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 SECRETARY

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## **Correspondence Memorandum**

**Date:** January 21, 2021

**To:** Group Insurance Board

**From:** Tim Steiner, Director  
 Bureau of Budget, Contract Administration and Procurement (BCAP)

**Subject:** Group Insurance Board Authority Contracts Update and Discussion

**This memo is for informational purposes only. No Board action is required.**

### **Statutory Authority for Contracting**

The Group Insurance Board (GIB) is granted authority under Wisconsin statutes to enter into contracts necessary for the administration of insurance programs. The list below documents the relevant statutory provisions for current contracts. Financial information and statistics for the programs cited below are published in the [ETF Annual Comprehensive Financial Report](#).

<b>Citation:</b>	<b>Program Area:</b>	<b>Summary:</b>
Wis. Stat. § 40.03 (6)(a)	Group Insurance, Long Term Care Insurance	The GIB shall enter into contracts with insurers authorized in this state for the purpose of providing group insurance plans and may provide group insurance plans on a self-insured basis and contract directly with providers to provide insured employees with the benefits provided under this chapter. The offering by the state of long-term care insurance policies under Wis. Stat. § 40.03 (6)(h) constitutes a group insurance plan under Wis. Stat. § 40.03 (6)(a)1.
Wis. Stat. § 40.515 (2)	Health Savings Accounts	The GIB may contract to provide administrative and other services related to Health Savings Accounts used in conjunction with a high-deductible health plan.

Reviewed and approved by Pamela Henning, Assistant Deputy Secretary  
 Electronically Signed 01/27/2022

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Citation:	Program Area:	Summary:
Wis. Stat. § 40.03 (6)(b)	Supplemental Insurance Plans	The GIB may provide other group insurance plans determined by contracts, which provide that the employer is not liable for any obligations except as agreed to by the employer. These other plans are commonly referred to as supplemental, employee-pay-all plans.
Wis. Stat. § 40.03 (6)(j)	Health-Insurance Related Data Collection and Analysis	The GIB may contract with the department of health services and other public or private entities for data collection and analysis services related to health maintenance organizations and insurance companies that provide health insurance to state employees. ETF is also authorized under Wis. Stat. § 153.05 (2r) to expend funds to contract with a data organization to perform collection and dissemination of health care and related information services.
Wis. Stat. § 40.85	Employee Reimbursement Account (ERA) Plan Providers	The ETF Board shall select and contract with employee reimbursement account plan providers. The ETF Board delegated this authority to the GIB.
Wis. Stat. § 40.62 (1)	Income Continuation Insurance	The GIB shall establish an Income Continuation Insurance plan.
Wis. Stat. § 40.03 (1)(d)	GIB-related Actuarial Services	The ETF Board shall select and retain an actuary under contractual agreements which shall run to the department for the purposes of performing all actuarial services necessary for operations and control of each of the insurance and benefit programs under this chapter. The ETF Board has delegated to the GIB procurement authority for actuarial services for programs under its purview.

**Contract and Contract Amendment Signature Authority**

Under the Chapter 40, Wis. Stat. authority outlined above, the GIB chair is authorized to sign all GIB-related contracts and contract amendments. The GIB may subsequently choose to delegate contract and contract amendment signature authority to the ETF secretary.

The ETF secretary has been delegated the authority to execute health insurance program actuarial service contracts and contract amendments. This authority was delegated on May 15, 2019 and expires on September 25, 2022.

**Current Status of Active GIB Contracts**

As of January 2022, ETF has approximately 34 GIB-related contracts with 24 distinct vendors who help administer and provide services under the seven program areas listed below. All active contracts noted below are listed in the appendix. Those contracts that currently have pending or recent activity are highlighted in the appendix.

#### Group Health Insurance

There are 10 2022 health plan contracts for fully insured medical coverage: Aspirus Health Plan, Inc., Dean Health Plan, Inc., Group Health Cooperative of Eau Claire, Group Health Cooperative of South Central Wisconsin, HealthPartners Insurance Company, Inc., Medical Associates Health Plans of Wisconsin, MercyCare Insurance Company, Network Health Plan, Quartz Health Benefit Plans Corporation, and WEA Trust.

Administration of Medicare Advantage plans for Medicare-enrolled participants in the State Group Health Insurance Program (GHIP) and the Wisconsin Public Employer (WPE) programs for local government employees and retirees is contracted with UnitedHealthcare through December 31, 2024. One additional, two-year renewal period is possible.

Third-party administration of pharmacy benefits is contracted with Navitus Health Solutions, LLC through December 31, 2024. No renewal periods remain.

