

DRAFT

MINUTES

May 12, 2021

Group Insurance Board

State of Wisconsin



Location:

The Board meeting was held via teleconference.

BOARD MEMBERS PRESENT:

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

Dan Fields
Walter Jackson
Katy Lounsbury
Brian Pahnke
Bob Wimmer

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Office of the Secretary

John Voelker, Secretary
Shirley Eckes, Deputy Secretary
Lisa Gurley, Board Liaison

Office of Strategic Health Policy

Eileen Mallow, Brian Stamm,
Rachel Carabell, Luis Caracas,
Molly Heisterkamp, Arlene Larson,
Tom Rasmussen, Tricia Sieg,
Xiong Vang, Renee Walk,
Douglas Wendt, Korbey White

Benefits Services Bureau:

Jim Guidry

OTHERS PRESENT

Dean Health Plan

Katie Beals, Penny Bound

Delta Dental:

Megan Wohlfeil

Department of Administration:

Megan McKenna, Derek Sherwin

Department of Justice:

Steven Kilpatrick

Employee Trust Funds:

Monica Anderson, Ralph Bauer,
Sara Brockman, Liz Doss-Anderson,
Oladipo Fadiran, Diana Felsmann,
Dan Hayes, Michelle Hoehne, Patrick
Hughes, Tarna Hunter

Others (Unidentified)

41 individuals connected via telephone

Public:

Tara Argall, Kathryn Beals,
Kerry Bennett, Elizabeth Benz,
Erinn Bettinger, John Braden,
Karen Brunton, Vanessa Cagal,
Carrie Cichy-Krantz, Greg Cieslewicz,
Martha Czerniakowski, Deanna Deslover,
Melissa Duffy, Sally Drew,
Mary Hughes, Brianne Jobke,
Sean Kirkby, Tim Lundquist,
Jill Mitchell, Hannah Neylon,
Emily Rathjen, De Arcy Raybuck

Board	Mtg Date	Item #
GIB	8.18.21	2A

Employee Trust Funds (Continued)

Bruce Johnson, Joanne Klaas,
Cindy Klimke, Nicole Linskens,
Kadi Mbanefo, Mark Lamkins,
Doug Michelz, David Nispel,
Mary Richardson, Kim Richmond,
Jessica Rossner, Yikchau Sze,
Tim Steiner, Sarat Tadi,
Wade Whitmus, Cheryllynn Wilkins,
Amanda Williams, Ramona Yee,
Kathryn Young

HealthChoice:

Bob Pearson, Gary Praznik,
Juliet Thill

Legislative Audit Bureau:

Bridget Wieser

Milliman:

Paul Correia, Dan Skwire

Public (Continued)

Dan Ross, Sherrie Sargent,
Kristin Sawyer, Erin Schoonmaker,
John Trochlell, Betsy Vinopal,
Becky Whalen

Quartz:

Kara Gullickson, Linsey Tennyson

Securian:

Kjirsten Elsner, Jody White

Segal:

Patrick Klein, Ken Vieira

UW Systems Administration:

Amanda Sonnenburg

Village of Little Chute:

Lisa Remiker-DeWall

Mr. Day, Chair, called the meeting of the Group Insurance Board (Board) to order at 8:30 a.m.

ANNOUNCEMENTS

Ms. Mallow provided the following updates:

- John Voelker became ETF Secretary on April 5; Shirley Eckes joined ETF from the State of Wisconsin Investment Board as ETF Deputy Secretary on May 10; and Pam Henning remained in her position as ETF Assistant Deputy Secretary.
- Ralph Bauer, a technical writer, joined the Office of Strategic Health Policy.
- Sara Brockman received ETF's Excellence Award.

CONSIDERATION OF OPEN AND CLOSED MINUTES OF THE FEBRUARY 17, 2021 AND MARCH 29, 2021 MEETINGS

MOTION: Mr. Fields moved to approve the Open and Closed minutes of the February 17, 2021 and March 29, 2021 meetings as submitted by the Board Liaison. Mr. Donahue seconded the motion, which passed unanimously on a voice vote.

