

Tim Gustafson, Dan Plante and Pat Pechacek of Deloitte updated the Board on the Request for Information (RFI) timeline. There were two functions occurring concurrently: the formal RFI on a self-insured model and a Supplemental Information Request for existing health plans. For the RFI, Deloitte received four letters of intent from potential insurers. For the Supplemental Information Request, Deloitte received responses from all but two of ETF's existing plans. Deloitte anticipates releasing its first

draft report on the collected data by mid-July. Ms. Ellinger commented that ETF staff has contacted members regarding their availability in late June for a potential Strategic Planning Workgroup meeting. This will ensure members stay up to date on Deloitte's analysis.

Guidelines/Uniform Benefits Changes

Ms. Loman, with the assistance of Mr. Kox and Ms. Statz, referred the Board members to the memo, "Updated Recommendation for Guidelines Relating to Federal Essential Health Benefits". The recommendation in this memo replaces what is being recommended in Section 1 of the original memo (ref. GIB | 5.21.13 | 4B). With additional provisions from federal health care reform going into effect in 2014, there are Essential Health Benefits (EHBs) identified in each state's benchmark plan. If EHBs are provided, there is a requirement under federal law that dollar limits be removed.

There are currently four benefits in ETF's program that have dollar limits: dental implants, hearing aids, dental benefits for children and Temporomandibular Joint Disorders (TMJ). The initial recommendation was to remove the dollar limits on these four benefits, and, when available, implement cost-neutral actuarial substitutes. Subsequent to the publication of the original memo, ETF staff learned large group plans have the flexibility to adopt another state's benchmark plan. Nine state benchmarks do not provide EHBs for three out of the four benefits. All state benchmark plans provide benefits for pediatric dental services.

ETF staff recommends the Board adopt a different state's benchmark plan in order to maintain current benefits for hearing aids, TMJ and dental implants. ETF staff believes the current benefits are comparatively generous despite dollar limits, and that they provide innovative plan choice for consumers as contemplated by the Department of Health and Human Services (HHS).

Ms. Loman directed the Board to the memo (ref. GIB | 5.21.13 | 4B), which is presented to the Board annually. This memo highlights the work the Study Group conducted this past spring to recommend benefits and administrative changes for 2014.

Mr. Kox explained concerns about the ability to move toward a standardized wellness benefit for 2014. ETF is approaching the annual bid and negotiation process and many issues surrounding a standardized wellness benefit are undecided. If there is going to be a uniform incentive, the health plans will need that information in the very near future to guide their bid submissions. This means there would not be time for the Board to take action on the uniform wellness benefit before the 2014 bid process is underway.

Mr. Schwartz expressed concern over the Board's ability to make a decision on the standardized wellness incentive. There was discussion on the logistics of the Board voting on this issue before any changes are implemented.

MOTION: Mr. Schwartzer made a motion to move forward on a uniform wellness incentive of \$150 and to set aside the Third Party Administration issue of the biometric screening until the June meeting of the Strategic Planning Workgroup. Mr. Hayes seconded the motion, which passed unanimously on a voice vote.

MOTION: Mr. Grapentine moved to adopt the recommendation of ETF to adopt the guidelines and uniform benefit changes discussed in the memo and grant staff the authority to make additional technical changes as necessary for compliance with federal regulations. Mr. Farrell seconded the motion, which passed unanimously on a voice vote.

MOTION: Mr. Grapentine moved to amend ETF's recommendation on the Rate-Making Process to include that the Board reserve the right at its sole discretion to reopen the bid process. Mr. Schwartzer seconded the motion, which passed on a voice vote, with Mr. Litscher dissenting.

MOTION: Ms. Thompson moved to adopt the recommendation relating to Federal Essential Health Benefits discussed in the memo and grant staff the authority to make additional technical changes as necessary. Mr. Farrell seconded the motion, which passed unanimously on a voice vote.

Consideration of Uniform Dental Plan

Mr. Kox, with the assistance of Ms. Statz, discussed the no deductible, cost-neutral uniform dental plan designed for benefit year 2014 (ref. GIB | 5.21.13 | 4C). This memo provides follow-up information to what was presented to the Board at the February 5, 2013 meeting. ETF staff has since discussed a few minor modifications to the dental plan with the Strategic Planning Workgroup.

