

DRAFT

MINUTES

May 16, 2018

Group Insurance Board
State of Wisconsin

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



BOARD MEMBERS PRESENT:

Michael Farrell, Chair
Stacey Rolston, Vice Chair
Herschel Day, Secretary
Chuck Grapentine
Waylon Hurlburt
Ted Neitzke

Jennifer Stegall
Francis Sullivan
Nancy Thompson
JP Wieske
Bob Ziegelbauer

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Office of the Secretary:

Bob Conlin, Secretary
John Voelker, Deputy Secretary
Lisa Gurley, Board Liaison

Benefits Service Bureau:

Jim Guidry

Office of Legal Services:

Diana Felsmann, David Nispel

Office of Strategic Health Policy:

Eileen Mallow, Director
Jeff Bogardus, Arlene Larson,
Tara Pray, Renee Walk

Office of Policy, Privacy, &

Compliance:

Laura Patterson, Lucas Strelow

OTHERS PRESENT:

ACE

Sally Drew

Associated Bank

Deb Kohler

Association of Career

Employees/WCOA

Jack Lawton

Baraboo Ambulance

Troy Snow

Dean Health Plan

Katie Beals

Penny Bound

Delta Dental

Betsy Vinopal

Megan Wohlfeil

MercyCare

Sherry Sergeat

Michael Best Strategies

Nathan Houdek

Momentum Insurance

Stephanie Steel

Navitus Health Solutions

Tara Argall

Karen Markstahler

Ryan Olson

Tom Pabich

Network Health

Cara Techlin

Pharmacy Society of Wisconsin

Danielle Womack

Board	Mtg Date	Item #
GIB	8.22.18	3A

Department of Administration

Derek Sherwin
Nicole Zimm

EPIC Specialty Benefits

Jon Luchetti

Department of Employee Trust Funds

Monica Anderson
Anne Boudreau
Beth Bucaida
Bonnie Cyganek
Liz Doss-Anderson
Dan Hayes
Pam Henning
Patrick Hughes
Tarna Hunter
Bruce Johnson
James Kates
Joanne Klaas
Kadi Mbanefo
Mary Richardson
Yikchau Sze

Group Health Cooperative-South

Central Wisconsin

Emily Halter

Healthchoice

Cliff Morris
Bob Pearson
Juliatt Thill

Johnson & Johnson

Dennis Majeski
Tom Moore

Legislative Audit Bureau

Nick Lardinois
Sara Sanders
Kyle Swalls
Stephanie Yost

Legislative Financial Bureau

Rachel Janke

Quartz

Cari Alexander
Kara Gullickson

Securian

Kjirsten Eisner
Jody White

TASC

Brad Hoffman

United Health Group

Amy Boyn

United Healthcare

Joe Augustine, MD
Greg Condon
Jeff Harr
Linda Jones
Colleen McGlamry
Kerry Phillips
John Thompson

UW Health

Anthony Dix
Karen Hersal

UW System

Brianne Jobke
Erin Schoonmeeker
Zova Vang

UW-Madison

Deanna DeSlover

Village of Kimberly

Barbara Rein

WEA Trust

Greg Cieslewicz

Wisconsin Association of Health Plans

Tim Lindquist

Wisconsin Hospital Association (WHA)

Lisa Ellinger

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

CONSIDERATION OF MARCH 21, 2018, OPEN AND CLOSED MEETING MINUTES

MOTION: Mr. Wieske moved to approve the open session meeting minutes of the March 21, 2018, meeting as submitted by the Board Liaison. Mr. Ziegelbauer seconded the motion, which passed on a voice vote.

MOTION: Ms. Rolston moved to approve the closed session meeting minutes of the March 21, 2018, meeting as submitted by the Board Liaison. Mr. Wieske seconded the motion, which passed on a voice vote.

ANNOUNCEMENTS

Mr. Conlin announced the appointment of Eileen Mallow as the Director of the Office of Strategic Health Policy.

Ms. Mallow made the following announcements:

- There are currently 4 vacancies in OSHP. ETF is in the final stages of interviewing and the positions should be filled by next week.
- Bruce Johnson started this week in OSHP.
- Efforts are under way to fill the Deputy Director position in OSHP.

