

DRAFT

MINUTES

November 15, 2017

Group Insurance Board
State of Wisconsin

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



BOARD MEMBERS PRESENT:

Michael Farrell, Chair	Jennifer Stegall
Stacey Rolston, Vice Chair	Francis Sullivan
Herschel Day, Secretary (via phone)	Nancy Thompson
Chuck Grapentine	JP Wieske
Waylon Hurlburt	Bob Ziegelbauer

BOARD MEMBERS ABSENT:

Ted Neitzke

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Bob Conlin, Secretary	Office of Internal Audit:
John Voelker, Deputy Secretary	Amelia Slaney
Office of Strategic Health Policy:	
Lisa Ellinger, Director	
Eileen Mallow, Deputy Director	
Sara Brockman, Board Liaison	
Jeff Bogardus, Sarah Bradley,	
Rachel Carabell, Arlene Larson, Tara	
Pray, Jessica Rossner, Shayna	
Schomber, Renee Walk	

OTHERS PRESENT:

ETF Budget & Procurement:	Legislative Audit Bureau:
Jason Barrett, Beth Bucaida, Joanne	Lisa Kasel
Klaas	Legislative Fiscal Bureau:
ETF Information Technology Services:	Rachel Janke
Ryan Perkins	Navitus Health Solutions:
ETF Legal Services:	Steve Alexander, Tara Argall, Karen
Monica Anderson, Diana Felsmann,	Markstahler, Ryan Olson, Tom Pabich,
Daniel Hayes, David Nispel	Tom Radloff

Board	Mtg Date	Item #
GIB	2.21.18	1

ETF Office of the Secretary: Liz Doss-Anderson, James Kates, Mary Richardson, Cherylynn Wilkins	Network Health: Hannah Zillmer
ETF Office of Strategic Health Policy: Sherry Etes, Wade Whitmus	Physicians Plus: Ron Sebranek
Anthem Blue Cross and Blue Shield: Brian Martin	Quartz: Cari Alexander
Baraboo Ambulance: Troy Snow	Securian: Kjirsten Elner, Jody White
Dean Health Plan: Katie Beals, Penny Bound	Total Administrative Services Corporation: Brad Hoffman, Kim Manyk
Delta Dental Megan Wohlfeil	UW Health: Anthony Dix,
Department of Administration: Derek Sherwin, Nicole Zimm	UW Madison: Diane Blaskowski, Deanna DeSlover
Department of Justice: Charlotte Gibson	UW System Administration: Beth Ritchie, Erin Schoonmaker
EPIC Life Insurance: Wendy Hougan, Daniel Rodriguez	WEA Trust: Greg Cieslewicz
Group Health Cooperative – South Central Wisconsin: Elizabeth Dye, Al Wearing	Wisconsin Association of Health Plans: Nancy Wenzel
	Wisconsin Health News: Tim Stumm

Michael Farrell, chair, called the meeting of the Group Insurance Board (Board) to order at 8:30 a.m.

CONSIDERATION OF AUGUST 30, 2017, OPEN AND CLOSED MEETING MINUTES

MOTION: Ms. Thompson moved to approve the open session meeting minutes of the August 30, 2017, meeting as submitted by the Board Liaison. Mr. Wieske seconded the motion, which passed on a voice vote.

MOTION: Mr. Wieske moved to approve the closed session meeting minutes of the August 30, 2017, meeting as submitted by the Board Liaison. Mr. Grapentine seconded the motion, which passed on a voice vote.

