

DRAFT

# MINUTES

February 20, 2019

## Group Insurance Board

State of Wisconsin



### Location:

Hill Farms State Office Building – CR N108  
4822 Madison Yards Way, Madison, WI 53705

---

### BOARD MEMBERS PRESENT:

Stacey Rolston, Vice-Chair  
Herschel Day, Secretary  
Chuck Grapentine  
Nathan Houdek

Brian Pahnke  
Jennifer Stegall  
Nancy Thompson  
Bob Wimmer

---

### PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

#### Office of the Secretary

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

#### Office of Strategic Health Policy

Eileen Mallow, Sara Brockman,  
Arlene Larson, Tom Rasmussen,  
Jessica Rossner, Tricia Sieg,  
Xiong Vang, Renee Walk

#### Bureau of Budget, Contract

#### Administration and Procurement:

Beth Bucaida

---

### OTHERS PRESENT:

#### ACE/WCOA

Jack Lawton

#### Associated Bank

Deb Koen

#### Baraboo Ambulance Services

Troy Snow

#### CGHC

M Duffy

#### Dean Health Plan

Katie Beals, Penny Bound,  
Julie Wuchbrod

#### Department of Administration

Nicole Zimm

#### Momentum Insurance

Stephanie Steel

#### Navitus

Steve Alexander, Tara Argall,  
Karen Markstahler, Ryan Olson

#### Network Health

EI Benz, Cara Techlin

#### Quartz

Kara Gullickson, Linsey Tennyson

#### Securian

Kjirsten Elsner, Jody White

#### Stafford Rosenbaum

Jeff Mandell

---

Board	Mtg Date	Item #
GIB	5.15.19	2A

**Department of Employee Trust Funds**

John Alexander, Monica Anderson,  
Rachel Carabell, Bonnie Cyganek,  
Hannah Demsien, Liz Doss-Anderson,  
Diana Felsmann, Dan Hayes,  
Pam Henning, Tarna Hunter,  
Bruce Johnson, James Kates,  
Nancy Ketterhagen, Mark Lamkins,  
David Nispel, Tara Pray, Mary Richardson,  
Douglas Wendt, Wade Whitmus

**GHC-SCW**

Davin Lind

**HealthChoice**

Cliff Morris, Bob Pearson,  
Gary Priznio

**IBM Watson Health**

Ronda Daugherty, Oladipo Fadiran

**J&J**

Tom Moore

**Legislative Audit Bureau**

Noah Natzke

**UnitedHealthCare**

Linda Jones, Colleen McGlamry,  
Kerry Phillips

**UW-Madison**

Deanna DeSlover

**UWHC**

Anthony Dix, Karen Hensal

**UWSA**

Dan Chonen

**UW System**

Brianne Jobke, Erin Schoenmaker

**WI Health News**

Sean Kimby

**WAHP**

Tim Lindquist

**WEA Trust**

Greg Cieslewicz

**WHA**

Lisa Ellinger

**Wisconsin Courts**

Caitlin Fredrich

---

Stacey Rolston, Vice-Chair, called the meeting of the Group Insurance Board (Board) to order at 8:45 a.m.

**ANNOUNCEMENTS**

Ms. Mallow made the following announcements:

- Welcome two new Board members:
  - Brian Pahnke, State Budget Director
  - Nathan Houdek, Deputy Commissioner of Insurance
- John Friedham has joined the Department of Strategic Health Policy (OSHP) as a technical writer
- Dana Perry has retired. Steve Mueller is the new administrator, with Bonnie Cyganek taking over the Deputy Administrator role of the Division of Management Services
- ETF has restarted recruitment efforts to fill the Deputy Director position within OSHP.

Ms. Mallow also provided an overview of the meeting's agenda items, which included: Third Party Administration of Health Savings Accounts, Section 125 Cafeteria Plan and Employee Reimbursement Accounts and Commuter Fringe Benefit Accounts, Medicare split contracts, analytics tool on data warehouse and preliminary 2020 Group Health Insurance Program changes.