Ms. Mallow provided a brief overview of today's meetings topics, including: the impact of federal tax law changes on UW Transportation benefit offerings; Medicare Advantage contract updates and communication; health and pharmacy program changes; health plan reserves; supplemental plan changes and annual report; state and local Income Continuation Insurance (ICI); disability program re-design update; board policy updates and review; and an update from ETF's wellness vendor.

FEDERAL TAX LAW CHANGES TO QUALIFIED TRANSPORTATION FRINGE BENEFITS

Ms. Felsmann referred the Board to the Federal Tax Law Changes to Qualified Transportation Fringe Benefits memo (Ref. GIB | 5.16.18 | 2.5) and provided a brief overview of federal tax law changes that affect the transportation fringe benefits. She also discussed a concern raised by the University of Wisconsin System (UW) regarding changes to the federal tax law, which included an additional tax liability of approximately \$2 million.

Ms. Felsmann explained that the Commuter Benefits Program is part of the Employee Reimbursement Account (ERA) Programs, which the Department of Employee Trust Funds (ETF) Board delegated to the Group Insurance Board (GIB). She added that the Commuter Benefits Program's provisions are contained in a separate plan document entitled State of Wisconsin, Department of Employee Trust Funds Transit and Parking Plan Document, which was attached to the memo. She also explained that approval of an amendment to that Plan Document is necessary if the GIB is interested in addressing the tax liability concerns raised by the UW.

Ms. Felsmann provided an overview of the following: what a qualified transportation benefits program entails; the tax law changes that have taken place; UW qualified transportation fringe benefits; ETF's Commuter Benefits Program; other Federal and State law provisions relevant to ETF's Commuter Benefits Program; the impact of these changes on UW employees; and the two options available for Board to consideration. She added that neither option will affect other state employees participating in ETF's Commuter Benefits Program.

MOTION: Mr. Grapentine moved to adopt Option A provided in the memo, which will freeze plan participation for UW employees to only those employees participating as of May 31, 2018. This adoption will disallow enrollment of new UW participants going forward, discontinue the acceptance contributions by UW participants as of May 31, 2018, and terminate UW's participation as an Adopting Employer as of January 1, 2019. Mr. Wieske seconded the motion which passed on a voice vote with Ms. Rolston opposed.

MEDICARE ADVANTAGE

Communication Plan

Ms. Pray referred the Board to the Communication Plan memo (Ref. GIB | 5.16.18 | 3A) and provided a brief overview of the Medicare Advantage Communications Plan. She highlighted that the new Medicare Advantage (MA) option will provide information to assist participants to better manage their health, including house calls, nurse practitioner visits, preventative care, care coordination, and access to the Silver Sneakers fitness program. Ms. Pray also discussed Department of Employee Trust Funds (ETF) efforts to support the communication plan, which include the *WRS News*, It's Your Choice materials, and community outreach. She added that UnitedHealthcare's (UHC) efforts focused on mailings and outreach to members.

Final MA Rates and 2019 Contract

Ms. Larson referred the Board to the Final Rates & 2019 Contract memo (Ref. GIB | 5.16.18 | 3B) and provided an overview of the final rate submitted by UnitedHealthcare (UHC). She stated that the final medical-only rate is \$103.81 Per Member Per Month (PMPM) and highlighted that this rate is lower than UHC's preliminary PMPM rate of \$170.00, which was shared with the Board at the March 21 meeting. Ms. Larson also informed the Board that UHC has confirmed its rate will remain the same after any 2019 benefit adjustments are approved by the Board.

Ms. Larson shared that ETF negotiations with UHC are nearing conclusion and a few technical changes are being finalized. She provided an overview of contract changes, both substantive and non-substantive, which included noting that enrollees who drop Part B will be moved to IYC Medicare Plus. She stated that ETF expects to have the contract signed in early June.

MOTION: Mr. Ziegelbauer moved to approve UnitedHealthcare's final bid rate as well as the Medicare Advantage contract as part of the overall Health Program Agreement subject to final negotiations. Ms. Rolston seconded the motion which passed unanimously on a voice vote.

