

DRAFT

# MINUTES

August 18, 2021

## Group Insurance Board

State of Wisconsin



### Location:

The Board meeting was held via teleconference.

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### 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  
Peggy Wirtz-Olsen

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### PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

#### Office of the Secretary

John Voelker, Secretary  
Shirley Eckes, Deputy Secretary  
Kathryn Young, ESA Supervisor

#### Office of Strategic Health Policy

Eileen Mallow, Brian Stamm,  
Molly Heisterkamp, Tom Rasmussen, Tricia  
Sieg

#### Office of Legal Services:

Dan Hayes, Liz Dos-Anderson  
Mary Richardson

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### OTHERS PRESENT

#### Segal Consulting

Patrick Klein, Ken Viera

#### Securian:

Jody White, Hans Larsen, Susan Munson-  
Regala, Kjirsten Elsner

#### Department of Administration:

Dana Gehrmann, Meghan McKenna, Julie  
Perry, Derek Sherwin

#### Employee Trust Funds:

Pamela Henning, David Nispel, Diana  
Felsmann, Monica Anderson, Patrick  
Hughes, Tarna Hunter, Michelle Hoehne,  
Bruce Johnson, Aruna Kallon, Jessica  
Rossner

#### Others (Unidentified)

21 individuals connected via telephone

#### Public:

Karen Brunton, Vanessa Cagal,  
Carrie Cichy-Krantz, Greg Cieslewicz,  
Erin Schoonmaker, John Trochlell, Karen  
Markstahler, Linda Appleby, Linsey  
Tennyson, Lisa Remiker-DeWall, Megan  
Wohfeil, Melissa Bohse, Rachel Audette,  
Ray Morgyn, De Arcy Raybuck, Sean  
Kirkby, Steven Shapiro, Stacy Meyer,  
Tara Argall, Tim Lundquist, Zachary  
Vieira, Lara Wolfe

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Board	Mtg Date	Item #
GIB	11.17.21	2

**Employee Trust Funds (Continued)**

Kadi Mbanefo, Mark Lamkins,  
Cheryllynn Wilkins, Nancy Ketterhagen, Ralf  
Bauer, Sarat Tadi, Xiong Vang, Xiong Vang,  
Dipo Fadiran, Jim Guidry, Korbey White,  
Wade Whitmus, Brett Singer

**City of Kaukauna:**

Rachel Audette

**T. Rowe Price:**

Caleb Fritz, Kyle Lagratta

**Legislative Audit Bureau:**

Bridget Weiser

**Delta Dental:**

Megan Wohlfeil

**Navitus Health Solutions:**

Karen Markstahler

**Quartz:**

Linsey Tennyson, Kare Gullickson

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

## **ANNOUNCEMENTS**

Ms. Mallow introduced Aruna Kallon, ETF intern. She also shared that the Board Liaison vacancy has been filled and the new hire will start next week.

## **CONSIDERATION OF MEETING MINUTES**

***MOTION: Mr. Pahnke moved to approve the following minutes as submitted by the Board Liaison:***

- ***open and closed session minutes of the May 12, 2021; and***
- ***open and closed session minutes of the June 21, 2021.***

***Ms. Evanco seconded the motion, which passed unanimously on a voice vote.***

## **COVID-19 Update**

Ms. Walk referred the Board to the COVID-19 Update memo (Ref. GIB | 8.18.21 | 3) and discussed the following:

- Updates on legislative changes since May 2021.
- Summary of the current state of the Board's programs as they have been impacted by COVID-19.
- Future considerations for the Board's programs as the state moves to the next phase of managing the virus.

## **HEALTH INSURANCE**

Ms. Mallow referred the Board to the following memos:

- Uniform Benefits Changes and Updates (Ref. GIB | 8.18.21 | 4A)
- 2022 Plan Year Quality Credit (Ref. GIB | 8.18.21 | 4B)

- 2022 Health Plan Financial Status (Ref. GIB | 8.18.21 | 4C)

Ms. Mallow stated staff were available if the Board had any questions.

### **Rate Setting and Qualifications**

#### Service Area Qualifications

Mr. Klein referred the Board to the Health Plan Rate Recommendations for 2022 memo (Ref. GIB | 8.18.21 | 4D) and provided the background of qualification criteria to ensure that participating health plans offer an adequate provider base and have enough operating experience to service members.

#### 2022 Tier Assignments

Mr. Klein informed the Board that Segal recommends Tier 1 designation in the State program for all health plans.

Based on the qualification criteria, every county has at least one qualified Tier 1 State plan. The State Maintenance Plan (SMP) is offered in counties in which there is not a qualified Tier 1 health plan.

SMP will be offered in one county, Florence County, under the State Plan in 2022.

#### 2021 State and Local Rate Setting

Mr. Klein provided an overall medical increase by product breakdown for state and local programs.

