



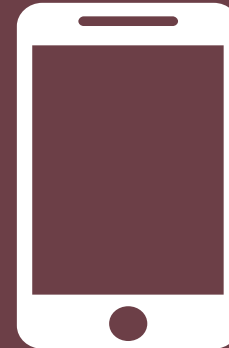
Sign-In For Public Guests:

If you would like to be recorded in the minutes as in attendance, please send an email with names and organization represented to:
ETFSMBoardFeedback@etf.wi.gov.



Meeting Materials

- Available at etf.wi.gov



Please Mute
Microphones
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Public comments for future consideration accepted at: ETFSMBoardFeedback@etf.wi.gov.



Welcome to the Group Insurance Board

June 29, 2020

Meeting will begin at 8:30 a.m.



Announcements

Item 1 - No Memo



COVID-19 Update

Item 2 – Group Insurance Board

Renee Walk, Lead Policy Advisor

Office of Strategic Health Policy



Informational Item Only

- No Board action is required

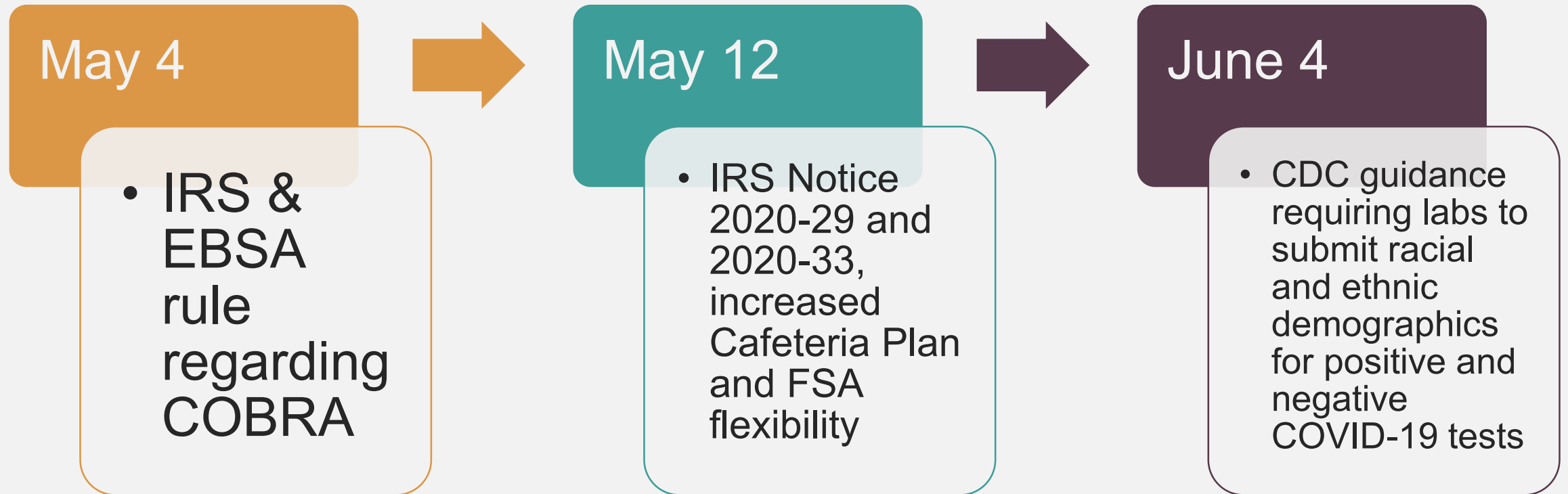
Recent Legislation & Guidance

Memo Pages 1-2

Legislation Update

- Federal & state legislative efforts have slowed in April
- Federal discussion of additional relief bill, but no action

Federal Guidance



Benefit Coverage Clarifications

Memo Pages 3-4

Testing

Diagnostic testing

- Current capacity in Wisconsin meets need
- Covered by the GHIP for people who seek from their healthcare provider
- Community testing sites run by Public Health will not charge members or insurance

Antibody testing

- Also covered by the GHIP for people who seek through their doctor
- Members should approach tests and results with caution

Employer return-to-work testing

- Not covered by the GHIP

Telehealth Services

- CARES Act & CMS guidance expanded access to telehealth
- Plans are working with providers who are newly providing virtual visits
- Copays will remain for visits that would have otherwise been in person

Employer Layoff Question Clarification

Memo Pages 4-5

Can sick leave be used to pay premiums during layoff?

- For permanent layoff, yes
 - Permanent layoff = permanent reduction/elimination of position with no expectation of return
 - First three months of permanent layoff, member receives employer premium contribution
 - Can convert sick leave to pay employee share during first three months, and remaining premium after for up to five years or until sick leave is gone

Can sick leave be used to pay premiums during layoff?

- For temporary layoff, no
 - Temporary layoff = short-term leave, temporary reduction in work hours, work share, or unpaid leave taken with understanding that full duty will be restored at a scheduled date
 - Eligible for employer contribution for first three months
 - Cannot convert sick leave for any part of premiums

Estimating Program Impacts

Memo Pages 5-7

Impacts

Health

- Working with IBM, Segal, and DAISI to determine an evaluation plan
- Securian reports 12 deaths as of June 22

Quality

- No reported lack of access to needed services; ETF will continue to monitor
- Concerns regarding test accuracy

Cost

- Immediate impacts to Dental and Pharmacy
- Preliminary discussion of medical premium impacts later in this meeting
- Concerns about economic impact to Board's members; initial salary analysis to begin affordability discussion

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Questions?

Pharmacy Program Presentation

Item 3 – Group Insurance Board

Tom Pabich, Tom Radloff, Steven
Alexander, Tara Argall, Ryan Olson
Navitus Health Solutions





Department Of Employee Trust Funds
Group Insurance Board

June 29, 2020

Agenda

- Navitus Overview
- ETF Plan Performance
- Specialty and Lumicera Health Services
- COVID-19 Impact and Updates

Introducing Navitus Health Solutions

Navitus is an industry leading, pass-through pharmacy benefit manager (PBM) and serves as an alternative to traditional PBMs. We're committed to making prescriptions more affordable for plan sponsors and their members. That's why we've *reinvented pharmacy benefit management* to more effectively reduce costs and improve health.



- Founded in 2003



- Serves 650+ clients including employers, health plans, government, unions, etc.



- Owned by SSM Health and Costco



- URAC accredited PBM and specialty pharmacy



- 6 million members and growing



- 4.5 out of 5 Stars EGWP Rating by CMS, the highest among PBM-sponsored EGWP Plans*



- Nationwide presence with corporate campuses in Madison and Appleton, WI; Austin, TX; and Phoenix, AZ

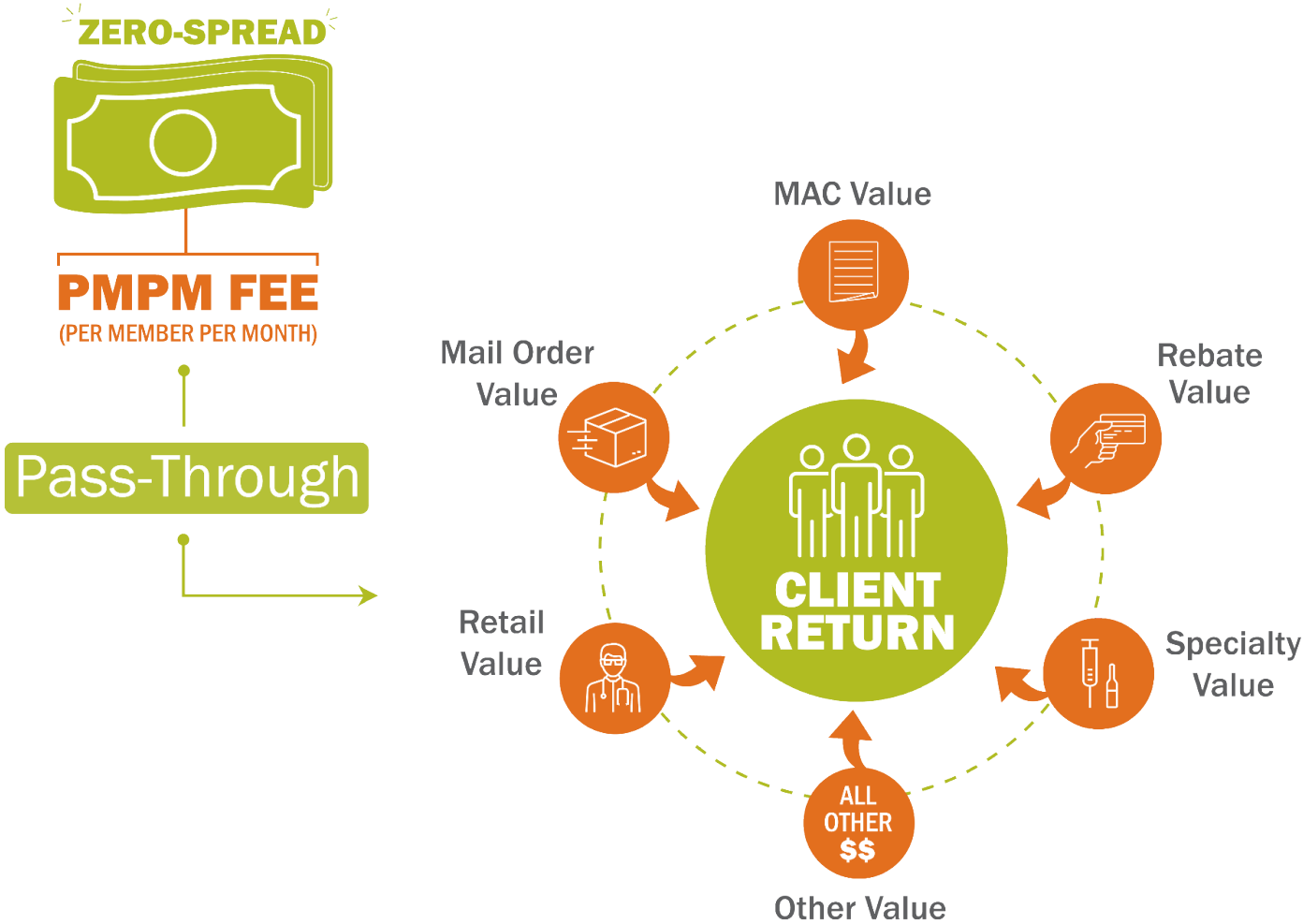
*Medicare evaluates plans based on a 5-star rating system. Star Ratings are calculated each year and may change from one year to the next.

