

DRAFT

MINUTES

August 21, 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:

Herschel Day, Chair
Nathan Houdek, Vice-Chair
Nancy Thompson, Secretary
Harper Donahue
Malika Evanco

Walter Jackson
Dan Fields
Katy Lounsbury
Brian Pahnke
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, Brian Stamm,
Sara Brockman, Rachel Carabell,
Molly Heisterkamp, Arlene Larson,
Tom Rasmussen, Dustin Sperl,
Xiong Vang, Renee Walk

Division of Trust Finance:

Cindy Klimke

Office of Communications:

Brittney Kruchten, Mark Lamkins

OTHERS PRESENT

Baraboo Ambulance

Troy Snow

City of Whitewater

Judy Atkinson, Steve Hatton

Common Ground Healthcare

Melissa Duffy

Dean Health Plan

Katie Beals, Penny Bound

Department of Administration

Jenny Kraus, Stacey Rolston,
Derek Sherwin, Nicole Zimm

Network Health

Elizabeth Benz, Vanessa Cagal,
Jill Lindy

Quartz

Kara Gullickson, Linsey Tennyson

Rural Wisconsin Health Cooperative

Jeremy Levin

Securian

Kjirsten Elsner, Hars Larsen,
Susan Munson-Regala, Paul Rudeen,
Jody White

Board	Mtg Date	Item #
GIB	11.13.19	2

Department of Employee Trust Funds

Monica Anderson, Jeff Bogardus,
Beth Bucaida, Liz Doss-Anderson,
Diana Felsmann, John Freidheim,
James Gnorski, Jim Guidry,
Sheila Handrick, Dan Hayes,
Pam Henning, Patrick Hughes,
Tarna Hunter, Bruce Johnson,
Nancy Ketterhagen, Joanne Klaas,
David Nispel, Tara Pray,
Mary Richardson, Jessica Rossner,
Amelia Slaney, Dustin Sperl,
Yikchau Sze, Michelle Thode,
Tammy Weiser, Douglas Wendt,
Wade Whitmus, Kathy Wienkes,
Cheryllynn Wilkins

GHC-SCW

Darin Lind

HealthChoice

Larry Konopacki, Cliff Morris,
Bob Pearson, Gary Praznik

IBM Watson Health

Oladipo Fadiran

Legislative Audit Bureau

Sara Sanders, Kyle Swalls,
Stephanie Yost

MercyCare

Josh Mummery, Sherrie Sargent,
John Trochlell

Navitus

Tara Argall, Karen Markstahler

Segal Consulting

David Berger, Anna Bishop,
Patrick Klein, Kirsten Schatten,
Ken Vieira, Zach Vieira

SGR/M3

Travis Theison

StayWell

Katie Braun, Kristi Mulcahey,
Emily Rathjen

UnitedHealthCare

Kerry Phillips

UW-Madison

Debra Brunette

UW Systems

Brianne Jobke, Erin Schoonmaker,
Amanda Sonrunburg

UW Hospital and Clinics

Anthony Dix

Village of Kimberly

Barbara Rein

WEA Trust

Greg Cieslowocz

Wisconsin Hospital Association

Lisa Ellinger

Wisconsin Association of Health Plans

Tim Lindquist, Nancy Wenzel

Wisconsin Health Association

Shein Kirby

Herschel Day, Chair, called the meeting of the Group Insurance Board (Board) to order at 9:07 a.m.

ANNOUNCEMENTS

Mr. Day stated there were three new Board members in attendance and asked each member to introduce themselves:

- Herschel Day, Professor of Actuarial Science at UW-Eau Claire;
- Brian Pahnke, State Budget Director;
- Nancy Thompson, Clerk for the Town of Portland;
- Dan Fields, Retired;

- Malika Evanco, Administrator for the Division of Personnel Management at the Department of Administration;
- Walt Jackson, Master Scheduler for the City of Madison Police Department;
- Bob Wimmer, Budget at the Department of Justice;
- Harper Donahue IV, Human Resources for the City of Madison; and
- Nathan Houdek, Deputy Insurance Commissioner for the Office of the Commissioner of Insurance

Ms. Mallow offered a welcome to the new Board members. She stated there is still one vacant seat on the Board that is appointed by the Governor.

