

DRAFT

# MINUTES

May 24, 2017

## Group Insurance Board

State of Wisconsin

### Location:

Lussier Family Heritage Center  
3101 Lake Farm Road, Madison, WI 53711



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### BOARD MEMBERS PRESENT:

Michael Farrell, Chair	Ted Neitzke
Herschel Day, Secretary	Stacey Rolston
Chuck Grapentine	JP Wieske
Michael Heifetz	Bob Ziegelbauer
Nancy Thompson	

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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, Deputy Director  
Sara Brockman, Board Liaison  
Sarah Bradley, Rachel Carabell,  
James Cooper, Arlene Larson, Tara  
Pray, Shayna Schomber, Joan  
Steele, Renee Walk  
Division of Retirement Services:  
Deb Roemer

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### OTHERS PRESENT:

ETF Budget & Procurement: Dana Perry, Jason Barrett	Legislative Fiscal Bureau: Rachel Janke
ETF Division of Retirement Services: Gina Fischer, Jim Guidry, Megan Jeffers	LTCI Partners: Tom Long
ETF Information Technology Services: Ryan Perkins	M3 Insurance: Nathan Janke, Brad Niebuhr
ETF Legal Services: Diana Felsmann, Daniel Hayes, David Nispel, Amanda Postel	Milliman, Inc.: Paul Correia
ETF Office of Communications: Nancy Ketterhagen, Mark Lamkins	Navitus Health Solutions: Tara Argall, Brent Eberle, Ryan Olson, Tom Radloff

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Board	Mtg Date	Item #
GIB	8.30.17	1

ETF Office of Internal Audit: Yikchau Sze	Network Health: Kerry Arnold, Cara Techlin, Hannah Zillmer
ETF Office of the Secretary: Jennie Bauernhuber, Liz Doss-Anderson, Pam Henning, Tarna Hunter, James Kates, Mary Richardson	Office of the Commissioner of Insurance: Jennifer Stegall
ETF Office of Strategic Health Policy: Jeff Bogardus, Sherry Etes, Jessica Rossner	Physicians Plus: Ron Sebranek
Anthem Blue Cross and Blue Shield: Ted Osthelder	Protect Our Wisconsin Retirement Security (POWRS): Roger Springman
Association of Career Employees: Jack Lawton	Quartz: Cari Alexander
Baraboo Ambulance: Troy Snow	Securian: Kjirsten Elner
City of Madison: William Wick	Segal Consulting: Kirsten Schatten, Ken Vieira
Dean Health Plan: Katie Beals, Penny Bound	SeniorCare Insurance Services: Kevin Kumpf
Department of Administration: Jennifer Kraus, Derek Sherwin, Nicole Zimm	StayWell: David Gregg, Emily Rathjen
Division of Personnel Management: Rachel Martin, Paul Ostrowski	UW Health: Anthony Dix
EPIC: Karen Browne, Daniel Rodriguez	UW Madison: Diane Blaskowski
General Public: Ted Collins, Hickory Hurie, Sharon Hutchinson	UW System Administration: Beth Ritchie, Erin Schoonmaker, Zoua Vang
Group Health Cooperative – South Central Wisconsin: Emily Halter, Mark Huth, Al Wearing	Walgreens: Matt Wessels
Health Choice: Bob Pearson	WEA Trust: Greg Cieslewicz
HealthPartners: Amy Mahan, Sue Tobias	Wisconsin Association of Health Plans: Phil Dougherty, Tim Lundquist, Nancy Wenzel
Humana: Rain Buck, Christa Klein, Shari Stoltmann	Wisconsin Hospital Association: Joanne Alig
Legislative Audit Bureau: Emily Pape	Wisconsin Public Radio: Shamane Mills
	WisPolitics.com: Polo Rocha
	WPS Arise: Greg Nelson

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Michael Farrell, chair, called the meeting of the Group Insurance Board (Board) to order at 8:31 a.m.