Our Mission

Navitus Health Solutions is committed to lowering drug costs while improving the health of your members & delivering superior service in a manner that inspires trust and confidence.

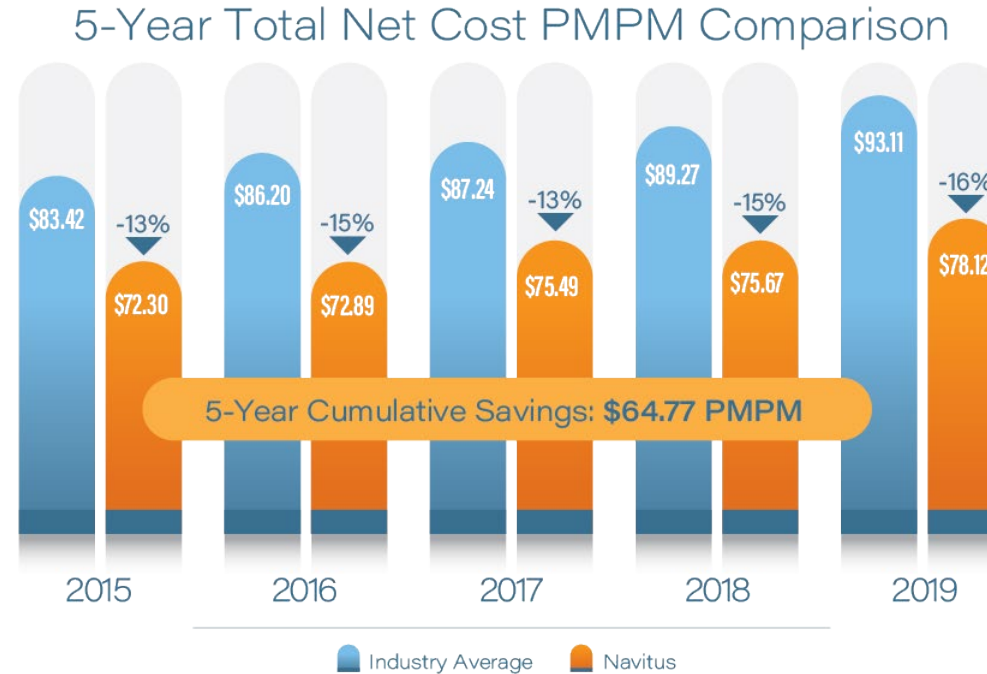
- **Lowering Drug Costs** – Through Navitus' completely transparent business model, all hidden costs associated with the purchase of prescription drugs are eliminated. We negotiate discounts and rebates with drug manufacturers and contract with pharmacies on behalf of plan sponsors - enabling us to pass 100 percent of savings onto our plan sponsors.
- **Improving Health** – In addition, by ensuring formulary development and quality improvement decisions are reviewed and approved by prescribers and pharmacists, Navitus provides the highest quality pharmaceutical care to our members.
- **Delivering Superior Customer Service** – At Navitus, we offer a wide variety of pharmacy benefit management services, including benefit design and consulting, formulary management, pharmacy network management and clinical programs. All efforts are developed and implemented with our members' best interests in mind.

Transformative Pass-Through Approach



The Savings Continue After Year One

The Navitus Difference



We're generating long-term savings with a 5-year cumulative PMPM of \$64.77, which is 16% less than the industry average.

Source: Navitus drug trend analysis, published PMPM figures from other PBMs in the industry including Express Scripts and CVS Health (2015-2018). Forecasted industry average PMPM was calculated by taking the published average 2018 PMPM and applying a 4.3% trend forecasted trend increase as seen in the 2020 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers from the Drug Channels Institute.

Generating Top Satisfaction Ratings From Our Clients

2019 Client Satisfaction Survey



94% of respondents were **extremely satisfied** or **very satisfied**



100% of respondents **would recommend** Navitus to other organizations

37% Response Rate (2019)

Surveys are conducted annually and include clients with claims utilization in both 2018 and 2019. TPA clients not included.

Just a Sampling of ETF Member Compliments

- Navitus Book of Business Member Satisfaction Survey shows **96% overall satisfaction rate for members** who interact with Navitus Customer Care.
- On 5/28/20 Customer Care spoke with an **ETF member** who asked to speak with a supervisor to let them know the Customer Care agent did an **AWESOME** job! He said she was very patient with him, and he was blown away when she inquired if he had any complaints. He is a first time retiree and said that while going through his benefits, he's taking a lot of notes. He appreciated the assistance and information the agent provided.
- On 5/15/20, an **ETF member** wanted a Customer Care supervisor to pass along that **whoever does the hiring for Navitus does an awesome job!** She said she is always happy with us and we are all sweeties.
- On 5/7/20, as part of a routine call audit process, a Customer Care supervisor observed an **ETF member** thank an agent for being **exceedingly patient and how very kind the agent was to her.** The member finished up the call by adding how grateful she is for the agent's time and Navitus being open 24/7.

ETF Plan Performance

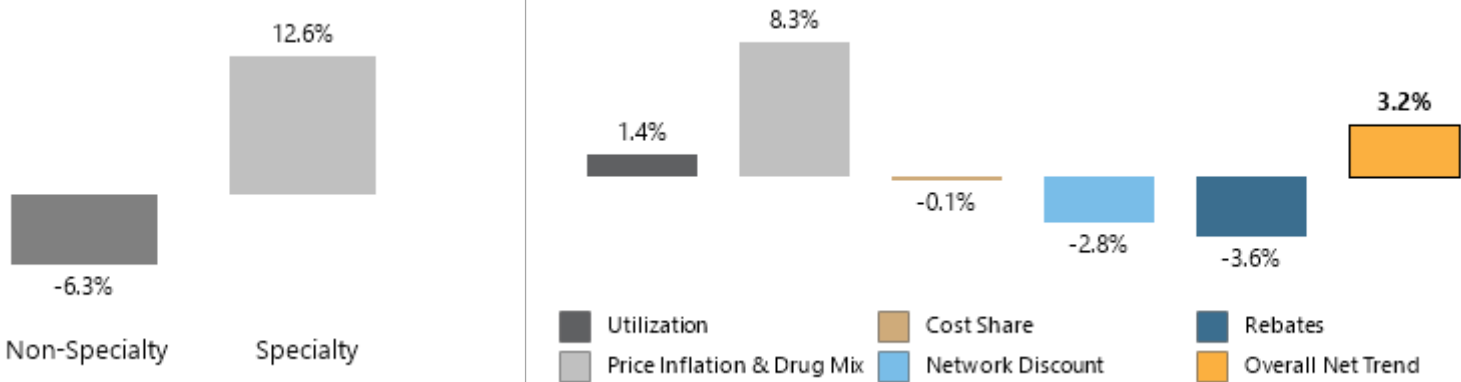
Plan Paid PMPM Trend & Trend Drivers

Commercial

Previous	Current	Change	Trend	BoB Trend
\$69.34	\$71.56	\$2.21	3.2%	2.3%

- ETF Commercial had a strong Generic Utilization Rate in 2019 of 87.5%
- Specialty Plan Paid PMPM increased by 12.6%
- Price Inflation & Drug Mix increased spend by 8.3%
- Rebates decreased spend by 3.6%