Ms. Mallow also stated ETF was awarded a Technical Assistance grant from the National Governors Association. She stated the focus of this grant is to research ways state agencies can look at combined purchasing of drugs to obtain better pricing.

Ms. Mallow also announced there were some changes to the agenda, which included:

- Moving the discussion regarding wellness incentives to the rates discussion part of the agenda (Ref. GIB | 8.21.19 | 5F); and
- The Health Care Quality and Standards Report will be operational only and will not contain a presentation. However, questions from the Board are welcome.

CONSIDERATION OF OPEN MINUTES OF THE MAY 15, 2019 MEETING

MOTION: Mr. Pahnke moved to approve the open session meeting minutes of the May 15, 2019, meeting as submitted by the Board Liaison. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.

LAB AUDIT UPDATE AND DISCUSSION

Ms. Mallow provided an update on the Legislative Audit Bureau (LAB) audit of the Group Health Insurance Program (GHIP). She referred the Board to the LAB Audit Update memo (Ref. GIB | 8.21.19 | 3) and stated that ETF continues to work toward responding to each finding in the LAB report on the operation of the GHIP. She stated that of the 33 findings in the LAB report, 21 are in progress and 12 have been completed. Ms. Mallow stated ETF will bring a draft of the letter going to the Legislature addressing the audit findings to the November Board meeting for feedback.

Ms. Lounsbury arrived at 9:15 a.m.

LOCAL GOVERNMENT SURVEY RESULTS

Ms. Carabell referred the Board to the Local Government Survey Results memo (Ref. GIB | 8.21.19 | 4) and provided a summary of the background related to the local government employer health insurance program, also known as the Wisconsin Public

Employer (WPE) program. She stated the purpose of this employer survey was to better understand why enrollment in the WPE program is declining.

Ms. Carabell highlighted:

- Program enrollment trends from 2014-2019;
- Employer participation;
- Program background;
- Enrollment by health plan;
- Health insurance selection factors; and
- Survey results for currently participating, not recently participating and employers that had recently left the program.

Mr. Day asked whether ETF knows when local employers may meet to set the coming year's employee premium rates and whether there are any outreach opportunities that can be considered.

Ms. Larson stated the local employers usually meet to set rates in June or July of each year, which is prior to the conclusion of ETF's health plan negotiations and best and final offers are due.

Mr. Rasmussen stated employers surveyed included those that had left the WPE program following the 2016, 2017 or 2018 plan years. As per the survey results, these employers left for varying reasons including but not limited to:

- high premiums;
- not enough control;
- better deals received from another insurer or broker;
- dissatisfaction with program options;
- employer no longer offering insurance;
- administrative burden; and
- access to reports.

Ms. Thompson and Mr. Day requested ETF investigate the feasibility of adding more family options (i.e., single +1 and single plus spouse coverage) for local employees.

Mr. Wimmer requested ETF investigate the feasibility of allowing local employers that have left the WPE program to come back after two years, versus the current three-year waiting period.

HEALTH INSURANCE

2020 Health Program Agreement Changes

Ms. Brockman discussed the 2020 Health Program Agreement Changes memo (Ref. GIB | 8.21.19 | 5A) and stated the Board had approved changes at its May meeting. She highlighted additional proposed revisions to the Health Program Agreement, which included:

- clarifications for 1095-B form issuance notifications for Medicare plans;
- vision services;
- audit and other services such as annual SOC 1, Type 2 audit reporting provisions;
- information systems security audits; and
- IRS Notice 2019-45.

Ms. Brockman stated ETF does not recommend implementing IRS Notice 2019-45 for plan year 2020, due to late publication after health plan negotiations and submissions of best and final premium bids were received. She added the late publication also does not provide adequate time for health plan and vendor partners to implement code changes before the start of the new plan year; this will be reconsidered as part of the annual change cycle for plan year 2021.

MOTION: Ms. Evanco moved to approve the proposed changes to the State of Wisconsin Health Insurance Program Agreement for plan year 2020 as presented by ETF staff. Mr. Pahnke seconded the motion, which passed unanimously on a voice vote.

