

DRAFT

MINUTES

February 19, 2014

Group Insurance Board

State of Wisconsin

Location:

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



BOARD MEMBERS PRESENT:

Jon Litscher, Chair
Bonnie Cyganek, Vice-Chair
Jessica O'Donnell, Secretary
Terri Carlson
Herschel Day
Michael Farrell

Charles Grapentine
Andrew Hitt
Daniel Schwartzner
Nancy Thompson
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, Roni Harper, Emily
Loman, Tara Pray, Brian Shah,
Mary Statz

ETF Board Liaison:
Sherry Etes

OTHERS PRESENT:

ETF Division of Insurance Services:
Jeff Bogardus, Arlene Larson,
Shayna Gobel, Sarah Bradley
ETF Legal Services:
David Nispel, Dan Hayes,
Liz Doss-Anderson, Vickie Baker,
Allen Angel
ETF Secretary's Office:
Tarna Hunter, Sharon Walk,
Jack Loman
Department of Administration:
Mickie Waterman, Eric Geane

Mercycare Health Plan:
Sherrie Sargent
Minnesota Life:
Chris Schmelzer, Kjisten Elsner
Navitus:
Steve Alexander, Pam Olson,
Tom Pabich
Network Health Plan:
Carrie Helms
Office of the Commissioner of Insurance:
Jen Stegall

Board	Mtg Date	Item #
GIB	5.21.14	1

Ameritas: Jeremy Earp	Physicians Plus: Ron Sebranek
Anthem: Brian Martin, John Breden	Security Health Plan: Becky Gorst
Baraboo Ambulance: Troy Snow	SeniorCare Insurance: Bill Kumpf, Kevin Kumpf
Dean Health Plan: Penny Bound, Laurie Breitzke, Peter Kammer	University of Wisconsin Hospital & Clinics: Trina Ruppert
Deloitte: Tim Gustafson, Pat Pechacek, Dan Plante, Josh Johnson, Nichole Ramsey	University of Wisconsin System Administration: Beth Richie
Epic Life Insurance: Russell Hann	United Healthcare: Andrea Darling, Kathy Stachura
Gundersen Health Plan: Sam Schmirler	Unity Health Insurance: Kathy Ikeman
Group Health Cooperative – South Central Wisconsin: Emily Daws, Elizabeth Dye	WEA Trust: Mary Karsten
Health Choice: Cliff Morris, Bob Pearson	Wisconsin Dental Association: Erika Valadez
Legislative Audit Bureau: Jake Gasser	Wisconsin Hospital Association: Joanne Alig
	Wisconsin Legislative Fiscal Bureau: Art Zimmerman
	WPS: David Grunke, Greg Nelson

Jon Litscher, Chair, Group Insurance Board (Board), called the meeting to order at 8:30 a.m.

CONSIDERATION OF NOVEMBER 12, 2013 OPEN MEETING MINUTES

MOTION: Ms. Thompson moved approval of the November 12, 2013 open meeting minutes as submitted by the Board Liaison. Mr. Hitt seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Ms. Ellinger made several announcements:

- Sarah Bradley is the new Disease Management and Wellness manager.
- The Department of Administration has contracted with Optum as the Biometric Screening Vendor for 2014.

- The Actuarial Services Request for Proposal bids are in. The ETF Board will meet in April to select a vendor.

ELECTION OF OFFICERS

MOTION: Ms. Cyganek moved to extend the term of Jon Litscher as Chair of the Group Insurance Board (Board) and Jessica O'Donnell as Secretary of the Board. Mr. Hitt seconded the motion, which passed unanimously on a voice vote.

MOTION: Ms. O'Donnell moved to extend the term of Bonnie Cyganek as Vice Chair of the Board. Mr. Farrell seconded the motion, which passed unanimously on a voice vote.

HEALTH INSURANCE

Guidelines and Uniform Benefits Timeline

Ms. Loman referred the Board to the memo (ref. GIB | 2.19.14 | 4A) highlighting contract changes under consideration for state group health insurance programs for 2015. The study group will meet three times and is comprised of ETF staff and representation from Board members, state agencies, the Wisconsin Association of Health Plans, and the Alliance of Health Insurers. Topics of interest will be brought to the Group Insurance Board Strategic Planning Workgroup (Workgroup) for discussion at the March and April meetings. Recommendations will be presented to the Board at the May 2014 meeting for approval.

