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 SECRETARY

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**Correspondence Memorandum**

**Date:** January 8, 2020  
**To:** Group Insurance Board  
**From:** Tim Steiner, Director  
 Bureau of Budget, Contract Administration & Procurement  
**Subject:** Group Insurance Board (GIB) Authority Contracts Update

**This memo is for informational purposes only. No Board action is required.**

**Contracts and Amendments Executed Since the November 2019 Update**

Segal Health Insurance Actuarial Services:

Consulting actuary services for the health insurance programs are currently provided by Segal Consulting through an evergreen contract, which continues until cancelled by either party with 180 days' notice. Annual renewals are not completely automatic, as they involve review of the vendor's performance by ETF Staff and the Board, which informs an inflationary increase to the vendor's retainer fee.

Segal satisfied its 2019 contract performance requirements and received satisfactory performance reviews by ETF and the Board. Suggestions for improvement include:

- ETF provides Segal's presentation materials to Board members earlier to allow more review time; and
- Segal's Board presentations use brief bullets with key information and provide a formal actuarial memo with necessary detail.

Consequently, the Segal contract was amended to increase their retainer fee by the CPI-U increase of 2.05% for calendar year 2020 for services described under request for proposals ETD0012. This amendment was signed by the ETF Secretary in January 2020, at a new annual cost of \$369,626.

During calendar year 2019 the Segal contract was amended to include the following additional scopes of work:

- audit of Income Continuation Insurance (ICI) and Duty Disability (DD) actuarial valuations for \$110,000.

Reviewed and approved by Pamela Henning, Assistant Deputy Secretary  Electronically Signed 1/13/20
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- preparation of the Other Postemployment Benefit (OPEB) information for \$40,000 for which ETF has been reimbursed by the Department of Administration.
- audit of ETF's data warehouse and visual business intelligence services for \$40,000.
- audit of ETF's wellness and disease management contract for \$63,000.

Milliman Group Insurance and Disability Actuarial Services:

Another actuarial contractor, Milliman, satisfied its 2019 contract performance requirements and received satisfactory performance reviews by ETF and the ETF Board. Consequently, the Milliman contract was amended to increase their retainer fee by the CPI-U increase of 2.05% for calendar year 2020 for services described under request for proposals ETD0013. This amendment was signed by the ETF Secretary in January 2020, at a new annual cost of \$128,604.

During calendar year 2019, the Milliman contract was amended to include the following additional scopes of work:

- actuarial audit of accumulated sick leave conversion credit program valuation costing \$35,000.
- services related to development of the GIB-authorized Group Life Insurance Request for Proposals (RFP) costing \$32,000.
- services related to the Department's Experience Studies for Duty Disability and Income Continuation Insurance Programs costing \$75,000.

Contract Compliance Audit Services for the Pharmacy Benefit Program:

A contract was signed by the ETF Secretary with PillarRx Consulting, LLC, (formerly TRICAST, LLC), for \$113,000 for calendar year 2020 to audit Navitus, the pharmacy benefit management third-party administrator. As a reminder, the PillarRx contract is an evergreen contract. The contract term continues until canceled by either party with 180 days' notice.

State of Wisconsin Group Health Insurance Program:

Amendments between ETF and all contracted 2020 health plans were signed by the Group Insurance Board Chair in December 2020. The no-cost amendments were needed to correct minor administrative errors in the 2020 Group Health Insurance Program Agreement and add revised Wellness Program data specifications.

**Contracts and Amendments Currently Pending**

Wisconsin Health Information Organization (WHIO):

ETF continues to work with WHIO on a new contract beginning January 1, 2020, which modifies the current arrangement of a three-party contract with DHS to a contractual relationship strictly between ETF and WHIO.

UnitedHealthcare (UHC) Medicare Advantage Program:

UHC's current contract term ends December 31, 2021. There are two additional two-year renewal periods remaining. ETF continues to negotiate with UHC on language in the 2020 plan year Group Health Insurance Program Agreement regarding the requirement to submit data to WHIO.

Data Warehouse:

Discussions are under way with IBM to refine performance guarantees and extend the contract term.

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