Pilot Programs Report and 2020 Proposals

Ms. Walk referred the Board to the Pilot Programs Report and 2020 Proposals memo (Ref. GIB | 8.21.19 | 5B) and provided background information on the proposed changes for the 2020 plan year; highlights included the recommendation to continue the following programs in 2020:

- 2019 pilot programs through WEA Trust;
 - Livongo for Diabetes;
 - Kiiro back pain program;
- 2019 pilot program through Quartz;
 - MobileBack back pain program;
- 2019 pilot programs through StayWell/Navitus and Dean;
 - It's Your Health: Diabetes; and
 - Dean Living Healthy Plus.

Ms. Walk also stated ETF recommends the following pilot proposals for 2020 through the following vendors:

- Network Health:
 - Diabetes prevention program;
 - Collaboration with Delta Dental to promote Evidence-Based Integrated Care Program; and
- Dean:
 - Acupuncture benefits.

MOTION: Ms. Thompson moved to approve the following pilot programs to be offered by health plans in benefit year 2020:

- **Network Health Diabetes Prevention Program (DPP);**
- **Network Health/Delta Dental Evidence-Based Integrated Care Program (EBICP) coordination;**
- **Dean Health Plan acupuncture benefit; and**
- **Continue existing pilot programs through 2020 to monitor impact for potential future benefit inclusion.**

Mr. Wimmer seconded the motion, which passed unanimously on a voice vote.

2020 Wellness Program Changes

Ms. Heisterkamp discussed Wellness Program changes proposed for the 2020 plan year (Ref. GIB | 8.21.19 | 5C), which included expanding the Ignite program and increasing the Well Wisconsin incentive.

Ms. Heisterkamp discussed the request to expand the Ignite program and provided the following rationale:

- 67% of adult members are overweight or obese;
- Allowed amount per member with obesity is \$3,624 greater than someone with a healthy weight in 2018; and
- Prevalence of diabetes rose by 0.5% points costing \$3.6 million more in diabetes-related costs in 2018.

She also provided the 2017 and 2018 Ignite pilot results, which contained 50 participants in each program, based on a 12-week group-based program. Highlights included:

- 43% of participants in the 2017 University of Wisconsin institutions outside of Dane County group lost an average of 14.5 pounds and 23% maintained their weight;
- 46% of participants in the 2018 Department of Corrections and ETF group lost an average of 12.6 pounds and 11% maintained their weight; and
- Ignite participants saw improvements in their metabolic related metrics as compared to the control group.

Ms. Heisterkamp discussed program highlights which included:

- establishing a uniform wellness incentive program, Well Wisconsin, in 2014 for all subscribers and spouses regardless of their group health insurance provider;
- contracting with StayWell to implement the uniform wellness incentive program; and
- increasing program participation from 15% in 2016, to 25% in 2017 and 29% in 2018.

Ms. Heisterkamp provided information on incentive options for consideration by the Board:

- Option 1: Continue with the \$150 incentive and allow health plans to offer additional wellness incentives;
- Option 2: Increase the incentive to \$180 and allow health plans to offer additional wellness incentives; and
- Option 3: Increase the incentive to \$240 and restrict non-Medicare Advantage health plans from offering additional wellness incentives.

Ms. Evanco asked whether a survey has been conducted to see if members prefer a gift card or premium differential.

Ms. Heisterkamp indicated that participants had been asked whether they prefer a gift card or a premium differential in 2017 as part of the health assessment. She stated there were relatively more people who preferred the gift card option; however, she added that we must be careful not to draw conclusions from those results because only those participants who were currently participating and receiving a gift card answered the question.

MOTION: Mr. Fields motioned to approve expanding Ignite, a group-based weight management and diabetes prevention program offered by StayWell for benefit year 2020. Mr. Jackson seconded the motion, which passed unanimously on a voice vote.

The Board tabled the wellness incentive vote until later in the meeting, following the state and local rates discussion.

Health Care Quality Report (HEDIS & CAHPS)

Ms. Mallow reminded the Board this item is informational only and asked if the Board had any questions regarding the report.

Medicare Advantage Life Change Events

Ms. Larson provided an overview of recommended Medicare Advantage Life Change Events (Ref. GIB | 8.21.19 | 5E) and discussed the background of the Medicare Advantage Life Change event previously approved by the Board at its February meeting. The previously approved Medicare Advantage Life Change allowed retirees 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 (Ref. GIB | 2.20.19 | 5C). She stated retirees requested this new life event change for when Medicare eligibility changes; this is so they can enroll in Medicare Advantage as soon as possible.

