

DRAFT

MINUTES

August 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	Michael Heifetz
Bonnie Cyganek, Vice Chair	Paul Ostrowski
Michael Farrell, Secretary	Daniel Schwartz
Terri Carlson	Nancy Thompson
Herschel Day (Teleconference)	
Chuck Grapentine	

BOARD MEMBERS NOT PRESENT:

Ted Neitzke

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Bob Conlin, Secretary	Office of the Secretary:
John Voelker, Deputy Secretary	Sherry Etes, Board Liaison
Office of Strategic Health Policy:	Sue Faust, Board Liaison
Lisa Ellinger, Director,	Tarna Hunter, Legislative Liaison
Jeff Bogardus, Roni Harper,	
Angel Johnson, Bill Kox	
Tara Pray	
Office of Communications:	
Mark Lamkins, Director	

OTHERS PRESENT:

Department of Administration:	Legislative Audit Bureau:
Eric Geane	Stephanie Yost
Dept. of Administration (STAR Project):	Medical Associates Health Plan:
Jenny Duis, Rochelle Martin,	Liz Cook, Joy Kaiser
Nicole Zimm	MercyCare:
ETF Office of the Secretary:	Sherrie Sargent, Tracy Cuker
Vickie Baker, Liz Doss-Anderson,	Michael Best Strategies:
Dan Hayes	Katie White
ETF Budget and Trust Finance:	Minnesota Life Insurance Company (MLIC):
Bob Willett	Chris Schmelzer, Kirsten Elsner,

Board	Mtg Date	Item #
GIB	11.17.15	1

Group Insurance Board - Open Meeting Minutes

August 25, 2015

Page 2

ETF Division of Insurance Services: John Alexander, Mike Bormett, Shayna Gobel, Arlene Larson, Eileen Mallow, Jessica Rossner	Hans Larsen, Paul Rudeen
ETF Legal Services: David Nispel	Momentum Insurance: Stephanie Steel
ETF Information Technology Services: Ryan Perkins	Navitus: Tara Argall, Pam Olson, Tom Paluck
ETF Office of Communications: Nancy Ketterhagen	Jefferson County: Terri Palm
American Dental Plan: Tammie Smithbach	Network Health: Steve Alexander, Carrie Helms
Assoc. of Career Employees: Kathleen Fullin	Office of the Commissioner of Insurance: Jason Levine
Anthem Blue Cross Blue Shield: Brian Martin, Marin Kleinke	Physicians Plus: Ron Sebranek
Baraboo Ambulance: Troy Snow	Segal Consulting: Paul Janus, Kirsten Schatten, Ken Vieira
City of Fitchburg: Lisa Sigurslid	State Engineering Association: Bob Schaefer
City of Monroe: Bridget Schuchart	Tricast: Stacy Ausprung, Greg Rucinski
Colonial Life: Pat Flanagan	United Healthcare: Andrea Darling, Kathy Stachura
Dean Health Plan: Katie Beals, Penny Bound	Unity Health Insurance: Cari Alexander
EPIC: Russell Hann, Wendy Hougan, Colleen Walsh	UW Hospital and Clinics: Paula Janowiak, Trina Ruppert
Group Health Cooperative – South Central Wisconsin: Emily Daws, Elizabeth Dye	University of Wisconsin System Administration: LaDonna Steinert
Gundersen Health Plan: Sam Schmirler, Kris Scholze	WEA Trust: Rachel Carabell, Greg Cieslewicz, Kimberly Swanson
Health Choice: Gary Praznik	Wisconsin Association of Health Plans: Phil Dougherty, Nancy Wenzel
HealthPartners: Elizabeth Sue Tobias	Wisconsin Association of Health Underwriters: Alice O'Connor
Humana: Rain Buck, Mary Haffenbredl, Elizabeth Wright	Wisconsin Medical Society: John Maycroft
	WPS: David Grunke, Matt Harty
	Individuals: Chas Forsmo

Jon Litscher, Chair, called the meeting of the Group Insurance Board (Board) to order at 8:30 a.m. The Chair noted the Board received a revised agenda dated August 24, 2015. He requested the meeting minutes reflect the Board is working from a revised agenda.

CONSIDERATION OF MAY 19, 2015, OPEN & CLOSED MEETING MINUTES

MOTION: Ms. Carlson moved acceptance of the open and closed session meeting minutes of the May 19, 2015, meeting as submitted by the Board Liaison. Mr. Ostrowski seconded the motion, which passed unanimously on a voice vote.

