

Welcome to the Group Insurance Board

May 18, 2022

Meeting will begin at: 8:30 a.m.



WIFI

WI-GUEST

No Password is needed



Please Sign In

- Who? All meeting attendees
- Sheet available at the door



Meeting Materials

- Available at etf.wi.gov



**Please Silence your
Cell Phone**

Announcements

Item 1 – No Memo



Consideration of Open Minutes of February 16, 2022 Meeting

 Item 2 – Memo Only





Action Needed

Motion needed to accept the Open Minutes of the February 16, 2022 Meeting as presented by the Board Liaison.

May 2022 COVID-19 Update

Item 3 – Group Insurance Board

Renee Walk, Lead Policy Advisor

Office of Strategic Health Policy



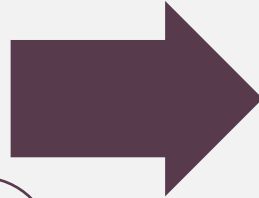
Informational item only

No Board action is required.

Legislative & Regulatory Changes

March 2022

- Test-to-Treat Program



April 2022

- Public health emergency renewed
- Medicare OTC test coverage
- Pre-deductible telehealth coverage for HDHPs

Vaccines & Treatments

- Two new vaccine EUA candidates
- Slow uptake in vaccines for younger children
- No new COVID-19 treatments authorized

Long COVID (10/21 – 3/22)