Ms. Larson stated ETF became aware that large employers would have to make system changes to facilitate this for employees. She also stated that employees have not requested the opportunity to enroll as soon as possible after being eligible for Medicare, and it does not save them premium dollars. Thus, the request in front of the Board would be to approve the new Medicare life change event for retirees only at this time.

MOTION: Ms. Evanco motioned to approve modifying the new Medicare life change event to allow only participants, not employees, insured under a retiree contract to change health plans within 30 days of enrollment in or disenrollment from Medicare Part A and/or Part B effective January 1, 2020. Mr. Wimmer seconded the motion, which passed unanimously on a voice vote.

The Board took a break from 10:33 a.m. until 10:45 a.m.

Health Plan Financial Status

Ms. Mallow referred the Board to the Health Plan Financial Status memo received from the Office of the Commissioner of Insurance (OCI) (Ref. GIB | 8.21.19 | 5F1) and stated that OCI staff confirmed all carriers in the ETF program are licensed, in good standing, and exceed the capital and surplus requirements for participation in 2020.

MOTION: Mr. Houdek moved to acknowledge the recommendation that the Office of the Commissioner of Insurance has confirmed that the health plans have met the financial requirements for participation in 2020. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.

Service Area Qualifications

Mr. Vieira referred the Board to the Alternate Health Plan Service Area Qualification for 2020 memo (Ref. GIB | 8.21.19 | 5F2) and provided the background of qualification criteria to ensure that participating health plans offer an adequate provider base and have enough operating experience to service members.

2020 Tier Assignments

Mr. Vieira informed the board Segal recommends Tier 1 designation in the State program for all health plans. He added that based on qualification criteria, Forest County is the only county in which there is not a qualified Tier 1 State plan, and that the State Maintenance Plan (SMP) will be available in the State plan in Forest County for 2020.

Mr. Vieira stated there is at least one qualified Tier 1 in all counties except Florence, Forest, Iron, Price and Rusk Counties for the Local program and that the State Maintenance Plan (SMP) will be available in the Local plan in these five counties for 2020.

MOTION: Mr. Pahnke moved to accept the Alternate Plan Service Area Qualifications and Tier Assignments for 2020. Mr. Donahue seconded the motion, which passed unanimously on a voice vote.

2020 State and Local Rate Setting

Ms. Schatten provided an overview of the state and local medical rates from 2019 to 2020 and noted the proposed overall rate for the State program increased 3.9% across all rating categories (non-Medicare, Medicare, HDHP and grads) and prior to applying any surplus to buy-down rates. She stated this rate represents a reduction from the initial 8.3% average increase outside of Dane County and 10.3% increase within Dane County requested by the plans in their preliminary bids. Ms. Schatten noted the local program block experienced a 4.3% increase, down from a requested 13.7% average increase in health insurance rates.

Ms. Schatten discussed prescription drug plan aggregate rates for the State and Local plans and stated the State will see a decrease of 2.3% and a 4.2% increase for Local.

Mr. Klein provided an overview of dental plan costs for both state and local plans. He stated Segal recommended no change in rates for the dental plan for 2020. Mr. Klein noted that all premium amounts throughout the presentation were pre-buy down.

Group Health Insurance Program Reserves Balance and Analysis

Mr. Vieira provided an overview of the state and local net fund balances as of June 30, 2019 (Ref. GIB | 8.21.19 | 5F6). He stated the State fund balance had decreased \$6.4 million in 2018 and was projected to decrease an additional \$20.2 million in 2019. Mr. Vieira also stated the Local fund balance had increased \$3.1 million in 2018 and was projected to decrease \$5.1 million in 2019.

Mr. Vieira stated in December 2018, Lewis & Ellis had completed an audit of the reserve methodology and had recommended increasing the dental reserve 2%, resulting in 5% - 7% of projected claims. He stated it was also recommended to incorporate the State's internal rate of return in the projection.

Mr. Voelker stated the Lewis & Ellis audit of the reserve methodology was part of the LAB review.

Mr. Vieira added that based on the reserve target policy approved by the Board at the August 30, 2018 meeting, the State plan has a surplus reserve of \$102.8 million and the Local plan has a surplus reserve of \$5.8 million. Mr. Vieira stated Segal's recommendation for the State and Local plans is to utilize a portion of the surplus to buy down premium increases for the 2020 plan year.