2014 It's Your Choice Enrollment Results

Mr. Shah directed the Board to the memo (ref. GIB | 2.19.14 | 4B) that summarizes *It's Your Choice* enrollment figures for 2014.

HEDIS® and CAHPS® Report

Mr. Bott gave a presentation (ref. GIB | 2.19.14 | 4C) regarding the report on Healthcare Effectiveness Data and Information Set (HEDIS®) and Consumer Assessment of Health Plans Surveys (CAHPS®). Health plan performance is assessed by grievances, HEDIS® and CAHPS®.

The following changes to performance ratings for *It's Your Choice* (IYC) will be implemented this fall:

- Shift from ETF/vendor administration of CAHPS® surveys to using plans' CAHPS® results
- Recast HEDIS® and CAHPS® measure for IYC
- Revise measure scoring and composite methods
- Improve transparency

High Deductible Health Plan (HDHP)

Mr. Plante, Mr. Pechacek, and Mr. Johnson of Deloitte Consulting, LLC (Deloitte) gave a presentation (ref. GIB | 2.19.14 | 4D) on states currently offering an HDHP and an HDHP plus Health Reimbursement Account (HRA)/Health Savings Account (HSA). Deloitte also presented, for the Board's consideration, six HDHP/HSA "scenarios" that are cost-neutral and meet statutory requirements.

MOTION: Mr. Schwartz made a motion to accept the scenario with a \$1,500 single/\$3,000 family deductible. Mr. Farrell seconded the motion, which passed on a voice vote, with Mr. Grapentine dissenting.

MOTION: Mr. Grapentine made a motion to accept Scenario 3 (\$1,500 single/\$3,000 family deductible with employee contribution set at approximately 35% of the employee contribution for the HMO Plan). Ms. Thompson seconded the motion, which passed unanimously on a voice vote.

LIFE INSURANCE PROGRAM

Third Party Compliance Audit by Wipfli

Ms. Pray referred the Board to the memo (ref. GIB | 2.19.14 | 5A) analyzing Wipfli's audit of Minnesota Life Insurance Company, for the administration of the Wisconsin Public Employers Group Life Insurance Program for plan years 2009, 2010, and 2011.

OPTIONAL PROGRAMS

Long Term Care Replacement Policy

Ms. Harper discussed the memo titled *Consideration of Replacement Long-Term Care Insurance Policy* (ref. GIB | 2.19.14 | 6A). Highlights:

- There is a premium increase for new enrollees only.
- There is a gender-based premium differential.
- Purchasers in the State of Wisconsin group will continue to receive a 5% discount on premiums.
- The replacement policy would be marketed upon approval of the Board.
- Mutual of Omaha is rated A1 by Moody's and A+ by Standard and Poor's.
- The rates follow industry trends.
- There is reasonable justification for the premium rate increase.
- The proposed policy complies with the Guidelines of the Board.

Staff and Deloitte recommend Board approval for the updated long-term care insurance policy (LTC13-AG) proposed by Mutual of Omaha, to be marketed to State of Wisconsin

employees, annuitants, and their families, through HealthChoice Long-Term Care Solutions (HealthChoice).

MOTION: Ms. Cyganek moved to approve the Replacement Long-Term Care Insurance Policy. Ms. Carlson seconded the motion, which passed unanimously on a voice vote.

OPERATIONAL UPDATES

Benefits Administration System (BAS) Update

Mr. Marchant and Mr. Martin presented an overview of the Transformation, Integration and Modernization (TIM) and Benefits Administration System (BAS) efforts. (ref. GIB | 2.19.14 | 7A). Mr. Conlin and Mr. Marchant responded to questions from the Board pertaining to resources needed for this project.

Strategic Planning Update

Ms. Ellinger referred the Board to the memo (ref. GIB | 2.19.14 | 7B) on the progress of the Health Benefits and Insurance Plans Bureau's strategic planning initiative to date and described anticipated next steps.

Health Reimbursement Accounts (HRA)/Health Spending Accounts (HSA) Study

Ms. Ellinger directed the Board to the memo (ref. GIB | 2.19.14 | 7L) on the HRA/HSA Study that was a joint effort between ETF and the Office of State Employment Relations (OSER) as a requirement of Act 20. Ms. Ellinger noted that a Request for Proposal (RFP) is being developed to contract with a third party to administrator the Employee Reimbursement Account (ERA) and HSA programs.

ADJOURNMENT

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

The Board meeting adjourned at 11:17 a.m.

Date Approved: _____

Signed: _____

Jessica O'Donnell, Secretary
Group Insurance Board