

DRAFT

MINUTES

November 12, 2013

Group Insurance Board

State of Wisconsin



Location:

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

BOARD MEMBERS PRESENT:

Jon Litscher, Chair
Bonnie Cyganek, Vice-Chair
Terri Carlson
Herschel Day
Michael Farrell

Charles Grapentine
Andrew Hitt
Jessica O'Donnell, Secretary
Daniel Schwartz
Nancy Thompson

BOARD MEMBERS NOT PRESENT:

Brian Yerges

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Bob Conlin, Secretary
Rob Marchant, Deputy Secretary
Division of Insurance Services:
Lisa Ellinger, Administrator
Bill Kox, Deputy Administrator
John Bott, Jeff Bogardus,
Shayna Gobel, Mary Statz
Thomas Hirsch

ETF Legal Services:
Liz Doss-Anderson, Vickie Baker,
Allen Angel
ETF Office of Communications and
Legislation: Tarna Hunter
ETF Board Liaisons: Sherry Etes,
Cheryllynn Mullins

OTHERS PRESENT:

ETF Division of Insurance Services:
Arlene Larson, Tara Pray
Roni Harper, Emily Loman,
Brian Shah
ETF Legal Services:
Dan Hayes, David Nispel
ETF Secretary's Office:
Jack Loman
ETF Office of Internal Audit:
John Vincent

Office of State Employment Relations:
Paul Ostrowski
Representative Dean Knudson:
Tim Lundquist
Security Health Plan:
Becky Gorst
SeniorCare Insurance:
Bill Kumpf, Kevin Kumpf
State Engineering Association:
Bob Schaefer

Board	Mtg Date	Item #
GIB	2.19.14	1

Department of Administration:
Jenny Kraus, Mickie Waterman,
Eric Geane
Anthem:
Brian Martin
Arena Strategy Group:
Sean Stephenson
Association of Career Employees:
Sally Drew
Baraboo Ambulance:
Troy Snow
Dean Health Plan:
Penny Bound, Peter Kammer,
Katie Beals
Deloitte:
Tim Gustafson, Pat Pechacek,
Dan Plante
Delta Dental:
Sunshine Mikilah
Gundersen Health Plan:
Eric Tempelis, Sam Schmirler
Group Health Cooperative – South
Central Wisconsin:
Elizabeth Dye
Humana:
Theresa Lueth, Emily Cada,
Shari Stoltmann
Medical Associates Health Plan:
Joy Kaiser
Minnesota Life:
Chris Schmelzer, Kjisten Elsner
Momentum:
Heather Huber
M3 Insurance:
Diane Wilkinson
Navitus:
Steve Alexander, Tom Pabich,
Tom Radloff
Network Health Plan:
Karla Ashenhurst, Carrie Helms

The Alliance:
Melissa Duffy
University of Wisconsin Hospital & Clinics:
Trina Ruppert
University of Wisconsin System
Administration: Beth Richie
United Healthcare:
Amy Klawitter
Unity Health Insurance:
Kathy Ikeman
WEA Trust:
Mary Hughes, Mary Karsten,
Sandra Dennis
Wisconsin Association of Health Plans:
Phil Dougherty, Nancy Wenzel
Wisconsin Association of Health
Underwriters:
Alice O'Connor
Wisconsin Coalition of Annuitants:
WP Rowe
Wisconsin Collaborative for Health
Care Quality: Matt Gigot
Wisconsin Dental Association:
Erika Valadez
Wisconsin Health Information Organization:
Jo Musser, Sara Jensen
Wisconsin Health News:
Tim Stumm
Wisconsin Hospital Association:
Brian Potter, Joanne Alig
Wisconsin Legislative Fiscal Bureau:
Art Zimmerman, Jere M. Bauer Jr.
Wisconsin Medical Society:
Rick Abrams, Nancy Nankivil
WPS:
John Stephens, David Grunke, Greg
Nelson
Wisconsin State Journal:
David Wahlberg

Jon Litscher, Chair, Group Insurance Board (Board), called the meeting to order at 9:02 a.m.

Mr. Litscher introduced Andrew Hitt as a new Board member. Mr. Hitt is the Assistant Deputy Secretary of the Department of Administration (DOA). Mr. Hitt is the designee of Mike Huebsch, replacing Mr. Hayes.

