

DRAFT

MINUTES

March 25, 2015

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
Michael Farrell, Secretary
Terri Carlson
Herschel Day
Chuck Grapentine

Michael Heifetz
Ted Neitzke
Paul Ostrowski
Daniel Schwartz
Nancy Thompson

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Bob Conlin, Secretary
John Voelker, Deputy Secretary
Lisa Ellinger, Administrator
Division of Insurance Services:
John Bott, Roni Harper

ETF Office of the Secretary:
Sherry Etes, Board Liaison
Sharon Walk, Executive Staff Assistant
Supervisor
Tarna Hunter, Legislative Liaison
ETF of Policy, Privacy and Compliance:
Steve Hurley

OTHERS PRESENT:

Segal Consulting:
Rick Johnson, Ken Vieira,
Richard Ward
ETF Division of Insurance Services:
Sarah Bradley, Jeff Bogardus,
Shayna Gobel, Arlene Larson,
Tara Pray, Mary Statz
ETF Legal Services:
Vickie Baker, Liz Doss- Anderson,
Dan Hayes, Angel Johnson,
David Nispel
Anthem Blue Cross Blue Shield:
Brian Martin, Marin Kleinke
Baraboo Ambulance:
Troy Snow

Navitus:
Tara Argall
Network Health:
Carrie Helms
Office of the Commissioner of Insurance:
Jason Levine
Representative Knodl's Office:
Mark Austinson
Physicians Plus:
Ron Sebranek
SSM Health Care Wisconsin:
Andrew Gustafson
STAR Project:
Jenny Duis, Brenda Sedmak

Board	Mtg Date	Item #
GIB	05.19.15	1

Dean Health Plan: Katie Beals, Penny Bound, Victoria Labovsky	Security Health Plan: Becky Gorst
Delta Dental: David Peterson	UnitedHealthCare: Chris Eces
Department of Administration: Mickie Waterman	UnitedHealth Group: Amy Boyer
EPIC Russell Hann, Wendy Hougan,	Unity Health Insurance: Kathy Ikeman, Cari Alexander
Group Health Cooperative – South Central Wisconsin: Emily Daws,	UW Hospital and Clinics: Beth Ritchie, Trina Ruppert
Gundersen Health Plan: Cali Kline, Kris Scholze, Greg Skemp	University of Wisconsin System Administration: LaDonna Steinert, Kara Webber
Health Choice: Cliff Morris, Bob Pearson	WEA Trust: Rachel Carabell, Mary Jo Gordon, Mary Karsten
Humana: Mary Haffenbredl, Elisabeth Wright	Wisconsin Association of Health Plans: Phil Dougherty, Tim Lindquist, Nancy Wenzel
Kammer Group: Nels Rude	Wisconsin Association of Health Underwriters: Alice O'Connor
Legislative Audit Bureau: Jake Gasser	Wisconsin Hospital Association: Joanne Alig
Medical Associates Health Plan: Joy Kaiser, Codi Putnam	WPS: David Grunke, Matt Harty
MercyCare: Mary Hess	Wisconsin State Journal: David Wahlberg
Minnesota Life: Kjirsten Elsner, Chris Schmelzer	Individuals: Ray Coleman, Kim Andruss
Momentum Insurance: Stephanie Steel	

Mr. Litscher called the meeting of the Group Insurance Board (Board) to order at 9:30 a.m.

CONSIDERATION OF NOVEMBER 18, 2014, OPEN MEETING MINUTES

MOTION: Ms. Thompson moved to approve the November 18, 2014, open session meeting minutes. Ms. Carlson seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Mr. Litscher welcomed Danielle Carne and Michael Heifetz as new members of the Group Insurance Board (Board). Paul Ostrowski was assigned as the designee representing the Office of State Employment Relations for this meeting.

Mr. Conlin announced that changing the terms of the Group Insurance Board members from two-year terms to four-year staggered terms was included in the Governor's budget proposal. In addition, he said the Employee Trust Funds Board has delegated authority to the Group Insurance Board to select its own health insurance actuary.

