

March 13, 2018

Group Insurance Board Board Liaison P.O. Box 7931 Madison, WI 53707-7931

Dear Group Insurance Board members:

We are writing to request the assistance of Employee Trust Funds in facilitating further consideration by the Group Insurance Board of including bariatric surgery as a participation requirement for health plans for the upcoming benefit year (2019). Bariatric surgery is considered the most effective treatment for severe obesity, which affects 15-20% of Wisconsin state employees.

In 2013, a GIB advisory study group reviewed bariatric surgery as one of several benefit adjustments considered for the 2014 benefit year. Following its review, the study group took no action related to bariatric surgery. Subsequently, ETF asked Segal Consulting to provide recommendations regarding covered benefits. A 2014 Public Sector Letter from Segal stated that "over the long term, covering obesity treatments is likely to save plans money by avoiding serious and costly chronic diseases and conditions for which obesity is a major risk factor." Despite this favorable language from Segal, ETF again decided not to include bariatric surgery as a standard benefit.

In 2017, only the "Access Plan" plan from WPS covered bariatric surgery for state employees. This plan was costprohibitive for most patients, and fewer than 20 patients per year underwent bariatric surgery using this benefit. With the demise of the WPS Access Plan in 2018, Wisconsin state employees currently have no bariatric surgery coverage. This makes Wisconsin a significant outlier compared to other states as Wisconsin is one of several states that does not include bariatric surgery as a covered benefit for state employees.

Over the past few years, there has been an important dialogue between medical providers and health insurers regarding bariatric surgery. We have presented the most recent published, peer-reviewed national and institutional-level data regarding long term bariatric surgery outcomes to every health plan represented within ETF. Unlike several years ago, multiple health plans now cover bariatric surgery for non-state employees, including most recently Quartz insurance. Two other previous state employee health plans — Gundersen and Physicians Plus — are now part of Quartz and thus also cover bariatric surgery for non-state employees.

Based on these recent events and the steady publication of evidence-based literature that supports bariatric surgery as the most effective treatment for severe obesity, we think the advisory study group should again review bariatric surgery as a potential required benefit for plan participation. In our view, a comprehensive assessment by the study group will allow careful review of many factors, including bariatric surgery outcomes, procedural safety, actuarial modeling and PMPM cost projections for health plans. We hope this review will prompt the ETF to consider a bariatric benefit design.

We are prepared to offer the study group the most recent data supporting bariatric surgery as a medically necessary procedure and are willing to work with reviewers to offer options for benefit design which place appropriate limitations on candidates for bariatric surgery. Additionally, we can help provide relevant actuarial analysis to guide discussion as it relates to member costs. We believe that as the most current clinical and actuarial data are considered, we can reach a consensus on how to tailor a required bariatric surgery benefit for recommendation to the GIB.

Thank you for your consideration of this request. We look forward to your response, and we welcome any dialogue you may wish to have on this issue.



Respectfully,

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