## **CONSIDERATION OF FEBRUARY 8, 2017 OPEN AND CLOSED MEETING MINUTES**

***MOTION: Mr. Wieske moved to approve the open session meeting minutes of the February 8, 2017, meeting as submitted by the Board Liaison. Mr. Heifetz seconded the motion, which passed on a voice vote.***

***MOTION: Ms. Thompson moved to approve the closed session meeting minutes of the February 8, 2017, meeting as submitted by the Board Liaison. Mr. Wieske seconded the motion, which passed on a voice vote.***

## **ANNOUNCEMENTS**

Ms. Ellinger made the following announcements:

- Mr. Grapentine, Mr. Neitzke, and Mr. Ziegelbauer were expected to join the meeting late.
- Terri Carlson has announced her departure from the Board.
- Bonnie Cyganek, vice chair, has also departed the Board. Ms. Cyganek has accepted a new position with the Department of Employee Trust Funds (ETF). The Wisconsin Department of Justice will replace Ms. Cyganek for the August Board meeting. An election of officers will also take place in August.
- WisconsinEye was not present to record the meeting.

Ms. Ellinger provided a brief overview of the meeting structure, stating the morning portion would be held in open session and the afternoon would be held in closed session for the assessment and deliberation of proposals for the State of Wisconsin Health Pharmacy Benefit Program (RFP#ETG0013). The purpose of the closed session was to protect confidential and proprietary information obtained as part of the request for proposals (RFP) process.

## **HEALTH INSURANCE**

### **Self-Insurance/Regionalization Status and Next Steps**

Ms. Ellinger referred the Board to the memo, Self-Insurance/Regionalization Status and Next Steps (Ref. GIB | 5.24.17 | 3A). Ms. Ellinger stated the purpose of the memo was to provide an update to the Board regarding self-insuring contract negotiations, discuss alternative structures for the State of Wisconsin Group Health Insurance Program (GHIP), and review preliminary fully insured program structure premiums for plan year 2018 with the Board's actuary, Segal Consulting (Segal). Guidance from the Board was also requested regarding a preferred program structure for plan year 2018 in the event the self-insurance contracts were rejected by the legislature's Joint Committee on Finance (JCF).

ETF negotiated contracts to self-insure and regionalize the GHIP for 2018, as directed by the Board at its February 8, 2017, meeting. These contracts were delivered to the JCF for passive review on May 8, 2017, as required under Wis. Stat. § 40.03(6) (L).

An objection to the contracts was filed by the JCF on May 16, 2017. Ms. Ellinger noted that the JCF would schedule a vote on the contracts in the near future, as part of the legislative budget process.

Ms. Ellinger stated that ETF has impressed upon the JCF members the importance of a timely decision regarding the self-insurance contracts. She also noted that there has been substantial public discussion regarding alternative program changes to achieve \$60 million GPR savings in the next biennium.

Furthermore, Ms. Ellinger stated that in order to be fully prepared for the 2018 plan year, ETF staff have initiated the standard renewal process and have begun collecting data from health plans currently participating in the program.

Ms. Ellinger provided a brief overview of possible cost shifting alternatives that would be required for plan year 2018 to achieve the budget-required savings in the current fully-insured program structure. The estimates, provided by Segal, included:

- Employee premium contributions: 50% increase
  - 82% employer and 18% employee share of premium (replacing 88% to 12% ratio)
- Deductible/out-of-pocket maximums (OOPM):
  - Increase of \$1,000 single / \$2,000 family
    - Current deductible: \$250 / \$500
    - New deductible: \$1,250 / \$2,500
    - Current OOPM: \$1,250 / \$2,500
    - New OOPM: \$2,250 / \$4,500
- Minimal allowable premium increase

Ms. Ellinger noted that the last significant premium contribution increase occurred in 2011, when the employee premium contribution increased from 6% to 12%. She also noted that deductibles were introduced to the GHIP in 2016.

Segal was also asked to explore a potential coinsurance increase, but found that a coinsurance increase would not produce significant cost savings for the program.

Ms. Ellinger also provided a brief overview of the reserve fund. At the close of calendar year 2016, the reserve net fund balance was approximately \$160 million (state only). The Board reviews the reserve fund balance on an annual basis during the August Board meeting as part of the rate-setting and tiering process, and determines at that time whether to utilize the reserve fund to offset premium increases. The Board also compares the reserve fund balance to the Board policy, with actuarial input from Segal, to determine an appropriate reserve fund balance based on a percentage of total annual claims.