Ms. Ellinger made the following announcements:

- Staffing:
 - Adam Huffman, Life Insurance/Flexible Spending Accounts /Health Saving Accounts Program Manager, has taken a new position within state service.
 - John Bott, Data and Measurement Program Manager, has accepted a new position in the private sector.
 - Mary Statz, Director of the Health Benefits & Insurance Plans Bureau, is transitioning to a new role in the ETF Office of Internal Audit.
 - Recruitments for these positions are either in progress or will be shortly.
- The Dental Benefits Request for Proposal was released February 20, 2015, and proposals are due March 30, 2015. A recommendation will be brought before the Board at the May meeting.

ELECTION OF OFFICERS

MOTION: Mr. Day moved to nominate Jon Litscher as Chair, Bonnie Cyganek as Vice Chair, and Michael Farrell as Secretary of the Group Insurance Board. Ms. Thompson moved to close nominations and cast a unanimous ballot for the three people so indicated. Mr. Neitzke seconded the motion, which passed unanimously on a voice vote.

HEALTH INSURANCE

Guidelines and Uniform Benefits Timeline and Discussion

Mr. Litscher referred the Board to the memo, Guidelines and Uniform Benefits Timeline and Discussion (ref. GIB |3.25.15|4A).

HEDIS and CAHPS Report

Mr. Bott presented the HEDIS and CAHPS Report (ref. GIB |3.25.15|4B), highlighting recent report card revisions and an overview of current results.

Rating changes for the fall 2014 *It's Your Choice* (IYC) report cards included:

- Shift from ETF/vendor administration of CAHPS surveys to use of health plans' CAHPS results.
- Recast HEDIS and CAHPS measures for IYC
- Revised scoring and composite methods
- Improved transparency

Gundersen, Dean, MercyCare, and HealthPartners were the high-scoring plans on overall performance. Network Health, Physicians Plus, Arise, Group Health Cooperative – Eau Claire, WEA Trust and Anthem were the low-scoring plans.

Benefit Consultant Preliminary Report

Mr. Vieira, Mr. Johnson, and Mr. Ward of Segal Consulting (Segal), the Board's actuary and new benefit consultant, presented their preliminary plan recommendations for 2016.

Segal compared the group health insurance program to those in other Midwestern states, including Minnesota, Michigan, Iowa, Illinois and Indiana. Segal found Wisconsin offers a rich benefits package, with one of the highest premium costs and competitive pharmacy drug pricing.

Segal emphasized the need to start planning for the 2018 implementation of the Affordable Care Act Excise Taxes and fees. Some of the proposed changes for the health insurance program for 2016 include:

- Introduce a deductible and increase the maximum out-of-pocket limit for Uniform Benefits.
- Increase the deductible and maximum out-of-pocket limit for the Standard Plan.
- Increase the health savings account contribution for the high deductible health plan.
- Change office visits from coinsurance to a copay.
- Introduce coinsurance for brand drugs and negotiate pricing guarantees in Pharmacy Benefit Manager contract.
- Continue to self-insure the Standard Plan and State Maintenance Plan, as well as pharmacy and dental benefits.
- Move from a 2-tier (single and family) to a 4-tier employee contribution structure.
- Enhance Wisconsin Health Information Organization capabilities to meet ETF needs.
- Convert Well Wisconsin from a cash incentive to premium award.
- Establish uniform metrics to measure health plan performance.
- Develop common medical management performance requirements.

If implemented, Segal estimates the proposed changes could generate \$42 million in cost savings in 2016. Segal and ETF staff will present final recommendations for 2016 plan design changes at the May Board meeting. Segal and ETF will also work on the following initiatives in the months ahead:

- develop an adjusted negotiation strategy and standards for 2016 health plan renewal and negotiations.
- evaluate the ability of the WHIO to meet ETF's data warehousing needs.
- explore future pricing guarantees within the Navitus contract.

Segal will also continue to analyze the available data and investigate market options to develop and finalize recommendations for 2017, this will include further analysis for self-insuring, which Segal noted was not a viable option for 2016. These recommendations will be presented to the Board at its November 2015 meeting.

Ms. Ellinger requested the Board provide direction for Segal and staff to move forward with the potential 2016 recommendations Segal presented, the Board concurred.