ANNOUNCEMENTS

Ms. Ellinger made the following announcements:

- Waylon Hurlburt, State Budget Director at the Department of Administration, will replace Michael Heifetz as a member of the Board.
- The Medicare Advantage request for proposal (RFP) was released in mid-October. A special Board meeting for vendor selection has been proposed for March 2018.
- A comprehensive update on the 2018 It's Your Choice (IYC) open enrollment period will be provided at the February 2018 Board meeting. Ms. Ellinger noted there has been a 50% increase in High Deductible (HDHP) enrollment, from approximately 8,000 for plan year 2017 to approximately 12,000 for plan year 2018. She also noted increased enrollment in WEA Trust and Quartz plan offerings in the eastern region of the state, and many current WPS participants have enrolled in WEA Trust offerings available for 2018.
- Joan Steele, Health Policy Advisor with the Office of Strategic Health Policy, has left ETF.
- Sara Brockman, Health Policy Advisor and Board liaison, has accepted the Health Policy Advisor position vacated by Ms. Steele. Recruitment for a new Board liaison to replace Ms. Brockman is currently underway.
- James Cooper, Performance Measurement Manager, has left ETF. Recruitment for this position is currently underway.
- WisconsinEye was not present to record the meeting.

HEALTH INSURANCE

Wisconsin Health Insurance Market: Review and Update of Developments

Ms. Carabell referred the Board to the memo, Wisconsin Health Insurance Market: Review of Updates and Developments (Ref. GIB | 11.15.17 | 3A).

Ms. Carabell provided a brief overview of developments in the Wisconsin health plan and provider markets relevant to the state group health insurance program (GHIP) since August 2016. Key changes include:

- **Wisconsin Collaborative Insurance Company:** This joint venture between Anthem and Aurora Health Care announced it would start offering fully-insured products in 2018. The network includes Aspirus, Beloit Health System, Bellin Health, Gundersen Health System, ThedaCare, UnityPoint Health-Meriter and UW Health provider systems.
- **Quartz:** Quartz is a management company owned by UnityPoint Health, Gundersen Lutheran Health System, and University Health Care. University Health Care, the parent company of UW Health, is the controlling affiliate. Physicians Plus was jointly acquired by Quartz in July. Beginning in 2018, Quartz will cover the service areas previously served by Gundersen, Unity and Physicians Plus.

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

ETF will continue to monitor changes within the Wisconsin health plan and provider markets and provide updates to the Board as necessary.

2018 Program and Operational Clarifications for the Group Health Insurance Program

Ms. Larson and Ms. Schomber referred the Board to the memo, 2018 Program and Operational Clarifications for the Group Health Insurance Program (Ref. GIB | 11.15.17 | 3B). ETF identified several issues during preparations for the IYC open enrollment period, including:

- **Data Warehouse Fee Adjustment:** While 2018 premium rates were being established, an analysis of fees for the data warehouse was performed. In 2017, a fee of \$1.83 per contract per month had been applied to prepare for estimated implementation costs under the Truven Health Analytics (Truven) contract. Realized costs were lower than expected, and it was determined that the fee could be waived in 2018. A fee is anticipated for 2019.
- **IYC Medicare Plus:** A misstatement of Medicare benefits was identified in the outline of coverage regarding psychiatric treatment. The language was corrected to say that Medicare will pay 80% and IYC Medicare Plus will pay 20%. A number of definitions were also updated in the certificate of coverage.
- **IYC Access Plan:** WEA Trust (WEA) requested a clarification of the out-of-network benefit for hearing aids for children. The benefit for adults includes a \$1,000 plan maximum payment, after deductible and coinsurance. Statutes do not set benefit requirements for out-of-network care. WEA stated that it is administratively burdensome to apply a benefit cap to out-of-network hearing aids for children.
- **Service Area Correction:** At the August 2017 Board meeting, ETF reported that Portage County had three Tier 1 plans available for State members and two available for Local members. Network Health had been omitted from the list and is another qualified Tier 1 plan available to State and Local members in Portage County.

It's Your Choice Communications Presentation

Ms. Pray made a presentation featuring 2018 IYC Communications (Ref. GIB | 11.15.17 | 3C). Materials for 2018 were developed in conjunction with the Member Communication & Education Workgroup (MC&E), which is composed of ETF staff and

employers. The goal of MC&E is to provide information to members that is targeted, easy to access and understand, and aids decision making.