Mr. Houdek arrived at 8:48 a.m.

## **ELECTION OF OFFICERS**

***MOTION: Mr. Houdek moved to nominate Herschel Day as Interim Chair of the Group Insurance Board. Mr. Grapentine seconded the motion, which passed unanimously on a voice vote, with Mr. Day abstaining.***

***Mr. Grapentine moved to nominate Nathan Houdek as Interim Vice-Chair of the Group Insurance Board. Ms. Thompson seconded the motion, which passed unanimously on a voice vote, with Mr. Houdek abstaining.***

## **CONSIDERATION OF NOVEMBER 14, 2018, OPEN AND CLOSED MEETING MINUTES**

***MOTION: Ms. Rolston moved to approve the open and closed session meeting minutes of the November 14, 2018, meeting as submitted by the Board Liaison. Mr. Wimmer seconded the motion, which passed unanimously on a voice vote.***

## **LAB AUDIT UPDATE**

Ms. Mallow provided an update on the Legislative Audit Bureau's audit of the Group Insurance Board. She informed the board that ETF has already begun implementing some of the recommendations that are suggested in the audit; ETF will provide an update to the Board at a future meeting.

Mr. Conlin stated that ETF's update to the board will include recommendations – for board consideration -- on how to address different areas of LAB's audit recommendations that were contained within the report. He also stated that the Joint Legislative Audit Committee will hold a hearing on the audit report soon, but we have received no official word confirming a date at this time. He stated that there is more work to do on the audit and ETF will keep the board up to date on the progress. He stated that if there are any questions or concerns, please feel free to contact ETF.

Ms. Stegall arrived at 9:00 a.m.

## **HEALTH INSURANCE**

### **2020 It's Your Choice Open Enrollment Period**

Ms. Brockman referred the Board to the 2020 It's Your Choice Open Enrollment Period (Ref. GIB | 2.20.19 | 5A) and provided an overview of considerations for selecting the 2020 It's Your Choice open enrollment period. Key considerations included: payroll center feedback, required retiree benefit processing timelines, potential new pre-tax benefit administrators and internal ETF projects.

***MOTION: Ms. Thompson moved to approve September 30 – October 25, 2019, as the It's Your Choice (IYC) open enrollment period for plan year 2020. Mr. Wimmer seconded the motion, which passed unanimously on a voice vote.***

### **Preliminary 2020 Program Agreement and Uniform Benefit Changes**

Ms. Walk referred the Board to the Preliminary 2020 Program Agreement and Uniform Benefit Changes memo (Ref. GIB | 2.20.19 | 5B) and provided a high-level overview of the potential changes. Highlights included: improving contract adherence such as standards and penalties; improving offered services for interpreting benefits and behavioral health assessments; clarifying uniform benefit languages; reviewing coverage changes such as bariatric surgery; simplifying pharmacy benefits; improving access to pharmacy services; improving preventative and maintenance care benefits; and looking into options for standardizing health plan-management incentives. ETF will bring recommendations to the Board at its May meeting.

### **Medicare Advantage Contract Revisions**

Ms. Larson referred the Board to the Medicare Advantage Contract Revisions memo (Ref. GIB | 2.20.19 | 5C) and discussed proposed revisions to the current contract for 2020. Highlighted revisions include: creating a new life change event for individuals that either become eligible or lose eligibility for Medicare; implement policies to allow for split contracts for members that meet pre-determined standards; and align program policies with Federal rules for Medicare Advantage.