Well Wisconsin Program Update

Mr. Litscher directed the Board to the memo, Well Wisconsin Program Updates (ref. GIB |3.25.15|4D).

It's Your Choice Enrollment Statistics

Mr. Litscher referred the Board to the memo, 2015 *It's Your Choice* Enrollment Results (ref. GIB |3.25.15|4A).

OPTIONAL PLANS

Ms. Ellinger directed the Board to two letters, one from the UW System and the other from UW Hospital and Clinics, both expressing concerns about being included in the standardization of the optional plans.

Ms. Harper referred the Board to the memo, Standardization of Optional Plan Availability Across State Agencies (ref. GIB |3.25.15|5A). Ms. Harper outlined the current status of optional plan availability, issues related to establishing uniformity, a proposed timeline for implementation, and substantive and technical corrections to the *Guidelines*.

The Board discussed the State Transforming Agency Resources (STAR) initiative and the inclusion of the UW System and UW Hospital and Clinics as part of the standardization timeline. Staff recommended a phased approach, standardizing optional plans for STAR agencies in 2016 and addressing the UW System and UW Hospital and

Clinics in 2017. Mr. Voelker stated that the administration's Information Technology Executive Steering Committee has reviewed the memo and had no concerns.

Secretary Conlin commented that the extra year in this plan would allow ETF and the UW System and UW Hospital and Clinics time to discuss unique circumstances and their authority to offer additional benefits.

MOTION: Supportive of staff recommendation, Secretary Conlin's comments and the letters of request from UW System and UW Hospital and Clinics, Mr. Farrell moved to approve the recommended phased process to have the Board sign the group master contracts for approved optional insurance plans and make approved optional plans uniformly available to employees of all STAR state agencies through payroll deduction. Ms. Cyganek seconded the motion, which passed on a voice vote of eight to three with Ms. Carlson, Mr. Grapentine and Mr. Schwartz dissenting.

Long-Term Care Standards Technical Updates

Ms. Harper directed the Board to memo, Long-Term Care Insurance Standards – Technical Corrections (ref. GIB |3.25.15|5B). Ms. Harper highlighted notable technical corrections to the Standards.

Mutual of Omaha Policy Change

Ms. Harper referred the Board to memo, Updated Long-Term Care Insurance Policy from Mutual of Omaha (ref. GIB |3.25.15|5C), which incorporated inflation protection options aligned with the newly approved Standards. Mutual of Omaha will begin offering eligible participants a broader scope of inflationary options within the MutualCare Custom Solutions plan effective April 1, 2015.

PROCUREMENT APPEALS POLICY

Mr. Hurley presented the Vendor Procurement Appeals Policy memo (ref. GIB |3.25.15|6) summarizing the requirements and action steps of the *Vendor Procurement Appeals Policy* draft.

The Board suggested that clarification be made to include “business days” when referring to the number of days a vendor has to notify ETF of an intent to appeal and to submit an appeal.

MOTION: Ms. Cyganek moved to approve the Vendor Procurement Appeals Policy. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.

OPERATIONAL UPDATES

Biennial Budget/Legislative Update

Ms. Hunter referred the Board to the memo, 2015-17 Biennial Budget (ref. GIB |3.25.15|7A), which outlined budget provisions that relate to the benefit programs that the Board oversees:

- Employee Incentive to Opt Out of State Health Insurance Program
- Administration of Optional Insurance Plans
- Child Support Payments
- Health Insurance Savings
- Group Insurance Board Terms

Ms. Hunter noted the Joint Committee on Finance (JCF) was holding public hearings around the state to collect public input on the budget bill. After the hearings are complete, the JCF is expected to begin deliberations on the budget. ETF will continue monitoring the budget bill as the JCF makes modifications. In late June, the Legislature will deliver the amended budget bill to Governor Walker for review, approval and/or partial veto of the budget to be effective July 1, 2015.

Other Operational Updates

Mr. Litscher referred the Board to operational updates 7B-7I that were included in the Board member's binders, and offered that staff were available if the Board had any questions.

ADJOURNMENT

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

The meeting adjourned at 12:09 p.m.

Date Approved: _____

Signed: _____

Michael Farrell, Secretary
Group Insurance Board