Deloitte Consulting, LLC, assisted ETF staff in reviewing the current plans' dental offerings to construct the uniform dental plan. The primary purpose of designing this plan was to help the Board set a level of dental benefits that were consistent with the average level of benefits that is currently available to members. This dental plan design is based on the current Unity health plan offering, which already covers more than 60,000 members. Staff noted the dental plan is not intended to be a comprehensive dental benefit; this plan will simply even out the dental benefit for all participating members.

The valuation of the dental plan design was based on Deloitte's dental pricing model. Actual pricing may vary depending upon each plans' evaluation of the benefit requirements. As recommended, staff believes the uniform dental plan design outlined best meets the needs of the program at this time.

MOTION: Mr. Yerges moved to approve the final draft Uniform Dental Plan Design for benefit year 2014 and grant staff the authority to make additional technical changes as necessary. Ms. Cyganek seconded the motion, which passed unanimously on a voice vote.

Establish It's Your Choice Enrollment Dates

MOTION: Ms. Thompson moved to approve October 7 – November 1, 2013 as the "It's Your Choice" enrollment period for 2014. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote.

Report on Public Reporting

Mr. Bott gave a presentation on public reporting (ref. GIB | 5.21.13 | 4E), which focused on:

- Macro framework of public reporting;
- Status of public reporting nationally;
- State of health care quality;
- Relationship between quality and cost;
- A few pictures of variation in performance;
- Opportunities in quality and cost; and
- Discussion on where we go from here.

In general, use and understanding of public reporting remains low. Reasons for this include the lack in reporting of what is important to consumers, report design not being based on best practices, lack of shared decision making to engage consumers and skepticism of the data and measures.

Possible solutions to these issues include:

- Working with stakeholders in Wisconsin to arrive on a shared set of measures for use in public reporting; and
- Publicly reporting performance where we have:
 - measures that are important to consumers;
 - high volume and high cost;
 - variation in provider performance;
 - a focus on outcome measures; and
 - good performance measurers and valid data.

TriCast Audit of Pharmacy Benefits Manager

Mr. Bogardus directed the Board to the memo summarizing the second of four audits conducted by TriCast for the Pharmacy Benefit Manager (PBM) services and Retiree Drug Subsidy (RDS) programs (ref. GIB | 5.21.13 | 4F). The results of the audit indicate

Navitus is appropriately administering the benefit according to the contract with the Board.

The final RDS audit and the next pharmacy benefits audit will be completed by the end of 2013. ETF staff is working with TriCast to develop an audit of the Employer Group Waiver Plan (EGWP), which is the Medicare Part D program that replaced the RDS program in January 2012.

Consideration of Pharmacy Benefits Manager Contract Extension

Mr. Bogardus referred the Board to the memo on the consideration of the PBM contract extension (ref. GIB | 5.21.13 | 4G). Navitus has been the Board's PBM since 2004 and this extension applies to the most recent contract. The current contract will end December 31, 2013.

Navitus has proposed maintaining the current 2013 administrative fees for both 2014 and 2015 plan years. Navitus has satisfactorily administered the pharmacy benefits in accordance with the agreed-upon standards and by the terms of the administrative agreement.

While the current contract allows for a four-year extension, ETF staff supports a two-year extension. ETF staff feels the two year extension is warranted, given the uncertainty of what lies ahead for health insurance programs because of the Patient Protection and Affordable Care Act (PPACA) and state legislative mandates.

MOTION: Mr. Farrell moved to exercise the option for a two-year extension of Navitus' contract for the administration of pharmacy benefits as the Board's pharmacy benefit manager and extend the contract for services to run from January 1, 2014 through December 31, 2015, with the understanding that in November of 2015, ETF will present the option of doing a Request for Proposal (RFP). Ms. Cyganek seconded the motion, which passed unanimously on a voice vote.

Specialty Pharmacy Selection Criteria

Ms. Ellinger commented that a year ago, the Board approved the addition of a level four co-pay to ETF's pharmacy benefits for specialty medications. ETF then put an incentive in place to direct members to the Navitus Specialty Pharmacy, which is called Diplomat, in order to take advantage of potential cost savings and customer service benefits available through Diplomat. Ms. Ellinger stated that there has been a lot of interest in this change. At the February 5, 2013 Board meeting, Mr. Hayes moved to have Navitus provide written standards on the selection criteria it used to choose to partner with Diplomat.