TREND DRIVERS

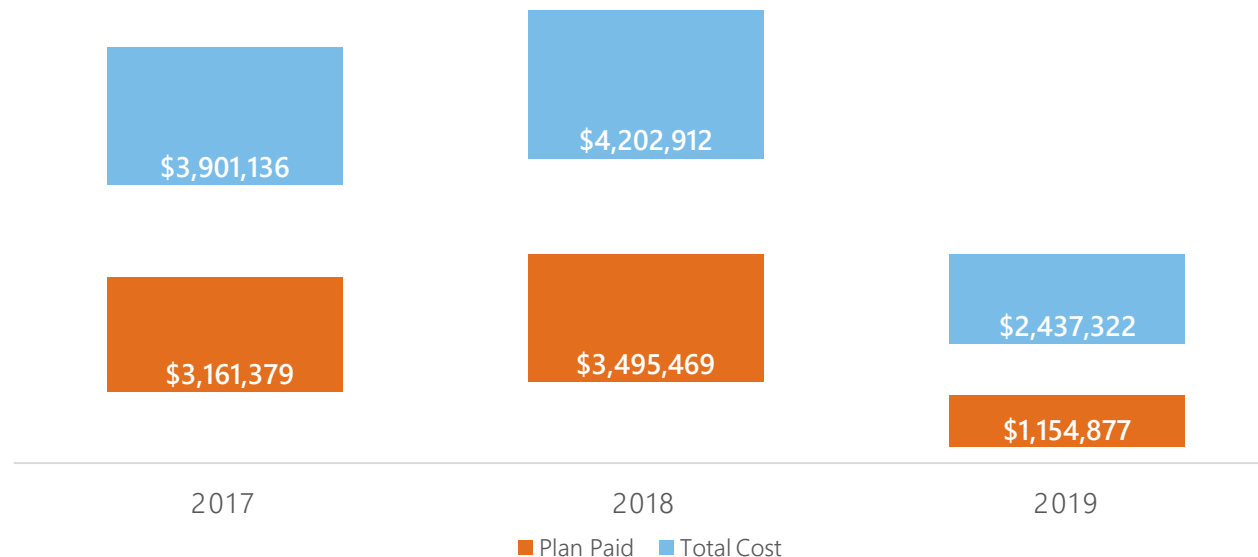


Previous Period: 1/1/2018-12/31/2018 ; Current Period: 1/1/2019-12/31/2019
 Rebates are factored into all plan paid calculations and are estimated for claims submitted after 7/1/2019.

DAW (Cost Sharing) Implementation

- Effective 1/1/19, ETF implemented a DAW (Dispense As Written) penalty for brand drugs with a generic equivalent
 - Previous coverage: Level 3 Copay (max of \$150/month) without coverage review
 - New coverage: Level 3 Copay + Cost differential (Brand-Generic equivalent)
 - FDA MedWatch documentation required to bypass the DAW Penalty
- Plan Paid Savings of \$2.3MM (67% decrease in Brands with Generic Equivalents)
- Utilization of Brand with Generic Equivalents experience a 33% decrease

ORIGINAL BRAND NAME DRUGS



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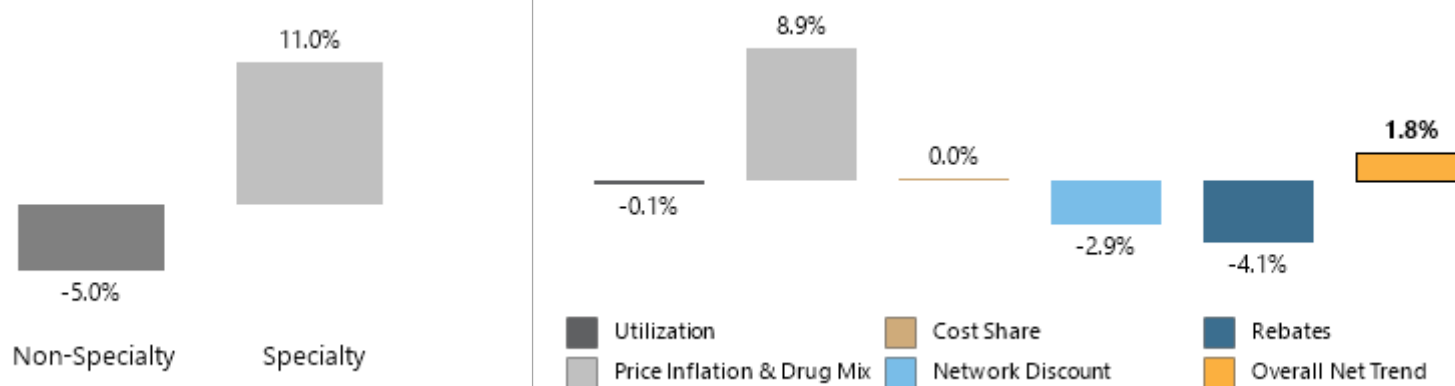
Plan Paid PMPM Trend & Trend Drivers

EGWP

Previous	Current	Change	Trend	BoB Trend
\$242.13	\$246.56	\$4.43	1.8%	4.0%

- ETF EGWP had a strong Generic Utilization Rate in 2019 of 87.1%
- Specialty Plan Paid PMPM increased by 11.0%
- Price Inflation & Drug Mix increased spend by 8.9%
- Rebates decreased spend by 4.1%
- EGWP MedicareRx estimated 2019 subsidies reduced the 2019 PMPM to \$126.51. This is a trend decrease of 13.2% compared to the 2018 PMPM of \$143.35 with subsidies.

TREND DRIVERS



Previous Period: 1/1/2018-12/31/2018 ; Current Period: 1/1/2019-12/31/2019
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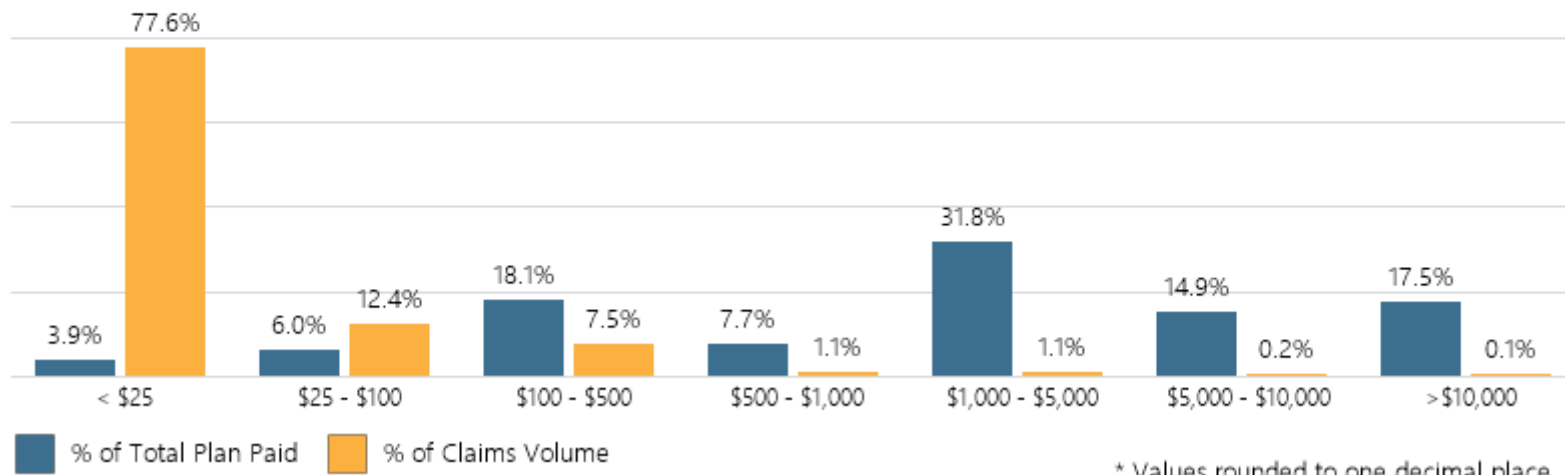
Script Cost vs. Script Volume

Commercial

- 77.6% of scripts cost the plan less than \$25 and made up 3.9% of total Plan Paid
- 1.4% of scripts cost the plan more than \$1,000 and made up 64.3% of total Plan Paid

Plan Paid Amount	Script Count	Plan Paid
< \$25	1,429,048	\$6,912,813
\$25 - \$100	228,097	\$10,498,036
\$100 - \$500	137,997	\$31,838,794
\$500 - \$1,000	19,945	\$13,568,208
\$1,000 - \$5,000	20,994	\$56,000,502
\$5,000 - \$10,000	3,708	\$26,250,824
> \$10,000	1,867	\$30,845,521

Volume and Plan Paid Distribution



Previous Period: 1/1/2018-12/31/2018 ; Current Period: 1/1/2019-12/31/2019
 Rebates are factored into all plan paid calculations and are estimated for claims submitted after 7/1/2019.