Over the past decade, the reserve fund has remained fairly stable. Ms. Ellinger noted that fluctuations in the reserve balance are the result of the Board opting to draw from the reserves, as well as the accrual of interest over time. The Board has drawn from the reserve fund eight out of the past ten years. The reserve fund was not utilized for plan years 2011 or 2017. In the past six years, over \$100 million in reserve funds have been utilized in keeping with the Board policy and to provide premium relief for members.

Mr. Ziegelbauer arrived at 8:39 a.m.

Mr. Vieira and Ms. Schatten from Segal provided an early analysis of fully-insured program premium increases for plan year 2018. Mr. Vieira noted the 5% rate cap for plan year 2017 renewals pushed the projected loss ratio to 96%, stating that this puts pressure on renewals for 2018.

Based on the initial data provided by participating health plans, Segal is projecting a potential average premium increase of 10.4% for state employees and 5.1% for local employees under the current fully-insured model for 2018.

Mr. Grapentine arrived at 9:09 a.m. Mr. Neitzke arrived at 9:42 a.m.

The Board discussed possible cost shifting alternatives and potential program structure changes at length, including the possible utilization of regionalization and multi-year contracts as potential cost-saving measures.

Given the fully-insured program premium estimates provided by Segal, the Board requested that ETF help prepare a communication to the JCF to inform the committee of the potential premium increases for 2018 and reaffirm the potential cost savings associated with the self-funded program structure.

The Board requested that ETF continue to explore all program options available: self-insured regionalization, fully-insured regionalization, and the current fully-insured structure. ETF was also instructed to bring 2018 program structure options to the Board for final consideration at the August Board meeting.

The Board did not take any action related to this item.

### **Establish It's Your Choice Open Enrollment Dates**

Ms. Steele referred the Board to the memo, Establish It's Your Choice (IYC) Open Enrollment Dates (Ref. GIB | 5.24.17 | 3B). The proposed four-week timeframe of October 2 – October 27, 2017, occurs two weeks earlier than the 2016 IYC open enrollment period. The recommended two-week shift is driven by potential changes to the GHIP for 2018, as well as the January 2018 rollout of the new Benefits Administration System (BAS).

Ms. Steele noted the earlier IYC open enrollment period cuts into IYC communication plans, but ETF is making adjustments to ensure that quality information is provided to members.

Ms. Rolston expressed concerns with the proposed timeline, questioning whether it was too aggressive, considering annual enrollment logistics, coordination with employers, and the uncertainty regarding the program design for plan year 2018. Ms. Mallow stated the proposed enrollment timeline was developed with input from employers and provides sufficient time for enrollment finalization before January 1, 2018.

***MOTION: Ms. Thompson moved to approve October 2 – 27, 2017, as the It's Your Choice open enrollment period for 2018. Mr. Day seconded the motion, which passed on a voice vote with Ms. Rolston opposed.***

### **Health Plan Quality Measurement**

Ms. Ellinger referred the Board to the memo, Health Plan Quality Measurement (Ref. GIB | 5.24.17 | 3C). No presentation was made regarding this informational memo in the interest of time. The memo describes the process undertaken by ETF to improve the existing ETF health plan report card and the healthcare performance metrics in the Health Plan Agreement (Agreement).

Board approval of the proposed quality measure set was presented under the memo, 2018 Group Health Benefit Program Changes (Ref. GIB | 5.24.17 | 3D).

### **2018 Group Health Benefit Program Changes**

Ms. Walk referred the Board to the memo, 2018 Group Health Benefit Program Changes (Ref. GIB | 5.24.17 | 3D). Ms. Walk provided an overview of proposed program changes, including:

- Wellness premium differential for 2019
- Medication Therapy Management (MTM) expansion for the pharmacy benefit
- Addition of comprehensive audit reporting requirements
- Contract changes resulting from the self-insuring/regionalization procurement and negotiation process

ETF staff indicated that work would continue on the wellness incentive redesign, which was approved by the Board in February 2017. The monthly premium differential would replace the current Well Wisconsin \$150 cash incentive. Staff also noted the current incentive is taxable at a 40% rate as a gift card; providing that same incentive as a premium reduction would not be taxable. Ms. Walk noted the current tax rate acts as a disincentive for members to engage in wellness, and was the driving reason behind the wellness incentive redesign.

