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Correspondence Memorandum

Date: April 19, 2019

To: Group Insurance Board

From: Sara Brockman, Health Program Manager
Office of Strategic Health Policy

Subject: 2020 Health Program Agreement Changes

The Department of Employee Trust Funds (ETF) recommends the Group Insurance Board (Board) approve the proposed changes to the *State of Wisconsin Health Insurance Program Agreement* (Agreement) for plan year 2020, including revisions to:

1. **Section 300 (Deliverables) layout;**
2. **Deliverable, reporting, and performance standard requirements;**
3. **Applicable penalties; and**
4. **Language for clarity, consistency, or improved administration.**

Background

ETF presented initial *State of Wisconsin Group Health Insurance Program Agreement* (Agreement) change concepts for plan year 2020 at the February 20, 2019, Board meeting (Ref. GIB | 02.20.19 | 5B). The proposed changes were developed after a review of 2018 health plan performance. 2018 was the first full year operating under the reformatted and revised Agreement, which was developed as part of the self-insurance request for proposals (RFP) issued in 2016.

Revisions were made to the Agreement for 2019 to better accommodate the fully-insured structure of the State of Wisconsin Group Health Insurance Program (GHIP). Additional revisions are proposed for 2020 to improve plan contract adherence and to increase the clarity of contract requirements.

Deliverables Section Layout

The original layout of Section 300 (Deliverables) of the Agreement developed in 2016 categorized requirements by type:

- Deliverable requirements
- Reporting requirements
- Performance standards

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy

Eileen K Mallow Electronically Signed 4/30/19

Board	Mtg Date	Item #
GIB	5.15.19	8B

Categorization by type resulted in a small degree of duplication. For example, a report could be defined in the reporting section with an applicable penalty if a health plan failed to meet the reporting standard and required as a monthly submission in the performance standards section, with an applicable penalty if the health plan failed to submit the report in a timely fashion. While the original intention of listing one requirement in multiple sections was to ensure that health plans a) met the required reporting or deliverable standard and b) submitted required information on time, the duplication created a lack of clarity for the health plans.

The duplication also made some applicable penalties difficult to interpret, especially when trying to determine which penalty to assess first, and which types of deliverables were applicable to the three percent (3%) penalty cap of a health plan's total medical premium in any given quarter.

Furthermore, the three percent penalty cap does not apply to data warehouse deliverable requirements because the contract between IBM Watson and the Board does not permit a reduction in penalties. The original layout did not allow for optimal clarity regarding data warehouse deliverable requirements or the penalty cap exemption.

Similarly, additional reporting specifications were required for the new Medicare Advantage vendor, UnitedHealthcare, beginning in plan year 2019. Caveats noting which requirements apply only to the Medicare Advantage were added; however, given that Medicare Advantage-specific requirements were intermixed with general reporting and deliverable requirements, it was not always immediately clear if a deliverable applied to all contracted health plans or just the Medicare Advantage vendor.

Based on health plan feedback and internal staff discussion, the layout of Section 300 has been revised to categorize deliverables by frequency. The reorganization resolved all instances of duplicative requirements. In the event of a duplicative requirement, the performance standard was uniformly kept. Deliverables have also been alphabetized to improve ease of reference.

Two new sections were added for deliverables specific to the data warehouse and Medicare Advantage to allow for the desired level of deliverable requirement customization and clarification.

The new layout is outlined below with additional context:

- General Deliverable Standards
    - Establishes general deliverable, reporting, and performance standard requirements
    - Establishes penalty assessment standards
- Administrative Deliverables
    - Ongoing and routine submissions

- Annual Deliverables
    - Submissions required once per plan year
- Quarterly Deliverables
    - Submissions required once per quarter / four times per plan year
    - Includes Quarterly Performance Report standards
- Data Warehouse
- Medicare Advantage

Additional language was added throughout to clarify which sections are subject to the three percent penalty cap in any given quarter, and to clearly state that data warehouse deliverables are not subject to a penalty cap in any given quarter.

Deliverable, Reporting and Performance Standard Requirements
All Agreement deliverable requirements are reviewed annually for continuation, modification, or retirement. Data warehouse reporting capabilities were also considered in relation to 2020 deliverable requirements and are anticipated to have greater impact on proposed changes in the future.

The following key revisions are proposed for 2020 to improve plan contract adherence and increase the clarity of contract requirements:

- **External Review Request Notification:** A new administrative deliverable requirement was added for health plans to notify ETF within five calendar days of receiving a participant's request for an external review to be conducted by an independent review organization (IRO). Receiving external request notifications will assist ETF Ombudsperson Services with ongoing grievance and external review monitoring efforts. No penalty is associated with this deliverable.

