



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: April 25, 2014
TO: Group Insurance Board
FROM: David H. Nispel, General Counsel
SUBJECT: Status of Pending Legal Cases

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

This memorandum presents the status of pending or recently concluded legal cases involving insurance issues and the Department of Employee Trust Funds (ETF) and the Group Insurance Board (Board). In order to maintain Wisconsin Retirement System (WRS) member confidentiality, the names of the parties and case numbers are not identified in this memorandum.

The purpose of this memorandum is to inform you of litigation in which the Board and ETF are parties or are otherwise involved, not to provide any legal advice concerning the cases listed here. Each of the cases is being handled by either an assistant attorney general from the Department of Justice (DOJ) or a private attorney retained by Wisconsin Physicians Service (WPS). If you have any questions about a particular case, I will be able to provide you with the name of the attorney handling the case.

As of April 25, 2014, there are seven cases, which can be divided into the following categories:

Circuit Court Cases (4)

ETF (Board not a party) 3
Board and ETF 1

Subrogation Cases Handled by Private Attorney (3)

(per Article XII, Section H, Administrative Service Agreement with WPS)

Reviewed and approved by Robert J. Conlin, Secretary

Handwritten signature of Robert J. Conlin

Electronically Signed:
04/30/2014

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CIRCUIT COURT CASES

Case No. 1:

Issue – Appellant changed health insurance plans but argued the initial health plan is responsible for services because their preauthorization approval should have occurred prior to termination of coverage.

Summary – ETF determined that the initial health plan correctly concluded appellant was ineligible for benefits after he switched his insurance coverage to another plan. Payment for service received prior to termination was paid by the initial health plan, but coverage for a second requested service that was not received prior to termination was denied. The Board affirmed ETF's determination on November 13, 2012.

Status – An appeal was filed in Dane County Circuit Court on March 25, 2013. The court issued a decision on February 7, 2014, affirming the Final Decision of the Board. The time limit to file in the Court of Appeals has passed. This case is closed.

Attorney – DOJ attorney.

Case No. 2:

Issue – Which party is entitled under the applicable law to the life insurance and retirement death benefits of the deceased WRS member?

Summary – The wife and sister of the deceased are involved in litigation to determine who is legally entitled to the life insurance and retirement death benefits. ETF was named as a defendant in an effort to prevent the death benefits from being paid. ETF informed the parties and the court that no payments will be made until the case is resolved.

Status – A four-day trial was held on April 1-4, 2014. At this time, the court has not issued a decision.

Attorney – DOJ attorney.

Case No. 3:

Issue – ETF provided income continuation insurance benefits and long term disability benefits following plaintiff's involvement in an automobile accident and seeks repayment for those payments made.

Summary – ETF was named a defendant in a Winnebago County Circuit Court case in which the plaintiff seeks damages for personal injuries sustained in the accident and a determination of ETF's subrogation interest.

Status – On April 4, 2014, the court held a status conference at which an update was given regarding the status of case and a recently filed Stipulation and Order of Dismissal of Claims. A jury trial is scheduled for December 1-5, 2014.

Attorney – DOJ attorney.

Case No. 4:

Issue – ETF provided long term disability benefits following plaintiff's involvement in an automobile accident and seeks repayment for those payments made.

Summary – ETF was named an involuntary plaintiff in a Portage County Circuit Court case in which the plaintiff seeks damages for personal injuries sustained in the accident and a determination of ETF's subrogation interest.

Status – Litigation is in the early stages. Pleadings have been filed and answered. No other pre-trial activity has occurred, and no trial date has been set.

Attorney – DOJ attorney.

SUBROGATION CASES

WPS has retained private counsel to handle these cases, and no ETF or DOJ attorney is involved. There are three cases pending in which the Board or ETF has a subrogation interest in a court action filed by a WRS member because ETF provided benefits to that member following a personal injury.

Staff will be at the Board meeting to answer any questions.