RATE SETTING REFRESHER TRAINING

Ms. Walk referred the Board to the Rate Setting Refresher Training memo (Ref. GIB | 5.12.21 | 3) and provided an overview of:

- Goals of the training.
- Key terms used during the training.
- What is in a premium rate.
- Rate structures.
- Tier assignments.

Mr. Wendt discussed:

- Plan qualifications.
- Reserves, buy-downs, and surcharges.
- Employer/employee premium shares.
- Annual process for rate development.

LAB REPORT FINDINGS IMPLEMENTATION UPDATE

Ms. Mallow referred the Board to the LAB Report Findings Update memo (Ref. GIB | 5.12.21 | 4) and provided the following information:

- Status of the 30 recommendations in the initial LAB report.
- ETF should provide the Board with additional information on the performance of program auditors.

Mr. Day suggested ETF either add an “as of” date to the policy or remove the current provider’s name from the policy.

Ms. Mallow stated ETF will apply this suggestion to the policy if approved by the Board.

MOTION: Ms. Thompson moved to adopt the policy presented regarding annual review and application of reserves for the Group Life Insurance Programs contingent on the policy being updated to include an “as of” date on the policy or removing the current provider’s name. Mr. Fields seconded the motion, which passed unanimously on a voice vote.

MAY COVID-19 UPDATE

Ms. Walk referred the Board to the May COVID-19 Update memo (Ref. GIB | 5.12.21 | 5) and discussed:

- Legislative updates on the 2021 American Rescue Plan Act, CMS guidance regarding coverage of testing and vaccines, and HHS extending public health emergency continuing through July 20, 2021.
- New state legislation allowing dentists to provide vaccines.
- State Supreme Court striking down public health restrictions regarding statewide mask mandates and undoing the bar and restaurant capacity guidelines.

- Benefits coverage:
 - Some health plans begin to revoke voluntary cost sharing waivers.
 - ETF clarified guidance for members on Medicare seeking vaccines.
- Vaccination updates.

Ms. Heisterkamp discussed employer onsite COVID vaccine clinics, vaccination messaging and outreach to members, and the COVID-19 vaccine as it relates to earning credit for the Well Wisconsin Program incentive.

Ms. Walk discussed the health, quality, and cost impacts on the Group Health Insurance Programs.

AMERICAN RESCUE PLAN ACT COBRA SUBSIDY

Ms. Walk referred the Board to the American Rescue Plan Act COBRA Subsidy memo (Ref. GIB | 5.12.21 | 6) and discussed the background of the AARP. She also discussed how an individual is determined to be an Assistance Eligible Individual (AEI) under COBRA.

Ms. Walk provided information on the extended enrollment period for AEIs as well as how and when an AEI's eligibility will end.

She discussed the implementation deadline and steps ETF has taken to notify employers of the changes.

BOARD STRATEGIC INITIATIVES UPDATES

Nurseline Usage Statistics

Ms. Carabell referred the Board to the Nurseline Usage Statistics memo (Ref. GIB | 5.12.21 | 7A).

Mr. Day asked if there had been discussion with GHC-SC, which had high utilization of the Nurseline, to gauge why the Nurseline has had great success.

Ms. Carabell replied that ETF would meet with GHC-SC in June to discuss utilization and contributions to the successful usage of the Nurseline. ETF will share tips with other health plans following that meeting.

Wisconsin Public Employers Advisory Council Information

Mr. White referred the Board to the Wisconsin Public Employers Advisory Council Information memo (Ref. GIB | 5.12.21 | 7B) and provided an overview of the council, activities, and the three meeting structures used for council meetings that have taken place.

Mr. White stated next steps for ETF include:

- ETF staff working to improve communications with employers.
- ETF working to provide preliminary health plan and pharmacy increases prior to negotiations in mid-to-late June.
- ETF discussing a four-tier structure with Segal, the Board's actuary, due to potential changes in family demographics.
- ETF planning to survey local employers, using the information gathered from the meetings as its basis.