Third-party administration of dental benefits (Uniform Dental Benefits) is contracted with Delta Dental of Wisconsin through December 31, 2026. Two additional, two-year renewal periods are possible.

Administration of wellness and disease management programs is contracted with WebMD (formerly StayWell), through December 31, 2023. The GIB approved a new RFP for wellness and disease management services to be released in 2022.

#### Supplemental Employee-Pay-All Health Plans

Supplemental benefits in 2022 are provided as follows: dental and vision benefits by Delta Dental of Wisconsin; accident insurance by Securian; and long-term care insurance policies by Mutual of Omaha (administered by Health Choice).

#### Health Data

The GIB entered into a contract for a health data warehouse and business intelligence services with IBM Watson (formerly known as Truven Health Analytics) in March 2017. The contract expires December 31, 2029. One, three-year renewal period is possible.

There is also an evergreen contract in place between Wisconsin Health Information Organization, Inc. (WHIO) and ETF requiring WHIO to submit WHIO Provider Registry data to ETF's data warehouse. The contract is evergreen and continues until cancelled.

#### Income Continuation Insurance

Third-party administration of the Income Continuation Insurance Program is contracted with The Hartford through December 31, 2026. One optional, two-year renewal period is possible.

#### Group Life Insurance

Third-party administration of the Life Insurance Program is contracted with Securian Financial (Minnesota Life Insurance Company) through December 31, 2028. Two additional, two-year renewal periods are possible.

#### Employee Reimbursement Accounts

Administration of employee reimbursement accounts, health savings accounts, and the commuter benefits program is contracted with Optum Financial, Inc. (formerly ConnectYourCare) through December 31, 2023. One additional, two-year renewal period is possible.

#### Actuarial and Contract Compliance Audit Services

Consulting actuary services for the health insurance programs are currently provided by Segal Consulting through an evergreen contract, which continues until cancelled.

Contract renewal is based on results of surveys taken by ETF staff and the GIB regarding Segal's performance.

Consulting actuary services for Income Continuation Insurance and Group Life Insurance Programs are currently provided by Milliman, Inc., through an evergreen contract, which continues until cancelled. Contract renewal is based on results of surveys taken by ETF staff and the GIB regarding Milliman's performance. Milliman also provides consulting actuary services for the Wisconsin Group Insurance and Disability Programs under a contract that expires on December 31, 2022.

Contract compliance audits for the Pharmacy Benefits Program are performed by PillarRx Consulting, LLC, under an evergreen contract, which continues until cancelled. Contract renewal is based on results of surveys taken by ETF staff regarding Pillar's performance.

Contract compliance audits for the Life Insurance, Income Continuation, Employee Reimbursement Accounts, Health Savings Accounts, and Commuter Benefit Programs are performed by Wipfli LLP, under an evergreen contract, which continues until cancelled. Contract renewal is based on results of surveys taken by ETF staff regarding Wipfli's performance. ETF's Office of Internal Audit will be conducting the Employee Reimbursement Accounts, Health Savings Accounts, and Commuter Benefit pre-tax savings programs audit for plan years 2020-2021.

Contract compliance audits for the Uniform Dental Benefits Program are performed by Claim Technologies Incorporated, under an evergreen contract, which continues until cancelled. Contract renewal is based on results of surveys taken by ETF staff regarding Claim Technologies' performance.

## **Contracts and Amendments Executed Since the November 2021 GIB Contracts Update**

### Navitus - Pharmacy Benefits Manager

Contract Amendment #5 was signed by the Board chair on November 6, 2021 for the no cost addition of a Drug Rebate Group Purchasing Organization (GPO), which is an entity that leverages a group's combined purchasing power to negotiate better drug prices and discounts with pharmaceutical manufacturers. A \$0.40 per member per month (PMPM) will be collected as a rebate administration fee from the rebates collected before being passed back to ETF.

### WebMD – Wellness and Disease Management Programs

Contract Amendment #8 was signed by the GIB chair on January 5, 2022. The amendment includes provisions to: initiate a Diabetes Prevention Program at no additional cost to ETF or members, allow WebMD to provide podcasts (instead of webinars), and allow WebMD to charge additional fees for flu vaccine clinics due to the implementation of COVID-19 safety protocols (e.g., smaller size events, extended clinic times).

### Segal Consulting - Consulting Actuary for Wisconsin Health Insurance Programs

Contract Amendment #16 was signed by the ETF secretary on December 14, 2021 increasing Segal's annual services fee to \$385,208 for calendar year 2022.