Long COVID is any diagnosis

274 unique patients

1.15 per 1,000 members

\$600,000 total allowed

\$2,189 per patient

Long COVID is primary diagnosis

92 unique patients

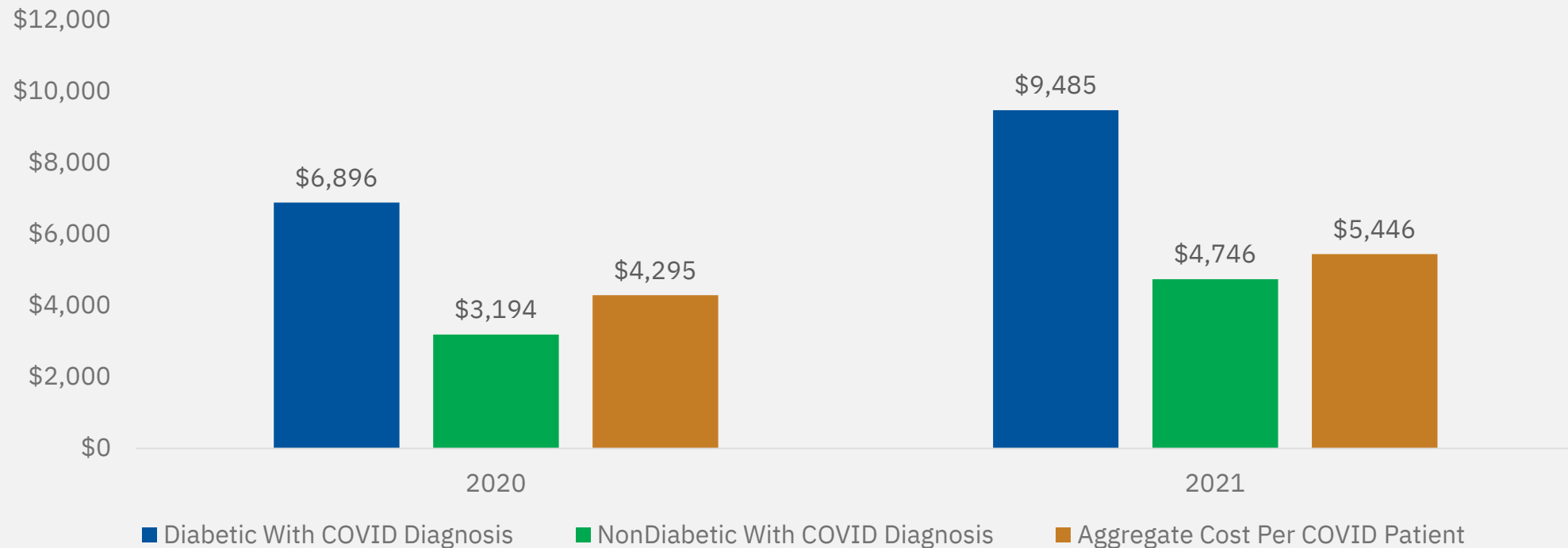
0.39 per 1,000 members

\$34,700 total allowed

\$377 per patient

Impact on Diabetic Members

Diabetic members with COVID more likely to progress in disease state



Cost Impact to Medical and Pharmacy Benefits

- \$72,447,526 paid in 2020 and 2021
- 18,225 patients
- Higher patient count month: January 2022

Additional Cost Impacts

COVID Life Insurance Claims as of 5/3/22

Group	Number of Claims	Claims in Dollars
Active	40	\$7,707,000
Retiree	394	\$6,672,750
Spouse/Dependent	33	\$585,000
Total	467	\$14,964,750



The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

High Deductible Health Plan Initiative Update

Item 4 - Group Insurance Board

Korbey White, Health Program Manager

Office of Strategic Health Policy



Informational item only

No Board action is required.

Background

- February Board Meeting recommendation
- External stakeholder feedback
 - State employers
 - Local government employers
 - Health Plans
 - Optum Financial

State Employer Feedback

Member education

Evergreen HSA enrollment

Training Optum Financial Customer Service

Benefits Mentor's Usefulness

Local Employer Feedback

Local Employer Survey

- Distributed to program option P07/P17 (HDHP)
- Two-week turnaround time

58%
responded

- Confident explaining HDHP to employees
- Offer webinars to employees
- Currently Offer non-ETF HSA
- Do not offer more than one program option

Health Plan Feedback

Member Education

Offer HDHP in other books of business

HSA Offering outside of GHIP

Member Resources and Benefits Mentor support

Optum Feedback

Discouraged
evergreen
enrollment

Post
enrollment
audit

Re-
enrollment
default choice

Minimum
HSA member
funding

HSA
enrollment
requirement

Next Steps

- ETF is still considering HDHP-specific changes based on stakeholder input and may propose concepts in the future to improve the HDHP product.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

2021 Health Plan Performance Statistics Annual Report

Item 5A – Memo Only

Korbey White, Health Program Manager

Office of Strategic Health Policy



Informational item only

No Board action is required.

2023 Health Program Agreement Changes



Item 5B – Group Insurance Board

Korbey White, Health Program Manager

Office of Strategic Health Policy





Action Needed

ETF recommends the Board approve changing the language in the 2023 Health Program Agreement regarding the timeline of Primary Care Physician (PCP) or Primary Care Clinic (PCC) assignment.

Background

Annual Review

The Program Agreement (Agreement) outlines the administrative services health plans provide.

ETF presented 2023 proposed Agreement changes suggested by health plans at the February Board meeting.

ETF recommends proceeding with one suggested change to the Agreement.

Program Agreement Change

The Agreement requires that members have a PCP or PCC assigned while enrolled in the GHIP.

The current language requires plans to follow up within five business days of the receipt of enrollment data.

ETF recommends changing the language to allow time for adding PCPs/PCCs post-open enrollment.



Action Needed

ETF recommends the Board approve changing the language in the 2023 Health Program Agreement regarding the timeline of Primary Care Physician (PCP) or Primary Care Clinic (PCC) assignment.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

2023 Health and Pharmacy Benefit Changes



Item 5C – Group Insurance Board

Renee Walk, Lead Policy Advisor

Luis Caracas, Health Policy Advisor

Tricia Sieg, Pharmacy Benefits Program Manager

Office of Strategic Health Policy





Action Needed

ETF requests the Board approve modifications to the Uniform Benefits Certificates of Coverage and the Uniform Pharmacy Benefits as described in the memo provided to the Board.