2022 Local Annuitant Health Program (LAHP) Renewal Information

Ms. Larson referred the Board to the 2022 LAHP Renewal Information memo (Ref. GIB | 5.12.21 | 7C) and stated the Board approved a 30% LAHP increase above calculated plan increases that was effective in 2021, instead of a one-time 70% increase. She stated the increase was to address data showing that LAHP was underpriced; the Board chose to review LAHP again for 2022 and decide what, if any, increase may be needed in addition to plan increases.

She provided an overview of:

- The LAHP.
- LAHP enrollment and loss ratio.
- LAHP comparison to Gold plans in the Health Insurance Marketplace.
- LAHP benefits vs. Marketplace benefits.
- Example of 30% rate change.

Mr. Day asked for additional information regarding high-cost cases in the LAHP that occurred within the claims data shown in LAHP enrollment and loss ratio information slide (Ref. GIB | 5.12.21 | Comprehensive PowerPoint, slide 84).

Ms. Larson stated ETF would provide an update on this question to the Board at its August meeting.

The Board took a break from 10:16 a.m. – 10:25 a.m.

HEALTH BENEFIT PROGRAMS

Wisconsin Health Market: Review and Update

Ms. Carabell referred the Board to the Wisconsin Health Market memo (Ref. GIB | 5.12.21 | 8A) and discussed:

- Wisconsin health market background.
- Vendor mergers, acquisitions, and other partnerships.
- Provider mergers and acquisitions.
- Provider network changes.
- New provider facilities.

Medicare Member Survey

Ms. Larson referred the Board to the Medicare Member Survey memo (Ref. GIB | 5.12.21 | 8B) and highlighted the background and timeline of the Medicare member survey and its development.

Ms. Carabell discussed survey responses, materials effectiveness, and an analysis of notable scores. She provided an overview of next steps, which include:

- ETF sharing aggregate response data with appropriate health plans and working with health plans to improve service to our members.
- ETF considering survey responses when drafting the upcoming Medicare Advantage Request for Proposal.

New Health Plan Proposal: Aspirus Health Plan

Mr. White referred the Board to the New Health Plan Proposal memo (Ref. GIB | 5.12.21 | 8C) and provided:

- Evaluation overview for ETF's recommendation on allowing Aspirus Health Plan to join the GHIP.
- Background information.
- Operating experience.
- Provider network.
- Claims processing and customer service.
- Data and data security.

MOTION: Mr. Fields moved to accept the application from Aspirus Health Plan to provide health insurance services within the Group Health Insurance Program contingent upon the acceptability of the premium rates and rate review information due by July 15, 2021. Mr. Pahnke seconded the motion, which passed unanimously on a voice vote.

2020 Health Plan Performance Statistics Annual Report

Mr. White referred the Board to the 2020 Health Plan Performance Statistics Annual Report (Ref. GIB | 5.12.21 | 8D) and provided an overview of the following:

- Background.
- Claims processing.
- Customer service.
- Additional key performance measures.

2022 Health Program Agreement Changes

Ms. Walk referred the Board to the 2022 Health Program Agreement Changes memo (Ref. GIB | 5.12.21 | 8E) and provided an overview of the proposed changes, which included:

- Clarifying and reiterating information security protocols.
- Adding Consolidated Appropriations Act (CAA) supporting language.
- Clarifying language regarding out-of-network care if in-network providers are not available.

- Adding language to support coverage of testing and vaccines during the COVID-19 pandemic.
- Permitting subscribers to switch health plans upon new legal guardianship or custody changes.

MOTION: Mr. Pahnke moved to approve the proposed changes to the Health Program Agreement and one change to the Employer Health Insurance Standards Guidelines and Administration Employer Manual as presented. Mr. Fields seconded the motion, which passed unanimously on a voice vote.

2022 Health, Pharmacy and Dental Benefit Changes

Ms. Walk referred the Board to the 2022 Health, Pharmacy and Dental Benefit Changes memo (Ref. GIB | 5.12.21 | 8F) and provided information on health benefit changes, which include:

- Orthognathic Surgery.
- Changes to Maximum Out of Pocket costs.
- Remove acupuncture exclusion.
- Remove timeframe for dental repairs due to accident.
- Telemedicine coverage.