ANNOUNCEMENTS

Ms. Ellinger made the following announcements:

- Staffing:
 - Sue Faust has accepted the position of board liaison.
 - Sherry Etes, former board liaison, is transitioning to a new role in the Office of Strategic Health Policy (OSHP).
 - James Cooper will be joining Department of Employee Trust Funds (ETF) in late September. James will fill the vacancy left by John Bott, Data and Measurement Program Manager.
 - Jessica Rossner and Angel Johnson have joined OSHP as policy analysts.
- All Board members have been reappointed. The terms for those members with two-year appointments are set to run through May of 2017.

HEALTH INSURANCE

Uniform Benefits Update

Ms. Tara Pray, ETF Manager for Alternate Health Plans, referred the Board to the memo, Uniform Benefits Update for the 2016 Plan Year (Ref. GIB | 8.25.15 | 3A). ETF staff recommended that the Board approve a new proposal which combines the medical out-of-pocket limits for copayments and coinsurance into one new out-of-pocket limit of \$1,250 per individual or \$2,500 per family contract.

Ms. Pray summarized additional technical changes to the Uniform Benefits/Guidelines contract for 2016 that were not listed in the memo presented at the May 19, 2015 Board meeting. These changes were presented as informational only and no Board action was required.

MOTION: Ms. Cyganek moved to approve the revised combined medical out-of-pocket limits. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote.

MOTION: Ms. Cyganek moved to convene in closed session pursuant to the exemptions contained in Wis. Stat. § 19.85 (1) (e) for the purpose of deliberating or negotiating the expenditure of public funds. Mr. Ostrowski seconded the motion, which passed on the following roll call vote:

Members Voting Aye: Ms. Carlson, Ms. Cyganek, Mr. Day, Mr. Farrell, Mr. Grapentine, Mr. Heifetz, Mr. Ostrowski, Ms. Thompson, Mr. Schwartzer, Mr. Litscher

Members Voting Nay: none

Members Absent or Not Voting: Mr. Neitzke

The Board convened in closed session at 8:48 a.m. and reconvened in open session at 10:19 a.m.

ANNOUNCEMENT OF ACTION TAKEN ON BUSINESS DELIBERATED DURING CLOSED SESSION

Mr. Litscher announced the Board took the following action during closed session:

- Approved a motion to accept the qualification recommendations as proposed by ETF staff recommendations.
- Approved a motion to accept recommendations that the health plans presented have met the financial requirements for participation in 2016.
- Approved a motion to accept the 2016 Tier assignments.
- Approved a motion to accept the 2016 state rates for self-insured plans including the Standard Plan (SMP), Medicare Plus, Pharmacy, and Dental.
- Approved a motion to accept the 2016 local rates for self-insured plans including the Standard Plan (SMP), Medicare Plus, Pharmacy, and Dental.

UNIFORM BENEFITS CHANGES – ELIMINATION OF DEDUCTIBLES

Mr. Litscher referred the Board to (Ref. GIB | 8.25.15 | 4.5) on the revised agenda.

MOTION: Mr. Litscher moved to table this item with no recall. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote.

PHARMACY BENEFITS

Audit of Pharmacy Benefit Manager and Employer Group Waiver Plan by Tricast

Mr. Bogardus directed the Board to the memo, Audit of Pharmacy Benefit Manager Services for Plan Years 2013 & 2014 and Medicare Part D for Plan Years 2012 & 2013 (Ref. GIB | 8.25.15 | 5).

ETF retained TRICAST, Inc. to conduct a comprehensive, biennial audit to assess compliance with the Board's pharmacy benefit management (PBM) administrative services agreement with Navitus Health Solutions, LLC (Navitus) for the plan years 2013 and 2014.

TRICAST was also retained to perform the first audit of the Medicare Part D coverage provided to State and Wisconsin Public Employer (WPE) group health insurance programs' Medicare enrolled members through the Navitus MedicareRx (PDP) plan.

TRICAST's Executive Summary and Audit Results Report conclude that TRICAST considered this a passing audit. All variances identified were validated as appropriate by Navitus. TRICAST indicated that where the audit revealed discrepancies, Navitus was able to show it appropriately administered the pharmacy benefit programs according to plan design and contractual provisions.