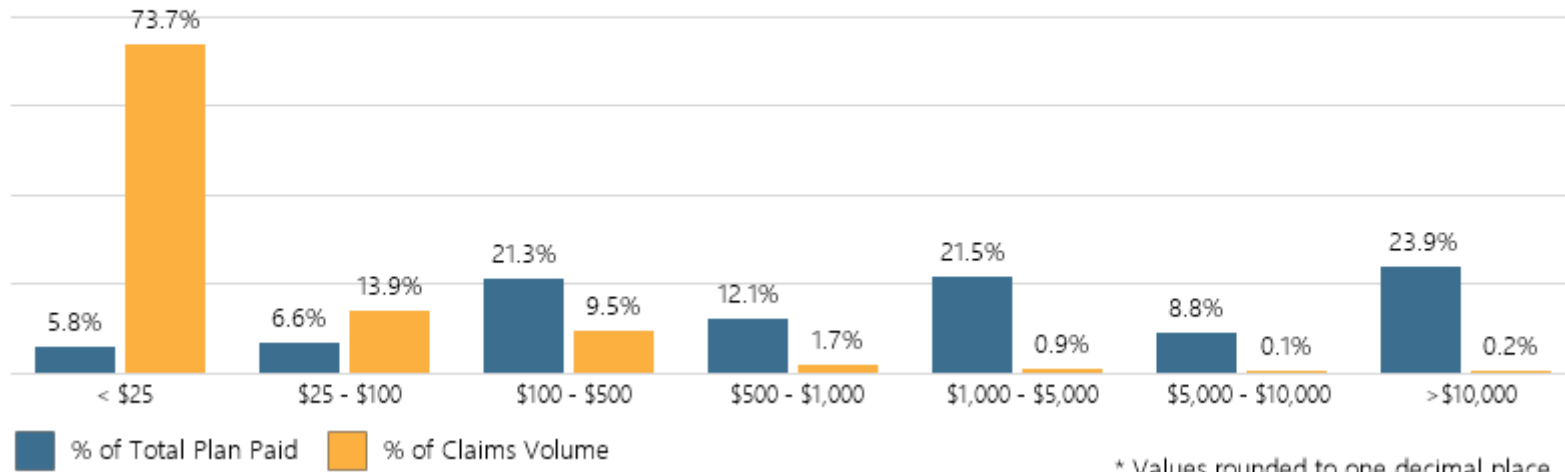
Confidential

Script Cost vs. Script Volume EGWP

- 73.7% of scripts cost the plan less than \$25 and made up 5.8% of total Plan Paid
- 1.2% of scripts cost the plan more than \$1,000 and made up 54.2% of total Plan Paid

Plan Paid Amount	Script Count	Plan Paid
< \$25	690,715	\$5,528,305
\$25 - \$100	130,105	\$6,234,601
\$100 - \$500	89,048	\$20,266,919
\$500 - \$1,000	15,890	\$11,509,038
\$1,000 - \$5,000	8,337	\$20,415,093
\$5,000 - \$10,000	1,092	\$8,403,666
> \$10,000	1,585	\$22,706,340

Volume and Plan Paid Distribution



* Values rounded to one decimal place

Previous Period: 1/1/2018-12/31/2018 ; Current Period: 1/1/2019-12/31/2019
 Rebates are factored into all plan paid calculations and are estimated for claims submitted after 7/1/2019.

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Specialty & Lumicera Health Services

Top Specialty Conditions

Commercial

- Chronic Inflammatory Disease was ranked #1 and cost the plan \$46,270,500, which was 48% of Plan Spend on specialty conditions
- Atopic Dermatitis had the largest increase in Plan Paid PMPM Trend of 196.3%

Plan Paid Rank Prev	Plan Paid Rank	BoB Plan Paid Rank	Specialty Health Condition	Plan Paid	Plan Paid PMPM	Plan Paid PMPM Trend	BoB Plan Paid PMPM Trend	Utilizing Members Prev	Utilizing Members
1	1	1	CHRONIC INFLAMMATORY DISEASE	\$46,270,500	\$18.82	21.6%	17.3%	945	1,318
2	2	3	MULTIPLE SCLEROSIS	\$13,946,495	\$5.67	-1.0%	-4.6%	241	306
3	3	2	ORAL CHEMOTHERAPY	\$13,850,929	\$5.63	9.8%	13.8%	165	322
4	4	4	CYSTIC FIBROSIS	\$7,709,253	\$3.14	-7.6%	3.0%	49	57
6	5	13	NEPHROPATHIC CYSTINOSIS	\$2,186,264	\$0.89	37.1%	35.7%	2	2
5	6	6	NARCOLEPSY	\$1,930,956	\$0.79	10.0%	18.8%	16	20
11	7	8	OSTEOPOROSIS	\$1,132,560	\$0.46	75.2%	13.2%	31	69
15	8	7	ATOPIC DERMATITIS	\$930,447	\$0.38	196.3%	184.3%	15	56
8	9	5	PULMONARY ARTERIAL HYPERTENSI...	\$907,745	\$0.37	-14.6%	-11.9%	13	14
9	10	19	NEUTROPENIA	\$860,880	\$0.35	-16.9%	-29.6%	47	125
			Total	\$96,144,022	\$39.11	12.6%	-	1,756	2,622

Previous Period: 1/1/2018-12/31/2018 ; Current Period: 1/1/2019-12/31/2019
 Rebates are factored into all plan paid calculations and are estimated for claims submitted after 7/1/2019.

Confidential

Top Specialty Conditions EGWP

- Oral Chemotherapy was ranked #1 and cost the plan \$20,203,920, which was 46% of Plan Spend on specialty conditions

Plan Paid Rank Prev	Plan Paid Rank	BoB Plan Paid Rank	Specialty Health Condition	Plan Paid	Plan Paid PMPM	Plan Paid PMPM Trend	BoB Plan Paid PMPM Trend	Utilizing Members Prev	Utilizing Members
1	1	1	ORAL CHEMOTHERAPY	\$20,203,920	\$52.40	11.8%	18.8%	209	266
2	2	2	CHRONIC INFLAMMATORY DISEASE	\$11,896,647	\$30.85	11.8%	8.5%	256	278
3	3	3	MULTIPLE SCLEROSIS	\$2,905,883	\$7.54	-17.6%	-9.1%	64	66
4	4	4	OSTEOPOROSIS	\$2,006,465	\$5.20	17.5%	31.6%	91	112
5	5	5	IDIOPATHIC PULMONARY FIBROSIS (IPF)	\$1,768,582	\$4.59	3.9%	19.3%	23	21
6	6	6	PULMONARY ARTERIAL HYPERTENSI...	\$741,471	\$1.92	-25.7%	-16.9%	10	11
7	7	13	NEUTROPENIA	\$709,805	\$1.84	13.0%	0.3%	35	33
10	8	10	NARCOLEPSY	\$514,896	\$1.34	89.6%	76.8%	2	4
8	9	14	THROMBOCYTOPENIA	\$413,133	\$1.07	42.2%	11.5%	3	5
14	10	12	PARKINSON'S DISEASE	\$330,860	\$0.86	76.0%	52.0%	9	14
Total				\$44,219,289	\$114.69	11.0%	-	784	934

Previous Period: 1/1/2018-12/31/2018 ; Current Period: 1/1/2019-12/31/2019
Rebates are factored into all plan paid calculations and are estimated for claims submitted after 7/1/2019.