Ms. Sieg discussed the proposed pharmacy benefit changes, which included:

- Removing level 4 out of pocket limits.
- Continuous Glucose Monitor (CGM) coverage changes and the three proposed options for CGMs.

Mr. Rasmussen provided information under the current dental benefit for filling material, Amalgam, and the proposed filling material of Composite/Resin. He discussed the current benefit, advantages and disadvantages of both Amalgam and Composite/Resin, and potential health risks associated with Amalgam fillings.

MOTION: Mr. Fields moved to approve the proposed changes to the health benefit, pharmacy benefit coverage of CGMs – Option 2, and dental benefits, as proposed. Mr. Houdek seconded the motion, which passed unanimously on a voice vote.

Health Plan Reserves

Mr. Vieira, Segal Consulting, referred the Board to the Health Plan Reserves presentation (Ref. GIB | 5.12.21 | 8G) and discussed:

- Highlights of the State and Local reserves as of December 31, 2020.
- Market realizing higher returns year-to-date compared to assumptions as of April 13, 2021, so additional gains are likely anticipated.
- The gains and losses lacked the size needed to materially alter planned upon buy downs and increases.
- Previous Board approved multi-year reserve draw strategy – Option 3.

Mr. Klein, Segal Consulting, provided information on projected and preliminary fund balances, and gains/losses for the State and Local plans.

Mr. Houdek requested Segal provide additional feedback at the August meeting on the difference in projected and preliminary rates following the meetings with the health plans.

The Board took a break from 12:22 p.m. – 12:30 p.m.

MOVE TO CLOSED SESSION

Mr. Day stated the Board would meet in closed session to discuss a health plan rate strategy for plan year 2022 followed by a closed session for consultation with legal counsel concerning potential litigation regarding health insurance benefits and HHS Nondiscrimination Regulations.

MOTION: Ms. Evanco moved to approve moving to closed session pursuant to the exemption 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 and the exemption contained in Wis. Stats. §19.85 (1) (g) to confer with legal counsel for the governmental body concerning potential litigation regarding health insurance benefits and HHS Nondiscrimination Regulations. The Board may vote to reconvene into open session following the closed session. Mr. Fields seconded the motion, which passed unanimously on the following roll call vote:

Aye: Day, Donahue, Houdek, Evanco, Fields, Pahnke, Thompson, Wimmer

Nay: None

Absent: Jackson, Lounsbury

The Board convened in closed session at 12:32 p.m.

Mr. Jackson and Ms. Lounsbury re-joined the meeting after technical difficulties during closed session.

The Board returned to open session at 1:25 p.m.

ANNOUNCEMENT OF BUSINESS DELIBERATED DURING CLOSED SESSION

Mr. Day, Board Chair, announced during closed session the Board discussed two items:

- A health plan rate strategy for plan year 2022, and
- Potential litigation regarding health insurance benefits and HHS Nondiscrimination Regulations in which the Board may become involved.

Mr. Day stated no action was taken in closed session.

SUPPLEMENTAL INSURANCE PROGRAMS

Supplemental Dental Plan Proposals for Plan Year 2022

Mr. Rasmussen referred the Board to the Supplemental Dental Plan Proposals memo (Ref. GIB | 5.12.21 | 12A) and provided an overview of:

- Background.
- Alignment strategy goals.
- Plan overview.
- Plan designs.
- Proposal process.
- Proposals received.
- Evaluation committee.
- Evaluation process.
- Evaluation.
- Network.
- Premium considerations.
- Total monthly premiums.
- Contract negotiations update.

MOTION: Mr. Fields moved to contract with Delta Dental of Wisconsin to administer the three Supplemental Dental plans, which are available to Active State and Local Employees, State and Local Retirees, State Continuant, and Dependents beginning January 1, 2022, through December 31, 2023; this includes the enhanced benefit of composite/resin fillings of posterior teeth which was approved under Item 8F. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.

Mr. Donahue left at 1:49 p.m.

