

DRAFT

MINUTES

May 13, 2020

Group Insurance Board

State of Wisconsin



Location:

IMPORTANT NOTICE

The Board meeting was held via teleconference.

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

Benefit Services Bureau

Jim Guidry

Office of Strategic Health Policy

Eileen Mallow, Brian Stamm,
Rachel Carabell, Molly Heisterkamp,
Arlene Larson, Tom Rasmussen,
Tricia Sieg, Renee Walk

OTHERS PRESENT

Department of Administration

Nicole Zimm

Employee Trust Funds

Sara Brockman, Liz Doss-Anderson,
Oladipo Fadiran, John Freidheim,
Dan Hayes, Pam Henning,
Patrick Hughes, Bruce Johnson,
Cindy Klimke, Kadi Mbanefo,
David Nispel, Mary Richardson,
Jessica Rossner, Yikchau Sze,
Sarat Tadi, Xiong Vang,
Douglas Wendt, Korbey White,
Wade Whitmus, Cherylynn Wilkins,
Kathryn Young

HealthChoice

Jeff Mandell

Milliman

Paul Correia, Dan Skwire

Other Guests

14 people connected via telephone

Public

Joanne Alig, Kathryn Beals, Julie Beichbr,
Mike Curtiss, Rhonda Daughtry,
Andy Humphrey, Terry Jobke, Troy Klein,
Joel Lingenhag, Dede Raybuck,
Robert Schaefer, Erin Schoonmaker,
Michael Sherwin, Donald Stuckey,
Suresh,
Juliett Thill, Erica Valdez, Lara Wolfe

Securian

Kjirsten Elsner

Segal

Patrick Klein, Ken Vieira

UW Systems Administration

Amanda Sonnenburg

Board	Mtg Date	Item #
GIB	8.19.20	2A

Navitus

Steven Alexander, Tara Argall,
Ryan Olson Thomas Pabich

WEA Trust

Greg Cieslewicz

Mr. Day, Chair, called the meeting of the Group Insurance Board (Board) to order at 8:33 a.m. He provided logistical information to help the meeting run smoothly.

ANNOUNCEMENTS

Ms. Mallow announced:

- Jeff Bogardus retired from ETF late March, and Tricia Sieg will be taking over the Pharmacy Program;
- Renee Walk has been promoted to the Lead Policy Advisor position;
- Douglas Wendt has taken over as a Health Plan Policy Advisor;
- Korbey White has joined OSHP as a policy advisor, coming from another unit within ETF;
- There is one additional vacancy within OSHP, which Mr. Stamm is working to fill; and
- There are a number of RFPs in process. Life insurance is on schedule, dental is six weeks ahead of schedule, and the Income Continuation Insurance (ICI) program is working on putting the RFP together; ETF is still looking for a Board member to volunteer to sit on the RFP committee for the ICI program RFP.

CONSIDERATION OF OPEN AND CLOSED MINUTES OF THE FEBRUARY 5, 2020 MEETING

There was a unanimous verbal approval from the Board to approve the open and closed session minutes of the February 5, 2020 meeting as submitted by the Board Liaison.

EMPLOYEE TRUST FUNDS RESPONSE TO COVID-19 OUTBREAK

Ms. Walk referred the Board to the Employee Trust Funds Response to COVID-19 Outbreak memo (Ref. GIB | 5.13.20 | 3) and provided statewide COVID-19 statistics received from the Wisconsin Department of Health Services as of May 12, which included:

- 10,611 people testing positive for SARS-CoV-2;
- 112,748 people testing negative;
- 1,877 people being hospitalized due to COVID-19; and
- 418 deaths due to COVID-19.

Ms. Walk also provided information from federal legislation and guidance related to COVID-19. She noted state legislation implemented 2019 Wisconsin Act 185 on April 15, which addressed coverage of COVID-19 testing, prohibition on prescription drug

coverage limits, prohibition on discriminating due to COVID-19 diagnosis, and payment for service provided by out-of-network providers.

Ms. Walk stated there have been employer and member questions regarding travel-related coverage, furlough and insurance continuation, individual ability to add/change/drop coverage, special enrollment periods, and dependent daycare account elections. She stated ETF had issued guidance and developed a resource website page that addresses these concerns.

