

DRAFT

MINUTES

October 11, 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	Charles Grapentine
Brian Yerges, Vice-Chair	Brian Hayes
Michael Farrell, Secretary	Jessica O'Donnell
Terri Carlson	Daniel Schwartzer
Herschel Day	Nancy Thompson

PARTICIPATING GROUP INSURANCE BOARD MEMBERS:

Jon Litscher

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Division of Insurance Services:	Division of Management Services:
Lisa Ellinger, Administrator	Sherry Etes, Board Liaison
Bill Kox, Deputy Administrator	Cherylynn Mullins, Board Liaison

OTHERS PRESENT:

Allergy Associates: Jeff Kessler	Government Policy Solutions: Forbes McIntosh
Deloitte: Timothy Gustafson Dan Plante Josh Johnson Patrick Pechacek (via teleconference)	Gundersen Health Plan: Eric Tempelis
ETF Division of Insurance Services: Roni Harper, Arlene Larson, Emily Loman, Mary Statz, Jeff Bogardus, Tara Pray, Shayna Gobel	Legislative Fiscal Bureau: Art Zimmerman, Jere Bauer
	Maclver News Bill Osmulski
	Office of the Commissioner of Insurance: Jen Stegall
	Office of State of Employment Relations: Paul Ostrowski

Board	Mtg Date	Item #
GIB-SPW	1/7/2014	1

ETF Office of Communications and Legislation: Mark Lamkins, Tarna Hunter	Security Health Plan: Becky Gorst, Ginger Wolf
ETF Legal Services: Vickie Baker, David Nispel, Liz Doss-Anderson	State Engineering Association: Bob Schaefer
Alliance of Health Insurers: Rebecca Larson	The Alliance: Mark Xistris
AFSCME: Marty Beil	Unity Health Insurance: Kathy Ikeman
Baraboo Ambulance: Troy Snow	UW Hospital: Trina Ruppert, Beth Ritchie
Dean Health Plan: Peter Kammer	Wisconsin Hospital Association: Brian Potter
Department of Administration: Jenny Kraus, Mickie Waterman,	Wisconsin Health News: Tim Stumm
Delta Dental: Steve LeRoy	WPS: Greg Nelson, David Grunke, John Stephens
Group Health Cooperative – South Central Wisconsin: Kevin Hayden, Emily Daws	Wisconsin State Journal: David Wahlberg
WEA Trust: Susan Baez, Sandra Dennis	WisPolitics.com: JR Russ
Wisconsin Association of Health Plans: Nancy Wenzel, Phil Dougherty	WKOW-TV27: Tony Galli
Wisconsin Dental Association: Ramie Zelenkova, Erika Valadez	Wisconsin Eye: John Blandino
	WAHN: Alice O'Connor
	WKOW TV: Nick Mittenzwei
	Others: Dave Petrashek, Dennis Majestic

Ms. Cyganek called the meeting of the Group Insurance Board (Board) Strategic Planning Workgroup (Workgroup) to order at 9:30 a.m.

CONSIDERATION OF JUNE 26, 2013, OPEN AND CLOSED SESSION MEETING MINUTES

Ms. Thompson noted Mr. Litscher was not in attendance at the June 26, 2013 Group Insurance Board Strategic Planning Workgroup (GIBSPW) meeting,

therefore he should be omitted from the members voting aye on the Request for Information on Self Insurance Program Design for the Closed Minutes.

MOTION: Ms. Thompson moved approval of the June 26, 2013, open and closed meeting minutes with the correction as noted above. Mr. Yerges seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Ms. Ellinger introduced Sherry Etes as the new Group Insurance Board Liaison.

Ms. Ellinger announced that procurement for a Wellness Biometric Screening Third Party Administrator (TPA) has begun. Request for Bids went out on September 26, 2013. The Department of Administration plans to evaluate bids in November and anticipates having a TPA on board in January of 2014.

ETF will be starting the procurement process for an actuarial consultant. The Request for Proposal (RFP) will be going out in early 2014. ETF welcomes any Board members who may like to serve on the evaluation committee.

More GIBSPW meetings will be scheduled over the next few months.

ALLERGY SOLUTIONS

Jeff Kessler of Allergy Solutions made a presentation on what Allergy Solutions is and how it works. Mr. Kessler requests the Board's consideration of offering Allergy Solutions as a health care choice for state employees.

SELF-INSURANCE MODEL

Mr. Pechacek of Deloitte Consulting, LLC presented the "Minnesota Advantage Tiered Network Overview". He explained how the program works, plan design, administration, cost, negotiated discounts, and the use of multiple administrators.

Mr. Pechacek answered questions from the Board regarding the information he presented. Questions included:

1. Has there been any noted consolidation in the provider community as a result of reduced reimbursement?
Answer: The model has not forced any provider consolidation that they know of. There has been some consolidation, but Deloitte believes that it is due to other factors, such as a response to the Affordable Care Act.
2. What have the cost savings been before and after the self-insured plan?
Answer: The overall cost savings was about 10%.

REQUEST FOR PROPOSAL OPTIONS

Ms. Ellinger suggested that a formal RFP would provide a higher level of detail to supply the Board with adequate information in making a decision about self-insuring. She indicated that the Workgroup need not detail what the RFP would look like at this time, but staff requests guidance with intent to proceed with an RFP, the timing, and preferences.

The Board discussed the need to review critical data about the state employee health insurance program, including costs, utilization patterns, and areas of variation prior to making a decision about how to proceed with an RFP. The Board specifically requested information from the Wisconsin Health Information Organization (WHIO) database. No motion was made. The Board tabled the discussion of Self-Insurance RFP's until ETF staff has an opportunity to gather and present data to the Board.

HIGH DEDUCTIBLE HEALTH PLAN HEALTH SAVINGS ACCOUNTS/HEALTH REIMBURSEMENT ACCOUNTS

Ms. Ellinger noted that there is overlap between agenda items five and six – the High Deductible Health Plan (HDHP) and the Health Savings Accounts (HSA)/Health Reimbursement Accounts (HRA). Deloitte presented on both topics simultaneously.

Mr. Plante with Deloitte led the Board through the presentation “Strategic Considerations for HDHPs, HSAs, and HRAs”, which outlined specific advantages for both HSAs and HRAs in a comparison chart.

Mr. Plante answered questions from the Board regarding the information he presented. Questions included:

1. Has the decision to couple an HDHP with an HSA or HRA need to be made before an RFP is issued?
Answer: The Board should ask the vendor at the time of the RFP, if they are capable of handling an HSA or HRA, whether self-insured or fully-insured. HSAs tend to be administered through an extra third party vendor that works with the TPA. HRA tends to be administrated by the carrier TPA themselves.
2. If ETF chose to go with an HRA, then would ETF be required to go through Legislative action?
Answer: Ms. Ellinger confirmed that it would and time would be tight to obtain approval.

FUTURE ITEMS FOR DISCUSSION

None

ADJOURNMENT

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

The meeting adjourned at 11:43 a.m.

Date Approved: _____

Signed: _____

Michael Farrell, Secretary
Group Insurance Board
Strategic Planning Workgroup