

DRAFT

# MINUTES

JULY 12, 2016

Group Insurance Board  
State of Wisconsin

Location:

State Revenue Building – Events Room  
2135 Rimrock Road, Madison, WI 53713



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**BOARD MEMBERS PRESENT:**

Michael Farrell, Chair  
Bonnie Cyganek, Vice Chair  
Herschel Day, Secretary (via telephone)  
Terri Carlson  
Chuck Grapentine

Michael Heifetz  
Stacey Rolston  
Nancy Thompson  
JP Wieske  
Bob Ziegelbauer

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**BOARD MEMBERS ABSENT:**

Ted Neitzke

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**PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:**

Bob Conlin, Secretary  
John Voelker, Deputy Secretary  
Office of Strategic Health Policy:  
Lisa Ellinger, Director  
Eileen Mallow, Jeff Bogardus, Sarah  
Bradley, Tara Pray

Office of the Secretary:  
Sara Brockman, Board Liaison

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**OTHERS PRESENT:**

ETF Budget & Procurement:  
Rita Black-Radloff, Beth Bucaida,  
Michael McNally, Joe Schneider  
ETF Department of Trust Finance:  
Cindy Klimke, Bob Willett  
ETF Information Technology Services:  
Ryan Perkins  
ETF Legal Services:  
Diana Felsmann, David Nispel  
ETF Office of Communications:  
Nancy Ketterhagen, Mark Lamkins

Martin Schreiber & Associates:  
Annie Early  
MercyCare:  
Tracy Craker  
Momentum Insurance:  
Stephanie Steel  
Office of the Commissioner of Insurance:  
Jennifer Stegall  
Physicians Plus:  
Ron Sebranek  
Securian:  
Kjirsten Elsner, Chris Schmelzer

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Board	Mtg Date	Item #
GIB	8.16.16	1

ETF Office of the Secretary: Pam Henning, Tarna Hunter, Cheryllynn Wilkins	State Engineering Association: Bob Schaefer
ETF Office of Strategic Health Policy: Rachel Carabell, Sherry Etes, Roni Harper, Arlene Larson, Shayna Schomber, Joan Steele	UnitedHealth Group: Jodie Tierney
Baraboo Ambulance: Troy Snow	Unity Health Insurance: Cari Alexander
Dean Health Plan: Angie Dalton	University of Wisconsin – Madison: Deanne DeSlover, Molly Heisterkamp, SE Hutchinson
Delta Dental: Sunshine Mikulak	UW Health: Liz Melin
Department of Administration: Nicole Zimm	UW Hospital and Clinics: Anthony Dix
EPIC Life Insurance Company: Wendy Hougan	UW System Administration: LaDonna Steinert
General Public: Hickory Hurie	WEA Trust: Greg Cieslewicz
Group Health Cooperative – South Central Wisconsin: Elizabeth Dye	WisBusiness.com: Polo Rocha
Health Choice: Bob Pearson	Wisconsin Association of Health Plans: Phil Dougherty
Humana: Mary Haffenbredl	Wisconsin Health News: Tim Stumm
Legislative Audit Bureau: Emily Pape	Wisconsin Hospital Association: Joanne Alig
M3 Insurance: Tim Byrne, Nathan Janke	Wisconsin Medical Society: Chris Rasch
	WPS Arise: Carrie Helms

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Bonnie Cyganek, Vice Chair, called the meeting of the Group Insurance Board (Board) to order at 9:01 a.m.

### **ANNOUNCEMENTS**

Ms. Ellinger made the following announcements:

- JP Wieske, Deputy Commissioner of Insurance, will replace Daniel Schwartzner as a member of the Board.
- Rachel Carabell has accepted the position of Strategic Health Policy Advisor with the Office of Strategic Health Policy.
- WisconsinEye was not invited to record the meeting due to the short duration of open session.

## ELECTION OF OFFICERS

***MOTION: Ms. Carlson moved to nominate Michael Farrell as Chair of the Group Insurance Board. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote, with Mr. Farrell abstaining.***

***MOTION: Mr. Grapentine moved to nominate Herschel Day as Secretary of the Group Insurance Board. Ms. Thompson seconded the motion. The motion passed unanimously on a voice vote, with Mr. Day abstaining.***

Mr. Farrell assumed the duties of the Chair upon his election.

## HEALTH INSURANCE

### **Guidelines and Uniform Benefit Changes for 2017**

Ms. Pray referred the Board to the memo, Guidelines and Uniform Benefit Changes for 2017 (Ref. GIB | 7.12.16 | 3A). At the May 18, 2016 meeting, the Board approved initial Guidelines and Uniform Benefit change recommendations as presented, and granted the staff the authority to make additional technical changes as necessary.

Additional changes to the Guidelines Contract are necessary, due to the federal Department of Health and Human Services (HHS) issuing [final regulations](#) pertaining to [Section 1557](#) of the Affordable Care Act (ACA) on May 18, 2016.

The Section 1557 regulations apply to “covered entities,” which are prohibited from discriminating on the basis of race, color, national origin, age, disability, or sex, including discrimination on the basis of gender identity.