Changes to the IYC Decision Guides for 2018 were intended to make choosing health insurance easier. Key changes included:

- Take action checklist and steps
- Overview for easier decision making
- Health plan maps by county

Design changes were carried through all guides, the website, and eLearnings.

Key changes to the IYC website for 2018 include:

- Improved navigation
- Interactive health plan map with top health systems and provider directories and
- Accordion menus to help streamline information dense pages

New eLearnings created for 2018 include:

- Health Benefits in Retirement
- 2018 Changes
- Plan Design Options

The Board commended the improved IYC materials.

EMPLOYEE REIMBURSEMENT ACCOUNT AND HEALTH SAVINGS ACCOUNT PROGRAMS

Health Savings Account Program and Employee Reimbursement Accounts Program Overview

Ms. Rossner and Ms. Brockman referred the Board to the memo, Health Savings Accounts (HSA) and Employee Reimbursement Accounts (ERA) Overview (Ref. GIB | 11.15.17 | 4A). The HSA and ERA programs are administered by TASC, a third-party administrator (TPA), with support and oversight from OSHP staff and leadership. On September 21, 2017, the ETF Board approved the delegation of oversight for the HSA and ERA programs to the Board. These programs are similar to other supplemental benefit programs managed by OSHP.

Ms. Rossner and Ms. Brockman provided a brief overview of these programs, including:

- 2017 Program Participation and Savings
- HSA Program Overview
- ERA Program Overview
- Administrator Performance
- Audit Activity and Findings

ETF will continue to evaluate TASC's performance in relation to audit finding recommendation implementation and the contractually stipulated performance standards and guarantees. Updates will be provided at future Board meetings.

Third-party Audits of Total Administrative Service Corporation (TASC)

Ms. Rossner and Ms. Slaney presented the memo, Third-party Audits of TASC (Ref. GIB | 11.15.17 | 4B). ETF and the ETF Board retained Wipfli LLP (Wipfli) to evaluate the effectiveness of controls for several key areas, including billing and claim substantiation.

ETF Office of Internal Audit (OIA) performed a complementary audit of TASC's contribution reporting and billing for administrative fees for the same time frame.

Ms. Slaney and Ms. Rossner provided an overview of the audit findings to the Board. The findings of this audit were previously presented to the Audit Committee of the ETF Board on September 21, 2017.

Key audit findings with actionable improvements include:

- Wipfli Findings
 - Billing ETF for Claims Paid
 - Secondary Review of Billings for Claims
 - Integrity of System Data
 - Transition Between Systems Used by TASC
 - Integrity of System Data
 - Adjustments to Participant Accounts
 - Secondary Review of Adjustments
- OIA Findings
 - Contribution Processing
 - Accuracy of Contributions Posted
 - Reconciliation of Contributions Withheld, Reported, and Paid
 - Program Contribution Limit Compliance
 - Review of Annual Plan Finalization Report
 - Billing for Administrative Fees

Several audit recommendations will be implemented for plan year 2018, including:

- Uniform Payroll Deductions
- Standard Reporting File Format

Ms. Rossner will continue to monitor recommendation implementation through regular contact with TASC and payroll centers. Progress updates will be provided by Ms. Rossner on a quarterly basis to OIA, the ETF Board Audit Committee, and the Board.

Employee Reimbursement Accounts and Health Savings Accounts – TASC

Ms. Rossner and Ms. Brockman referred the Board to the memo, ERA, Commuter Benefits, Limited Purpose Flexible Spending Account (LPFSA), and HSA Contract Extension and Contract Amendment (Ref. GIB | 11.15.17 | 6A).

The current contract term with TASC runs through December 31, 2018, with an option to extend the contract for a third and final one-year period. ETF will present a renewal recommendation to the Board at the February 2018 Board meeting.