Ms. Walk provided an overview of anticipated health, quality, cost, uniform dental, and life insurance program impacts. She provided four options for possible Board program administration interventions, which included:

- Option 1: Add a COVID-19 response update and discussion in August;
- Option 2: Add a supplemental Board meeting to address issues;
- Option 3: Designate a Board subcommittee with delegated authority to meet in lieu of full Board; and
- Delegate authority to ETF to act on limited program changes for a set period of time.

The Board asked for an interim Board meeting to discuss the COVID-19 outbreak.

MID-YEAR HEALTH PLAN RESERVE DISCUSSION

Mr. Klein provided an overview of items to be discussed during this section of the meeting and then provided an overview of the projected fund balances for the state and local health reserves as of December 31, 2019, using ETF transactional data through June 30, 2019.

Mr. Vieira discussed state and local reserve projected balances and highlighted the gains and losses for each of the programs.

Mr. Vieira discussed multi-year reserve draw strategies which were previously approved by the Board, which will allow the reserves to reach new policy targets in 2022. He stated based on current information, the projected buy downs and increases are still on track but are highly dependent on investment returns.

HEALTH/PHARMACY/WELLNESS PROGRAMS

2021 Program Agreement and Benefit Changes

Ms. Walk provided an overview of requests before the Board regarding the different program areas. She discussed background timeline information, stating:

- The preliminary change list was discussed with the Board in February;
- Employer review opportunities were made to Payroll Council and at the March employer's meeting;
- Final review of changes by plans were discussed at the May 5 Council on Health Program Improvement (CHPI) meeting; and

- Final list of changes is being presented to the Board today.

Ms. Walk provided an overview of recommended health program agreement and benefits changes and uniform benefit clarifications and changes. She also discussed changes not recommended at this time, which included but were not limited to:

- Out of area dependent coverage;
- Alternate care provision modifications;
- Other added specific exclusions.

Ms. Sieg discussed the pharmacy benefit changes being recommended, including eHealth solutions which include ePrescribing, ePrior Authorization, and RxBenefit Check.

Ms. Sieg stated changes not recommended at this time include Pharmacogenomics, copay maximums, and medical pharmacy solutions, all of which should be timed with the Specialty Drug Board Initiative. She stated some changes could result in how members receive their medications, so ETF recommends limiting changes for the current year.

Ms. Walk discussed the current pilot programs with the different health plans, including:

- Living Health Plus;
- Acupuncture;
- Prevent T2;
- Delta Evidence-Based Integrated Care Partnership;
- Mobile Back;
- Kiio; and
- Livongo.

She stated recommended pilots for the 2021 plan year include adding Network Acupuncture program and maintaining other pilots to allow for additional analysis.

Ms. Heisterkamp discussed health screening requirements, which included:

- Save money, improve health outcomes, and align other group health insurance program (GHIP) offerings;
- Shift health screening requirement to “health check;” and
- Allowing participants to choose from one of the following:
 - Onsite biometric screening
 - Attest to being up to date on preventative care with “health care provider form”
 - 1 health coaching call
 - 1 preventative dental exam

Ms. Heisterkamp stated the current policy allows health plans to offer incentives such as gym membership reimbursements, but the policy is complicated to administer. She stated incentives are taxable and not uniform for all members due to only three health plans offering incentives. Ms. Heisterkamp relayed the risk of non-compliance with the

IRS and that ETF proposes discontinuing non-Medicare Advantage health plan incentives.

MOTION: Mr. Fields moved to approve the following changes for the 2021 program year:

- 1. Modifications to health plan administrative service requirements as described in Attachments A, B, and C;***
- 2. Addition of coverage for biofeedback services for urinary incontinence, as well as language clarifications to Uniform Benefits described in Attachment A;***
- 3. Addition of eHealth Solutions for prescribers and members to the pharmacy benefit;***
- 4. Continuation of all pilot programs for 2021;***
- 5. Addition of one new acupuncture pilot program from Network Health Plan (Network); and***
- 6. Adoption of Option 1 of the biometric screening options, replacing the current required screening with four "health check" options; and***
- 7. Prohibition of non-Medicare Advantage plans from offering wellness incentives to GHIP members.***

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

2021 Employer Guideline Changes

Ms. Larson provided an overview of proposed changes to the Employer Guidelines, which include clarifications to retiree enrollment eligibility that would be effective immediately, as well as two life event changes for adult dependents that would be effective January 1, 2021.

