

DRAFT

MINUTES

January 7, 2014

Group Insurance Board
Strategic Planning Workgroup
State of Wisconsin



Location:

Lussier Family Heritage Center
3101 Lake Farm Road, Madison, WI

WORKGROUP MEMBERS PRESENT:

Bonnie Cyganek, Chair	Andrew Hitt
Michael Farrell, Secretary	Jessica O'Donnell
Terri Carlson	Daniel Schwartz
Herschel Day (Phone)	Nancy Thompson
Charles Grapentine	

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Secretary's Office:	Division of Management Services:
Rob Marchant, Deputy Secretary	Sherry Etes, Board Liaison
Division of Insurance Services:	Sharon Walk, Executive Staff Assistant
Lisa Ellinger, Administrator	Supervisor
Bill Kox, Deputy Administrator	

OTHERS PRESENT:

Deloitte:	Legislative Audit Bureau:
Timothy Gustafson	Jake Gasser
Dan Plante	Network Health Plan:
Josh Johnson	Carrie Helms
Patrick Pechacek	Office of the Commissioner of Insurance:
ETF Division of Insurance Services:	Jen Stegall
Arlene Larson, Mary Statz, Jeff	Office of State of Employment Relations:
Bogardus, Tara Pray, Shayna	Paul Ostrowski
Gobel, John Bott, Sarah Bradley	Security Health Plan:
ETF Legal Services:	Becky Gorst, Ginger Wolf
Liz Doss-Anderson	State Engineering Association:
Alliance of Health Insurers:	Bob Schaefer
James Buchen	The Alliance:
Anthem Blue Cross Blue Shield:	Melissa Duffy
Brian Martin	Unity Health Insurance:
	Brian Collien, Jennifer Hartwig

Board	Mtg Date	Item #
GIB-SPW	3/18/14	1

Baraboo Ambulance:

Troy Snow

Dean Health Plan:

Peter Kammer, Penny Bound,
Katie Beals

Department of Administration:

Jenny Kraus

Delta Dental:

Steve LeRoy

Group Health Cooperative – South

Central Wisconsin:

Emily Daws

Gundersen Health Plan:

Sam Schmirler

UW Hospital:

Trina Ruppert, Beth Ritchie

WEA Trust:

Mary Karsten

Wisconsin Association of Health Plans:

Nancy Wenzel, Phil Dougherty

Wisconsin Hospital Association:

Brian Potter

Wisconsin Health News:

Tim Stumm

WPS:

Greg Nelson, David Grunke,

Ms. Cyganek called the meeting of the Group Insurance Board (Board) Strategic Planning Workgroup (Workgroup) to order at 9:35 a.m.

CONSIDERATION OF OCTOBER 11, 2013, OPEN MEETING MINUTES

MOTION: Ms. Thompson moved approval of the October 11, 2013, open meeting minutes. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Ms. Ellinger had several announcements:

- Due to increasing attendance in late 2013, the Group Insurance Board Strategic Planning Workgroup (GIBSPW) and Group Insurance Board (Board) meetings have been moved to the Lussier Family Heritage Center to provide more space.
- Sarah Bradley is the new Disease Management and Wellness Manager.
- Long-Term Strategic Planning in 2014 for GIBSPW. The Health Benefits and Insurance Plans Bureau will be participating in a series of strategic planning retreats in January to put together a five-year work plan on areas of expertise, industry trends, and topics of interest to the Board. Staff hopes to bring a draft of this work to the GIBSPW for feedback and revision at the March meeting.
- In January, staff will begin meetings with 10 of our largest health plans to obtain feedback and solicit ideas on containing costs, driving value, and quality improvement opportunities in our programs. We will also communicate our strategic planning process and goals of the GIBSPW for 2014.

Mr. Marchant noted that the Secretary's Office is fully behind, and engaged, in this effort. The Board now has significant statutory authority and flexibility to make changes and improvements to the health insurance program. It is important that the Board have this structure and a process in place to start creating a vision for the future.

STATE EMPLOYEE HEALTH INSURANCE PROGRA DATA ANALYSIS

Ms. Musser and Ms. Jensen of Wisconsin Health Information Organization (WHIO) presented a follow-up report which investigated some of the questions that were asked at the November Board meeting. These included:

- Differences in \$0-\$5,000 ranges in utilization between non-ETF commercial and ETF employees
- Analysis of the differences in service utilization categories in the \$5,000-\$10,000 range for billed amounts
- Regional variation

There was discussion among the Workgroup pertaining to "Professional Other" data, which was primarily comprised of dental and dermatology claims. ETF utilization may be higher than non-ETF due to the State's plan having a more generous dental benefit, however, there may have also been more dental surgeries that appear in the medical claims portion. Further investigation is needed to clarify.

The Workgroup expressed an interest in obtaining the services of a benefit consultant to assist in additional analysis of the WHIO data, as well as other plan design recommendations. Ms. Ellinger stated that this type of assistance would be welcome, if funding was available. Mr. Hitt indicated his willingness to work with the Department of Administration and ETF to move things forward. The Workgroup directed that this topic be revisited on a future agenda.

HIGH DEDUCTIBLE HEALTH PLAN (HDHP)

Mr. Plante, Mr. Pechacek, and Mr. Johnson of Deloitte Consulting, LLC presented a report on the HDHP with a Health Spending Account (HSA) mandate, timelines, decision points, detailed comparisons, and actuarial considerations.

Discussion:

- The HDHP was a requirement of the biennial budget (Act 20).
- The intent is to drive appropriate utilization, be cost effective, and to make this type of offering available to state employees.
- The HDHP/HSA plan should be structured to encourage enrollment should be proactively communicated to employees

- A significant communication and education effort will be necessary to drive participation.
- The success of enrollment efforts will ultimately depend on the design, funding levels, and communication.
- The Board could consider focusing on implementation for 2015, and target 2016 for a more robust enrollment campaign.
- The HDHP will be designed to be cost-neutral.
- The program should have sufficient enrollment to be “viable” – it should not cost more than the current offering to administer.
- The HDHP plan should be designed to protect against adverse selection.
- The single versus family HSA contributions look imbalanced, appearing that the family plan was more beneficial than the single plan. Mr. Plante stated that structure actuarially mirrored the HMO, but the actuarial values can be changed to make it appear optically in balance.

HEALTH SPENDING ACCOUNTS/HEALTH REIMBURSEMENT ACCOUNTS

Ms. Ellinger explained that the HSA/HRA Study co-authored by OSER is due to the Governor and Legislature January 31, 2014. ETF is drafting its portion of the study and will be sharing the draft with OSER later this week. Areas of focus will include control, flexibility, and simplicity. Shifting to an HRA from an HSA for our program in 2015 is not likely because it would require a statutory change.

PHARMACY BENEFITS MAIL ORDER PROGRAM

Mr. Bogardus presented a memo to provide additional information about the mail order prescription drug coverage benefits included under the group health insurance programs.

Ms. Ellinger pointed out that there is low participation in mail order, less than 2% of claims, but that is comparable to Navitus’ general book of business (BOB). ETF would need to mandate the program to increase participation.

FUTURE ITEMS FOR DISCUSSION

- Benefit Consultant
- Direction of Board on the design of the HDHP

ADJOURNMENT

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

The meeting adjourned at 11:52 a.m.

Date Approved: _____

Signed: _____

Michael Farrell, Secretary
Group Insurance Board
Strategic Planning Workgroup