Background

Initial change concepts for program year 2023 were presented at the February 2022 Board meeting

ETF reviewed potential changes with employer groups, health plans, and Segal (Board's actuary) and identified a final set of proposed benefit changes

Health Benefit Changes

Memo Pages 1 - 4

New Definitions and Section

Update to Usual and Customary Charges

- Aligning language with the No Surprises Act
- “Hold Harmless” and “Post-Stabilization Care”

New Section on Balance Billing Rights

- Clarifying limits on patient liability for certain services
- New section describing patient rights

Adding Flexibility for Members

Remote Patient Monitoring

- Modifying the requirement for Remote Patient Monitoring
- Ability for health plans to waive Prior Authorization

Primary Care Providers (PCPs) Designated

- Removal of the phrase “at all times”
- More time for members to identify a PCP post-enrollment

Therapy Coverage Changes

Adding a Pulmonary Rehabilitation Therapy Benefit Description

- Specific coverage criteria for these services

Family Therapy

- Remove the exclusion to family therapy
- Clarify coverage in the Mental Health section to support member's treatment plan

Health Benefit Changes Not Recommended

Excluding
Coverage of
Bariatric Surgery

Adding Home
Childbirth/Delivery
Coverage

Adding Coverage
for Infertility
Services

Adding Coverage
for Peer Support
Specialists

Adding Coverage
for Marriage
Counseling

Pharmacy Program & Benefit Changes

Memo Pages 4 - 7

Pharmacy Benefit Changes Recommended

Implementing a Clear Bagging Program Through University of Wisconsin (UW) Specialty Pharmacy

- Currently UW Pharmacy is a Board specialty pharmacy
- Minimal member disruption and change

Updating the Uniform Pharmacy Benefits Certificate of Coverage

- Create a user-friendly, less technical document
- Does not require Board action

Pharmacy Benefit Changes Not Recommended

Covering Continuous Glucose Monitoring (CGM) devices under only the pharmacy benefit

Adding weight loss drugs to the non-Medicare pharmacy formulary

Allowing drug coverage given a lifetime exception an exemption from formulary changes

Implementing a brown bagging program

Beginning a white bagging program

Enacting a separate coinsurance rates for infusions received in an outpatient hospital setting

Permitting home infusions through the pharmacy benefit



Action Needed

ETF requests the Board approve modifications to the Uniform Benefits Certificates of Coverage and the Uniform Pharmacy Benefits as described in the memo provided to the Board.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

Pilot Programs: Report and Policy Recommendations

Item 5D – Group Insurance Board

Molly Heisterkamp, Disease Management & Wellness Program Manager

Tricia Sieg, Pharmacy Benefit Program Manager

Renee Walk, Lead Policy Advisor

Office of Strategic Health Policy





Action Needed

ETF requests the Board approve edits to the 2023 Program Agreement clarifying pilot program and population health management programming.

Clarifying a Pilot Program

Allows deviation from Uniform Benefits (UB)

Includes changes to cost-sharing or covered medical benefits

Does not include educational programs or referrals to other GHIP services/vendors

Population Health Management

Some pilot proposals included population health management programs

Uncertainty about expectations regarding disease management

Added clarity via section G.3. Population Health Management

Long-term Strategy

Activity	Time/Year
Vendor proposes pilot	November, Year 1
Board approves of new pilots	May, Year 2
Vendor implements pilot	Years 3 – 5
Vendor/ETF evaluates pilot	Summer, Year 6
ETF reports impact to the Board	November, Year 6
Board approves inclusion in Uniform Benefits or Discontinue pilot	May, Year 7
Uniform Benefits or Discontinuation	January, Year 8

Pilot Programs in Progress

Vendor	Program	Initial Year Implemented	Potential UB
Dean Health Plan	Living Healthy Plus (diabetes management, reducing cost sharing for related medical services)	2019	2024
	Acupuncture benefit	2020	2025
Network Health Plan	Acupuncture benefit	2021	2025
WebMD (StayWell) & Navitus	It's Your Health: Diabetes (reduced cost sharing for diabetes related pharmaceuticals)	2019	2024