LIFE INSURANCE

Life Insurance Annual Report

Mr. Rudeen presented the 2014 policy year highlights and experience as well as pricing recommendations for both the state and local plans (Ref. GIB | 8.25.15 | 6A). All components of the State Plan and Local Government Plan are on track financially and no changes are recommended to premium rates and benefits under either state or local government portions of plan.

Financial Experience Report

Ms. Johnson referred the Board to the memo, Wisconsin Public Employers (WPE) Group Life Insurance 2014 Policy Year Report and Recommendations (Ref. GIB | 8.25.15 | 6B). Ms. Johnson presented 2014 policy year highlights for both the state and local plan experiences. Detailed information for the 2014 policy year experience is summarized in the Financial Experience Report (Ref. GIB | 8.25.15 | 6B Attachment A).

ETF staff and Minnesota Life Insurance Company (MLIC) recommended no changes to rates under the state and local government portions of the Group Life Insurance Program. In addition, ETF staff recommended accepting the Life Insurance Annual Report presented by MLIC.

MOTION: Ms. Thompson moved to (1) accept the Life Insurance Annual Report as presented by MLIC, and (2) accept the recommendation of no changes to rates under the state and local government portions of the Group Life Insurance Program. Mr. Heifetz seconded the motion, which passed unanimously on a voice vote.

Plan Changes

Ms. Johnson directed the Board to the memo, Wisconsin Public Employers (WPE) Group Life Insurance Plan Changes and Policy Amendments (Ref. GIB | 8.25.15 | 6C).

ETF staff and MLIC recommended four plan changes to the group life insurance program and policy amendments to improve the benefits and services provided by MLIC to participating employers and insured members, effective January 1, 2016. These changes include:

- Eliminate six-month waiting period in order to be eligible for the WPE Group Life Insurance program.
- Remove the requirement that dependent children need to provide evidence of insurability when the employee enrolls for coverage outside of an open enrollment opportunity.
- Expand open enrollment for spouse and dependent coverage to include an open enrollment opportunity for any qualifying family status change.
- Approve termination for life insurance to occur at the end of the month when employment ends.

MOTION: Mr. Farrell moved to approve the recommended plan changes and policy amendments effective January 1, 2016. Ms. Carlson seconded the motion, which passed unanimously on a voice vote.

OPTIONAL PLANS

Contract Updates

Ms. Harper presented the memo, Status Update on Contracts with Optional Insurance Plans (Ref. GIB | 8.25.15 | 7A). The memo provided an update on the progress of implementing the Board's decision to standardize optional insurance plans. This summary was presented for informational purposes only and no Board action was required.

Updates shared included:

1. Aflac Accident and Injury Insurance will no longer be offered after December 31, 2015. Aflac advised ETF that the company declined to enter into a contract for 2016.
2. Three insurers have signed the new Group Master Contract:
 - EPIC: Benefits+ and Dental Wisconsin
 - Anthem DentalBlue
 - Vision Service Plan (VSP)
3. The Hartford, which offers accidental death and dismemberment insurance (AD&D), has asked for additional time to review the contract.

OPERATIONAL UPDATES

GIB Correspondence

Mr. Litscher referred the Board to the correspondence submitted by Ms. Sally Drew, President of the Association of Career Employees (Ref. GIB | 8.25.15 | 8A).

Biennial Budget Update

Ms. Hunter referred the Board to the memo, 2015-17 Biennial Budget (Ref. GIB | 8.25.15 | 8B). On July 12, 2015, Governor Walker signed the 2015-17 biennial budget into law (2015 Act 55). Ms. Hunter provided a review of the budget and presented a summary of the provisions that relate to the benefit programs overseen by the Board.

Ms. Ellinger noted that the option to receive \$2,000 annual incentive to opt out of the state health insurance program is a new selection in this year's fall enrollment period. The number of employees who select this option will be reported to the Board at its February 17, 2016 meeting.

It's Your Choice Brochure Updates

Mr. Lamkins and Ms. Pray presented the memo, It's Your Choice Communications Update for the 2016 Plan Year (Ref. GIB | 8.25.15 | 8C). They summarized how the 2016 It's Your Choice materials have been redesigned to provide easier navigation and to have a modern look and feel.

Other Operation Updates

The referred the Board to operational updates 8D-8G that were included in the Board member's binders, and offered that staff were available if the Board had any questions.

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

The meeting adjourned at 11:39 a.m.

Date Approved: _____

Signed: _____

Michael Farrell, Secretary
Group Insurance Board