ETF would like to begin promotion of the premium differential in the fall of 2017 during the annual IYC open enrollment period. Activities completed by members in 2018 would count toward premium differential eligibility in plan year 2019.

ETF has held discussions with both Department of Administration (DOA) and University of Wisconsin System Administration (UWSA) payroll managers to assess payroll center needs. DOA and UWSA indicated the wellness incentive redesign is a positive change. They are also in agreement with the 2019 implementation timeline, as it will take considerable time and effort to accurately build premium differential capabilities into all affected systems.

Ms. Walk cited the need for additional discussions with local employers to determine the impact of this change on their payroll systems. Internally, ETF is working on policy and promotion concepts, and to determine the impact of this change on BAS.

ETF also recommended expanding access to MTM services to the entire participant population. MTM is a type of medication counseling provided by pharmacists to help members better understand their medications, as well as understand what interactions might occur between medications.

Currently, MTM is only available to participants who are enrolled in Medicare as a part of the Employer Group Waiver Plan (EGWP). Ms. Walk noted that expanding MTM services would be of benefit to members with chronic conditions, such as diabetes, and help the Board to deliver the most effective drug coverage program. MTM is available from all Pharmacy Benefit Manager (PBM) request for proposals (RFP) proposers, with costs to be determined through contract negotiations.

Regarding audit reporting requirements, ETF audit staff recommended adding a requirement for Service Organization Controls (SOC) 1, Type 2 reporting to all future vendor contracts. Type 2 reporting is done over a specific audit period, and demonstrates the design of an organization's financial controls, as well as the effectiveness of those controls.

Next, Ms. Walk provided an overview of additional changes to the GHIP contract (Agreement) resulting from self-insured contract negotiations. Several changes presented were required regardless of program design, while some would only apply to a self-insured program.

Ms. Walk stated that ETF intends to use the revised Agreement for plan year 2018, regardless of program design.

Key recommendations that would apply to both a fully-insured and self-insured program model include:

- Plan qualification status
- Primary care provider (PCP) requirement
- Biometric screenings
- Definition of dependent for legal wards
- Definition of subscriber

- Re-enrollment rights due to member fraud
- Provider guarantee language
- Clinical performance guarantees

Changes that would only apply to a self-insured program include:

- Organ re-transplantation
- Rate-making process
- Proposal process
- Independent/external review
- Mid-year plan transfers

Ms. Walk also provided an update on the possible removal of the dual-enrollment requirement for the High Deductible Health Plan (HDHP) and Health Savings Account (HSA). Following further research by ETF legal counsel, a statutory change is necessary to remove the HDHP and HSA dual-enrollment requirement. ETF did not recommend pursuing this change for plan year 2018.

***MOTION: Ms. Rolston moved to approve the following health benefit program changes:***

- 1. Wellness premium differential for 2019;***
- 2. Medication Therapy Management (MTM) expansion for the pharmacy benefit;***
- 3. Addition of comprehensive audit reporting requirements; and***
- 4. Contract changes resulting from the self-insuring/regionalization procurement and negotiation process.***

***Mr. Wieske seconded the motion.***

Mr. Day indicated he wanted to amend the motion by adding an item to reinstate coverage for transgender health services and transgender reassignment surgery. Mr. Day cited the direct positive impact on the affected members' lives and a desire to return the determination of medical necessity to medical professionals as justification for this proposed amendment.

***Amendment: Mr. Day moved to amend the motion with the following language:***

- 5. Withdraw the exclusion of health benefits and services based on gender identity for plan year 2018.***

***Ms. Thompson seconded the amendment motion.***

The Board engaged in further discussion regarding the proposed amendment, including how it could affect the pending litigation against the Board.

