



## ***Correspondence Memorandum***

**Date:** October 19, 2017  
**To:** Group Insurance Board  
**From:** Rachel Carabell, Senior Health Policy Advisor  
Office of Strategic Health Policy  
**Subject:** Wisconsin Health Insurance Market: Review and Update of Developments

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

The purpose of this memo is to make the Group Insurance Board aware of developments in the Wisconsin health plan and provider markets that are relevant to the state group health insurance program (GHIP). Below is a brief description of health plan mergers and partnerships announced since the last Board briefing on this topic, in August 2016.

### **Recent Health Plan Mergers and Partnerships**

#### Wisconsin Collaborative Insurance Company

In October, the Wisconsin Collaborative Insurance Company, a joint venture between Anthem and Aurora Health Care, announced that it would start selling fully-insured products in 2018. The network would include Aspirus, Beloit Health System, Bellin Health, Gundersen Health System, ThedaCare, UnityPoint Health-Meriter and UW Health provider systems. Previously, the new insurance company, which was announced in April 2016, focused on selling its network to large self-insured employers only. The company has indicated that it is considering entering the state employee program, Medicare and Medicaid in the future, as well as the individual and small group market.

#### Unity, Gundersen, Physicians Plus, and Quartz

In July, the Office of the Commissioner of Insurance approved an application for Iowa Health System (doing business as UnityPoint Health) to acquire Gundersen Health Plan, Inc. and Unity Health Plans Insurance Corporation (Unity). In the same filing, Gundersen Lutheran Health System, Inc. (GHS), and University Health Care, Inc. (UHC), applied to acquire Physicians Plus Insurance Corporation (Physicians Plus).

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

Electronically Signed 11/2/17

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UHC is a not-for-profit entity associated with the University of Wisconsin Hospital and Clinics Authority and the University of Wisconsin Medical Foundation. UnityPoint Health is an Iowa-based provider system that acquired Meriter Health System in 2013.

According to the Office of the Commissioner of Insurance, the transaction with Physicians Plus mirrors the 2016 transaction between GHS and UHC that resulted in GHS acquiring an equity interest in Unity, and UHC acquiring a membership interest in Gundersen Health Plan. As a result of the most recent transaction, all three health plans will be managed by Quartz, a management company owned by UnityPoint Health, GHS and UHC.

#### Health Tradition Ceasing Operations

In September, Health Tradition, the Mayo (Mayo) Clinic Health System-owned insurance plan in Wisconsin announced it would cease operations over the next two or three years. Health Tradition will not be an offering in the GHIP and Wisconsin Public Employers (WPE) Program in 2018. In July, Health Tradition announced it would not be an offering in the Healthcare.gov Marketplace in 2018.

#### Security Health Plan to Include Mayo Providers

In September, Security Health Plan announced that Mayo providers will be added to its provider network in the Central service area offering in the GHIP and WPE programs. In addition, starting in 2018, Security Health Plan will offer a new product featuring Mayo and Marshfield Clinic Health System providers for medium and large employers in LaCrosse, Monroe, Vernon and Crawford Counties.

#### Medica Health Plan Expansion

Medica, a Minnesota-based health insurer, will expand into eight additional Wisconsin counties on the Healthcare.gov Marketplace with a product featuring Mayo providers. The eight new counties are Buffalo, Crawford, Jackson, LaCrosse, Monroe, Pepin, Trempealeau, and Vernon. The new product, called Engage, will serve a total of 14 counties, including six counties Medica has been serving. This offering will largely replace the Health Tradition on the Marketplace, as the Mayo-owned health insurer will pull out of the Healthcare.gov Marketplace starting in 2018.

#### Network Health Plan and Independent Physicians Network

Starting in 2018 Network Health Plan will include medical providers in the Independent Physician Network (IPN) in its provider network for the GHIP and WPE programs. IPN is a physician-managed medical network that includes more than 900 independent physicians practicing in Milwaukee and the surrounding area.

#### **Provider Mergers and Partnerships**

##### Integrated Health Network

In September 2016, Integrated Health Network (IHN) of Wisconsin announced that it would scale back its scope and cut 40% of its employees. IHN is a provider member organization that includes Agnesian HealthCare, Columbia St. Mary's, Froedtert Health,

Hospital Sisters Health System, The Medical College of Wisconsin, Ministry Health Care, SSM Health and Wheaton Franciscan. Since forming in 2010, three of the network's members have been acquired by Ascension, the country's largest non-profit health care provider system, based in St. Louis.

IHN had previously reached accountable care organization agreements with UnitedHealthcare and Humana, and built up its infrastructure to focus on improving quality of care among its member organizations. However, going forward, the organization is going to focus on serving as a network for self-insured employers, according to media reports.

#### AboutHealth

In January, AboutHealth announced that UW Health and Marshfield Clinic Health System were no longer part of its network. In a joint statement, UW Health and Marshfield Clinic Health System said they "believe the best path forward is to continue focusing on our own integrated health systems." AboutHealth is a collaboration of provider systems that formed in 2014 with the intention of contracting with insurance plans across Wisconsin. Remaining provider members include Aspirus, Aurora Health Care, Bellin Health, Gundersen Health System, ProHealth Care, and ThedaCare.

#### Ascension sale of St. Joseph's Hospital to Marshfield Clinic Health System

In April, Ascension and Marshfield Clinic Health System, an integrated health system, announced an agreement to sell St. Joseph's Hospital in Marshfield to Marshfield Clinic Health System and rename it the Marshfield Medical Center. Federal authorities must still approve the sale to ensure it does not violate regulations intended to curb anti-competitive behavior.

#### SSM Health to acquire Agnesian HealthCare and Monroe Clinic

In July, SSM Health, a non-profit health care provider system headquartered in St. Louis, signed a letter of intent with the Congregation of Sisters of St. Agnes to transfer sponsorship of Agnesian HealthCare and Monroe Clinic to SSM Health. Agnesian HealthCare operates St. Agnes Hospital in Fond du Lac and hospitals in Ripon and Waupun. According to media reports, a definitive deal was expected this fall and the transfer completed by the end of 2017.

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