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CORRESPONDENCE MEMORANDUM

DATE: February 12, 2014
TO: Group Insurance Board
FROM: Lisa Ellinger, Administrator, Division of Insurance Services
SUBJECT: Strategic Planning Update

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

Employee Trust Funds (ETF) initiated a formal, structured, strategic planning process in late 2013 within the Health Benefits and Insurance Plans Bureau (Bureau). The objective of this effort is as follows:

To undertake a collaborative strategic planning process involving the state, as an employer; ETF, as an administrator; the Group Insurance Board; and others, as appropriate, to define the strategic mission, vision, and goals that will guide the future design and administration of the employee benefit plans administered by ETF and to identify concrete, measurable objectives toward achieving the strategic mission, vision and goals.

The purpose of this memo is to share the progress of this initiative to date, seek feedback, and describe anticipated next steps.

Background

In late 2013 and early 2014, the Bureau used its monthly Bureau meetings and a series of off-site sessions to focus on strategic planning. Leadership from the Division of Insurance Services, as well as the Secretary's Office, also participated in these sessions. Early discussions focused on reviewing the ETF Mission Statement and ETF's statutorily defined creation and purpose. These items follow below for the Board's reference:

ETF Mission Statement

To develop and deliver quality benefits and services to our customers while safeguarding the integrity of the Trust.

Reviewed and approved by Robert J. Marchant, Deputy Secretary

Electronically signed:
02/13/2014

Board	Mtg Date	Item #
GIB	2.19.14	7B

Wis. Stat. 40.01(1) Creation and Purpose

A "public employee trust fund" is created to aid public employees in protecting themselves and their beneficiaries against the financial hardships of old age, disability, death, illness and accident, thereby promoting economy and efficiency in public service by facilitating the attraction and retention of competent employees, by enhancing employee morale, by providing for the orderly and humane departure from service of employees no longer able to perform their duties effectively, by establishing equitable benefit standards throughout public employment, by achieving administrative expense savings and by facilitating transfer of personnel between public employers.

Within that framework, we then collectively developed a draft Mission, Vision and Goals for the Bureau.

Bureau Mission

To develop, deliver, and communicate insurance benefits that maximize quality and value.

Bureau Vision

In the next 5 years, pursuant to the guidance of the Group Insurance Board, we will engage our members, employers, Board, and vendors in a partnership to collectively improve the quality and value of our insurance benefits. We will achieve our vision through the following goals:

Goals:

- **Maximize Quality and Value** by strategically using, improving, expanding, and communicating data and metrics to inform evidence-based, forward-thinking decision-making at all levels.
- **Contain Costs** by proactively identifying program efficiencies and targeting sustainable program costs for our employers and members while maintaining quality benefits.
- **Improve Health and Wellness** by designing life enhancing benefits that are responsive to our members' needs.
- **Engage and Educate our Members and Employers** with the information needed to maximize the efficient, appropriate utilization of insurance benefits and services.
- **Deliver Benefits that Enable Public Employers to Attract and Retain a Quality Workforce**
- **Model Administrative Innovation** by continuously supporting the development and expansion of insurance policy expertise to keep current with industry trends and proactively identify potential opportunities.

Some of these goals are relatively new to the program. Others reflect longstanding efforts of ETF and the Board. We are excited to have these goals documented in a way that can help coordinate and guide our collective efforts. As we finalize the planning

process and incorporate feedback from the Board and others, we look forward to working with the Board to focus on initiatives that achieve the strategic goals.

Next Steps

The crucial next step in this process will be to obtain Board and Workgroup input on the draft strategic plan. As stated above in the draft vision statement, the goal is to pursue the identified objectives under the guidance of the Board. Board review and feedback will ensure that staff are focusing time and effort on the areas that are the top priorities of the Board.

This effort will also feed into the development of the “Scope of Work” outline to procure a benefits consultant, as discussed at the January Workgroup meeting. Likewise, this work will help shape ETF’s biennial budget request, which is due to the Department of Administration in September.

Finally, we are currently working to define the concrete, measurable objectives that we will accomplish over the remainder of this year to support each strategic goal. For example, under the goal of cost containment, a 2014 objective could be to negotiate a 2015 premium rate increase that is within the Consumer Price Index (CPI). We will share these objectives with the Workgroup and seek their feedback at their next meeting. These objectives are a key tool for documenting the progress we are making and for identifying areas where we can make improvements. Some of the areas we are researching as we define these objectives include:

- Data and Measurement / Data Warehousing
- Tiering / Steerage Models, Reference Pricing, Centers of Excellence
- Disease Management
- Pharmacy and Specialty Pharmacy
- Member Education / Communication / Engagement
- Consumer Driven Health Care Design
- Wellness
- Affordable Care Act Impacts
- Annual Health Insurance Negotiations Process and It’s Your Choice Communications
- Local Annuitant Health Plan
- Dental Benefits: Stand-Alone Carve Out Model and Optional Plans
- Spousal Coverage Options

The Bureau’s strategic planning efforts come at a time when ETF is undertaking a multi-year initiative to transform, integrate, and modernize its Information Technology systems and business processes. Because staff resources are limited and many staff will be needed for the projects that make up that initiative, it has become even more critical that we strategically focus our “day-to-day” efforts on those items that are a top priority. The strategic plan will be a key tool to help us do so.

Staff will be at the Board meeting to answer questions.