***MOTION: Ms. Thompson moved to approve the following revisions to the Medicare Advantage contract for 2020:***

- 1. Create a new life change event to allow participants to change health plans within 30 days of enrollment or disenrollment from Medicare Part A and/or Part B, effective the date of the enrollment or disenrollment.***
- 2. Establish the following standards for split contracts:***
  - a. Subscribers with split contracts may enroll in no more than two health plans where one is the health plan who administers Medicare Advantage or Medicare Plus, currently UnitedHealthcare® (UHC) and WEA Trust, respectively.***
  - b. Participants in a split contract with two different health plans will be automatically transferred to the Medicare plan when they become eligible for Medicare.***
  - c. If a Medicare eligible participant in a Medicare Advantage split contract drops any part of Medicare, that participant will be moved to the health plan that insures the non-Medicare participant(s) effective the date of the loss of Medicare.***
  - d. If a single Medicare Advantage subscriber marries and requests coverage for a person who is eligible for but not enrolled in Part A and/or Part B of Medicare, the subscriber will be informed that they must select another health plan for their family coverage. Medicare***

**Advantage requires enrollment in both Parts A and B. Therefore, the spouse cannot be added to Medicare Advantage mid-month.**

- e. If part of the direct pay premium for a split contract with two health plans is not paid by the due date, the following will occur:**
  - i. If the subscriber's premium is not paid, the entire contract will be terminated due to non-payment and any dollars paid for the dependent's coverage for the month will be refunded.**
  - ii. If the dependent's premium is not paid, the family contract will change to a single contract, and the dependent's coverage will end.**
- f. If a split contract covers more than one non-Medicare participant and the only Medicare participant dies, the premium rate will become the Medicare Family 1 rate with the non-Medicare health plan.**

**Ms. Rolston seconded the motion, which passed unanimously on a voice vote.**

## **LONG-TERM CARE INSURANCE UPDATE**

Ms. Sieg referred the Board to the Long-Term Care Insurance Update memo (Ref. GIB | 2.20.19 | 6) and provided a brief overview of action between ETF, HealthChoice's Attorneys and Mutual of Omaha (MoO) since the Board meeting in November. Ms. Sieg stated that since the November 2018 meeting, a Memorandum of Understanding between ETF and MoO was signed on January 7, 2019 for MoO to be the Long-Term Care Insurance provider for 2019. She also stated that while a series of communications have occurred, the latest development in the discussions is the January 29, 2019, submission of a proposed three-party contract, which is under review by ETF. Ms. Sieg also informed the Board that no proposals were received from MoO or HealthChoice's Attorneys on behalf of MoO by the January 31, 2019, deadline to be ETF's long-term care provider for 2020.

## **LIFE INSURANCE REQUEST FOR INFORMATION (RFI) RESULTS AND RECOMMENDATIONS**

Mr. Rasmussen referred the Board to the Life Insurance RFI Results and Recommendations memo (Ref. GIB | 2.20.19 | 7) and provided a high-level overview of ETF's population that utilize a life insurance benefit offered to them. He stated that since the inception of the Life Insurance benefit in 1958, Securian has always been the plan insurer. Mr. Rasmussen stated that the purpose for releasing a Request for Information (RFI) would be to solicit information from other potential insurance vendors, help ETF evaluate how many carriers can assume the scope of ETF's plan/benefit, ask vendors to identify unique programs and benefits that they can offer, and collect responses that will help in the development of the planned RFP for Life Insurance.

**MOTION: Mr. Grapentine moved to authorize ETF to prepare and release a Request for Proposal (RFP) for administration of the Wisconsin Public**

***Employers Group Life Insurance Program. Ms. Rolston seconded the motion, which passed unanimously on a voice vote.***

## **HEALTH DATA WAREHOUSE OVERVIEW**

Ms. Daugherty of IBM Watson Health provided an overview of the Health Data Warehouse. She stated that cost of surgery is rising, with the main surgeries being musculoskeletal, including joint and back surgeries. She also highlighted that in the State of Wisconsin's insured population, males aged 18-34 have the highest amount of non-utilization of preventative care visits. Ms. Daugherty also provided an overview of the services that were most often utilized by plan participants which included the percentage of members using their health and/or pharmacy benefits, member engagement, and the classes of participants that use the most preventative care visits being children.

## **OPERATIONAL UPDATES**

Ms. Mallow referred the Board to the Operational Updates in the Board packets (Ref. GIB | 2.20.19 | 9) and offered that staff were available if the Board had questions.

