

# Health Market Update

## Item 6D: Group Insurance Board

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# Informational Item

- No Board action required

# Purpose

- Inform the Board of developments in the Wisconsin health plan and provider markets relevant to the Group Health Insurance Program (GHIP).
- Activities have the potential to affect health care costs and how health care is accessed and delivered in Wisconsin.
- Last market update was in November 2017.

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# Health Insurance Acquisitions

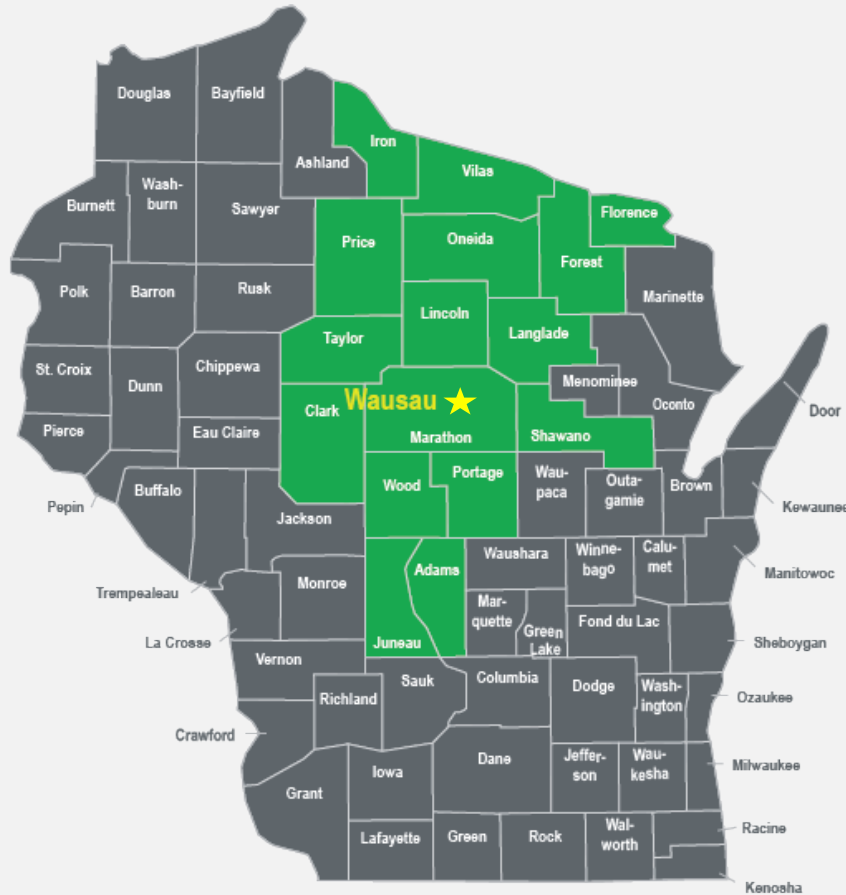
# Health Insurance Acquisitions

## WEA acquires Health Tradition - 2018

- WEA Insurance Corporation purchased Health Tradition, a licensed insurer previously owned by Mayo Holding Company.
- WEA created NeuGen LLC. to administer health plans insured by WEA and Health Tradition.
- All WEA employees are now employees of NeuGen LLC.
- WEA provides insurance to the public market and Health Tradition provides insurance to the private market.

WEA continues to participate in GHIP. Health Tradition has not participated in GHIP since 2018.

# Aspirus, Inc. Acquires Aspirus Arise Health Plan (2019)



- Health plan was previously owned jointly by Aspirus and Wisconsin Physician Services Insurance Corp.
- Arise previously offered the Aspirus Arise service area in GHIP, but discontinued its participation in 2017.



# Insurer Network Expansions



# Dean Prevea360

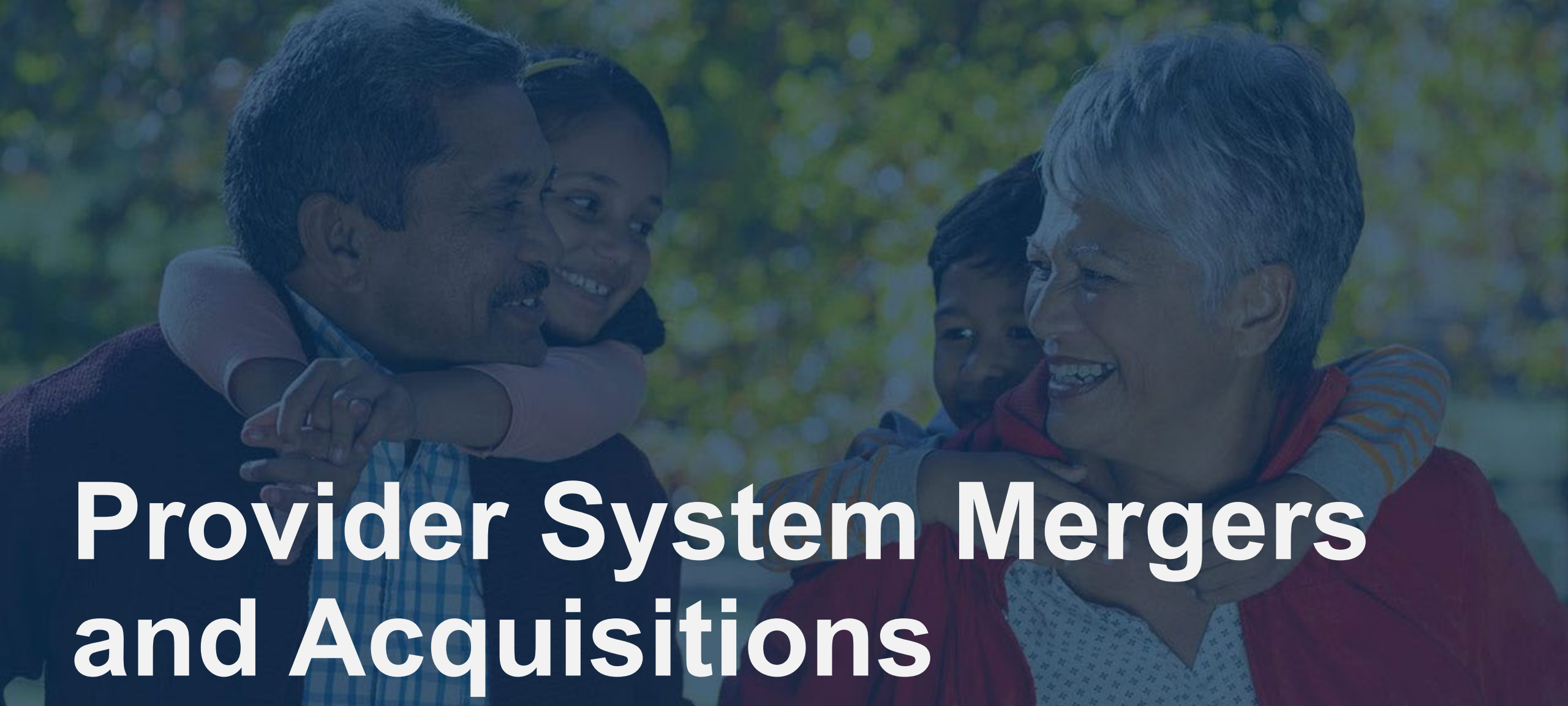
## Added six counties in northwest in 2019