Action Needed

ETF requests the Board approve edits to the 2023 Program Agreement clarifying pilot program and population health management programming.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

Preliminary Reserve Estimate

Item 5E – Group Insurance Board

Eileen Mallow, Director

Office of Strategic Health Policy

Kenneth Vieira, Senior Vice President

Patrick Klein, Vice President

Segal



State of Wisconsin Group Insurance Board Department of Employee Trust Funds

Reserve Update

May 2022/ Ken Vieira and Patrick Klein

Agenda



- Highlights
- Review of Approved Multi-year Reserve Strategy
- Comparison of Projected & Preliminary 2021 EOY Balance
 - State
 - Local
- Questions

Highlights

- State 2021 YE fund balance \$206.0M versus the \$201.8M projected at August GIB - \$4.2M Gain
 - Once again driven by investment return exceeding the 7% assumption
 - Loss on pharmacy offset most of the investment gain
 - Medical and Dental projections materialized as expected
- Local 2021 YE fund balance \$16.2M versus the \$14.6M projected at August GIB - \$1.7M Gain
 - Driven by investment income and pharmacy plan
- The gains above lack the magnitude to materially alter planned buy downs and increases. This funds biggest area of volatility continues to be investment returns.
- Looking forward to 2022, the market has realized negative returns YTD so investment loss expected
 - Expected 7% vs. Actual YTD -5.7% (Dow Jones as of 4/12/2022)

Board Approved Multi-Year Reserve Draw Strategy – Option 4

- This is the approved strategy which targets rate increases of **3.0%** using various draws over the next three years—reaching new policy target in 2024 (State). Local draw amount spread out over the three years as well.

State Reserve Multi-year Strategy

	Balance ¹	Target ²	% of Claims/ FI Premium	Surplus ³	Draw
2022	\$201.8 \$206.0	\$85.5	5.3%	\$116.4	\$27.0
2023	\$187.1	\$89.7	5.3%	\$97.3	\$43.0
2024	\$154.1	\$94.2	5.3%	\$59.9	\$59.9

Projected
Balance

Updated
Balance

Local Reserve Multi-year Strategy

	Balance ¹	Target ²	% of Claims/ FI Premium	Surplus ³	Draw
2022	\$14.6 \$16.2	\$10.2	5.1%	\$4.4	\$2.5
2023	\$13.0	\$10.7	5.1%	\$2.3	\$1.7
2024	\$12.1	\$11.2	5.1%	\$0.9	\$0.9

¹ Assumes 7% investment return and no additional gains or losses that would impact the fund balance.

² Reserve Policy assumed to increase at 5% per year.

³ The Surplus refers to the money in the fund that exceeds the Midpoint Target Reserve at beginning of year (State) or Low End (Local).

Fund Balance – Projected

State, as of 6/30/2021

- Using ETF transactional data through 6/30/2021, Segal projected the December ending fund balance.

State Health Reserve (in millions)

	Medical	Pharmacy	Dental	Total
Balance 1/1/2021	86.3	100.1	19.6	206.1
Revenue				
Premiums	1,171.4	213.2	61.3	1,445.9
EGWP Subsidy		57.4		57.4
Investment Income	6.2	6.2	1.5	13.8
Total Revenue	1,177.6	276.7	62.7	1,517.0
Expenses				
Paid Claims	1,150.1	368.5	57.4	1,576.0
Admin Costs	17.9	9.0	1.2	28.2
Rebates		(82.9)		(82.9)
Total Expenses	1,168.0	294.6	58.6	1,521.3
Net Income /(Deficit)	9.6	(17.9)	4.1	(4.2)
Balance 12/31/2021	95.9	82.3	23.6	201.8

Fund Balance – Preliminary

State, through 12/31/2021

- Below are the preliminary State health insurance plan results for the period ending December 31, 2021.