Brent Eberle from Navitus gave a presentation on Specialty Pharmacy (ref. GIB | 5.21.13 | 4H). Specialty Pharmacy is defined as a subset of medications that include some or all of the following characteristics:

- Expensive with high cost potential;
- Produced through biotechnology mechanism;
- Often administered by injection;
- Associated with complex clinical management;
- Requires close patient monitoring;
- Distributed through specialty pharmacy network; and
- Special handling or shipping requirements.

Mr. Eberle said the Food and Drug Administration (FDA) approved more specialty drugs than traditional drugs for the first time in 2010, and this trend continued in 2011 and 2012. The drugs in this category have an average cost of \$2,000 - \$3,000 per month of therapy. By 2018, specialty drugs are projected to account for 50% of total drug costs.

The ETF specialty trend has been growing at 12 - 15% per year for the past three years, while the non-specialty trend has been flat to negative during the same time period. Less than 1% of prescriptions are for specialty drugs, but more than 21% of the overall plan paid costs for ETF last year was for specialty drugs.

Mr. Eberle explained that from Navitus' perspective, this issue is very complex. Although many of the approved specialty drugs have been effective, there is a large cost associated with these medications in comparison to traditional drugs.

Strategic Planning Workgroup

Ms. Cyganek updated the Board on the Strategic Planning Workgroup. The Workgroup has met three times since February and focused on items needing immediate attention. The Workgroup started by reviewing proposed items included in the 2013–2015 Biennial Budget that affect ETF's programs, including the tobacco use surcharge and developing a high deductible plan for 2015. There has also been discussion on the self-insured model, including the Deloitte study on medical cost containment strategies in other states. ETF has contacted participating Workgroup members to get feedback on the focus and structure of this group. The goal is for the Workgroup to begin to focus on long-term planning discussions.

Consideration of Tobacco Surcharge Guidelines

Ms. Klawitter, with the assistance of Mr. Kox and Ms. Statz, discussed the memo regarding the consideration of Tobacco Surcharge Guidelines (ref. GIB | 5.21.13 | 4J). Some of the key features of the proposed tobacco surcharge statute include:

- Non-statutory provisions set the surcharge at \$50 per month for 2014 – 2015.

- Surcharge amounts paid by annuitants are to be used to reduce future health care coverage premiums and ETF's costs incurred in providing health care.
- The Department of Administration (DOA) Secretary annually determines the amount of surcharge transferred to ETF to reimburse these costs.
- The surcharge applies to eligible employees and annuitants. Wis. Stats. 40.51 (6) limits it to state employees.
- The Board shall impose the premium surcharge.

ETF staff identified that termination of health insurance coverage for employees filing false attestations would not be allowable under the recent federal guidelines. There has been an amendment introduced through the Budget Bill errata that would strike the termination of coverage language. The amendment proposes the Board be given the authority to recoup any funds or surcharges due to a false attestation.

The intent of the surcharge is to reduce tobacco use and improve employee health. ETF staff believes these recommendations for policy development will support that intent, and does not anticipate that changes in uniform benefits will be needed in order to administer this surcharge. ETF staff is recommending that a vendor be used for attestation administration, and will provide a final recommendation on how to handle false attestations at the August 27, 2013 Board meeting.

The Board discussed changing the look-back recommendation from two months to six months. Ms. Klawitter commented that after reviewing other states with tobacco surcharge policies in place, a two-month look-back was found to be an appropriate amount of time to allow someone to quit smoking and complete a tobacco cessation program.

MOTION: Mr. Grapentine moved to approve the proposed guidelines for tobacco use surcharge policies with a six month look-back. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.

The Board took a break at 10:55 a.m. and reconvened at 11:05 a.m.

OPTIONAL EMPLOYEE PAY-ALL INSURANCE

Consideration of Aflac Proposal to Market

Ms. Harper, with the assistance of Mr. Kox, presented the memo titled "Aflac Proposal to Offer Two New Optional Plans to State Employees" (ref. GIB | 5.21.13 | 5A).

In considering an optional plan, the Board must consider the following standards:

- Must be true group insurance. Although each state agency signs its own administrative contract, the "group" consists of all eligible state employees.

- Must retain no more than 25% of premium income for other than claims payment. In other words, the loss ratio should be at least 75%, especially on average.
- Must demonstrate financial stability as a plan and company.
- Must offer coverage that is not readily or adequately provided by other plans available to state employees (exceptions for higher quality benefits and/or lower price).
- Should have broad-based community support.

