



STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: October 17, 2013
TO: Group Insurance Board
FROM: David H. Nispel, General Counsel
SUBJECT: Status of Pending Legal Cases

This memo is for informational purposes only. No Board action is required.

This memorandum presents the status of pending and recently settled legal cases involving insurance issues and the Department of Employee Trust Funds (ETF) and the Group Insurance Board (Board). In order to maintain Wisconsin Retirement System (WRS) member confidentiality, the names of the parties and case numbers are not identified in this memorandum.

The purpose of this memorandum is to inform you of litigation in which the Board and ETF are parties, or otherwise involved --not to provide any legal advice concerning the cases listed here. Each case is being handled by either an assistant attorney general from the Department of Justice (DOJ) or a private attorney retained by Wisconsin Physicians Service (WPS). If you have any questions about a particular case, I will provide you with the name of the attorney handling the case.

As of October 17, 2013, there are eight cases, which can be divided into the following categories:

Circuit Court Cases (4)

ETF (Board not a party)..... 3
Board and ETF 1

Subrogation Cases Handled by Private Attorney (4)

Reviewed and approved by Robert Marchant, Deputy Secretary
[Signature] Electronically Signed 10/24/13

Table with 3 columns: Board, Mtg Date, Item #. Row 1: GIB, 11.12.13, 6E

(per Article XII, Section H, Administrative
Service Agreement with WPS)
Board 4

CIRCUIT COURT CASES

Case No. 1:

Issue – Appellant changed health insurance plans but argues the initial health plan is responsible for services because their preauthorization approval should have occurred prior to termination of coverage.

Summary – ETF determined that the initial health plan correctly concluded appellant was ineligible for benefits after he switched his insurance coverage to another plan. Payment for service received prior to termination was paid by the initial health plan, but coverage for a second requested service that was not received prior to termination was denied. Board affirmed ETF's determination on November 13, 2012.

Status – An appeal was filed in Dane County Circuit Court on March 25, 2013. A briefing schedule was issued on August 16, 2013. Plaintiff's brief was filed on September 30, 2013.

Attorney – DOJ attorney.

Case No. 2:

Issue – Which party is entitled under the applicable law to the life insurance and retirement death benefits of the deceased WRS member?

Summary – The wife and sister of the deceased are involved in litigation to determine who is legally entitled to the life insurance and retirement death benefits. ETF was named as a defendant in an effort to prevent the death benefits from being paid. ETF informed the parties and the court that no payments will be made until the case is resolved.

Status – The parties have not resolved the dispute. A trial that had been scheduled for October, 2013, has been rescheduled for March 31-April 4, 2014.

Attorney – DOJ attorney.

Case No. 3:

Issue – ETF provided income continuation insurance benefits following plaintiff's involvement in an automobile accident and seeks repayment for those payments made.

Summary – ETF was named as an involuntary plaintiff in a Winnebago County Circuit Court case in which the plaintiff seeks damages for personal injuries sustained in the accident and a determination of ETF's subrogation interest.

Status – A jury trial is scheduled for February 10-12, 2014.

Attorney – DOJ attorney.

Case No. 4:

Issue – ETF provided income continuation insurance benefits and long term disability benefits following plaintiff's involvement in an automobile accident and seeks repayment for those payments made.

Summary – ETF was named as a defendant in a Winnebago County Circuit Court case in which the plaintiff seeks damages for personal injuries sustained in the accident and a determination of ETF's subrogation interest.

Status – A jury trial is scheduled for December 1-5, 2014.

Attorney – DOJ attorney.

SUBROGATION CASES

WPS has retained private counsel to handle these cases. ETF and DOJ attorneys are not involved. There are 4 cases pending in which the Board or ETF has a subrogation interest in a court action filed by a WRS member because ETF provided benefits to that member following a personal injury.

Staff will be at the Board meeting to answer any questions.