State Health Reserve (in millions)

	Medical	Pharmacy	Dental	Total
Balance 1/1/2021	86.3	100.1	19.6	206.1
Revenue				
Premiums	1,165.9	212.2	59.3	1,437.4
EGWP Subsidy		51.6		51.6
Investment Income	10.0	20.4	1.8	32.2
Total Revenue	1,175.9	284.2	61.1	1,521.2
Expenses				
Paid Claims	1,142.7	370.4	55.7	1,568.8
Admin Costs	20.3	9.2	1.3	30.8
Rebates		(78.2)		(78.2)
Total Expenses	1,163.0	301.4	57.0	1,521.4
Net Income /(Deficit)	12.9	(17.2)	4.1	(0.2)
Balance 12/31/2021	99.3	83.0	23.7	206.0

Fund Balance – Gain/Loss

State

- Below is the Gain/Loss for State health insurance plan for the period ended December 31, 2021.

State Health Reserve (in millions)

	Medical	Pharmacy	Dental	Total
Revenue				
Premiums	(5.5)	(1.0)	(2.0)	(8.5)
EGWP Subsidy		(5.8)		(5.8)
Investment Income	3.8	14.2	0.3	18.4
Total Revenue	(1.7)	7.5	(1.6)	4.2
Expenses				
Paid Claims	7.4	(1.9)	1.7	7.2
Admin Costs	(2.4)	(0.2)	(0.1)	(2.6)
Rebates		(4.7)		(4.7)
Total Expenses	5.0	(6.8)	1.6	(0.1)
Gain/(Loss)	3.3	0.7	0.0	4.1

- 2021 gain driven by investment income. Meanwhile there was a loss on pharmacy rebates & EGWP subsidy.

Fund Balance – Projected

Local, as of 6/30/2021

- Using ETF transactional data through 6/30/2021, Segal projected the December ending fund balance.

Local Health Reserve (in millions)

	Medical	Pharmacy	Dental	Total
Balance 1/1/2021	(2.3)	16.8	0.1	14.6
Revenue				
Premiums	183.2	34.4	1.9	219.5
EGWP Subsidy		3.1		3.1
Investment Income	(0.1)	1.1	0.0	1.0
Total Revenue	183.1	38.6	2.0	223.7
Expenses				
Paid Claims	180.4	49.8	2.0	232.2
Admin Costs	2.1	0.9	0.0	3.0
Rebates		(11.4)		(11.4)
Total Expenses	182.6	39.2	2.0	223.7
Net Income /(Deficit)	0.5	(0.6)	(0.0)	(0.1)
Balance 12/31/2021	(1.7)	16.2	0.1	14.6

Fund Balance – Preliminary

Local, through 12/31/2021

- Below are the preliminary Local health insurance plan results for the period ending December 31, 2021.

Local Health Reserve (in millions)

	Medical	Pharmacy	Dental	Total
Balance 1/1/2021	(2.3)	16.8	0.1	14.6
Revenue				
Premiums	183.5	34.4	1.9	219.8
EGWP Subsidy		3.2		3.2
Investment Income	(0.9)	3.5	0.0	2.6
Total Revenue	182.6	41.1	1.9	225.6
Expenses				
Paid Claims	180.8	49.4	1.9	232.1
Admin Costs	2.6	0.9	0.0	3.5
Rebates		(11.6)		(11.6)
Total Expenses	183.4	38.7	1.9	224.0
Net Income /(Deficit)	(0.8)	2.4	0.0	1.6
Balance 12/31/2021	(3.1)	19.2	0.1	16.2

Fund Balance – Gain/Loss

Local

- Below is the Gain/Loss for Local health insurance plan for the period ended December 31, 2021.

Local Health Reserve (in millions)

	Medical	Pharmacy	Dental	Total
Revenue				
Premiums	0.3	0.0	(0.0)	0.3
EGWP Subsidy		0.1		0.1
Investment Income	(0.8)	2.4	(0.0)	1.6
Total Revenue	(0.5)	2.5	(0.1)	1.9
Expenses				
Paid Claims	(0.4)	0.4	0.1	0.1
Admin Costs	(0.5)	(0.0)	0.0	(0.5)
Rebates		0.2		0.2
Total Expenses	(0.8)	0.5	0.1	(0.3)
Gain/(Loss)	(1.3)	3.0	0.0	1.7

- 2021 Gain driven by investment income and slightly lower pharmacy claims than projected.