Ms. Mallow stated rate buy downs were included to address a concern in the LAB audit of the Group Health Insurance Program.

Mr. Conlin discussed the reserves policy with the Board and reminded the Board it owns the reserves policy. He stated the policy will continue to come before the Board as a tool to help manage fluctuations in health care spending. He reminded the Board that investments are managed for the long-term by the State of Wisconsin Investment Board (SWIB) on behalf of WRS members. Mr. Conlin stated ETF would continue to watch the

rates and investment performance fluctuations and provide additional information to the Board.

Mr. Vieira provided three options for multi-year reserve draws:

1. Level draw for both State and Local reserves over the remaining 2-year period to reach the new policy target in 2021;
2. Higher draws in 2020 for both State and Local reserves over the remaining 2-year period to reach the new policy target in 2021; and
3. Lower draws in 2020 for the State reserves and a higher draw in 2020 for the Local reserves over the next 3-year period to reach the new policy target in 2022.

Mr. Vieira stated option 3 would provide the smoothest rate increases and pointed out that each option produces the same 3-year annual increase of 5.5%. He also stated there will be an additional increase over trend in the future to compensate for the underfunding in prior years.

Mr. Vieira provided an overview of Segal's 2020 premium rates with and without reserve draws. He discussed the aggregate increases for both the State and Local plans after buy-down:

- Option 1: 2.9% aggregate increase with reserve draw of \$54.6 million for State and \$3.3 million for Local;
- Option 2: 0.6% aggregate increase with reserve draw of \$86.6 million for State and \$6.5 million for Local; and
- Option 3: 4.2% aggregate increase with reserve draw of \$33 million for State and \$6.5 million for Local.

Ms. Mallow recommended the Board accept the Segal report but stated ETF did not have a recommendation on the options presented. She also stated that if the Board chooses option 3, the Board should review the Reserves Policy prior to next August's meeting.

MOTION: Mr. Fields moved to accept the 2020 State and Local Rates as well as the actuarial reports and recommendations as presented by Segal Consulting. Mr. Houdek seconded the motion, which passed unanimously on a voice vote.

MOTION: Mr. Houdek moved to accept option 3 of the premium rate reserve draw options as presented by Segal Consulting. Ms. Evanco seconded the motion, which passed unanimously on a voice vote.

Mr. Day stated the Board should also revisit a vote on whether the Board wanted to approve an increase to the Well Wisconsin incentive value after discussing the State and Local rates.

MOTION: Mr. Houdek moved to approve Option 1 as presented to the Board by ETF, which continues the \$150 Well Wisconsin incentive and allows

health plans to offer additional wellness incentives. Ms. Evanco seconded the motion, which passed unanimously on a voice vote.

The Board took a break from 12:25 p.m. until 12:55 p.m.

AUDIT OF INCOME CONTINUATION INSURANCE (ICI) PLAN ACTUARIAL VALUATIONS AS OF DECEMBER 31, 2018

Ms. Klimke introduced Mr. Berger from Segal Consulting and provided an overview of the scope of the Income Continuation Insurance (ICI) plan actuarial audit. She also stated Milliman found no significant issues but offered recommendations for improvements.

Mr. Berger referred the Board to the ICI Program Actuarial Audit (Ref. GIB | 8.21.19 | 6) and provided a high-level overview of the Audit results. Highlights included:

- membership in the ICI Program;
- ICI Program Benefits;
 - Qualifications for eligibility in the ICI Program
- the base “Claims Termination Rates” table used by Milliman;
- valuation methodology used for assumptions

Mr. Berger stated Segal believes the Milliman Valuation reports accurately reflect the accounting results for the State of Wisconsin ICI plans for the fiscal year ending December 31, 2018. He also stated the demographic assumptions are reasonable in the aggregate, given the 1.1% margin of the expected claims for the period 2016-2018.

Mr. Berger discussed recommendations for improvements, which included updating the “Claims Termination Rates” table prior to next valuation and documenting the results of the assumption review at least every three years.