Segal recommends that for 2022, the SMP rate be adjusted to better reflect plan costs. For 2022, it will result in a significant rate increase (22.5%) for an estimated 200 estimated members expected to enroll in the SMP. As an offset, the proposed rate increase for the Access plan would be low (2.5%). SMP is proposed to move from a current range of \$546 - \$675 per member per month (PMPM) (single coverage and depending on plan option selected by employer) to a range of \$669 - \$827 PMPM. Access plan rates are proposed to move from a current range of \$852 - \$1052 PMPM to \$873 - \$1078 PMPM.

#### Group Health Insurance Program Reserves Discussion

Mr. Vieira stated the Pharmacy claims are forecast to continue to increase for 2022.

While ETF and Navitus continue to look for better ways to manage pharmacy expenses, ETF recommends the Board accept the Segal estimate for pharmacy claims. Pharmacy claims represent approximately 22% of the overall GHIP spend.

***MOTION 1: Ms. Evanco moved to approve the reserve spend down amounts identified in Option 3 of \$27.0 mn for the state pool and Option 4 of \$2.5 mn for the local pool. Mr. Houdek seconded the motion, which passed unanimously on a voice vote.***

***MOTION 2: Mr. Fields moved to adjust SMP rates for 2022 to a 22.5% increase to better reflect program risk and cost. Mr. Houdek seconded the motion, which passed unanimously on a voice vote.***

***MOTION 3: Mr. Fields moved to approve the LHP 1.3 factor rate increase for 2022, consistent with GIB discussion (Ref. GIB | 5.12.2021 | 7C) during the May 2021 meeting. Ms. Lounsbury seconded the motion, which passed unanimously on a voice vote.***

***MOTION 4: Mr. Houdek moved to approve the plan tiering and rates for health insurance, pharmacy, and dental benefits for 2022. Ms. Evanco seconded the motion, which passed unanimously on a voice vote.***

## **GROUP LIFE INSURANCE PROGRAM (GLIP) ANNUAL REPORT**

Mr. Rasmussen referred the Board to the GLIP Annual Report (Ref. GIB | 8.18.2 | 5) and highlighted:

- Active covered lives increased in both the state (85,366) and local (123,257) plans.
- Life insurance in-force coverage increases of 3% for each plan respectively.
- Valuation of 99.1% for state plan and 106.1% for the local plan.
- Premium change strategies.
- State and local plan reserves.
- Quarterly performance standards.

***MOTION: Ms. Thompson moved to accept the annual Wisconsin Public Employers (WPE) Group Life Insurance 2020 Policy Report by Securian Financial Group (Securian). Mr. Pahnke seconded the motion, which passed unanimously on a voice vote.***

The Board took a break from 10:44 a.m. – 10:55 a.m.

## **WELLNESS AND DISEASE MANAGEMENT RETURN ON INVESTMENT ANALYSIS, REQUEST FOR INFORMATION RESULTS AND REQUEST FOR PROPOSALS**

Ms. Heisterkamp and Ms. Sieg referred the Board to the memo (Ref. GIB | 8.18.21 | 6).

***MOTION: Ms. Thompson moved to authorize ETF to prepare and release a Request for Proposals (RFP) to select an administrator for the Well Wisconsin Program, effective for the 2024 program year. Mr. Fields seconded the motion, which passed unanimously on a voice vote.***

## **SECTION 125 CAFETERIA PLAN DOCUMENT**

Mr. Vang referred the Board to the Cafeteria Plan Documents memo (Ref. GIB | 8.18.21 | 7) and provided the background of a cafeteria plan established in accordance with the requirements of prescribed by Internal Revenue Code (IRC) Section 125.

***MOTION: Mr. Houdek moved to approve the Health Savings Account (HSA) contribution limit increase to \$3,650 for individual plan and \$7,300 for family plan within the Section 125 Cafeteria Plan effective January 1, 2022. Mr. Fields seconded the motion, which passed unanimously on a voice vote.***

## **ETF OMBUDSPERSONS SERVICE PRESENTATION**

Mr. Hayes, Ms. Doss-Anderson, and Ms. Richardson presented background information on the Ombudspersons service.

## **OPERATIONAL UPDATES**

Ms. Mallow referred the Board to the Operational Updates in the Board packet (Ref. GIB | 8.18.21 | 9A-9H) 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 November 2021 Agenda (Ref. GIB | 8.18.21 | 10) and highlighted items for the upcoming November meeting. She also asked the Board for feedback or suggestions for additional items to address at that meeting.

Dean Health Plan and SSM are entering a joint arrangement with a Minnesota insurer, Medica. This may affect future Dean operations.

## **ADJOURNMENT**

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

The meeting adjourned at 12:27 p.m.

Date Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

Nancy Thompson, Secretary  
Group Insurance Board