LUMICERA SERVICE EXCELLENCE

Patient Experience – All Lumicera Patients



Satisfaction Rate

(Satisfied or Very Satisfied)

2019

Metric	Average Score
Timeliness and condition of medication delivery	4.9/5
Accuracy of order	4.9/5
Knowledge of patient care specialist	4.9/5
Overall Satisfaction with Lumicera services	4.9/5

LUMICERA CLINICAL EXCELLENCE

Patient Experience – All Lumicera Patients

97% Satisfaction Rate
(Satisfied or Very Satisfied)

2019

Metric	Average Score
Confidence in taking and managing medications	4.5/5
Pharmacist listened to and addressed my concerns	4.6/5
Recommend Lumicera pharmacist to friends and family	4.6/5
Overall quality of care and services provided by Lumicera pharmacist	4.8/5

COVID-19 Updates

Navigating the Pandemic

Navitus Operations

- Business Continuity
 - Navitus activated Business Continuity/Disaster Recovery operations the week of March 16th.
 - All departments including customer care, specialty pharmacy and prior authorizations are fully operational and fully staffed.
 - The remote workforce is doing well and has adapted to the new virtual work environment.
 - Our technical infrastructure is supporting all activities.
- Account Management
 - Fully remote and no issues reported
 - Delivering consultative reviews as scheduled via virtual technology
- Formulary Operations
 - Monitoring medication availability and FDA announcements and making adjustments to formulary as needed
 - Activated weekend “on call” schedule for benefits team to respond to any urgent changes or updates required

Navigating the Pandemic

Navitus Operations

- Weekly Client Communications
 - Updates on activities and response implementations
 - Monitoring of disaster declarations, emergency set ups of limits on days' supply for drugs that are touted as potential cures or remedies for COVID-19

- Pharmacy Availability
 - Navitus provider services reports minimal pharmacy impacts across the networks
 - A few pharmacies have reduced hours of operation and some may have briefly closed but have now re-opened
 - RxOpen.org has been activated by National Council for Prescription Drug Plans (NCPDP)

Navigating the Pandemic

Lumicera Operations

■ Staffing

- Quickly implemented social distancing measures and a “grouping”-based approach to maintain operations, limit risk and put into place a mitigation plan in the instance that one of the “groups” had positive COVID cases within it.
- Implemented more wide-spread use of PPE (call center staff) for prevention of spreading the virus– leading to 12 second answer rate through COVID and 94.57% answered within 30 seconds
- Enhanced existing cleaning and sanitizing procedures

■ Patient Support

- Providing counseling to patients to calm fears of shortages and prevent stockpiling of medications
- Educating patients on supply projections

Navigating the Pandemic

Pharmacy Operations

■ Pharmacy Availability

- Navitus provider services reports minimal pharmacy impacts across the networks
 - A few pharmacies have reduced hours of operation and some may have briefly closed but have now re-opened
 - RxOpen.org has been activated by National Council for Prescription Drug Plans (NCPDP)

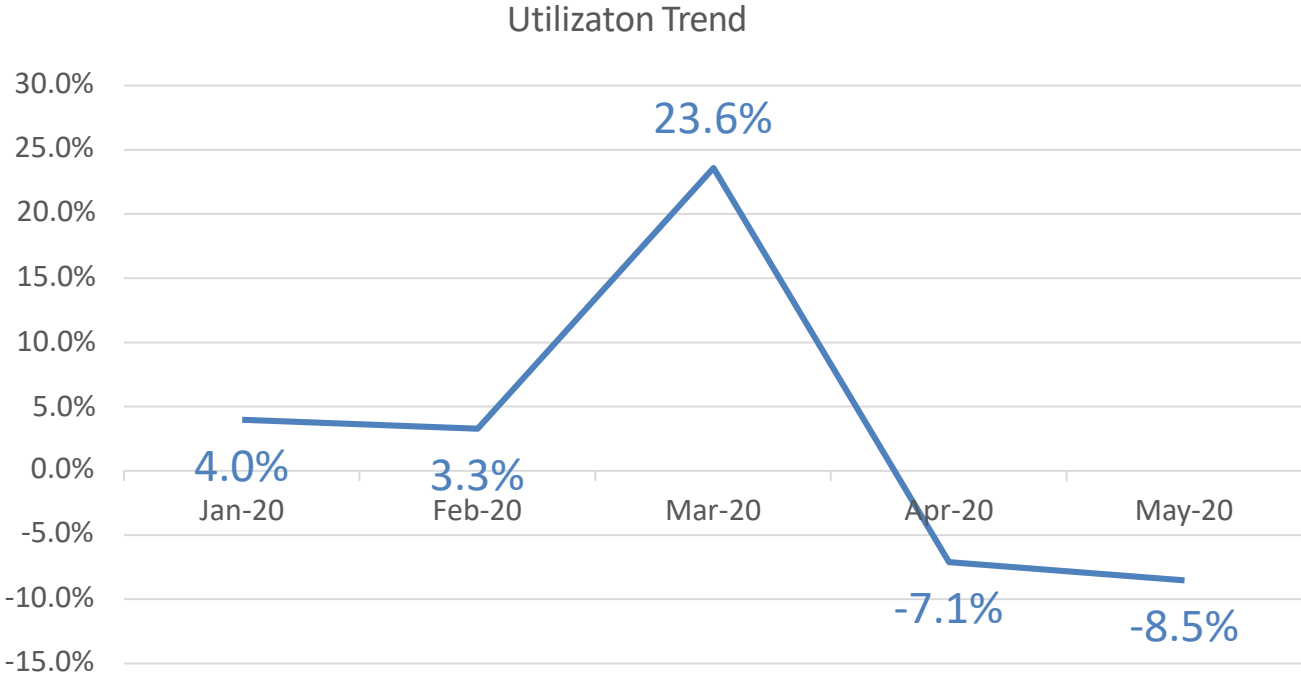
■ Pharmacy Testing

- Pharmacies are administering testing for COVID-19
“Big 5” offering testing at limited number of sites across the US:
 - Wal-Mart, Walgreens, CVS, Kroger, Rite Aid
- NCPDP recently published guidance for pharmacy testing billed through the pharmacy benefit
 - Navitus is currently reviewing and evaluating the contracting, pharmacist and benefit requirements associated with implementation

■ Free Delivery

- Several large chains are offering free delivery

ETF Utilization Trend by Month



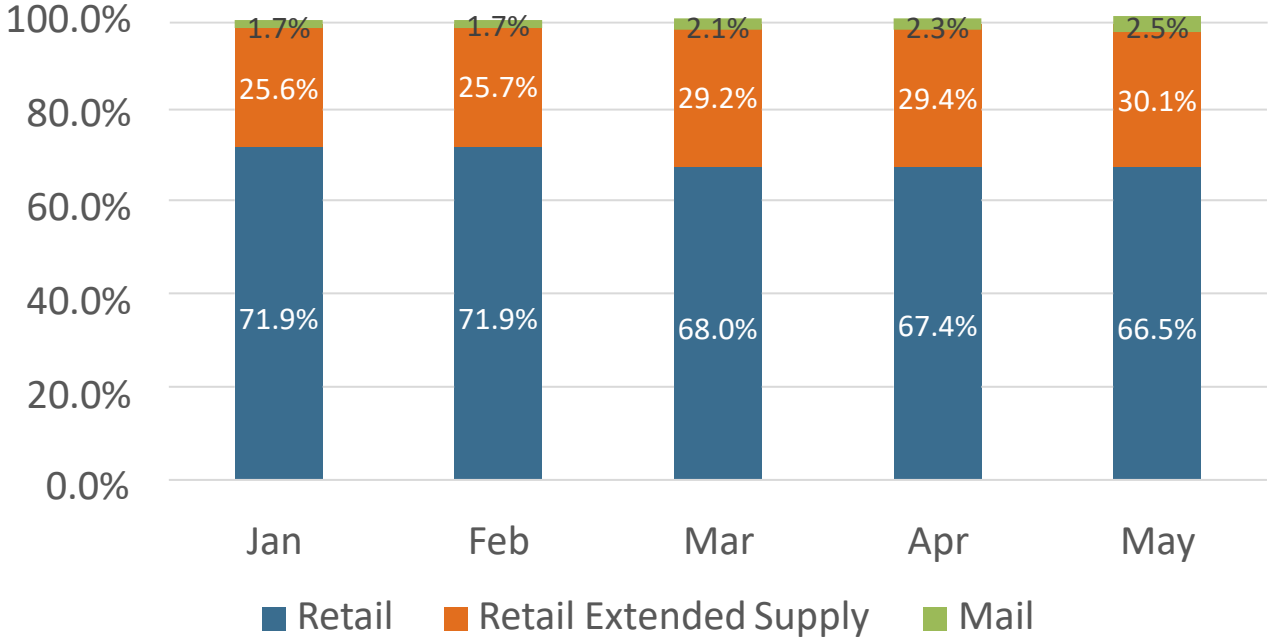
Utilization was up 24% in March compared to same period in 2019

