

2020 Program Agreement Changes

GIB – Item 8B

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Office of Strategic Health Policy



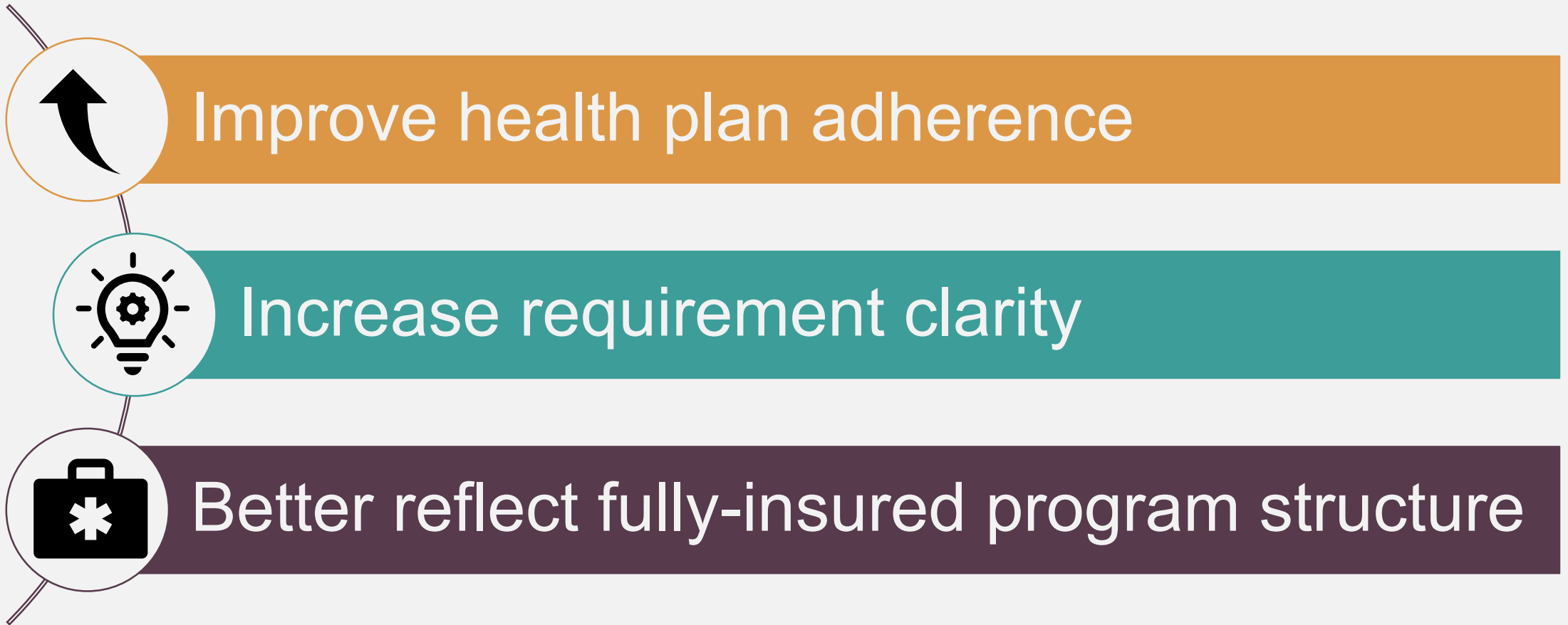


Action Needed

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

- Section 300 (Deliverables) layout;
- Deliverable, reporting, and performance standard requirements;
- Applicable penalties; and
- Language for clarity, consistency, and improved administration

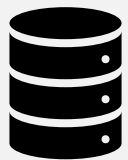
Program Agreement Changes



Annual Review



All deliverable requirements are reviewed annually for continuation, modification, or retirement



Data warehouse reporting capabilities also considered

- Anticipated to have greater impact on proposed changes in the future

Section 300 Layout - Current

Section	Name
305	Reporting Requirements
310	Deliverables
315	Performance Standards & Guarantees

- Some duplicative requirements
- Does not allow for high degree of specification
 - Data Warehouse
 - Medicare Advantage

Section 300 Layout - New

Section	Name
310	Administrative
315	Annual
320	Quarterly
325	Data Warehouse
330	Medicare Advantage

- Organize by frequency
 - Administrative – Ongoing
 - Annual – Once per year
 - Quarterly – Once per quarter
- Reduces duplication
- Increases ease of use
- Clarifies penalty applicability

Key Deliverable Changes

New

- External Review Request Notification
- 1095-B Issuance Notification

Revised

- Customer Service Department Operating Hours and Closures
- Customer Service Inquiry Certification
- Utilization Review Meeting

Select Penalty Adjustments

- All penalties reviewed annually for relevance to deliverable / requirement
- Recommend adjusting multiple penalties to \$1,000 per day for which the standard is not met
 - Emphasizes importance of timely deliverable submissions from health plans
 - Eliminates penalties applied to deliverable standards which are not clearly defined or not appropriate in a fully-insured program structure

Quarterly Performance Penalties

- ETF assesses health plan performance penalties on a quarterly basis
 - Majority of quarterly performance standards have an associated penalty of \$5,000 for each percentage point for which the standard is not met per month
 - ETF recommends changing to \$5,000 for each percentage point for which the standard is not met per quarter
- Change would make penalty assessment more consistent and better reflect ETF's intention for penalties not to be punitive in nature

Quarterly Performance Penalties

- Quarterly Performance Penalties (2019 Example)
 - \$5,000 for each percentage point for which the standard is not met in each month

Goal	M1 Avg	M2 Avg	M3 Avg	Q Avg
Average out of 100%	97%	98%	99%	98%
Percentage Difference	-3%	-2%	-1%	-6% (monthly total)
Penalty	\$15,000	\$10,000	\$5,000	\$30,000

Quarterly Performance Penalties

- Quarterly Performance Penalties (2020 Example)
 - \$5,000 for each percentage point for which the standard is not met in each **quarter**

Goal	M1 Avg	M2 Avg	M3 Avg	Q Avg
Average out of 100%	97%	98%	99%	98%
Percentage Difference	n/a	n/a	n/a	-2% (quarterly total)
Penalty	n/a	n/a	n/a	\$10,000

Language Changes

- Most language changes are clerical in nature
- Intended to improve clarity and consistency
- Notable changes:
 - Data warehouse submission requirements
 - Data warehouse penalty cap exemption in any given quarter
 - 7 year record retention request

Next Steps

- Further Agreement revisions may be necessary
 - Reflect Board decisions and benefit changes
 - Additional clerical changes
- Final Agreement language will be presented to the Board for approval at the August Board meeting



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Questions?