***The question was called and the motion to amend failed to pass on the following roll call vote:***



***Members Voting Aye: Day, Thompson***

***Members Voting Nay: Farrell, Grapentine, Neitzke, Wieske, Ziegelbauer***

***Members Abstaining: Heifetz, Rolston***

Mr. Neitzke provided his reasoning for his vote, stating he voted no on the motion because of uncertainty in relation to court rulings, and that he did not want to create legal liability for the Board.

Ms. Rolston stated that legal advice from the DOJ is required before reconsidering the gender identity benefit exclusion. She also stated that she appreciated the sentiment of the amendment.

***The question was called on Ms. Rolston's motion, which passed unanimously on a voice vote.***

### **Medicare Advantage – Request for Proposals**

Ms. Carabell and Ms. Pray referred the Board to the memo, Medicare Advantage – Request for Proposals (Ref. GIB | 5.24.17 | 3E). ETF staff requested approval to develop and release an RFP for plan year 2019 with the intention to contract with one or more vendors that meet the following previously communicated goals:

- Expand Medicare offerings that have lower monthly premium costs
- Deliver high quality, high value services
- Offer excellent benefit packages
- Provide participant choice

Currently, national carriers dominate the group Medicare Advantage market in Wisconsin. Ms. Carabell noted that numerous regional carriers offer individual Medicare Advantage plans, and they may be interested in pursuing CMS approval to offer a group Medicare Advantage product to state employees.

ETF will recommend the optimal vendor mix to achieve the desired goals. Ms. Pray noted this could include awarding a contract to a vendor with a nationwide network as well as regional vendor(s) with more limited provider networks.

Later in 2017, ETF plans to survey Medicare-eligible members about benefit design and desired features. Based on RFP and survey responses, ETF will then evaluate the following:

- Whether the current IYC Uniform Benefits package is appropriate for the Medicare population and if there should be additional or different benefit offerings;
- Determine the optimal number of benefit choices for members;
- Find out what other benefit designs Medicare members value and the likely premium; and

- The effect of offering a pharmacy benefit combined with the medical benefit specifically for Medicare Advantage.

ETF will present the Board with a comprehensive proposal for Medicare options for 2019 and beyond after the RFP results have been evaluated. ETF plans to issue the RFP in the fall of 2017 and bring vendor proposals to the Board in February 2018.

***MOTION: Mr. Day moved to approve the development and issuance of a Request for Proposals (RFP) to select an administrator(s) for Medicare Advantage options to be effective for the 2019 plan year. Mr. Neitzke seconded the motion, which passed unanimously on a voice vote.***

## DENTAL INSURANCE

### Uniform Dental Benefit Changes

Ms. Schomber referred the Board to the memo, Uniform Dental Benefit Changes (Ref. GIB | 5.24.17 | 4A). Ms. Schomber provided a brief overview of proposed benefit changes for plan year 2018, which included:

- Reduced bitewing x-ray coverage
- Enhanced sealant benefit
- Adding medicament coverage
- Adding Evidence-Based Integrated Care Plan (EBICP) benefits

The changes aligned with industry standards and best practice recommendations from the Wisconsin Dental Association (WDA) and the American Dental Association (ADA).

The estimated annual claims cost increase for all recommended changes was approximately \$362,000, or 0.67% of total claims costs. These changes were not expected to effect overall premiums for 2018.

ETF committed to tracking and evaluating the costs and outcomes of these programs and providing results to the Board in future years. Mr. Grapentine requested the ability to review dental costs on an annual basis, and Ms. Ellinger confirmed that updates would be provided at subsequent May Board meetings.

***MOTION: Ms. Thompson moved to approve the following benefit changes for the Uniform Dental Benefit Plan, effective January 1, 2018:***

- ***Reduce bitewing x-ray coverage***
- ***Enhance sealant benefit***
- ***Add medicament coverage***
- ***Add Evidence-Based Integrated Care Plan (EPICP) benefits***

***Mr. Day seconded the motion, which passed on a voice vote with Mr. Wieske abstaining.***

## **DISABILITY PROGRAM UPDATE**

### **Acceptance of State and Local Income Continuation Insurance and Actuarial Valuations**

Mr. Correia of Milliman, Inc., presented an actuarial valuation overview of the State and Local Income Continuation Insurance (ICI) plans (Ref. GIB | 5.24.17 | 5A) as of December 31, 2016.