The Group Accident Advantage Plus Plan offers guaranteed issue for eligible applicants. It has annual open enrollment and portability, and the schedule of benefits is not based on health or health care costs, it is based on incident. It has per treatment payments for medical care related to those accidents and would pay for hospitalization related to those accidents, including some longer-term care in rehab units. It also has an accidental death and dismemberment benefit of \$25,000.

The Group Critical Illness Plan is also a lump sum benefit based on diagnosis. The premiums of this plan are based on age and issue. Once a person's premium is set, it would not change in their lifetime unless the class of participants is rated differently. In this way, the premium structure works a lot like long-term care insurance.

Deloitte Consulting, LLC, has found that both plans do offer the anticipated loss ratio of 75%. The average Aflac loss ratio nationwide for the accidental injury plan is well below 75%, but Aflac has agreed to hold that ratio to 75% to meet the Board's requirements. As Deloitte said, "This represents a more advantageous pricing arrangement to state employees than if they went on the open market." Aflac would only seek adjustments every two years. The loss ratio for the Group Illness Plan is estimated across the life of the plan. It would take 29 years as an individual to reach the loss ratio of 75%, which means a person pays more upfront and less as time progresses.

ETF staff is recommending the Board approve the Aflac Group Accident Advantage Plus Plan, but not approve the Group Critical Illness plan as proposed because the loss ratio standards do not meet the Board's guidelines.

MOTION: Mr. Litscher moved to approve the Aflac Group Accident Advantage Plus Plan as outlined in the amended Aflac proposal. Ms. Thompson seconded the motion, which passed on a voice vote, with Mr. Farrell dissenting.

MOTION: Mr. Yerges moved to not approve the Group Critical Illness plan as proposed. Ms. Cyganek seconded the motion, which passed unanimously on a voice vote.

Chair Litscher suggested the Strategic Planning Workgroup review the process for Optional Plans at a future meeting.

INCOME CONTINUATION INSURANCE AND LONG-TERM DISABILITY INSURANCE PROGRAMS

Acceptance of State and Local Actuarial Valuations

Mr. Gustafson of Deloitte Consulting, LLC, reviewed the State Income Continuation Insurance Plan (ref. GIB | 5.21.13 | 6A 1) and the Local Income Continuation Plan (ref. GIB | 5.21.13 | 6A 2).

The State Income Continuation Insurance Program has assets of more than \$46.9 million and liabilities of \$76.5 million, meaning there is a negative net fund balance of \$30 million. In 2012, there was a 2.1% investment earnings returned, and there were also higher claims incidents rates and higher amounts per claim. Overall, 2012 was consistent with what has been occurring nationally in the group disability insurance industry due to the economy. Mr. Gustafson noted that in 2013, there has started to be a turnaround in the industry, although it is not known at this time how this turnaround will affect ETF's plans.

For the State ICI Program, Deloitte is recommending a 4.5% rate increase for 2014 and is also predicting additional increases of around 4% annually over the next four years. These increases will be needed to get the funding back into balance. Due to the long range nature of these benefits and the liabilities involved, Deloitte believes it is important to regularly review and calibrate the rate increases, rather than taking a more dramatic, shorter-term approach.

MOTION: Chair Litscher moved to approve the State Income Continuation Insurance Plan with a rate increase of 4.5% for 2014. Mr. Farrell seconded the motion, which passed unanimously on a voice vote.

The Local ICI Plan has assets of \$31.4 million and liabilities of \$5.7 million, for a positive net balance of \$25.8 million. Due to the strong fund balance of this program, Deloitte is recommending a continuation of the indefinite waiver of premium. Deloitte expects for the next year and beyond, the investment income should be enough to continue to pay for the cost of the plan.

MOTION: Chair Litscher moved to approve the Local Income Continuation Insurance Plan with no change in the premiums. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.

Income Continuation Insurance Program Design Changes

Mr. Guidry, with the assistance of Ms. Roemer, directed the Board to the memo regarding revisions to the State and Local Income Continuation (ICI) Plans (ref. GIB | 5.21.13 | 6B). ETF staff is recommending a redesign of ETF's disabilities programs.

ETF's recommendation uses a three step process that will ultimately replace the current ICI, Long-Term Disability Insurance (LTDI), and the Disability Annuity Programs with one Disability Income Replacement Program for all participants. These steps are:

- **Step One:** Make changes to the ICI Program as presented at this meeting.
- **Step Two:** Recommend more significant changes. These changes will require statutory and administrative rule changes, including repealing LTDI and decoupling the sick leave requirement from the ICI Program. These recommendations will be presented at a future Board meeting.
- **Step Three:** Replace the existing disability programs with a single income replacement program. This recommendation will not include changes to the Duty Disability Program, which will maintain its current structure.