HEALTH INSURANCE

2019 Health and Pharmacy Program Changes

Ms. Walk referred the Board to the 2019 Health and Pharmacy Program Changes memo (Ref. GIB | 5.16.18 | 4A). This memo finalizes proposed changes that were shared with the Board at the February meeting, in anticipation of seeking additional cost savings through benefit plan design changes to meet requirements set forth by the Legislature. She offered that upon review of the requirements, ETF does not anticipate needing benefit changes to reach savings targets pending review of the 2019 health plan bids and ETF has adjusted recommendations accordingly.

Ms. Walk gave a brief overview of recent state legislative changes that affect health plan offerings: WI Act 191, which prohibits the Board from contracting for abortion services; and WI Act 305 regarding refill thresholds for prescription eye drops. She also presented the recommended agreement changes that were presented at the February meeting, which included administrative changes to activities required of the plans, security requirement changes, clarification to required activities and technical updates.

Ms. Walk discussed a new ETF initiative that requires health plans to monitor a list of four to six potentially low-value services and report annually on the service utilization, cost, and potential clinical impact of changing coverage. She added that any changes to benefits resulting from this initiative would be brought back to the Board for approval.

Additional health changes recommended for 2019 will:

- Allow ETF to assign coverage to families who are enrolled in multiple plans that do not choose coverage after 30 days
- Add a Telehealth benefit
- Cover one set of hard lenses for individuals with a diagnosis of Keratoconus
- Cover home sleep studies
- Allow local program retirees to re-enroll during open enrollment after leaving the program
- Exclude removal of skin tags unless medically necessary
- Limit foot orthotics to one pair per member per year
- Move extraction of erupted teeth to Uniform Dental Benefits
- Revise transplant coverage language
- Align Uniform Pharmacy Benefit (UPB) contract language to match other Uniform Benefit contracts
- Allow increased cost-sharing for Level 3 dispense-as-written-code-1 (DAW-1) drugs
- Allow a value-based plan design for chronic conditions

- Modify the pharmacy benefit for Medicare-eligible members to increase the amount of federal subsidy available to the Pharmacy Benefit Manager Program (PBM)
- Allow creation of a Uniform Pharmacy Benefit document to separate it from the Medical Uniform Benefits
- Implement a piloted Kiiio Program for back pain effective in 2018
- Implement a piloted Livongo Program for Diabetes effective in 2019
- Create an estimated annual cost savings of \$250,000 - \$450,000

Mr. Bogardus provided an update regarding information on page 5 of this memo, which discussed increased cost-sharing for level 3 drugs to reflect that there are generic equivalents available for these level 3 drugs. ETF has determined that changes proposed at the February Board meeting regarding out-of-pocket limits for prescription drugs and modification of this benefit for Medicare-eligible members in order to increase the amount of federal subsidy available to the program, are not feasible for implementation in 2019 due to the impact on members.

Ms. Walk introduced the proposed 2018 Agreement Changes to include the removal of non-discrimination testing, quarterly out-of-network claims reporting, hospital bill audits, and SOC 1, Type 2 reporting.

MOTION: Mr. Wieske moved to approve the changes to the Health Program Agreement, Uniform Benefits, and Pharmacy Benefits as recommended by ETF staff for benefit year 2019; selection of pilot programs that are offered by Quartz and WEA Trust for further development and implementation in 2018 and 2019; and changes to reporting requirements contained within the 2018 Health Program Contract to remove remaining reports that are only necessary for a self-funded program. Mr. Neitzke seconded the motion which passed unanimously on a voice vote.

The Board took a break from 10:05 a.m. until 10:20 a.m.

Health Plan Fund Balances

Ms. Mallow provided an overview of the health plan fund balances. She indicated that this year's state goal was \$185 million and the local was \$17 million by December 31, 2017. Per conversations with the state budget office, we do not need to do any adjustments for this fiscal year, but further conversations may be needed to review projected 2020 fund balances once health plan bids are received. Actual state fund balance numbers are \$179.6 million and local balance numbers are \$16.5 million as of December 31, 2017.