CONSIDERATION OF AUGUST 27, 2013 OPEN AND CLOSED SESSION MEETING MINUTES

MOTION: Ms. Thompson moved approval of the August 27, 2013 open and closed session meeting minutes as submitted by the Board Liaison. Ms. Cyganek seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Ms. Ellinger made several announcements:

- Recruitment for the Disease Management & Wellness Manager position is wrapping up. She plans to have a new hire in this key role soon.
- Reintroduction: Sherry Etes as the Group Insurance Board Liaison
- The Fourth Annual Disease Management Symposium was held November 7, 2013. The focus was on coordination of care initiatives and highlighted health plans best practices. All of the health plans sent representation.
- DOA has begun the procurement process for a biometric screening administrator. The Letter of Intent should be sent out this week; the plan is to have an administrator on board by January 1, 2014.

STATE EMPLOYEE HEALTH INSURANCE PROGRAM DATA ANALYSIS

Wisconsin Health Information Organization (WHIO)

Ms. Musser of WHIO presented a high level overview of WHIO data to the Board (ref. GIB | 11.12.13 | 3A). This presentation included Employee Trust Funds (ETF) data in comparison to commercial utilization. Ms. Musser explained that one could “drill down” into areas of interest for more specific data.

Ms. Musser answered several questions from the Board regarding the information she presented. The Board expressed interest in obtaining more detailed information pertaining to variances between ETF and commercial utilization rates. Ms. Musser stated the contract between ETF and WHIO would mostly likely support the time involved in doing this additional analysis. Based on the areas she understands to be of

interest to the Board, Ms. Musser estimates it would be approximately 20 hours of work time. The next WHIO presentation will provide greater detail on the variations between ETF and commercial utilization. Ms. Musser and Ms. Ellinger will meet to discuss what areas the Board and staff would like explore for the Group Insurance Board Strategic Planning Workgroup meeting on December 11, 2013.

ETF/WHIO Data Analysis Projects

Mr. Bott directed the Board to a memo on the recent and planned uses of WHIO data (ref. GIB | 11.12.13 | 3B). ETF is currently analyzing and using WHIO data in the areas of pharmacy utilization, physician and clinic quality, high technology radiology, and for the self-insured Request for Information. In the future, ETF plans to use WHIO data for performance measure guidance, data accuracy and integrity, preliminary performance measure assessment, advanced care planning, back pain management and coordination of care.

The Board had an interest in the accuracy and integrity of this data, in addition to the ability to provide reporting at a physician or clinic level.

Disease Management Data Analysis

Dr. Hirsch presented results from the annual health plan disease management survey (ref. GIB | 11.12.13 | 3C). Five interventions were selected to study – management of low back pain, elective out-patient high tech radiology, coordination of care around hospital discharge, shared decision making and improving end of life care. The survey results show significant variation across the health plans, points to opportunities for improvement, and measures the progress of individual plans. This information is shared with the health plans and used to guide discussions during one-on-one strategic planning meetings. ETF will work with the health plans to expand the disease management initiatives for 2015.

Pharmacy Data Presentation

Mr. Bogardus (ETF) and Mr. Radloff (Navitus) presented a summary of plan statistics of pharmacy claims (ref GIB | 11.12.13 | 3D). Ms. Ellinger stated that pharmacy claims tell us a lot about disease prevalence, opportunities for interventions, and potential benefit design changes. Mr. Bogardus led the presentation showing the pharmacy data that is available and how ETF's claims compare to the rest of Navitus's "book of business" (BOB). He also identified the top 10 drug categories by cost and utilization. Mr. Radloff pointed out that this data is very "black and white" – it is all based on claims. He stated that there were no huge variances between ETF and the commercial BOB.

The Board asked about the low utilization of pharmacy mail order programs and what was being done to let employees know that there are cost-saving options through that program. Mr. Radloff explained that historically the participation in mail order programs is very low (about 5%), and it is not unique to ETF. Mr. Radloff stated that they have experienced increased participation in situations where mandating was in place to use

the mail order program. ETF and Navitus have collaborated to promote the program with targeted mailings to employees highlighting cost savings and by reducing the co-pays for a 90-day prescription fill. In addition, Navitus attends state employee health fairs to promote the program.

The Board also suggested that ETF research methods to increase employee participation in biometric screenings.