Most of the recommendations for the ICI Program represent technical changes not originally specified in the plan language, but will update the contract to represent current practice. There are also policy recommendations, which include:

- Permitting nurse practitioners to medically certify disability for ICI purposes;
- Providing a 30-day enrollment period for employees returning from leave of absence (LOA) to enroll in ICI coverage; and
- Removing the requirement that if an employee was not properly enrolled due to employer error, the employee must have paid premiums for 12 consecutive months before they can be deemed insured.

MOTION: Mr. Farrell moved to approve the revisions to the State and Local Income Continuation Insurance Plan with an effective date of January 1, 2104. Ms. Cyganek seconded the motion, which passed on a voice vote, with Mr. Grapentine dissenting.

APPROVAL OF BOARD POLICIES

Governance Manual Policy on Exiting Closed Session

Mr. Nispel directed the Board to the memo regarding a Governance Manual policy on exiting closed session (ref. GIB | 5.21.13 | 7A). At the February 5, 2013 meeting, the Board asked ETF staff to develop a policy that would govern voting in and exiting from a closed session.

MOTION: Ms. Thompson moved to approve the Closed Session Policy. Ms. O' Donnell seconded the motion, which passed unanimously on a voice vote.

Clearinghouse Rules # 12-054: Technical and Minor Substantive Changes in Existing ETF Administrative Rules

Mr. Nispel directed the Board to the memo discussing Clearinghouse Rule #12-054 (ref. GIB | 5.21.13 | 7B). This is a technical rule that reflects changes that were made legislatively through Acts 10, 32 and 133. It also updates ETF's Administrative Code to reflect current practices. The changes also provide employer's flexibility regarding due dates for submitting various reports to ETF.

MOTION: Ms. Cyganek moved to approve the final version of Clearinghouse Rule # 12-054. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote.

OPERATIONAL UPDATES

Act 32 Study Follow-up: Optional Online Marketplace for Prescriptions

Ms. Ellinger commented that as a result of Act 32, ETF and the Office of State Employment Relations (OSER) were asked to study a number of areas relating to the administration of the health insurance program, including the creation of an online pharmacy option for members. In the time since the study was released, ETF has been working with a vendor to conduct a thorough analysis of the potential cost savings an online pharmacy program could provide to members.

Mr. Bogardus presented the analysis of implementing an online marketplace for prescription drug purchases (ref. GIB | 5.21.13 | 8A). At the time of the study, there were several companies that offered online tools to purchase drugs, which ranged from simple online pharmacies to "auction"-style structures.

BidRx, a company that provides an online offering, approached ETF about the Wisconsin Act 32 Study. ETF worked with BidRx to analyze claims through the BidRx system. From that data, an initial analysis of the 20 drugs with the highest utilization was compiled. The results indicated that the costs from the current PBM would be approximately 9% lower than what could be provided through BidRx.

ETF staff is asking the Board for guidance on pursuing additional analysis of this concept. The Board did not recommend further analysis at this time.

Other Operational Updates

Ms. Ellinger referred to and reviewed the other operational updates included in Board member binders.

MOTION: Ms. Cyganek moved to convene in closed session, pursuant to the exemptions contained in Wis. Stat. § 19.85 (1) (a) for the purpose of quasi-judicial deliberations on an appeal. Mr. Yerges seconded the motion, which passed on the following roll call vote:

Members Voting Aye: Cyganek, Day, Farrell, Grapentine, Litscher, O'Donnell, Schwartzer, Thompson, Yerges

Members Voting Nay: None

Members Absent or Not Voting: Hayes and Nikolai

The Board convened in closed session at 12:07 p.m. and reconvened in open session at 12:15 p.m.

ANNOUNCEMENT OF ACTION TAKEN ON BUSINESS DELIBERATED DURING CLOSED SESSION

Chair Litscher announced that the Board took the following action during closed session:

Appeal 2010-099-GIB

The Board voted to adopt the Hearing Examiner's proposed decision, with modifications.

ADJOURNMENT

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

The Board meeting adjourned at 12:17 p.m.

Date Approved: _____

Signed: _____

Jessica O'Donnell, Secretary
Group Insurance Board