Thank You

Kenneth Vieira, FSA, FCA, MAAA
Senior Vice President
East Region Public Sector Market Leader
kvieira@segalco.com
678.306.3154

Patrick Klein, FSA, MAAA
Vice President
pklein@segalco.com
678.306.3142

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

Recommendations for Vision, Accident, and LTC Plan Contracts for 2023

 Item 6 – Group Insurance Board

Douglas Wendt, Supplemental Plans Program Manager

Office of Strategic Health Policy





Action Needed

ETF recommends the Board approve the following contracts for Vision, Accident, and Long-Term Care (LTC) plans effective January 1, 2023.

- Three-year contract with Delta Dental of Wisconsin's DeltaVision plan for Supplemental Vision insurance coverage with the same benefits and premiums.
- Three-year contract with Securian Financial (Securian) for Group Accident Insurance coverage with plan option 2.
- Two-year contract with HealthChoice (as broker) and Mutual of Omaha (as insurer) for LTC insurance coverage.

Proposal Timeline



Evaluation Committees

Vision

Six members

- Three ETF Staff
- Three Employer representatives
- Three members new since last contract review

Accident

Four members

- Three ETF Staff
- One Employer representative
- One member new since last contract review

LTC

Four members

- Three ETF Staff
- One Employer representative
- One member new since last contract review

Evaluation Process

Members reviewed and evaluated each proposal independently

Met in virtual sessions to discuss proposals

Follow-up questions/clarifications sent to proposers

Third-party actuarial review (Vision and Accident)

Group consensus on recommendations



Vision

Vision Plan Overview

Supplemental
Vision is an
employee pay
all program

Offered to:

- All State active employees
- All retirees (State and Local)
- Local employers that offer the benefit

Provides vision
care services
and vision
hardware
benefits

Vision Proposals Received

Three vendor proposals

vsp.
vision care



Evaluation Considerations

Ability to Meet
All Plan
Requirements

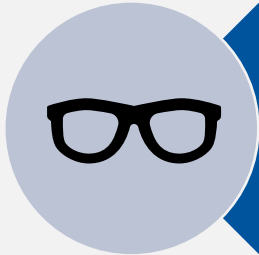
Network
Adequacy

References
including prior
ETF and employer
experience

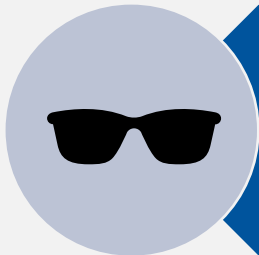
Premiums

Benefits

Benefit Changes Considered



Increase in frame allowances



Special sunglass benefit for people who don't wear glasses



Reduced out of pocket costs at select providers

Why DeltaVision



Excellent Customer Experience

Able to fulfill all contract requirements

Current premiums locked in for three more years

Surency as back-up choice for contract



Accident Plan

Accident Plan Overview

The Accident plan is an employee pay all program

Offered to:

- All State active employees
- Local employers that offer the benefit

Provides cash payout for accidental injuries and related services

One Proposer, Two Plans

Option 1

- Keep current benefit payout levels
- Reduce premiums

Option 2

- Increase benefit payout levels
- Keep current premiums



Securian has been an excellent partner in the administration of the plan

Why Option 2

Perceived Value

Higher payout for those need to file a claim vs. premium savings

- Maximum premium savings of \$48/year for a family plan
- Most benefits amounts increased by 50%
- Premium comparison table is on page 4 of the memo

Current premiums can be carried over in HR systems

- Less work for employers to prepare for open enrollment
- Reconfiguration of the benefit payout amounts handled by Securian



Long-Term Care (LTC)

LTC Overview

The LTC plan is an individually underwritten employee pay all program

Offered to:

- State active employees
- State retirees
- Spouses and parents
- Must reside in WI

Provides coverage for in-facility or in-home long-term care services

LTC Proposals Received

Two Proposals



Why HealthChoice/Mutual Of Omaha



No customer service issues



Has met all of the contractual requirements



ACCSIA proposal didn't meet requirements

Action Needed

ETF recommends the Board approve the following contracts for Vision, Accident, and Long-Term Care (LTC) plans effective January 1, 2023.