Long-Term Care Plan Proposals for Plan Year 2022

Mr. Wendt referred the Board to the Long-Term Care Plan Proposals memo (Ref. GIB | 5.12.21 | 12B) and discussed:

- Plan overview.
- Proposal process.
- Proposals received.
- Evaluation committee.
- Evaluation.

MOTION: Mr. Fields moved to approve a contract for HealthChoice and Mutual of Omaha to administer the Long-Term Care Insurance plan available to State Employees, Retirees, their spouses, and parents beginning January 1, 2022, through December 31, 2022. Ms. Evanco seconded the motion, which passed unanimously on a voice vote.

Pre-Tax Savings Account Changes

Mr. Vang referred the Board to the Pre-Tax Savings Account Changes memo (Ref. GIB | 5.12.21 | 12C) and provided background information followed by:

- Consolidated Appropriations Act (CAA) information.
- American Rescue Plan (ARP) Act information.
- Forfeitures.
- FSA carryover limits.
- DCAP carryover limits.
- Proposed FSA and DCAP changes.
- Next steps.

MOTION: Mr. Houdek moved to approve the following changes related to Flexible Spending Account programs and Dependent Day Care Account Program for the 2021 plan year:

- 1. Increase the Health Care FSA and Limited Purpose FSA annual carryover limit to \$1,000.**
- 2. Approve a DCAP annual carryover limit of \$2,500 retroactively from plan year 2020 into 2021.**
- 3. Adopt a provision allowing dependents under the age of 14 to be covered for eligible dependent care expenses.**
- 4. Increase the DCAP contribution limit from \$5,250 to \$10,500 for individuals or married couples filing jointly and from \$2,500 to \$5,250 for married individuals filing separately for plan year 2021.**
- 5. Allow a one-time mid-year election to increase for only current DCAP elections between June 1, 2021, and June 30, 2021.**
- 6. Approve Personal Protective Equipment (PPE), such as masks, hand sanitizer, and sanitizing wipes, as eligible expenses for the Health Care FSA and the Health Savings Account (HSA) under Section 213(d).**

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

ACCEPTANCE OF STATE AND LOCAL INCOME CONTINUATION INSURANCE (ICI) ACTUARIAL VALUATIONS

Mr. Guidry referred the Board to the State and Local ICI Actuarial Valuations memo (Ref. GIB | 5.12.21 | 13) and provided background information, stating Milliman prepared its annual actuarial valuation of the State and Local ICI programs as of

December 31, 2020. He discussed the State and Local ICI program reserves from 2019 to 2020 as of December 31, 2020.

Mr. Correia, Milliman, provided an overview of the estimated liabilities as of December 31, 2020 for the State and Local ICI program reserves. He compared the State and Local ICI valuations from 2019 to 2020 using specific liability components of open claims, IBNR claims and loss adjustment expense. Additional information provided included retrospective adequacy testing and historical reserve balances.

Mr. Guidry discussed the two scenarios in front of the Board for consideration regarding the State ICI premium rate. He provided information on deficits, claims and surplus

MOTION: Mr. Wimmer moved to approve the State ICI Actuarial Valuation as of December 31, 2020 and adopt Scenario 2, which would result in a 50% premium decrease for the 2022 plan year. Additionally, approve the Local ICI Actuarial Valuation as of December 31, 2020 and continue the Local ICI plan premium holiday for plan year 2022. Mr. Pahnke seconded the motion, which passed unanimously on a voice vote.

OPERATIONAL UPDATES

Ms. Mallow referred the Board to the Operational Updates in the Board packet (Ref. GIB | 5.12.21 | 14A-14L) and provided an overview of the written memos. She asked if there were any questions from the Board regarding any of the materials in the reports; she offered that ETF staff were available if there were any questions.

FUTURE ITEMS FOR DISCUSSION

Ms. Mallow referred the Board to the Tentative August 2021 Agenda (Ref. GIB | 5.12.21 | 15) and highlighted items for the upcoming August meeting. She also asked the Board for feedback or suggestions for additional items to address at that meeting.

ADJOURNMENT

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

The meeting adjourned at 2:47 p.m.

Date Approved: _____

Signed: _____

Nancy Thompson, Secretary
Group Insurance Board