SUPPLEMENTAL PLANS

Supplemental Plans Annual Update

Ms. Walk referred the Board to the Supplemental Plans Annual Update (Ref. GIB | 5.16.18 | 5A) and discussed minor changes that were made in 2017 to facilitate the 2018 benefit plan alignment initiative. The largest enrollment increases were noticed in the EPIC Benefits+ and VSP groups.

Ms. Walk also indicated that plans reported they had met the standards in their contracts; however, several vendors submitted incomplete data. Ms. Walk stated that moving forward for benefit year 2019 the focus of the contracts will be on improvement of performance metric reporting and enforcement of penalties for failure to meet requirements.

Supplemental Insurance Program Proposals

Ms. Walk referred the Board to the Supplemental Insurance Program Proposals memo (Ref. GIB | 5.16.18 | 5B), recommending supplemental plan options and carriers for 2019. The recommendations are consistent with the alignment strategy for supplemental plans approved by the Board in November 2017, with the goals to reduce benefit overlap, standardize available benefits, reduce the number of plans offering overlapping benefits and reduce administrative complexity.

Ms. Walk provided an overview of the vendors that submitted proposals, which included four current vendors (Anthem DentalBlue, EPIC, VSP, and Zurich) as well as two vendors that have not participated in the supplemental program. The two new vendors (Delta and Securian) are current vendors to the Board for other programs. She also described the process for reducing the number of potential vendor prospects and ETF's recommendations for vendor contracting.

MOTION: Ms. Rolston moved to approve staff recommendation for contracting for supplemental plans with Delta Dental of Wisconsin, for two supplemental dental plans; Zurich North American, for accidental death and dismemberment coverage, and Vision Service Plan, for supplemental vision coverage. Additionally, Mutual of Omaha coverage will be considered to be added for long-term care insurance coverage pending successful contracting by June 30, 2018. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote.

DISABILITY PROGRAMS

Acceptance of State and Local Income Continuation Insurance (ICI) Actuarial Valuations

Mr. Correia of Milliman, Inc., presented an actuarial valuation overview of the State and Local Income Continuation Insurance (ICI) plans (Ref. GIB | 5.16.18 | 6A) as of December 31, 2017.

State ICI Plan

Mr. Correia reviewed current valuation of the State ICI program and progress on the plan to help address the program's funding shortfall. He stated that this plan is expected to eliminate the deficit by 2021. ETF recommends the Board's 2015 premium rate decision remain in effect.

He also stated that the re-design of the ICI plan will provide base coverage for all members and will focus on short-term benefits paid for a maximum period of 18 months. Mr. Correia updated the Board that the new plan is expected to become effective on January 1, 2021, but no legislative action has been taken at this time.

MOTION: Ms. Thompson moved to accept the State ICI Actuarial Review as of December 31, 2017. Ms. Rolston seconded the motion, which passed unanimously on a voice vote.

Local ICI Plan

Mr. Correia indicated that the Local ICI plan had a surplus as of December 31, 2017. Due to the surplus reported, ETF therefore recommended a continuation of the premium holiday for the Local ICI plan.

MOTION: Mr. Day moved to accept the Local ICI Actuarial Review as of December 31, 2017, and to maintain the premium holiday for the period January 1, 2019 through December 31, 2019. Mr. Wieske seconded the motion, which passed unanimously on a voice vote.

Disability Program Re-Design Update

Mr. Guidry updated the Board on implementation of changes to the disability program redesign as described in the Disability Program Re-Design Update memo (Ref. GIB | 5.16.18 | 6B).

Mr. Guidry stated that statutory changes would be required to implement the changes to the ICI program and that ETF, along with the Legislative Reference Bureau, have finalized draft legislation to redesign the ICI program. He added that ETF is currently developing strategies for legislative action in the next session, which begins in January 2019. Re-design implementation is dependent upon legislation.

Mr. Conlin offered that ETF is looking for additional avenues to have the re-design as a stand-alone plan to move forward with legislation. He stated that the legislative aspect is key to moving forward with the Re-Design Plan for the ICI Program. ETF continues to work with the Legislature.

