



STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: January 22, 2016
TO: Group Insurance Board
FROM: Shayna Schomber, Self-Insured Health Plans Manager
SUBJECT: Administrative Services Contract Extension for the Self-Insured Plans

Staff recommends approval to extend the Administrative Services Only contract with WPS Health Insurance for one year.

Effective January 1, 2012, the Group Insurance Board (Board) entered into a three-year contract with Wisconsin Physicians Service Insurance Corporation (WPS) for administration of the self-insured health insurance plans: Standard Plan, State Maintenance Plan (SMP) and Medicare Plus plans for the State and the Wisconsin Public Employers (WPE) Group Health Insurance Program. The Board granted one two-year contract extension, which ends December 31, 2016. The contract includes the option of one additional two-year extension, through December 31, 2018. The Board has authority to extend this contract under Wis. Stat. § 40.03 (6) (a) 1.

Given the Board's interest in potentially self-insuring the State Group Health Insurance Program in 2018, as well as prioritizing the implementation of other recommendations in the November 2015 Segal Consulting report, "[Observations and Recommendations for 2017 and Beyond](#)," ETF Staff recommend the Board extend the WPS contract for only one year, through December 31, 2017.

If the Board approves the one year contract extension, ETF will work with WPS to determine cost-neutral plan options for 2017. Options and a recommendation for any changes to the self-insured plans will be presented at the May 2016 Board meeting.

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

Reviewed and approved by Lisa Ellinger, Director, Office of Strategic Health Policy

Electronically Signed 2/9/16

Board	Mtg Date	Item #
GIB	2.17.16	5D