- Three-year contract with Delta Dental of Wisconsin's DeltaVision plan for Supplemental Vision insurance coverage with the same benefits and premiums.
- Three-year contract with Securian Financial (Securian) for Group Accident Insurance coverage with plan option 2.
- Two-year contract with HealthChoice (as broker) and Mutual of Omaha (as insurer) for LTC insurance coverage.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

FSA/Commuter Benefits Minimum Election & Carryover

 Item 7A – Group Insurance Board

Xiong Vang, HSA & ERA Accounts Program Manager

Office of Strategic Health Policy





Action Needed

ETF requests the Board approve a minimum annual election amount of \$50 for flexible spending accounts (FSAs) and commuter benefits with any balances less than \$50 to be carryover into the next plan year, effective January 1, 2023.

Current State on FSAs and Commuter Benefits

Benefits are offered to State employees allowing pre-tax deductions

No minimum annual election or carryover requirement for FSAs or commuter benefit accounts

Carryover amounts are made available to members by April 15

Forfeitures are returned back to the program and held in trust by ETF

Identify Discrepancies

In-eligible carryovers

- Members may continue to have carryover balances made available

Manual corrections

- Optum must work with the employers to send manual corrections

Financial risks

- Members can overspend funds that they were not eligible for

De-listing communications

- Members being confused with communications received by Optum

Historical Carryover Data

- FSA/Commuter balances under \$50 with no annual election in the new plan year

	2019 Accounts	2019 Carryover into 2020	2020 Accounts	2020 Carryover into 2021	2021 Accounts *	2021 Carryover into 2022 *
FSA	923	\$15,871.87	1,014	\$17,123.32	1,009	\$16,134.70
Commuter			464	\$6,108.56	470	\$6,012.52
Total	923	\$15,871.87	1,478	\$23,231.88	1,479	\$22,147.22

* Preliminary estimated projection numbers only
(excluding terminated employees)

Projected Estimated Costs

Estimated costs on 2021 carryover balances into 2022 if no annual election requirement was made

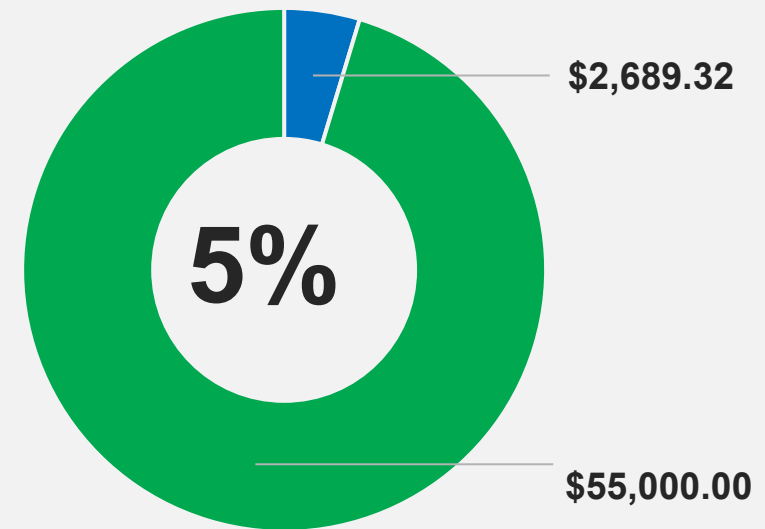
	2021 Accounts *	Admin Fees Per Month	Total Cost Per Month	Total Annual Cost (x12 Months)
FSA	1,009	1.58	\$1,594.22	\$19,130.64
Commuter	470	2.33	\$1,095.10	\$13,141.20
Total	1,479		\$2,689.32	\$32,271.84