Drug Categories Driving Increases

May 2019 vs May 2018

Drug Category	Utilization Trend
ANTI-DEPRESSANTS	27%
ANTI-ASTHMATIC AND BRONCHODILATOR AGENTS	70%
ANTI-HYPERTENSIVES	24%
ANTI-HYPERLIPIDEMICS	21%
ANTI-DIABETICS	28%
CONTRACEPTIVES	20%
DIURETICS	31%
THYROID AGENTS	20%
BETA BLOCKERS	23%
ANTI-CONVULSANTS	23%
CALCIUM CHANNEL BLOCKERS	28%
NASAL AGENTS - SYSTEMIC AND TOPICAL	35%
ANTIHISTAMINES	27%
ANTI-ANXIETY AGENTS	32%
ANTI-MALARIALS	44%
Overall	24%

Channel Migration



90 Day Retail penetration has jumped up 4% since March at the expense of Retail 30

COVID-19 Investigational Therapies

Anti-Viral Agents

Remdesivir	<ul style="list-style-type: none">▪ Ebola treatment▪ Positive NIAID trial results
Favipiravir & umifenovir	<ul style="list-style-type: none">▪ Global influenza treatments used in Asia
Leronlimab	<ul style="list-style-type: none">▪ Investigational HIV therapy
Chloroquine/Hydroxychloroquine	<ul style="list-style-type: none">▪ Approved anti-malarial treatments
Tamiflu (oseltamivir) & Xofluza (baloxavir)	<ul style="list-style-type: none">▪ Approved influenza treatments
Ivermectin	<ul style="list-style-type: none">▪ Approved anti-parasitic agent
Kaletra (lopinavir/ritonavir)	<ul style="list-style-type: none">▪ Approved HIV therapy

COVID-19 Investigational Therapies

Additional Therapies

Existing anti-inflammatory therapies	<ul style="list-style-type: none">▪ IL-6 Inhibitors▪ JAK Inhibitors▪ IL-1 inhibitors▪ Corticosteroids
Supportive therapies	<ul style="list-style-type: none">▪ Heparin▪ Alteplase (t-PA)▪ Nitric oxide▪ IV immune globulin
Other therapies	<ul style="list-style-type: none">▪ Convalescent plasma▪ Alinia (nitazoxanide)▪ Azithromycin▪ Vitamin C

COVID-19 Vaccine Development

- As of April 20th, per WHO:
 - 5 vaccine candidates in clinical trials
 - 71 vaccine candidates in preclinical evaluation
- Unprecedented degree of pre-trial at-risk production
 - Oxford University
 - Johnson & Johnson
 - Moderna
 - GSK/Sanofi
- Complexity of novel vaccine development

Thank You.



FSA Carryover Increase Limit Changes



Item 4A – Group Insurance Board

Xiong Vang, HSA & ERA Accounts Program Manager

Office of Strategic Health Policy





Action Needed

- The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) approve the increase of health care and limited purpose flexible spending account carryover balance to \$550 effective January 1, 2021

Background

Memo Page 1

Notice 2020-33

- Allows employers the option to amend their Section 125 Cafeteria Plan to increase the carryover for Flexible Spending Account (FSA) to \$550 for the 2020-2021 plan year
- The increase reflects indexing for inflation, and this indexing parallels the indexing that applies to the limit on salary reduction contributions

What is a Cafeteria Plan?

- A cafeteria plan is a plan established in accordance with the requirements prescribed by Internal Revenue Code (IRC) Section 125
- Allows employees to pay for certain qualified benefit premiums pre-tax through a salary reduction agreement, reducing their taxable gross income
- The plan helps members and employers avoid compliance issues and possible adverse tax consequences

Section 125 Cafeteria Plan

- Allows FSA up to \$500 to be carried over at the end of the run-out period for 2020 plan year
- Established a run-out period following the end of the plan year where eligible expenses incurred during the plan year can be claimed
- The run-out period runs from January 1 through March 31 after the plan year has ended

FSA Forfeitures



Any remaining FSA balance greater than the carryover provision after the run-out period has ended is forfeited back to the program

If an employee terminates their FSA prior to the end of the plan year, any unused funds are forfeited

ETF uses the forfeitures to pay for expenses of administering the FSA plan in accordance to IRS Regulation

Program Rules and Guidance

Memo Page 2

FSA Use It or Lose It Rule

Rule

- FSAs are subject to the use-or-lose rule

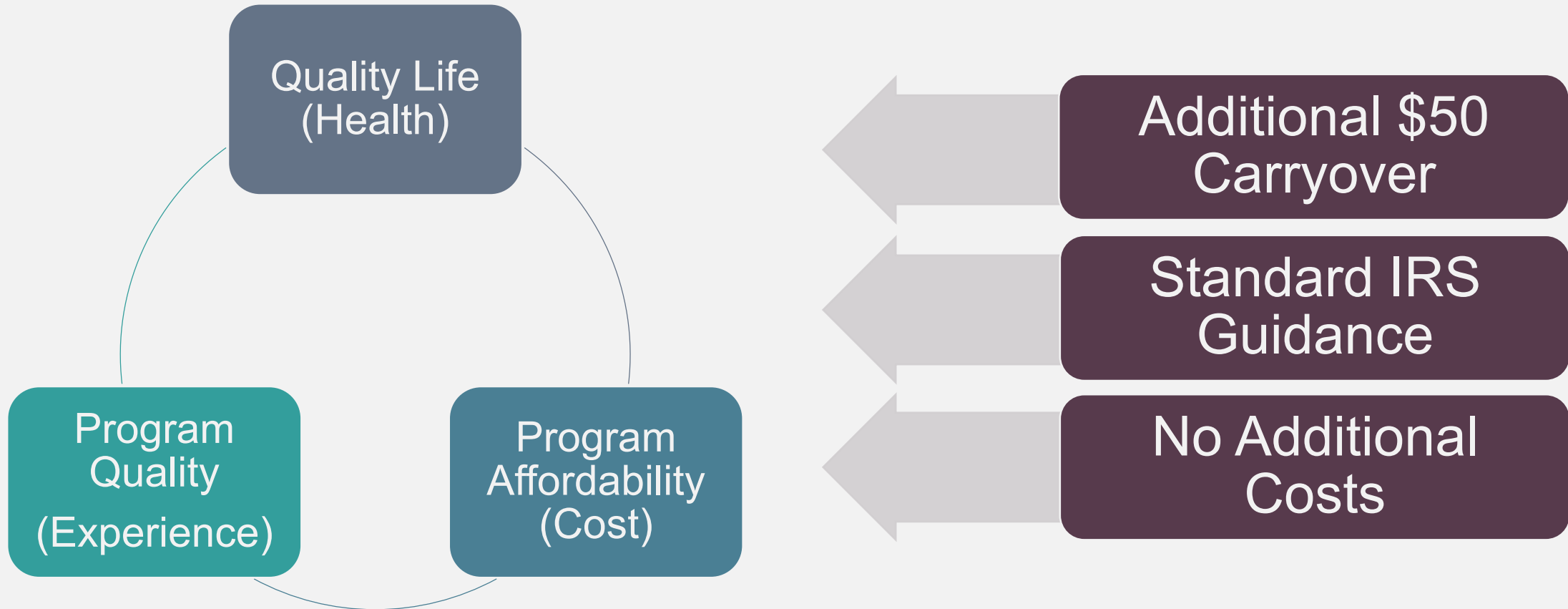
Annual Elections

- FSA annual elections are front-loaded, and the full annual election is made available to the participant at the beginning of the plan year

IRS Requirement

- Requires that FSA annual election is made for the entire plan year unless the participant experiences a qualifying life event

Triple Aim Guiding Principle





Action Needed

- The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) approve the increase of health care and limited purpose flexible spending account carryover balance to \$550 effective January 1, 2021

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Questions?