MOTION: Mr. Donahue moved to accept the audit reports of the State and Local ICI actuarial valuation as of December 31, 2018 as presented by Segal Consulting; and direct ETF’s consulting actuary to implement appropriate recommendations. Mr. Wimmer seconded the motion, which passed unanimously on a voice vote.

LIFE INSURANCE

Life Insurance Annual Report

Mr. Rudeen of Securian Financial Group, Inc. (Ref. GIB | 8.21.19 | 7A) discussed the 2018 plan experience on the group life insurance plans (GLIP) for employees of the State of Wisconsin and participating local government employees. He detailed the growth in the plan, noted better than expected claims, and discussed the funding status and any liabilities discovered.

Mr. Rudeen stated Securian’s recommendation to life insurance rates for the Local plan was no changes for 2020. Mr. Rudeen stated 2018 claims in the State plan were better

than target level and the continued low interest rate environment places pressure on post-retirement funding; both he and ETF would present options for increasing funding levels in the State plan. He also stated the recommendation for the State plan was a reduction to spouse and dependent premium rate from \$2.50 to \$2.26.

Mr. Rasmussen provided an overview of the State and Local life insurance plans. He reminded the Board that there was a 5% premium increase, approved at the November 2018 meeting, on the State plan which took effect on April 1. Mr. Rasmussen stated ETF recommends a premium increase for the State plan and a premium decrease for the Spouse and Dependent premiums for the State plan. He also stated ETF does not recommend any type of rate action for the Local plan at this time.

MOTION: Ms. Thompson moved to accept the Financial Experience Report for January 1, 2018 through December 31, 2018, from Securian Financial Group. Mr. Donahue seconded the motion, which passed unanimously on a voice vote.

Mr. Rasmussen provided an overview of the plan asset and funding structure for active employees and retiree life benefits, stating the agreement between the Board and Securian allows for funds in the Active Premium Deposit Fund (Active PDF) to be transferred to the Retiree Premium Deposit Fund (Retiree PDF). Mr. Rasmussen stated ETF requests consolidation of reserve funds and closure of the Active PDF. He explained this action would not affect the plan funding; however, it would result in a higher level of assets dedicated to the retiree life plan. Additionally, the higher level of assets would result in an improvement to the plan's Governmental Accounting Standards Board (GASB) 74 and 75 funded ratio and simplify the plan's experience reporting.

Mr. Rasmussen explained the State Contingent Liability Reserve (CLR) would close, due to having a \$0 balance and the Local CLR would close after the funds have been depleted. By closing these reserves, one experience account will be used instead of two to support each part of the plan, which would simplify the experience reporting and accounting.

Motion: Mr. Fields moved to approve the consolidation of life insurance reserve funds. Ms. Lounsbury seconded the motion, which passed unanimously on a voice vote.

2020 Life Insurance Premium Rates Recommendations

Mr. Rasmussen referred the Board to the 2020 Life Insurance Premium Rates Recommendation memo (Ref. GIB | 8.21.19 | 7B) and provided an overview of the 2020 rate recommendations.

Mr. Rasmussen discussed the three options that would help increase the valuation of the Life Insurance program as well as the contribution rates. Options included:

1. 5% during each of the next nine years

2. 12% every three years during the next 10 years
3. 40%, one-time, effective April 1, 2020

The Board discussed the need to regularly assess the rates to see if adjustments are needed based on experience.

MOTION: Mr. Fields moved to approve a premium increase of 5% during each of the next nine years for the Wisconsin State Plan, effective April 1, 2020. Ms. Thompson seconded the motion, which passed on the following roll call vote:

Aye: Day, Donahue IV, Fields, Houdek, Jackson, Lounsbury, Pahnke, Thompson, Wimmer

Nay: Evanco

Mr. Rasmussen provided an overview of the Spouse and Dependent coverage for the Wisconsin State Life Insurance Plan. He stated premiums for this plan are paid entirely by the employee and coverage is purchased in units. Mr. Rasmussen stated each unit:

- Provides \$10,000 coverage for spouse;
- Provides \$5,000 coverage for each dependent;
- Currently costs \$2.50 each unit; and
- Premium is paid entirely by employee, who can purchase up to two units.

Mr. Rasmussen discussed stabilization of the reserve, stating the reserve for the State plan is above the 50% target level and has been increasing over the past several years, due to continued mortality improvement. He stated a premium decrease of \$0.24 per unit will bring the stabilization reserve down to target level and ETF anticipates the decrease will be well received by employees; they will receive the same benefits for less money.