Ms. Larson stated stipulations for local retirees regarding open enrollment included:

- Being insured by a local governmental entity that participated in the GHIP when they terminated employment;
- The employer continues to participate in the GHIP; and
- Within 30 days of termination of employment, the retiree began receiving retirement annuity or received a lump sum retirement benefit payment.

Ms. Larson discussed the two life event changes proposed, which included:

- A new life event for 2021 to permit a subscriber to drop their adult dependent mid-year if the adult child gains a dependent through birth, adoption, paternity decree, etc.; or
- The adult child is eligible to enroll in other health insurance coverage.

Ms. Larson stated the coverage would end at the end of the month following the life event, or prior to the adult child's other coverage effective date. She also proposed a modification of an existing life event, to permit an adult child the authority to be dropped

from their parent's family coverage if the parent refuses to submit an application to drop the dependent and:

- The child is eligible for and enrolls in other group health insurance coverage;
- Has concerns about sharing private health information with the parent; and
- Does not live with the parent.

MOTION: Mr. Fields moved to approve changes to the State and Local Employer Guidelines and other materials as needed, including clarifications to retiree enrollment eligibility that would be effective immediately and two life event changes for adult dependents that would be effective January 1, 2021, as presented to the Board. Ms. Evanco seconded the motion, which passed unanimously on a voice vote.

Ms. Larson stated the Local Annuitant Health Program (LAHP) is a retiree only group, rates and benefits match Local Health Plan as of January 1, 2018; and supplemental dental benefits offered as of January 1, 2020. She provided an LAHP analysis, which included:

- Medical loss ratio analysis revealing LAHP is underpriced for non-Medicare participants;
- Segal expects to present a different, higher non-Medicare medical premium structure in August;
- Uniform Dental Benefit enrollment change for better customer service; and
- ETF will communicate expectation with employers, brokers, and members.

Ms. Larson explained there will be a more in-depth analysis and discussion regarding proposed LAHP changes at the interim meeting.

SUPPLEMENTAL INSURANCE PROGRAMS PROPOSALS FOR PLAN YEAR 2021

Ms. Sieg discussed insurance programs proposals for plan year 2021 and provided supplemental insurance status from 2018 through 2020 which included the number of providers, total enrollment and proposal processes. She stated there were 3 accident, 1 Accidental Death and Dismemberment (AD&D), 3 critical illness, 3 hospital indemnity, 4 vision and 2 long-term care proposals received.

Ms. Sieg discussed the process of narrowing down the vendors, and the services provided by each, to determine the recommended vendors of Securian for the Group Accident Insurance with AD&D, Delta Dental of Wisconsin for supplemental vision, and Mutual of Omaha HealthChoice for long-term care.

MOTION: Ms. Thompson moved to approve contracts for supplemental benefit plans effective January 1, 2021, which include:

- **Two-year contract with Securian Financial (Securian) for Group Accident Insurance Coverage available to state and local employees and dependents; and**
- **Two-year contract with Delta Dental of Wisconsin (Delta), in partnership with EyeMed Vision Care for Supplemental Vision, available to state and local employees, state and local retirees, and dependents.**

AND

- **Contract through December 31, 2021, with Mutual of Omaha and local broker HealthChoice for employee pay all long-term care coverage available to state employees, retiree, and dependents, effective no later than July 8, 2020.**

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

BOARD STRATEGIC PLAN INITIATIVES

Onsite Clinic Research and Review

Mr. Stamm provided background information regarding onsite clinic research. Highlights included:

- Statistics of onsite clinics with large employers;
- New models expanding scope of services;
- Local activity;
- Indiana and Kentucky experience references;
- Triple Aim review: affordability, examples, quality of life, desirability, and barriers and limitations.

The Board unanimously acknowledged ETF's recommendation to not proceed with implementing onsite or near-site clinics at this time based on the information presented to the Board.

Emergency Room (ER) Usage, Part 1

Ms. Carabell referred the Board to the ER Usage, Part 1 memo (Ref. GIB | 5.13.20 | 7B) and stated an IBM analysis indicated high emergency room usage by GHIP members. She stated strategic priorities include education and communication to members in the early part of 2020 as part one of this initiative and following up with access and benefit design as part two of this initiative to begin in 2022.

Ms. Carabell provided primary DAISI findings, which included:

- \$105 million in ER claims in a one-year period, which is 5% of total claims;
- ER claims cost eight times more than primary care settings;
- 67% of ER visits are potentially avoidable;
- Trends similar across health plans, regions and employers;

- Opportunity in areas outside Madison;
- Avoidable use is highest for children; and
- Highest use during weekend hours.