### Milliman - Consulting Actuary for Wisconsin Group Insurance and Disability Programs

Contract Amendment #14 was signed by the ETF Secretary on December 20, 2021 increasing Milliman's annual services fee to \$134,026 for calendar year 2022.

### Wipfli - Contract Compliance Audits for the Life Insurance Program

Contract Amendment #1 was signed by the ETF Secretary on November 11, 2021 for the compliance audit of the Group Life Insurance Program contract covering calendar years 2020 and 2021 with costs not to exceed \$20,250.

### Health Plan Contracts

The GIB chair signed Contract Amendment #1 between ETF and all contracted health plans in January 2022. The amendment includes updates to the contract Program Agreement and Certificate of Coverage.

## **Status of Active Board Procurements**

### Supplemental Insurance Invitation to Negotiate

ET-7422 Supplemental Guidelines (2023-2025) for vision and accident was published on ETF's website, [Supplemental Insurance \(vision and accident\): Invitation to Negotiate \(ETB0043\) \(ETB0044\)](#), on November 17, 2021; and is requesting benefit design and

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pricing for supplemental, employee-pay-all, vision, and accidental insurance for plan years 2023-2025. Proposals are due January 31, 2022.

Long-Term Care Insurance Invitation to Negotiate

ET-7423 LTCI Standards (2023-2024) was published on ETF's website, [Long-Term Care Insurance: Invitation to Negotiate \(ETB0045\)](#), on November 17, 2021. Proposals are due January 31, 2022.

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

Attachment A: GIB Contract Inventory (January 2022)

**GIB Contract Inventory (January 2022)**

<b>Contract Name</b>	<b>Vendor</b>	<b>Start</b>	<b>End</b>	<b># Renewals Left</b>	<b>Length of Each Renewal (Years)</b>
Group Health Insurance	10 health plans	01/01/22	12/31/22	0	0
Medicare Advantage	UnitedHealthcare	06/01/18	12/31/23	1	2
Pharmacy Benefits Program	Navitus Health Solutions, LLC	07/18/17	12/31/24	0	0
Uniform Dental Benefits	Delta Dental of Wisconsin	01/01/22	12/31/26	2	2
Wellness and Disease Management Programs	WebMD	08/16/16	12/31/23	0	0
Supplemental Employee Pay All Dental Insurance Plan	Delta Dental of Wisconsin	01/01/22	12/31/23	0	0
Supplemental Employee Pay All - Vision	Delta Dental of Wisconsin	01/01/21	12/31/22	0	0
Supplemental Employee Pay All - Accident Insurance	Securian	01/01/21	12/31/22	0	0
Long-Term Care Insurance	Mutual of Omaha & Health Choice	01/01/22	12/31/22	0	0
Data Warehouse & Visual Business Intelligence	IBM Watson	03/01/17	12/31/29	1	3
Health Data	WHIO	01/01/20	12/31/22*	*	*
Income Continuation Insurance	The Hartford	01/01/22	12/31/26	1	2
Group Life Insurance	Securian	01/01/22	12/31/28	2	2
Employee Reimbursement Accounts, Health Savings Accounts and Commuter Benefits Program	Optum Financial (3 contracts)	09/01/14	12/31/23	1	2
Consulting Actuary for Health Programs	Segal Consulting	10/01/14	12/31/2022*	*	*
Consulting Actuary for the Income Continuation Insurance Program	Milliman, Inc.	10/01/14	12/31/2022*	*	*
Consulting Actuary for the Wisconsin Group Insurance and Disability Programs	Milliman, Inc.	01/01/2022	12/31/2022	0	0
Consulting Actuary for the Life Insurance Program	Milliman, Inc.	10/01/14	12/31/2022*	*	*
Contract Compliance Audits Services for Pharmacy Benefits	PillarRx	01/01/20	12/31/22*	*	*

<b>Contract Name</b>	<b>Vendor</b>	<b>Start</b>	<b>End</b>	<b># Renewals Left</b>	<b>Length of Each Renewal (Years)</b>
Contract Compliance Audits Services for Life Insurance	Wipfli LLP	04/29/19	12/31/22*	*	*
Contract Compliance Audits Services for Income Continuation Insurance	Wipfli LLP	01/01/21	12/31/22*	*	*
Contract Compliance Audits Services for Employee Reimbursement Accounts, Health Savings Accounts and Commuter	Wipfli LLP	04/15/19	12/31/22*	*	*
Contract Compliance Audits Services for Uniform Dental Benefits	Claim Technologies Inc.	04/01/19	12/31/22*	*	*

\* Evergreen contracts.