Additional performance standards and guarantees have been identified for 2018 in advance of the 2019 plan year and will be incorporated into the contract extension if approved by the Board. These additional areas of focus include:

- Office of Internal Audit (OIA) Audit Recommendation Implementation
- Wipfli Third-party Audit Recommendation Implementation
- Contract Retirement and Plan Run-Out Expectations

TASC remains engaged with ETF and the payroll centers to remedy issues, especially those identified in audit findings and recommendations. TASC is also committed to maintaining earlier gains in relation to the performance standards and guarantees.

The Board took a break from 9:38 to 9:46 a.m.

CONTRACT EXTENSIONS

Pharmacy Benefit Manager – Navitus

Mr. Bogardus and Ms. Walk referred the Board to the memo, Pharmacy Benefit Manager (PBM) Contract Extension (Ref. GIB | 11.15.17 | 6B). ETF presented the Board with the results of successful contract negotiations with Navitus for a one-year contract as the Board's PBM at the August 2017 Board meeting.

The current contract will expire December 31, 2018. ETF recommended extending the contract term from January 1, 2019, through December 31, 2020. Mr. Bogardus cited several reasons to extend the contract with Navitus, including the negotiation of significant savings for 2017 and 2018 in the current contract. He also stated that Navitus continues to be a trusted partner.

The Board discussed the timing of the renewal and opted to approve a one-year contract extension. ETF will provide a follow-up at the May 2018 meeting with financial data for the Board's consideration.

MOTION: Mr. Grapentine moved to approve a one-year extension of the contract with Navitus Health Solutions from January 1, 2019, through December 31, 2019. Mr. Wieske seconded the motion, which passed on the following roll call vote:

Members Voting Aye: Carlson, Cyganek, Day, Farrell, Grapentine, Hurlburt, Rolston, Sullivan, Thompson, Wieske, Ziegelbauer

Members Absent: Neitzke

Wellness and Disease Management – StayWell

Ms. Bradley presented the memo, Contract Renewal for the Third-Party Administration of Wellness and Disease Management Programs and Increase of 2019 Wellness Incentive (Ref. GIB | 11.15.17 | 6C).

StayWell, LLC (StayWell) is the third-party administrator for the wellness and disease management programs. StayWell administers all aspects of the uniform wellness program (the Well Wisconsin Program), including the requirements for earning the \$150 wellness incentive.

Ms. Bradley provided a brief overview of StayWell's performance and impact. StayWell administration of the wellness program has increased awareness, provided a consistent message and experience for participants, and has enabled employer groups to better incorporate programming into worksite wellness programs.

The current contract term with StayWell is from August 16, 2016, through December 31, 2018, with an option to extend the contract for two additional two-year periods. Based on the successful transition of the wellness program to StayWell, ETF recommended the Board approve the first two-year extension, January 1, 2019, through December 31, 2020.

ETF also requested the Board approve the exploration of additional contract considerations for plan year 2019. Potential options would be brought to the Board for consideration, and may include:

- additional on-site StayWell staff
- custom learning modules
- alternative methods for disease management program delivery

The Board discussed StayWell's performance and overall program savings to the state, as well as the logistics of the proposed premium differential. The Board also expressed an interest in more aggressive initiatives to improve member engagement, and directed ETF to maintain the \$150 Well Wisconsin Program incentive for plan year 2019.

MOTION: Mr. Wieske moved to approve a one -year extension (January 1, 2019 through December 31, 2019) of the wellness and disease management services contract with StayWell, with the proposed fee increase as detailed in StayWell's original cost proposal. Ms. Thompson seconded the motion, which passed on a voice vote.

Motion: Ms. Rolston moved to approve the exploration of alternative options to the health screening requirement for the 2019 program year requirements. Ms. Thompson seconded the motion, which passed on a voice vote.