- **1095-B Issuance Notification:** A new annual deliverable requirement was added to request health plans submit a written notification to ETF indicating the mailing date(s) of federally required 1095-B forms (health coverage form issued by insurers). This replaces a prior requirement for health plans to assist with the preparation of 1095-C forms (employer-provided health insurance forms filed by large employers). This change better reflects the fully-insured structure of the GHIP. No penalty is associated with this deliverable.

- **Customer Service Department Operating Hours and Anticipated Closures:** Health plans are currently required to operate a customer service department for the GHIP between 7:30 a.m. and 5:00 p.m., Monday through Thursday, and 7:30 a.m. to 4:30 p.m. on Friday, except for legal holidays. These hours of operation do not always coincide with standard health plan operating hours or staffing models. The deliverable has been changed to remove the hour specifications. Health plans will be required to report standard customer service department hours of operation and anticipated closures on an annual basis. No penalty is associated with this deliverable.

- **Customer Service Inquiry Certification**: The deliverable was revised from a monthly customer service report submission to an annual customer service inquiry system certification. The monthly submission request was both duplicative of and of lesser administrative value than the quarterly customer service reporting requirement. ETF reserves the right to request a rolling twelve (12) month customer service report from the health plans at any time. A penalty of one thousand ($1,000) dollars per day for which the standard is not met applies to the certification deliverable.

- **Utilization Review Meeting:** Health plans are currently required to submit a Group Experience / Utilization Report and provide semi-annual reports regarding the Department Initiatives (Care Coordination, High Tech Radiology, Low Back Surgery, Shared Decision Making, Advanced Care Planning, and Low-Value Care). The data warehouse also receives information related to these items from the health plans. To prevent duplicative data submissions, the separate reporting requirements have been eliminated for 2020 and replaced with a Utilization Review meeting. Health plans shall meet with ETF on an annual basis to discuss annual experience and utilization, including the Department Initiatives and additional pertinent discussion topics. The discussion will include data warehouse findings in addition to the health plan perspective. ETF anticipates piloting the Utilization Review meeting in November. No penalty is associated with this deliverable.

Other clerical changes have been made to deliverables for clarity and consistency.

Penalty Changes
Penalties associated with Agreement deliverable requirements are reviewed annually for appropriateness. The following revisions are proposed for 2020:

- **Select Penalty Adjustments:** All penalties were reviewed for alignment with the fully-insured structure of the GHIP. Penalties typically either apply to a failure to meet a standard or a failure to submit on time. Penalties for a failure to meet a standard are currently applied to select deliverables that do not have a clearly established ETF reporting standard, or for which an ETF reporting standard would not be appropriate in a fully-insured structure. Multiple penalties were adjusted to one thousand ($1,000) dollars per day for which the standard is not met to better reflect the nature of the deliverable in question and emphasize the importance of timely submissions.

- **Quarterly Performance Penalties:** The majority of the quarterly performance standards currently have an associated penalty of $5,000 dollars for each percentage point for which the standard is not met in each month (i.e. the variance between the performance measurement target and the monthly metric). However, ETF assesses health plan performance penalties on a quarterly basis. In addition, not every plan is able to provide performance metrics on a monthly

basis, which could result in an unfair assessment of penalties across all health plans. The quarterly performance penalties have been adjusted to $5,000 for each percentage point for which the standard is not met in each quarter (i.e., the variance between the performance measurement target and the quarterly average). The change from monthly metric to quarterly average also better reflects ETF's intention for penalties not to be punitive in nature.

Language Changes
Most language changes to the Agreement for plan year 2020 are clerical in nature and intended to improve clarity and consistency, or to reflect changes made to corresponding deliverables outlined earlier in this memo.

Notable language revisions include:

- **Data Warehouse:** Revisions were made to data submission requirements to better reflect an active, post-implementation data warehouse reporting environment. Language was also added to better clarify the quarterly penalty cap exception for data warehouse deliverables.

- **Record Retention:** New language was added requiring health plans to accurately maintain records for seven (7) years after the termination of their contract. The seven (7) years requirement supersedes relevant language in the Department Terms and Conditions and was made at the request of ETF's Office of Budget, Contract Administration & Procurement to reflect current retention standards.

Additional language revisions may be necessary to reflect direction from the Board in relation to the Wellness and Disease Management program (Ref. GIB | 5.15.19 | Item 7A), and to further clarify information security management system audit requirements for participating health plans. Further clerical language revisions may also be required.

ETF will bring the final contract language to the Board for approval at the August Board meeting.

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