BOARD POLICY UPDATES AND REVIEW

Non-Substantive Changes to Existing Policies

Mr. Strelow referred the Board to the Non-Substantive Changes to Existing Policies memo provided in the Board packet (Ref. GIB | 5.16.18 | 8A). He informed the Board that changes were made to overall formatting, hyperlinks, and referenced statutory language was brought up-to-date.

New Policies and Substantive Changes to Existing Policies

Mr. Strelow and Ms. Patterson referred the Board to the New Policies and Substantive Changes to Existing Policies memo provided in the Board packet (Ref. GIB | 5.16.18 | 8B). They provided a brief overview of the new policies to the Board which include Board Member Qualification, Member Resignation Procedure, and Privacy of Personal Information Policy. The purpose of these policies is to ensure that Board members understand the requirements applicable to membership on the Group Insurance Board.

Ms. Patterson described that the minor change to affect the Vendor Procurement Appeals Policy would be changing the wording to state “ten business days” versus the previous “ten days” to acknowledge that not all businesses operate on holidays and weekends.

Mr. Strelow added that the final policy change affects the Communications Policy that was adopted November 2012 by the GIB. He stated that additional sections were added to this policy to address communication between members and outside sources as well as address how third-party communications should be handled by Board members. Mr. Strelow also reminded the Board that ETF is governed by Wisconsin’s Open Meeting Laws.

MOTION: Mr. Neitzke moved to approve the new and updated Board Member Qualifications Policy, Privacy of Personal Information Policy, Vendor Procurement Appeals Policy, and Communications Policy for incorporation into the Board Governance Manual as provided by ETF Staff. Mr. Wieske seconded the motion, which passed unanimously on a voice vote.

The Board took a break from 11:42 a.m. to 12:07 p.m.

WELLNESS AND DISEASE MANAGEMENT

2017 Well Wisconsin Overview

Ms. Rathjen provided background information about StayWell and gave an overview of the short- and long-term goals that were set in 2017 between the Department of Employee Trust Funds (ETF) and StayWell. She stated that 50,695 health assessments were completed in 2017, a 25.3% overall program participation rate from Wisconsin Retirement System (WRS) members; and that StayWell was able to support more than 10,000 individual participants at onsite events across the state. Ms. Rathjen also stated

that the most common health risks among WRS members were weight and cholesterol levels.

Dr. Gregg referred the board to various StayWell programs that assist members who are overweight. These programs include 1-on-1 coaching and Ignite Group coaching. He highlighted that both programs have proven to be effective to helping people lose weight, based on the 2017-member participation reports.

Mr. Hurlburt questioned whether Bariatric Surgery would help to address some of the concerns surrounding members that are overweight and Dr. Gregg's medical opinion on whether this is a benefit that should be addressed as an inclusion to Health Program offerings.

Dr. Gregg offered that Bariatric Surgery is an alternative for individuals that have exhausted all other options. He also included that this type of surgery requires specialty hospitals and experienced medical teams.

Ms. Rathjen highlighted program goals for 2018, which include increasing overall program participation rates and telephonic coaching enrollment. She also offered a high-level overview of 2019 recommendations, which include revising incentive design, continuing the Million Steps Challenge, focusing on stress management and launching a nutrition-based challenge.

OPERATIONAL UPDATES

Mr. Farrell referred the Board to the Operational Updates in the Board packets (Ref. GIB | 5.16.18 | 10) and offered that staff were available if the Board had questions.

Ms. Mallow summarized GIB correspondence for this meeting included topics regarding Medicare Advantage, Bariatric Surgery, and gender re-assignment surgery.

FUTURE ITEMS FOR DISCUSSION

Mr. Farrell proposed the date of June 6, 2018, for a meeting to consult with legal counsel concerning current administrative and judicial litigation regarding health insurance benefits and HSS nondiscrimination regulations. He also recommended a time of 9:00 a.m. until 10:30 a.m. and stated that the meeting will be held at the Hill Farms location.

Mr. Conlin mentioned that ETF will send a notice to confirm this date with the Board members following the meeting.

ADJOURNMENT

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

The meeting adjourned at 12:58 p.m.

Date Approved: _____

Signed: _____

Herschel Day, Secretary
Group Insurance Board