Ms. Carabell stated the Triple Aim impact of educating members is a potential cost savings of \$1.6 million, less stress and anxiety, and increased satisfaction with faster care and fewer out-of-pocket expenses if 5% of care is redirected.

Mr. Rasmussen discussed current activity to aide in educating members and potential challenges.

Ms. Heisterkamp provided information on future activities that are planned to educate members on ER usage, which included:

- Early 2020: Strategizing with employers and health plans;
- 2020-2021: Developing and releasing targeted, focused communications to intended audiences; and
- 2022: Checking progress and altering direction or expanding messaging as needed.

STATE AND LOCAL ICI VALUATIONS

Mr. Guidry provided background information, stating Milliman prepared its annual actuarial valuation of the State and Local ICI programs as of December 31, 2019. He stated the State fund balance has reached 100% of actuarial liabilities and is the result of the Board's 2015 decision to approve a long-term plan to increase ICI premium rates by 20% annually, from 2016 through 2020. Mr. Guidry also stated the reserve balance in the Local ICI program continues to grow, resulting in another recommendation for a continuation of the premium holiday for that plan. (See memo.)

Mr. Correia stated the 2018 fund balance for the State ICI program reserves was 79% of liabilities with a fund balance of \$71.5 million and liabilities of \$90.5 million; 2019 fund balance for the State ICI program reserves was 100.2% with a fund balance of \$90.3 million and liabilities of \$90 million.

Mr. Correia stated the Board approved 20% premium rate increases for plan years 2016 through 2020 with a goal of 100% fund balance and liability ratio for the State ICI program. He added that, the Board adopted a reserve target policy for the State ICI program reserves in November 2019, which established a reserve target of 135% of actuarial liabilities.

Mr. Correia provided the 2018 fund balance for the Local ICI program reserves was 652% of liabilities with a fund balance of \$38.9 million and liabilities of \$5.9 million in 2018; 2019 fund balance for the Local ICI program reserves was 663% of liabilities with a fund balance of \$39.6 million and liabilities of \$5.9 million.

Mr. Correia stated the local ICI program premium holiday has been in effect since 2012. He added, the Board adopted a reserve target policy for the Local ICI program reserves in November 2019, which established reserve target of 150% of actual liabilities.

Mr. Correia discussed liability balances as of December 31, 2019 for both the State and Local ICI programs in comparison to prior years and provided a funding analysis for the State ICI program. He also discussed claim termination rates based on prior assumptions and new assumption adjustment factors and estimated offsets from Social Security Disability Income benefits.

Mr. Guidry discussed different proposed options to stabilize and reduce the Local ICI program fund balance, which included:

- Transfer funds out of the program;
- Recruit new employers into the program; or
- Let the fund balance decline on its own.

MOTION: Ms. Thompson moved to approve the State and Local ICI Actuarial Valuation as of December 31, 2019 and adopt Milliman's premium rate baseline scenario for the State ICI program, which would result in a 0% premium increase for the 2021 plan year; also to allow the local ICI plan premium holiday to stay in effect for the 2021 plan year. Ms. Lounsbury seconded the motion, which passed unanimously on a voice vote.

OPERATIONAL UPDATES

Ms. Mallow referred the Board to the Operational Updates in the Board packets (Ref. GIB | 5.13.20 | 9A - 9M) and offered that staff were available if the Board had questions. She highlighted:

- Health Plan Configuration Review;
- GIB Correspondence;
- Legislative Update; and
- GIB Roster: Katy Lounsbury has rejoined the Board.

FUTURE ITEMS FOR DISCUSSION

Ms. Mallow announced the interim Board meeting will be scheduled for June 29, 2020 with a tentative agenda including a COVID-19 update, Navitus presentation, initial rate discussion in closed session, LAHP questions follow-up, health screening access for the potential of a qualifying event, and a potential reserves update.

Ms. Mallow referred the Board to the Tentative August 2020 Agenda (Ref. GIB | 5.13.20 | 10) and asked the Board for feedback or suggestions for additional items to address at that meeting.

ADJOURNMENT

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

The meeting adjourned at 12:50 p.m.

Date Approved: _____

Signed: _____

Nancy Thompson, Secretary
Group Insurance Board