#### State ICI Plan

At its May 19, 2015, meeting, the Board approved a motion to increase State ICI premiums 20% each year from 2016 through 2020. ETF recommended the Board's 2015 premium rate decision remain in effect. Maintaining this decision did not require a new vote of the Board.

On February 8, 2017, the Board approved recommended State ICI program design changes to address the deficit position of the program. ETF indicated that staff is developing the necessary statute changes to institute the design changes effective January 1, 2020. Once the statutory changes are in place, a new premium rate schedule will be developed for the 2020 plan year and brought to the appropriate Board for approval.

***MOTION: Mr. Grapentine moved to approve the State ICI Actuarial Review as of December 31, 2016. Mr. Wieske seconded the motion, which passed unanimously on a voice vote.***

#### Local ICI Plan

According to Milliman, the Local ICI plan had a surplus as of December 31, 2016. ETF therefore recommended a continuation of the premium holiday for the Local ICI plan.

***MOTION: Ms. Thompson moved to approve the Local ICI Actuarial Review as of December 31, 2016. Mr. Neitzke seconded the motion, which passed unanimously on a voice vote.***

### **Acceptance of Long-Term Care Disability Actuarial Valuation**

Mr. Correia presented an actuarial valuation overview of the Long-Term Disability Insurance (LTDI) plan (Ref. GIB | 5.24.17 | 5B) as of December 31, 2016. The overview included a discussion of funding analyses.

In 2016, the Employee Trust Funds Board approved closing the LTDI program to new open claims effective January 1, 2018. According to Milliman's financial projections, which were consistent with LTDI valuation assumptions, the plan would remain in a deficit position when it closes to new claims in 2018 if contributions are not made beyond 2017.

Mr. Correia provided an overview of two contribution scenarios. ETF staff recommended Scenario 1, which is a reduced contribution rate of 0.06% effective January 2018 and no additional contributions required for 2019 and beyond.

***MOTION: Mr. Wieske moved to approve the Long-Term Disability Insurance Actuarial Review as of December 31, 2016, and the implementation of Scenario 1. Mr. Day seconded the motion, which passed unanimously on a voice vote.***

### **Acceptance of Local Income Continuation Insurance Plan Language Revisions**

Ms. Roemer referred the Board to the memo, Acceptance of Local Income Continuation Insurance (ICI) Plan Language Revisions (Ref. GIB | 5.24.17| 5C). Clearinghouse Rule CR 16-034 became effective on May 1, 2017. This rule modified the eligibility requirements in Administrative Rule ETF 50.10 for ICI for employees of local units of government, to make the requirements consistent with changes made in 2015 Wisconsin Act 55 for state employees. Ms. Roemer noted these changes better aligned the state and local ICI programs.

***MOTION: Mr. Neitzke moved to approve revisions to the Local ICI plan effective May 1, 2017. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.***

## **OPTIONAL PLANS**

### **Optional Insurance Program Annual Update**

Mr. Farrell referred the Board to the memo, Optional Insurance Program Annual Update (Ref. GIB | 5.24.17 | 7A). No presentation was made regarding this informational memo in the interest of time.

### **Optional Insurance Program Proposals**

Ms. Schomber referred the Board to the memo, Optional Insurance Program Proposals (Ref. GIB | 5.24.17 | 7B). She provided an overview of plan proposals received by ETF for plan year 2018 and ETF's recommendation for minimal plan changes due to the recently initiated optional insurance program alignment initiative.

### **Existing Plan Proposals**

ETF received proposals for rate and benefit changes from EPIC for the Dental Wisconsin and Benefits+ plans. These proposals were still under review. ETF staff will present the EPIC proposals at the August 2017 Board meeting.