Cafeteria Plan Change Recommendations



Item 4B - Group Insurance Board

Renee Walk, Lead Policy Advisor

Xiong Vang, HSA & ERA Accounts Program Manager

Office of Strategic Health Policy





Action Item

- Allow limited mid-year election changes for members who have Flexible Spending Accounts (FSAs) effective July 1, 2020 through September 1, 2020
- Allow limited mid-year election changes for members who have Dependent Daycare Accounts effective July 1, 2020 through September 1, 2020

Background & Federal Rule Changes

Memo Pages 1-2

Notice 2020-01 & Federal Rule Change

- Allow employers to provide flexibility for FSA claim run-out periods
- Allow employers flexibility for COBRA timelines
 - Timeline changes can be extended for the duration of the national emergency, up to one year

Notice 2020-29

- Allows employers to modify their Cafeteria Plans to allow mid-year changes through the end of 2020
 - Impacts health, FSA, and Dependent Daycare Accounts
 - New elections could be allowed on a prospective basis
 - Allows plans to permit adding new coverage/accounts, changing existing coverage/accounts, or terminating coverage/accounts
 - Rule is optional; employers can choose to adopt all, some, or no changes

Employer Coverage Change Requests

Memo Pages 2-3

Employer Requests



Received questions, reviewed one-on-one, and at Payroll Council



Strong employer desire for flexibility on the FSA and Dependent Daycare programs



Less interest in changing health enrollment; no requests received from employees



Limited interest received in health enrollment changes from retirees through ETF

Implementation Challenges for Health Enrollment

Workload

- Given low number of requests, difficult to anticipate workload
- Could be no impact or substantial causing need to hire LTE

Staff Training

- Both ETF and employer benefits staff

Timing

- Very near to 2021 Open Enrollment, messaging clearly would be challenging

Health Plan Burden

- Enrollment changes trigger mailings, ID card printing, could cause network disruption and continuity of care burdens

Fewer Challenges for FSA and Dependent Daycare

- Work largely performed by a single vendor
- Vendor able to outreach directly and effectively to current account holders
- Limited expansion of enrollment can help curtail administrative burdens

Options for FSA & Dependent Daycare

Memo Pages 3-5

Cafeteria Plan Options

Option 1: No change to FSA and Dependent Daycare election periods

- Pros: Least disruption/simplest, no administrative impact
- Cons: Doesn't address changing participant financial needs



Option 2: Limited expansion to allow mid-year changes

- Pros: Responsive to member requests for change, allows targeted outreach, improvements
- Cons: Increased administrative work for CYC and employers

Option 3: Unlimited expansion of mid-year changes through 2020

- Pros: Maximum participant flexibility
- Cons: Burdensome to employers and CYC, challenging to communicate to participants

Claim Run-Out Changes Not Recommended

Administrative Challenges

- Requires coordination with prior vendor

Cost

- Known CYC fees = \$15,000
- Unknown TASC fees

Limited Member Impact

- Few requests received for this change

- Also do not recommend extending COBRA timelines, for reasons discussed in Health Insurance section of memo

Options for Health Insurance Program

Memo Pages 5-7

Cafeteria Plan Options



Option 1: No Change

- Pros: Protects members from making poor changes; no employers have heard requests for change; unenrolled population is small and would be able to enroll if other coverage lost
- Cons: Misses small number of members who might not have coverage and want to enroll, though opt-out incentive remains a challenge

Option 2: Add a Limited Enrollment Opportunity

- Pros: Would allow an opening for those who had not taken the incentive and have no coverage to enroll; limits potentially harmful election changes
- Cons: Members moving between plans may still encounter network issues, could make members financially vulnerable; limited ability to track opt-out incentive

Option 3: Create an Expansive Mid-Year Enrollment Opportunity through 2020

- Pros: Provides maximum flexibility for members
- Cons: Extremely hard to message at same time as Open Enrollment, administrative burden, possible financial vulnerability for members

COBRA Changes Not Recommended

- End of national emergency period uncertain
- Could leave members responsible for either large premium balances or reprocessed claims
- ETF recommends working with employers and members case-by-case for delays due to pandemic



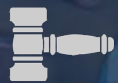
Action Item

- Allow limited mid-year election changes for members who have Flexible Spending Accounts (FSAs) effective July 1, 2020 through September 1, 2020
- Allow limited mid-year election changes for members who have Dependent Daycare Accounts effective July 1, 2020 through September 1, 2020

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Questions?

2020 Health Screenings



Item 5 – Group Insurance Board

Molly Heisterkamp, Disease Management & Wellness Program Manager

Office of Strategic Health Policy





Action Needed

- ETF staff requests the Board approve updating the 2020 health screening options to include a dental cleaning, one health coaching call, or an at-home screening test, in addition to the onsite biometric screening and health care provider form.

Background

Memo Page 1

Current Program Design

- Health screening
 - Onsite biometric screening
 - Health care provider form
- Health assessment
- Well-being activity

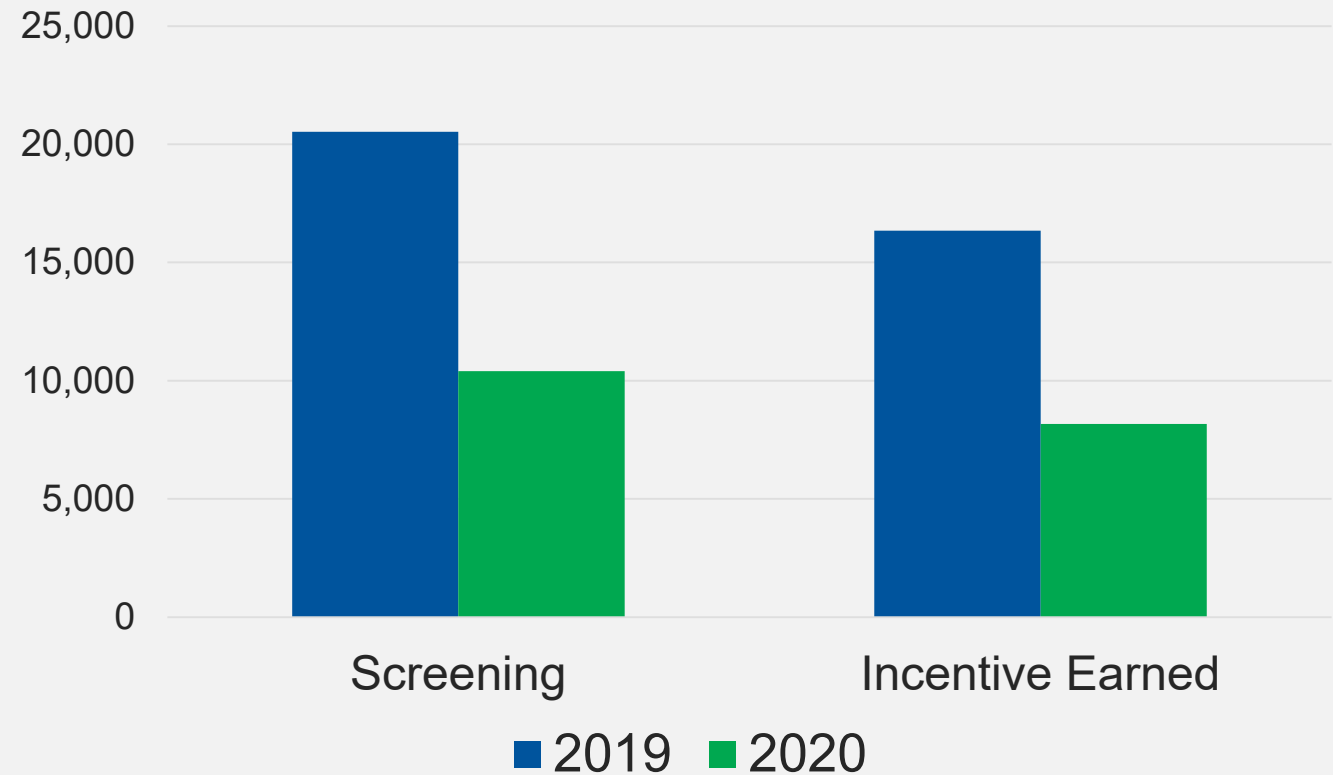


WELL WISCONSIN
Healthier starts with you

Impact of COVID-19

- More than half of onsite biometric screenings have been cancelled (158/282)
- 12,100 potential participants impacted
- Patients have been encouraged to delay routine/preventive care

Participation Stats from Jan - June



2020 Screening Recommendation

Memo Pages 1-2

Recommended Change

Participants choose from one of the following to satisfy 2020 health screening activity:

Onsite biometric screening (currently available)	Health care provider form (currently available)	Health coaching call (approved for 2021)	Dental cleaning (approved for 2021)	At-home screening test (new)
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At-Home Screening Test

Participants request kit from StayWell before September 25, 2020

Kit delivered directly to home address

Kit includes all supplies, instructions and return packaging

Tests similar values as onsite biometric screening

Triple Aim Impact

Costs may be lower

Quality and satisfaction may be higher

Health may be improved

Communication

ETF Employer
Bulletin

StayWell home
mailer and email



Action Needed

- ETF staff requests the Board approve updating the 2020 health screening options to include a dental cleaning, one health coaching call, or an at-home screening test, in addition to the onsite biometric screening and health care provider form.

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Questions?