The regulations list the following as prohibited activities:

1. Deny, cancel, limit, or refuse to issue health coverage.
2. Deny or limit a claim.
3. Impose additional cost-sharing or other limitations.
4. Deny or limit coverage or impose additional cost-sharing or other limitations for sex-specific health services provided to transgender individuals based on the fact that the individual’s sex assigned at birth, gender identity, or gender otherwise recorded is different from the one to which such health services are ordinarily or exclusively available.
5. Categorically excluding coverage for services related to gender transition.
6. Otherwise limit services related to gender transition if the limitation would result in discrimination against a transgender individual.

After analyzing the new law, ETF’s Office of Legal Services recommended two changes to bring ETF into compliance:

1. Remove the current exclusion related to benefits and services related to gender

reassignment or sexual transformation. Required effective date is January 1, 2017.

2. Include the federally-required nondiscrimination notification language on all significant communications related to ETF's health programs. Required effective date is October 16, 2016.

These provisions are required for covered entities, which is defined as:

- An entity that operates a health program or activity that receives federal financial assistance through HHS;
- An entity established under Title I of the ACA that administers a health program or activity, such as state-based marketplaces; or
- HHS and the programs it administers, such as the federal marketplace.

ETF's Office of Legal Services and Segal Consulting analyzed the new law and recommend that ETF consider itself a covered entity due to offering self-insured plans, providing and administering health insurance coverage, and accepting Medicare Part D subsidies.

If the changes are not adopted, ETF anticipates issues contracting with health plans, which are covered entities and as such are prohibited from contracting away nondiscrimination obligations. Secondly, the HHS Office of Civil Rights has indicated its intent to actively refer discrimination complaints to the Equal Employment Opportunity Commission, which has enforcement authority over general nondiscrimination laws, including gender discrimination.

No further substantial changes to the 2017 Guidelines Contract and Uniform Benefits are anticipated, and final change recommendations will be presented at the November 15, 2016 Board meeting.

***MOTION: Ms. Carlson moved to approve the changes to the Guidelines Contract and Uniform Benefits as detailed in Attachment A, and grant ETF staff the authority to make additional technical changes necessary. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.***

### **Request for Proposals Implementation Plan Update**

Ms. Ellinger referred the Board to the Requests for Proposals Implementation Plan Update memo (Ref. GIB | 7.12.16 | 3B) and provided a brief update on the development and distribution of various RFPs.

The RFP to Evaluate Self Insurance and Regional/Statewide Program Structure and the RFP for a Data Warehousing/Visual Business Intelligence Vendor were both on schedule to be released July 22, 2016, after incorporating Request for Information feedback. Vendor selection for both RFPs is scheduled to occur at the Board meeting

on November 15, 2016. There were no pertinent updates to the Pharmacy Benefit Manager RFP.

## **OPTIONAL PLANS**

### **Optional Dental Plans Rates**

Ms. Mallow referred the Board to the Optional Dental Plans Rates memo (Ref. GIB | 7.12.16 | 4A) and provided a brief overview the recommended dental rates for 2017 from Anthem DentalBlue, EPIC Dental Wisconsin, and EPIC Benefits +.

***MOTION: Ms. Cyganek moved to approve the proposed premium changes for existing plans, per the amended proposals, effective January 1, 2017. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.***

The Chair announced the Board would convene in closed session pursuant to the exemptions contained in Wis. Stat § 19.85 (1) (e) for the purpose of deliberating the potential investment of public funds and to review proposals for services for which competitive and bargaining reasons required a closed session. Staff from the Department of Employee Trust Funds, Office of the Commissioner of Insurance, the Department of Administration, and members of the proposal adjudication committee were invited to remain during the closed session.

***MOTION: Ms. Cyganek moved to convene in closed session, pursuant to the exemptions contained in Wis. Stat. § 19.85 (1) (e) to deliberate or negotiate the investing of public funds or to conduct other specified public business. Ms. Thompson seconded the motion, which passed on the following roll call vote:***

***Members Voting Aye: Carlson, Cyganek, Day, Farrell, Grapentine, Heifetz, Rolston, Thompson, Wieske, Ziegelbauer***

***Members Absent: Neitzke***

The Board convened in closed session at 9:32 a.m. and reconvened in open session at 12:08 p.m.

## **ANNOUNCEMENT OF ACTION TAKEN ON BUSINESS DELIBERATED DURING CLOSED SESSION**

Mr. Farrell announced the Board reviewed and deliberated on RFPs for the Third Party Administration of Wellness and Disease Management Programs (RFP#ETG0005) during closed session.

***Motion: Ms. Cyganek moved to grant authority to the Secretary of the Department of Employee Trust Funds to issue an intent to award the contract for Third Party Administrative Services for Wellness and Disease Management Programs to The StayWell Company, LLC, for the period of August 15, 2016 through December 31, 2018, with the potential for two (2), two (2) year extensions, subject to successful contract negotiations.***

***In addition, if the contract negotiations fail or extend beyond a reasonable period of time, the Secretary has the authority to issue an intent to award the contract for Third Party Administrative Services for Wellness and Disease Management Programs to Limeade. Should these negotiations fail or extend beyond a reasonable period of time with Limeade, staff recommends that the Secretary be allowed to issue an intent to award to ActiveHealth Management, Inc.***

#### ADJOURNMENT

***MOTION: Mr. Heifetz moved to adjourn the meeting. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote.***

The meeting adjourned at 12:15 p.m.

Date Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

Herschel Day, Secretary  
Group Insurance Board