

STATE OF WISCONSIN Department of Employee Trust Funds

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Correspondence Memorandum

Date: October 22, 2021

To: Group Insurance Board

From: Tim Steiner, Director

Joanne Klaas, Contracts Specialist Beth Bucaida, Contracts Specialist

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 August 2021 Update:

Milliman Consulting Actuary for Wisconsin Group Insurance and Disability Programs: Amendment #13 with Milliman was signed by the Employee Trust Funds (ETF) Secretary on August 16, 2021 for research and analysis on the impact of eliminating supplemental benefits from the State and local income continuation insurance (ICI) plans with costs not to exceed \$25,000.

Segal Health Insurance Actuarial Services:

Amendment #15 with Segal was signed by the ETF Secretary on August 17, 2021 for a contract compliance audit of wellness and disease management at a cost of \$55,000.

Claim Technologies Inc. (CTI) contract compliance auditor of Uniform Dental Benefits: Amendment #1 with CTI was signed by the ETF Secretary on August 31, 2021 for the compliance audit of Unform Dental Benefits covering calendar years 2019 and 2020 with costs not to exceed \$36,135.

Income Continuation Insurance:

A contract for third-party administration of the State of Wisconsin Income Continuation Insurance Program with The Hartford was signed by the Board chair on August 26, 2021 for the period January 1, 2022 through December 31, 2026 with the option to renew for one (1) additional 2-year term.

Reviewed and approved by Pamela Henning, Assistant Deputy Secretary Electronically Signed 10/27/2021

Pamela L Henning

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Group Health Insurance:

The 2022 health plan contracts were signed by the Board chair in August.

Contract Administration

ETF conducted an annual staff and Board survey regarding the 2021 performance of the Wisconsin Health Insurance actuary, Segal, and the Wisconsin Group Insurance and Disability Programs actuary, Milliman. These surveys are conducted to inform decisions on (1) whether to extend the actuary contracts or initiate the 180-day termination notice and (2) if the contract is extended, what percent increase, if any, will be added to the actuary's current retainer fee for the following calendar year. Only staff who worked with one of these vendors in 2021 were asked to respond to the survey.

Health Insurance Program Actuary:

18 staff received the 2021 Segal survey and 9 responded; 3 were highly satisfied and 6 were satisfied. Noted opportunities for improvement included responding more quickly to ETF staff emails, improving editing of slides and rate tables for typos and use of plain language, and highlighting the most important Board information and the impact of rate decisions.

All 11 Board members received the Segal survey and 8 responded; 4 were highly satisfied, 3 were satisfied, and 1 was dissatisfied but did not provide a reason or improvement suggestion. One Board member requested oral presentations be easier to follow.

Wisconsin Group Insurance and Disability Program Actuary:

17 staff received the 2021 Milliman survey and 10 responded; 8 were highly satisfied and 2 were satisfied. No suggestions were provided as areas of improvement.

Both this Board and the ETF Board received the Milliman survey and 11 responded; 4 were highly satisfied; 6 were satisfied; and 1 was dissatisfied but did not provide a reason or improvement suggestion.

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