Operational Updates: GIB Correspondence

Item 6A – Memo Only



2021 Local Annuitant Health Program Options



Item 7 – Group Insurance Board

Arlene Larson, Manager of Federal Program and Policy

Office of Strategic Health Policy





Action Needed

- ETF requests the Board approve a rate increase of 35 percent in addition to each of the calculated 2021 and 2022 health plan renewals to adjust for the relative claim cost of LAHP members due to their demographics

Local Annuitant Health Program

Local Annuitant Health Program (LAHP) review in preparation for 2021

- Retiree only group whose employer does not participate in the local GHIP

Recommended Factor to Apply

Original estimate was a one year overall increase by 1.7

Calculated with national database one year overall increase of 1.9

Recommended: Over 2 years, 1.35 for each year

Over 3 years, attain relative value increase from current of 1.25 in 2021, to 1.5 for 2022 & reach total of 1.7 by 2023

Example of 35% Rate Change

Health Plan	2020 Family Premium	35% increase	2021 Family Premium prior to renewal increase
Dean	\$ 1,657.34	1.35	\$ 2,237.41
Dean Prevea360	\$ 1,665.18	1.35	\$ 2,247.99
WEA - East	\$ 2,054.14	1.35	\$ 2,773.09
Quartz UW	\$ 1,532.48	1.35	\$ 2,068.85
Network	\$ 2,011.44	1.35	\$ 2,715.44

Example of 70% Rate Change

Health Plan	2020 Family Premium	70% increase	2021 Family Premium prior to renewal increase
Dean	\$ 1,657.34	1.7	\$ 2,817.48
Dean Prevea360	\$ 1,665.18	1.7	\$ 2,830.81
WEA - East	\$ 2,054.14	1.7	\$ 3,492.04
Quartz UW	\$ 1,532.48	1.7	\$ 2,605.22
Network	\$ 2,011.44	1.7	\$ 3,419.45

LAHP Analysis



In 2019

- 112% non-Medicare loss ratio
- 109 non-Medicare members on average



Preferred

- Loss ratio in low 90s
- Non-Medicare group size 200 or more to influence premium development based on claims

LAHP Composition – Former Employer Types

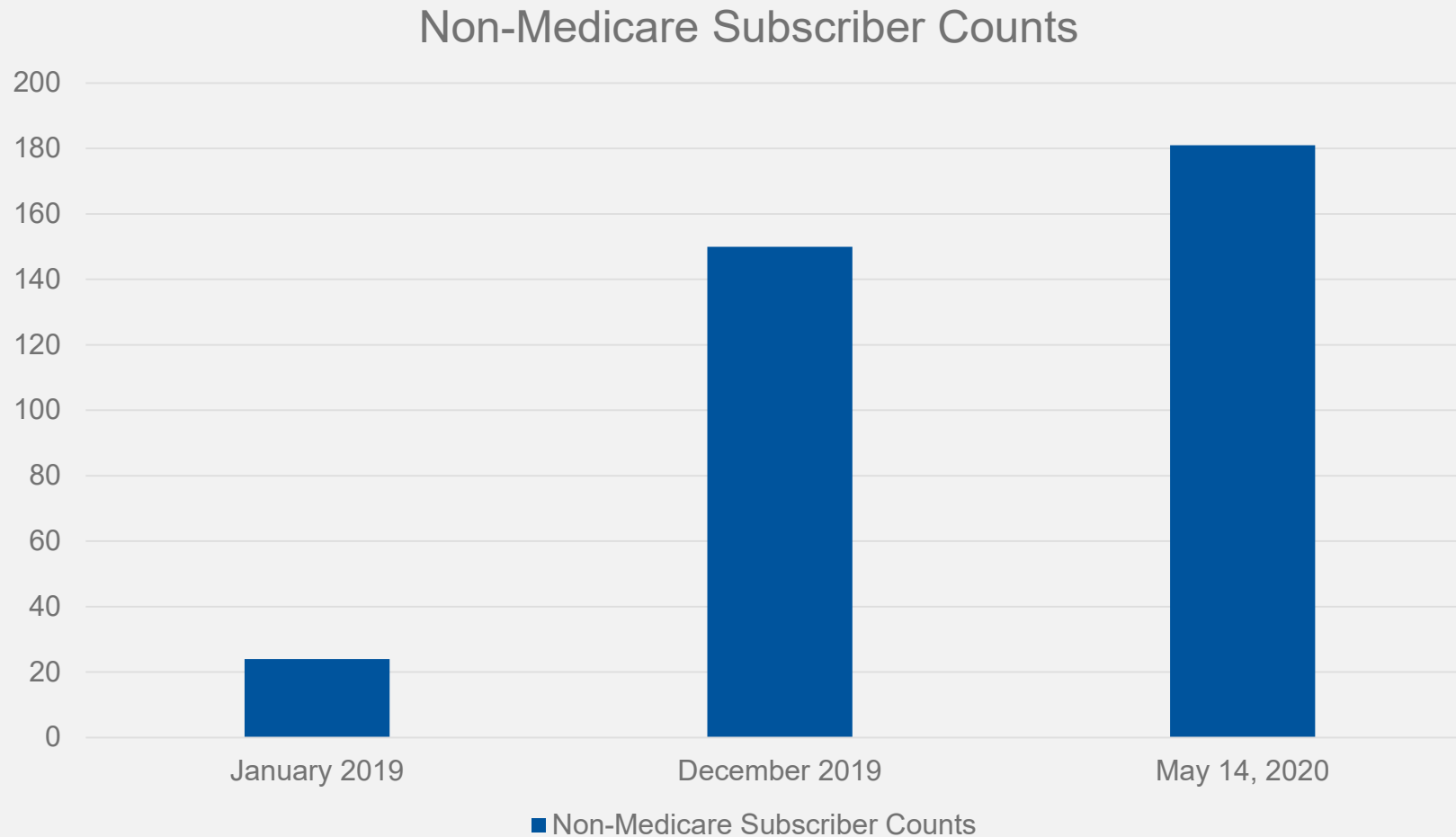
52% - School districts, technical colleges, CESAs (158)

21% - Counties (64)

16% - Cities, villages, towns, municipal utilities (47)

11% - Survivors (32)

LAHP review in preparation for 2021



LAHP Composition – Retiree Common Locations

All Subscribers	Counties
33	Brown
24	Waukesha
20	Dane
16	Milwaukee
13	Sheboygan
12	Fond du Lac

Should LAHP benefits change?



Former Employer

- Most former employers offer a lower deductible than the State's HDHP benefit of \$1,500 for an individual and \$3,000 for a family



Marketplace

- LAHP's current benefits are richer than most Marketplace plans, but offer similar premium rates

LAHP Comparison to Marketplace Gold Plans

Marketplace City	Family Deductible	Coinsurance	Family OOP	Monthly Premium
Green Bay	\$3,000	80% / 20%	\$8,000	\$2,381.93
Waukesha	\$2,000	50% / 50%	\$8,600	\$2,992.27
Madison	\$3,000	80% / 20%	\$8,000	\$1,946.09
Milwaukee	\$2,000	50% / 50%	\$8,600	\$2,924.99
Sheboygan	\$3,000	80% / 20%	\$8,000	\$2,381.93
Fond du Lac	\$3,000	80% / 20%	\$8,000	\$2,105.39

LAHP pre-Medicare	Family Deductible	Coinsurance	Family OOP	Dean* Family Premium
Green Bay	\$500	90% / 10%	\$2,500	\$1,657.34
*Most popular plan for non-Medicare LAHP subscribers				



Action Needed

- ETF requests the Board approve a rate increase of 35 percent in addition to each of the calculated 2021 and 2022 health plan renewals to adjust for the relative claim cost of LAHP members due to their demographics

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Questions?

Preliminary 2021 Health Plan Rates



Item 8 – Group Insurance Board **CLOSED SESSION**

* The Board will be required to meet in closed session pursuant to the exemptions contained in Wis. Stats. § 19.85 (1) (e) to deliberate or negotiate the investing of public funds or to conduct other specified public business, whenever competitive or bargaining reasons require a closed session.



Announcement of Business Deliberated During Closed Session

Item 9 – Verbal Only



Adjournment



Item 10 - No Memo





**HILL FARMS STATE
OFFICE BUILDING**
4822 Madison Yards Way

STATE OF WISCONSIN
HILL FARMS STATE
OFFICE BUILDING

Dept. of Administration
Division of Hearings & Appeals
Dept. of Employee Trust Funds
Dept. of Financial Institutions
Department of Safety &
Professional Services
Department of Transportation
Higher Educational Aids Board
Public Service Commission

← Parking
4822 Madison Yards Way

Next Meeting:
August 19, 2020

Note: This meeting will be virtual.