Motion: Mr. Fields moved to approve a premium reduction to the Spouse and Dependent coverage for the Wisconsin State Life Insurance Plan from \$2.50 per unit to \$2.26 per unit effective April 1, 2020. Ms. Lounsbury seconded the motion, which passed unanimously on a voice vote.

ERA/HSA PLANS

Section 125 Cafeteria Plan Approval

Mr. Vang provided an overview of the Section 125 Cafeteria Plan (Cafeteria Plan) (Ref. GIB | 8.21.19 | 8A) and provided a definition of a Cafeteria Plan, as well as requirements under Internal Revenue Code (IRC) Section 125. He discussed ETF's revisions that were made to the Cafeteria Plan document to ensure its compliance with state and federal laws. Mr. Vang stated there will also be annual reviews of the document to ensure compliance of this document.

Mr. Vang provided an overview of the roles and responsibilities of the Board, ETF and ConnectYourCare moving forward under the Cafeteria Plan.

MOTION: Mr. Pahnke moved to approve the Section 125 Cafeteria Plan Document, effective January 1, 2020. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.

ConnectYourCare Implementation Update

Mr. Vang provided an update on the ConnectYourCare Implementation (Ref. GIB | 8.21.19 | 8B) and asked if the Board had any questions.

ETF WEBSITE REDESIGN

Mr. Lamkins informed the Board that the new ETF website officially launched on July 15.

Mr. Lamkins provided highlights of the new site which included:

- mobile-friendly pages;
- robust search and filters for finding information;
- addition of Geolocation to help find ETF events and health plans by entering a zip code or city;
- benefits by employer, which allows individuals to find out which ETF-administered benefits are offered by any WRS employer;
- improved Section 508 accessibility; and
- the ability to share content via email and social media.

Ms. Kruchten also discussed future content/enhancements to the website, which included:

- ALEX virtual benefits counselor;
- 2020 Premiums;
- differences between plan designs; and
- Certificates of Coverage.

OPERATIONAL UPDATES

Ms. Mallow referred the Board to the Operational Updates in the Board packets (Ref. GIB | 8.21.19 | 10A-L) and offered that staff were available if the Board had questions. She provided a brief update regarding the status of the Long-Term Care (LTC) Insurance offering (Ref. GIB | 8.21.19 | 10A), stating there will not be a vendor for plan year 2020.

Mr. Conlin summarized discussions between ETF and the current LTC vendor's representative, HealthChoice. He stated ETF had received a letter from HealthChoice's attorneys, Stafford Rosenbaum, regarding their interpretation of state statutes concerning LTC insurance. Mr. Conlin stated ETF and Stafford Rosenbaum have a

difference of opinion on the definition of the state statutes surrounding whether there is a requirement that the Board must offer long-term care insurance.

Ms. Mallow also provided the following updates:

- UW Hospital and Clinics will offer its own AD&D insurance for plan year 2020;
- An informational flyer was recently sent to members advertising mail order participation for prescription drugs;
- The scale on the data dashboards has changed and reflects the changing cost differences across plans; and
- An updated list of contract changes or executions since the May meeting has been included in the Board packets.

Ms. Mallow stated concerns from members (received via correspondence), all of which were included in the Board packets.

FUTURE ITEMS FOR DISCUSSION

Ms. Mallow referred the Board to the Tentative November 2019 Agenda (Ref. GIB | 8.21.19 | 11) and asked the Board for feedback or suggestions for additional items to address at that meeting. She also informed the Board that a large part of November's meeting will be dedicated to discussing the Board's strategy and items the Board would like ETF to research to help improve the Group Health Insurance Program.

Mr. Conlin stated ETF used feedback gathered from the LAB audit document to address concerns throughout the meeting. LAB concerns included actuarial audits, actuarial presentations and ensuring the Board had enough time to review items prior to the Board meeting. Mr. Conlin asked for feedback from the Board on items needing clarification or research in order to help aid in decision making at meetings.

ADJOURNMENT

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

The meeting adjourned at 3:08 p.m.

Date Approved: _____

Signed: _____

Nancy Thompson, Secretary
Group Insurance Board