ETF received a proposal for benefit enhancements to the current Vision Service Plan (VSP) with no rate changes. The proposed enhancements for 2018 were:

- Premium rate guarantee for 3 years, through 2020
- Increase contact lens and frame allowances from \$130 to \$150
- Add full coverage for UV protection coating

- Decrease the contact lens exam copay from \$60 to \$40
- Add Primary EyeCare Supplemental Coverage, which includes additional benefits at a \$20 copay
- Treatment for eye pain or infection
- Testing for sudden vision changes
- Cataract monitoring exams
- Retinal screenings

Anthem DentalBlue and Zurich North America proposed no rate or benefit changes for plan year 2018.

#### New Proposals Review

Nationwide submitted a Voluntary Pet Insurance plan proposal for consideration. Staff indicated that pet insurance is considered Property and Casualty (P&C) insurance, and is different from the Accident and Health insurance plans offered by the Optional Insurance Program. Nationwide would not provide data regarding loss ratios or agree to 75% minimum loss ratio required to participate in the program. ETF staff recommended not approving Nationwide's proposal.

ETF received three proposals from Securian: Accidental Death and Dismemberment (AD&D), Critical Illness, and Hospital Indemnity. Based on the progress of the alignment initiative, ETF recommended not approving Securian's proposals for 2018, but instead considering them for 2019.

SeniorCare submitted a proposal for Long Term Care insurance (LTC) on behalf of LifeCare and National Guardian Life (NGL). SeniorCare was unable to provide the required employer references in accordance with the Board-approved Standards for Proposing and Offering Long Term Care Insurance to State Employees (Standards).

Ms. Schomber noted that ETF previously experienced prolonged difficult contract negotiations with SeniorCare regarding a previously proposed LTC plan from TransAmerica. Based on past experiences and the lack of adequate employer references, ETF recommended not approving SeniorCare's proposal for LTC insurance for 2018.

#### Optional Insurance Program Alignment Initiative

Ms. Schomber provided an overview of the current Optional Insurance Program structure. Nine plans are currently offered, and most duplicate benefits already offered under Uniform Benefits or other plans within the Optional Insurance Program.

ETF has initiated a review of the Optional Insurance Program in order to address concerns raised by payroll centers in 2016 regarding the complexity of the supplemental benefit options. The goals of this initiative:

- Limit plan offerings based on overall value to members
- Reduce benefit overlap

- Reduce member confusion
- Standardize available benefits
- Maximize administrative efficiency

Staff will bring analysis and a recommendation to the Board at the November 2017 meeting.

***MOTION: Mr. Ziegelbauer moved to approve the following Optional Insurance Program offerings, effective January 1, 2018:***

- ***Pend discussion of EPIC plan changes and rates until August 2017 meeting***
- ***Approve benefit changes for Vision Service Plan (VSP)***
- ***Approve continued participation with no changes***
  - ***Anthem DentalBlue***
  - ***Zurich North America***
- ***Deny proposals for newly proposed plans***
  - ***Nationwide Mutual***
  - ***Securian Life Insurance Company***
  - ***SeniorCare***

***Ms. Thompson seconded the motion, which passed unanimously on a voice vote.***

## **WISCONSIN PUBLIC RECORDS TRAINING**

Mr. Nispel referred the Board to the presentation, Wisconsin Public Records Law Basics for State Employees (Ref. GIB | 5.24.17 | 8). This Board-focused training presentation included an overview of public records responsibilities for Board members, as well as an overview of what does and does not constitute a public record.

## **WELLNESS AND DISEASE MANAGEMENT**

### **StayWell Implementation & General Overview**

Ms. Bradley referred the Board to the memo, 2016 Well Wisconsin Program Participation (Ref. GIB | 5.24.17 | 9A). Ms. Bradley provided an overview of participation in the Well Wisconsin Program and an update on the transition to StayWell, the third party administrator for the wellness program.

Participation rates for the Well Wisconsin Program have remained consistent over the three-year program history. The overall participation rate increased from 13.5% in 2014 to 15.5% in 2016. Ms. Bradley noted this increase is likely due to the decrease in eligible participants resulting from the 2015 ruling by the U.S. Equal Employment Opportunity Commission that restricted the participation of adult dependents in wellness programs. The implementation of this federal guideline reduced the total number of members eligible to participate from 204,610 in 2015 to 185,089 in 2016.