Data Warehouse and Business Intelligence – Truven

Ms. Carabell presented the memo, Truven Health Analytics (Truven) Contract Extension (Ref. GIB | 11.15.17 | 6D). Truven has been the Board's data warehouse and business intelligence vendor since March 2017. The current contract runs through December 31, 2018.

Ms. Carabell provided a data warehouse implementation overview, including procurement background and current status. Truven is mid-way through data warehouse implementation, with anticipated phase one implementation estimated for the end of April 2018.

ETF recommended extending the contract through December 31, 2020, with the following contract amendments:

- Performance Guarantees
 - Tied to identified project phase milestones
- Audit Requirement
 - Third-party system and organization controls (SOC) audits annually

ETF will provide project status and timeline updates at the February 2018 Board meeting.

MOTION: Mr. Wieske moved to approve a two-year extension of the Board's current contract with Truven Health Analytics, LLC (Truven) from January 1, 2019, through December 31, 2020. Mr. Ziegelbauer seconded the motion, which passed on a voice vote.

OPTIONAL AND LONG-TERM CARE PLANS

Supplemental Plans Alignment

Ms. Schomber and Ms. Walk presented the memo, Supplemental Plans Alignment (Ref. GIB | 11.15.17 | 7A). ETF requested approval for a supplemental insurance plan alignment strategy and modifications to administrative documents to achieve the desired strategic changes.

Ms. Schomber provided an overview of the current state, which includes five vendors and ten product options. Ms. Schomber stated that employers have indicated the current supplemental benefit structure is difficult to communicate effectively and too complicated for members to compare.

Ms. Schomber also cited significant administrative burdens for employers, payroll centers, and ETF in regard to managing annual changes and the ongoing maintenance of these plans. The supplemental plan benefits also often duplicate or overlap one another and the Uniform Dental Benefits they are intended to support.

ETF recommended the following supplemental plan benefit alignment strategy:

- 2017

- Updated Guidelines & Standards criteria
- 2018
 - Simplify proposal submission process
 - Select high-quality plans that meet service level requirements
 - Review potential benefit integration for 2019 procurements
- 2019
 - Integrate supplemental plans into other procurement efforts as directed by the Board

The Board discussed the long-term care premium increase strategy and questioned potential disruption for members. ETF requested Board guidance for desired changes to the supplemental plan benefits and offerings.

MOTION: Ms. Stegall moved to approve an overall alignment strategy for supplemental insurance plans and modifications to the administrative documents that govern supplemental plans, in order to reduce duplication of services and improve program administration. Ms. Rolston seconded the motion, which passed on a voice vote with Mr. Grapentine abstaining

OPERATIONAL UPDATES

Mr. Farrell referred the Board to the Operational Updates in the Board packets (Ref. GIB | 11.15.17 | 8) and offered that staff were available if the Board had questions. The chair announced the Board would convene in closed session pursuant to the exemptions contained in Wis. Stat § 19.85 (1) (a) for quasi-judicial deliberations on Appeal number 2016-019-GIB. Ms. Gibson and Ms. Brockman were invited to remain during the closed session.

MOTION: Mr. Sullivan moved to convene in closed session, pursuant to the exemptions contained in Wis. Stat. § 19.85 (1) (a) for the purpose of quasi-judicial deliberations on an appeal. Ms. Thompson seconded the motion, which passed on the following roll call vote:

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

Members Absent: Neitzke

The Board convened in closed session at 11:42 a.m.

Mr. Day and Ms. Thompson departed at 11:43 a.m.

The Board reconvened in open session at 11:56 p.m.

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

Mr. Farrell announced the Board voted to adopt the hearing examiner's proposed decision with amendments as recommended by counsel, and as discussed at the November 15 Board meeting, in regard to Appeal number 2016-019-GIB.

ADJOURNMENT

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

The meeting adjourned at 11:57 a.m.

Date Approved: _____

Signed: _____

Herschel Day, Secretary
Group Insurance Board