Annual Data Collection Trend Analysis

Mr. Gustafson, Mr. Plante, and Mr. Pechacek of Deloitte Consulting, LLC, presented the Annual Data Collection Trend Analysis to the Board (ref. GIB | 11.12.13 | 3E) from the annual Addendum 1 submissions that are part of the health plan renewal process. As part of this process health plans submit various claims and membership information, as well as utilization statistics. Deloitte combined the information from all 18 health plans into one state-wide set of data trends for the past five years. It does not include the retirement population or any of the self-insured components of the ETF population. The last two years have shown a steady decline in number of non-maternity bed days. In addition, in-patient and out-patient admissions, physician utilization and prescription utilization show a decrease in 2013. Mr. Plante clarified that the data for 2013 may change, due to the fact that it reflects only the first six months of 2013. Utilization rates typically increase towards the end of the year when people have met their out-of-pocket maximum.

Discussion and Direction from the Board

The Board would like an in-depth analysis of the data from WHIO for the December Strategic Planning Workgroup meeting, understanding that the immediate focus for the Board in 2014 will be centered on designing the high deductible health plan offering in 2015.

Ms. Ellinger noted that she recognizes the Board's interest in focusing on the data sources in order to ultimately contain costs and improve quality, and for the benefit of our members to increase health and wellness. This direction also fits well with the original intent of the GIB Strategic Planning Workgroup to have a more long-term strategic focus.

HEALTH INSURANCE

Local Annuitant Health Plan Rates

Ms. Gobel directed the Board to a memo on the Local Annuitant Health Plan (LAHP) Rates (ref. GIB | 11.12.13 | 4A). This program is showing a slow and steady decline in the number of subscribers. There is a .5% premium increase in the Medicare Supplement plan due to administrative and wellness fees. There are 16 subscribers enrolled in the LAHP under-age 65 PPO who will see an 18% increase in premiums because of four high-cost claims. Beginning in 2014, the LAHP subscribers may

purchase insurance coverage through the Health Insurance Marketplace, which may be lower in cost. Staff expects to review the need for the LAHP PPO plan after 2014.

The Board discussed the possibility of drafting legislation now to begin the process to terminate the LAHP PPO plan. Mr. Litscher announced that the Board will look at it in 2015, to potentially terminate the program in 2016.

Health Plan Guidelines Technical Update

Ms. Statz clarified the changes made to the Health Plan Guidelines Technical Update memo (ref. GIB | 11.12.13 | 4B). In section two, coverage of spouse or domestic partner, the second paragraph was expanded to include specific detail of both types of coverage.

Local Standard Plan

Ms. Gobel directed the Board to a memo on the Wisconsin Public Employer Standard Plans Changes (ref. GIB | 11.12.13 | 4C). This memo is in response to the Board's request at the August 27, 2013 meeting for staff to review the requirements to offer the Wisconsin Public Employer (WPE) Standard Plans (Standard Plan and Medicare Plus). As of January 2013, there are 278 members (.7% of overall membership) enrolled in either the Standard Plan or Medicare Plus plans, and enrollment continues to decrease. The Standard Plan is required by state statute. There are several alternatives to providing this plan, but statutory action would be required to eliminate it.

The Board requests that staff look at this plan for possible elimination for 2016.

Ombudsperson Services

Ms. Doss-Anderson, Mr. Angel and Ms. Baker directed the Board to a memo (ref. GIB | 11.12.13 | 5) with an update on Member Education and Outreach. Throughout the year Ombudsperson staff work with Wisconsin Retirement System (WRS) members, health plans, employers, and internal staff to resolve member issues related to WRS benefits.

OPERATIONAL UPDATES

Strategic Planning Workgroup

Ms. Cyganek updated the Board on the status of the Strategic Planning Workgroup. The Workgroup met on October 11, 2013 and received detailed presentations from Allergy Associates and Deloitte. There was discussion about the potential of issuing a Request for Proposal for self-insurance on a regional pilot basis, or contracting with a single statewide administrator. Deloitte presented information on the implications of developing a high deductible plan. The Workgroup will continue to work on the high deductible plan at the December 11, 2013 and January 7, 2014 meetings.

Legislative Update

Ms. Hunter directed the Board to a memo (ref. GIB | 11.12.13 | 6B) highlighting bills that are currently before the Legislature.

- 2013 AB 216 and 2013 SB 202
- 2013 AB 139 and 2013 SB 137
- 2013 AB 331
- 2013 SB 300 and 2013 AB 392

Other Operational Updates

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

ADJOURNMENT

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

The Board meeting adjourned at 12:03 p.m.

Date Approved: _____

Signed: _____

Jessica O'Donnell, Secretary
Group Insurance Board