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Correspondence Memorandum

Date: August 3, 2017
To: Group Insurance Board
From: David H. Nispel, General Counsel
Dan Hayes, Attorney
Subject: Status of Pending Legal Cases

This memo is for informational purposes only. No Board action is required.

This memorandum presents the status of pending or recently concluded court cases involving insurance issues, the Department of Employee Trust Funds (ETF) and/or the Group Insurance Board (GIB). In order to maintain Wisconsin Retirement System (WRS) member confidentiality, the names of the parties and case numbers are not identified in this memorandum.

The purpose of this memorandum is to inform you of litigation in which the GIB and/or ETF are parties or are otherwise involved, not to provide any legal advice concerning the cases listed here. Each of the cases is being handled by either an assistant attorney general from the Department of Justice (DOJ) or a private attorney retained by Wisconsin Physicians Service (WPS). If you have any questions about a particular case, we will be able to provide you with the name of the attorney handling the case.

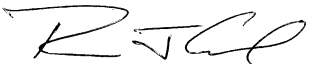
As of August 3, 2017, there are eight cases, which can be divided into the following categories:

Court Cases Handled by DOJ (6)

ETF (GIB not a party) 4
GIB and ETF..... 2

Subrogation Cases Handled by Private Attorney (2)

(per Article XII, Section H, Administrative Service Agreement with WPS)

Reviewed and approved by Robert J. Conlin, Secretary
 Electronically Signed 8/14/17

Board	Mtg Date	Item #
GIB	8.30.17	9C

COURT CASES HANDLED BY DOJ

Case No. 1:

Issue – Uniform Benefits offered through the State of Wisconsin Group Health Benefit Program contains an exclusion for “Procedures, services and supplies related to surgery and sex hormones associated with gender reassignment.” The issue in this litigation is whether that exclusion violates Title VII of the Civil Rights Act of 1964, the Equal Protection Clause of the 14th Amendment of the U.S. Constitution and the Patient Protection and Affordable Care Act.

Summary – ETF, the GIB, and ETF Secretary Conlin, among others, are named defendants in a complaint filed in the United States District Court for the Western District of Wisconsin. The plaintiffs are two Wisconsin Retirement System members who are represented by the American Civil Liberties Union.

Status – The complaint was filed on April 7, 2017. On June 22, 2017, the state moved to dismiss various plaintiffs from the lawsuit.

Attorney – DOJ attorney.

Case No. 2:

Issue – Whether ETF properly calculated the member’s Long-Term Disability Insurance (LTDI) benefit based on wages reported by her employer.

Summary – A member requested review of a final decision issued by the GIB on April 21, 2017. The GIB and ETF are named respondents

Status – The member filed the Petition to Review in Dane County Circuit Court on July 14, 2017.

Attorney – DOJ attorney.

Case No. 3:

Issue – ETF provided Income Continuation Insurance (ICI) benefits following plaintiff’s involvement in an automobile accident and seeks repayment for those payments made.

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Summary – ETF was named an involuntary plaintiff in a Dane County Circuit Court case in which the plaintiff seeks damages for personal injuries sustained in the accident and a determination of ETF's subrogation interest.

Status – A trial is scheduled to begin on April 9, 2018.

Attorney – DOJ attorney.

Case No. 4:

Issue – ETF provided income continuation insurance benefits and long term disability benefits following personal injuries sustained by the plaintiff as a result of alleged negligence by a chiropractor and seeks repayment for those payments made.

Summary – ETF was named an involuntary plaintiff in a Winnebago County Circuit Court case in which the plaintiff seeks damages for personal injuries sustained in the incident and a determination of ETF's subrogation interest.

Status – A two-week jury trial was scheduled to begin on July 10, 2017. But the plaintiff decided not to prosecute the case and it was dismissed on June 27.

Attorney – DOJ attorney.

Case No. 5:

Issue – ETF provided income continuation insurance benefits following plaintiff's involvement in a motorcycle accident and seeks repayment for those payments made.

Summary – ETF was named an involuntary plaintiff in an Eau Claire County Circuit Court case in which the plaintiff seeks damages for personal injuries sustained in the accident and a determination of ETF's subrogation interest.

Status – The plaintiff decided not to prosecute the case after defense counsel submitted their brief for summary judgement. It was dismissed on May 16, 2017.

Attorney – DOJ attorney.

Case No. 6:

Issue – ETF provided income continuation insurance benefits following plaintiff's involvement in an automobile accident and seeks repayment for those payments made.

Summary – ETF was named an involuntary plaintiff in a Dane County Circuit Court case in which the plaintiff seeks damages for personal injuries sustained in the accident and a determination of ETF's subrogation interest.

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Status – The parties reached a settlement that concluded the litigation.

Attorney – DOJ attorney.

WPS SUBROGATION CASES

WPS has retained private counsel to handle these cases, and no ETF or DOJ attorney is involved. There are two cases pending in which GIB or ETF has a subrogation interest in a court action filed by a WRS member because ETF provided benefits to that member following a personal injury.

Staff will be available at the board meeting to answer questions.