Ms. Mallow summarized the GIB correspondence received for this meeting which included topics regarding Medicare contracts, pharmacy benefits variation from last year to this year, and concerns or considerations for services not currently covered by health plans.

Ms. Mallow provided a brief legislative update, which included proposed legislation that ETF is currently tracking:

1. A requirement that Pharmacy Benefit Managers (PBM) register with the Office of the Commissioner of Insurance and follow specific requirements when making significant changes in drug pricing;
2. Mandated coverage of orthotics; and
3. Regulation over "step therapy" processes used by many insurers and PBMs. Step therapy generally requires individuals to have a trial with a less expensive or generic drug.

ETF will continue to track the proposed legislation and will provide updates to the Board as they progress through the legislative process.

## **ASSESSMENT AND DELIBERATION ON PROPOSALS (RFP) FOR THIRD PARTY ADMINISTRATION OF HEALTH SAVINGS ACCOUNTS, SECTION 125 CAFETERIA PLAN AND EMPLOYEE REIMBURSEMENT ACCOUNTS AND COMMUTER FRINGE BENEFIT ACCOUNTS (ETH0052, ETH0053 AND ETH0054)**

### **Introduction and Overview**

Mr. Vang referred the Board to the Introduction and Overview memo (Ref. GIB | 2.20.19 | 10A) and provided a brief overview of each of the different accounts: Health Savings Accounts, Section 125 Cafeteria Plan, Employee Reimbursement Accounts, and Commuter Fringe Benefits. He highlighted that TASC has been administering these programs since 2015.

The chair announced the Board would convene in closed session pursuant to the exemptions contained in Wis. Stats. s. 19.85 (1) (1) (e) for the purpose of discussing the potential expenditure of public funds or to conduct other specified public business, whenever competitive or bargaining reasons require a closed session. Due to the nature of the subject matter, competitive and bargaining reasons dictated a closed session.

***MOTION: Ms. Rolston moved to convene in closed session, pursuant to the exemptions contained in Wis. Stats. s. 19.85 (1) (e) for the purpose of discussing the potential expenditure of public funds or to conduct other specified public business, whenever competitive or bargaining reasons require a closed session. Mr. Grapentine seconded the motion, which passed on the following roll call vote:***

***Members Voting Aye: Day, Grapentine, Houdek, Pahnke, Rolston, Stegall, Thompson, Wimmer***

***Members Voting Nay: None***

***Members Absent: Neitzke***

The Board convened in closed session at 10:40 a.m. and reconvened in open session at 12:32 p.m.

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

Mr. Day announced the board convened in closed session pursuant to the exemptions contained in Wis. Stats. s. 19.85 (1) (a) for quasi-judicial deliberations. He added that in Closed Session, the Board heard presentations from ETF staff and vendors on proposals for Third Party Administration of Health Savings Accounts, Section 125 Cafeteria Plan and Employee Reimbursement Accounts and Commuter Fringe Benefit Accounts.

## **ISSUANCE OF LETTER OF INTENT TO AWARD CONTRACT**

***MOTION: Mr. Wimmer moved to grant authority to the Secretary of ETF to issue a letter of intent to award contracts for Third Party Administration of the Health Savings Account, Section 125 Cafeteria Plan and Employee Reimbursement Account, and Commuter Fringe Benefit Account programs to ConnectYourCare for the period of May 1, 2019, through December 31, 2021, with the potential for two, two-year extensions, subject to successful contract negotiations. Ms. Rolston seconded the motion, which passed on the following roll call vote:***



***Members Voting Aye: Day, Grapentine, Rolston, Stegall, Thompson, Wimmer***

***Members Abstaining: Houdek, Pahnke***

***Members Absent: Neitzke***

## **FUTURE ITEMS FOR DISCUSSION**

Ms. Mallow referred the Board to the Tentative May 2019 Agenda (Ref. GIB | 2.20.19 | 12) and asked the Board for feedback or additional items that they feel should be addressed at the next meeting.

## **ADJOURNMENT**

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

The meeting adjourned at 12:39 p.m.

Date Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

Herschel Day, Chair  
Group Insurance Board