- Partnership with Hospital Sisters Health System, operating six hospitals in eastern and western Wisconsin.
- Prevea Health is a physician practice headquartered in Green Bay.
- Dean Prevea360 is a health plan operated in partnership with Prevea Health and Dean Health Plan.

# Quartz

## Added ThedaCare and Aurora Advocate providers

- ThedaCare is a provider system with seven hospitals and 80 clinics in nine counties in northeast and central Wisconsin.
- For GHIP, ThedaCare providers were added to Quartz' existing service areas for the GHIP starting in 2020.
- In 2020, Quartz and Advocate Aurora announced a non-binding letter of intent to partner to provide a Medicare Advantage HMO product starting in 2021.
- Not yet clear if Advocate Aurora providers will be added to the Quartz service areas for the GHIP.



# Provider System Mergers and Acquisitions

# Advocate Aurora Health

In 2018, created through a merger of Aurora Health and Advocate Health Care Network

- New system owns 27 hospitals in Wisconsin and Illinois.
- Reportedly the tenth largest non-profit health care system in the country.
- GHIP offers in-network coverage to Advocate Aurora providers, primarily through WEA Trust and Robin with HealthPartners offerings.

# Gundersen Health and Marshfield Clinic

## Called off merger negotiations in December 2019

- Gundersen Health operates in western Wisconsin, northeastern Iowa, and parts of Minnesota.
- Marshfield Clinic operates in northern Wisconsin.
- Gundersen Health is part owner of Quartz, an offering in GHIP.
- Marshfield Clinic owns Security Health Plan, which ended its participation in GHIP starting in 2020.

# Recent Marshfield Clinic Acquisitions

St. Clare's Hospital in  
Weston in Marathon  
County

Flambeau Hospital in  
Park Falls in Price  
County

Neilsville Memorial  
Hospital in Neilsville in  
Clark County

Rusk County Memorial  
Hospital in Ladysmith  
in Rusk County

Beaver Dam  
Community Hospital in  
Beaver Dam in Dodge  
County

# Provider Acquisitions/Partnerships

## Hospital Sisters Health System acquired Oak Leaf Clinics

- Clinics in Eau Claire, Chippewa Falls, and Baldwin

## Essential Health Clinics will become Planned Parenthood Clinics

- Clinics in LaCrosse, Sparta, and Blair

## ThedaCare and Bellin Health Partnership

- Provide specialty cardiovascular care in 17 counties in Wisconsin and Michigan



# New Provider Facilities



# Advocate Aurora Health

## Mount Pleasant in Racine County:

- Hospital and two clinics

## Pleasant Prairie in Kenosha County:

- Outpatient surgery center, imaging, and clinic services

## Kohler in Sheboygan County:

- Hospital and office space to replace Sheboygan Memorial Medical Center

## Racine in Racine County:

- Outpatient clinic

# Marshfield Clinic

## Minocqua in Oneida County:

- Hospital

## Rhineland in Oneida County:

- Clinic

## Eau Claire in Eau Claire County:

- Hospital

# Other New Provider Facilities

## Froedtert and Medical College of Wisconsin

- Micro hospitals in Mequon and Oak Creek in Milwaukee County

## Ascension

- Micro hospitals in Greenfield and Menominee Falls in Milwaukee County
- Outpatient medical center in Mount Pleasant in Racine County
- Clinic in Shorewood in Milwaukee County

## ProHealth

- New hospital in Mukwonago in Waukesha County



# National Partnerships

# PBM Mergers and Acquisitions

Goal: gain leverage with pharmaceutical manufacturers and improve coordination between pharmacy and medical

- CVS and Aetna
- Cigna and Express Scripts
- Optum Rx and Diplomat

# Haven – a National Initiative

Goal is to combat rising health care costs

- Created by Amazon, JPMorgan Chase, and Berkshire Hathaway.
- Pilot programs in Arizona and Ohio in partnership with Aetna.
- Expected to be a market disruptor and change how health care is provided.
- Expected to use size to gain leverage in the market and use artificial intelligence and data analytics to improve risk management and care delivery.
- No immediate impact on GHIP.



**Questions?**

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# Thank you

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