There was a significant increase in employer on-site health screenings from 187 in 2015 to 227 in 2016. Ms. Bradley noted StayWell is on target to provide a similar number of on-site health screenings in 2017, if not more.

### **Future Disease Management Capabilities**

Ms. Rathjen and Dr. Gregg with StayWell presented an overview of the 2017 launch of StayWell services and future program components, including disease management capabilities.

StayWell's contract began in August 2016, with implementation and development through December 2016. StayWell's first on-site screening event was held on February 1, 2017. There were 228 events scheduled to date with the potential to screen over 19,000 participants. For plan year 2017, StayWell was targeting is a total of 36,000 to 50,000 members completing a health assessment and a health screening.

The Wellness Portal launched on January 5, 2017. The portal had 20,000 users to date, with approximately 1,000 new users joining each week. Ms. Rathjen provided a brief overview of the Wellness Portal. Through the portal, members can access the online health assessment and additional tools and resources, including self-directed coaching. Employer engagement toolkits are also available online.

StayWell's overall program goals included increasing awareness and engagement in the Well Wisconsin Program, integrating with and supporting state and local employers' wellness indicatives, and implementing on-site health behavior change programs.

Additional goals for 2017 included launching the Mindfulness Collection and piloting the Ignite Group Coaching Program. The Mindfulness Collection promotes resiliency and stress management. Offerings include three digital workshops on the benefits of mindfulness and stress management and a 21-day meditation experience. The Ignite Group Coaching Program is a 12-week coaching program that targets those with metabolic syndrome or a body mass index (BMI) of 30 or more.

For 2018, StayWell noted it is exploring points-based incentive options and the addition of engagement activities. Possible additional engagement programs include the million steps challenge, destination challenges and partner programs.

Dr. Gregg provided an overview of disease management (DM) services offered by StayWell, including information on identifying participants with a disease management condition and possible interventions. Dr. Gregg also answered questions from the Board regarding future capabilities.

### **OPERATIONAL UPDATES**

Mr. Farrell referred the Board to the Operational Updates in the Board Packets (Ref. GIB | 5.24.17 | 10) and offered that staff were available if the Board had questions.

## **ASSESSMENT AND DELIBERATION ON PROPOSALS FOR THE STATE OF WISCONSIN PHARMACY BENEFIT PROGRAM (ETG0013)**

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 ETF, Office of the Commissioner of Insurance (OCI), the Department of Administration (DOA), and actuarial advisors from Segal Consulting (Segal) were invited to remain during the closed session.

***MOTION: Mr. Neitzke moved to convene in closed session, pursuant to the exemptions contained in Wis. Stats. § 19.85 (1) (e) to deliberate or negotiate the investing of public funds or to conduct other specified business, whenever competitive or bargaining reasons require a closed session. Mr. Wieske seconded the motion, which passed on the following roll call vote:***

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

The Board convened in closed session at 12:05 p.m.

The Board took a break from 12:05 p.m. until 12:30 p.m.

The Board reconvened in open session at 3:43 p.m.

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

Mr. Farrell announced the Board met in closed session to assess and deliberate proposals for the State of Wisconsin Health Pharmacy Benefit Program.

***MOTION: Mr. Neitzke moved to grant authority to the Secretary of ETF to issue a letter of intent to award the contract for Third Party Administrative Services for the State of Wisconsin Pharmacy Benefit Programs (RFP#ETG0013) to Navitus Health Solutions, LLC for the period of July 1, 2017, through December 31, 2018, with the potential for three, two-year extensions, subject to successful contract and cost reduction 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 the State of Wisconsin Benefit Programs to Optum Rx with the same contingencies.***



***Mr. Ziegelbauer seconded the motion, which passed on the following roll call vote:***

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

**ADJOURNMENT**

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

The meeting adjourned at 3:48 p.m.

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

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

Herschel Day, Secretary  
Group Insurance Board