** Preliminary estimated projection numbers only
(excluding terminated employees)*

Administrative Fees Saving Per Month

- **Total Cost Per Month:** \$2,689.32
- **Average Admin Fees Per Month:** \$55,000
 - \$2.7k divided by \$55k = 5% cost

Average Monthly Savings Per Month



Projected Yearly Cost Maintenance

Estimated administrative cost for an employee with an FSA and Commuter plan account carryovers

2022	Admin Fee Per Month	Total Annual Cost (Admin Fee x12 Months)
FSA	1.58	\$18.96
Commuter	2.33	\$27.96
		\$46.92

Other States and Federal Agency

Illinois

FSA
minimum
election of
\$240

Michigan

No FSA
minimum
election
requirement

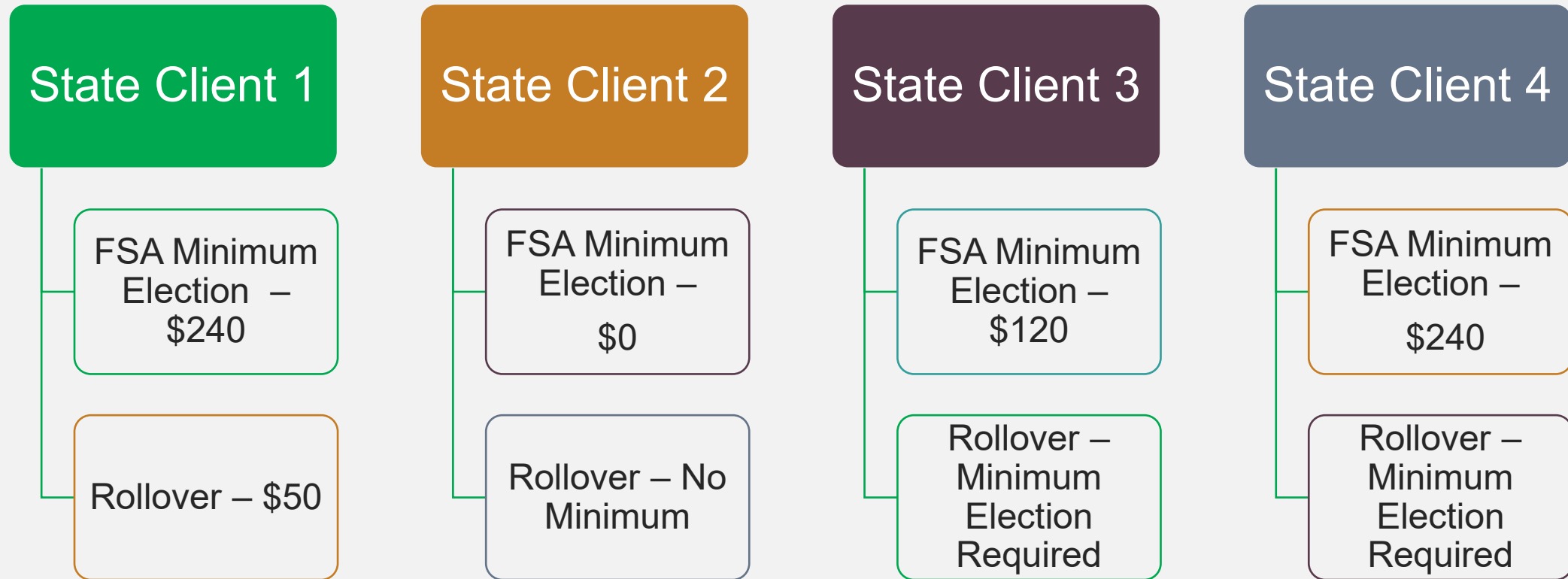
Minnesota

FSA
minimum
election of
\$100

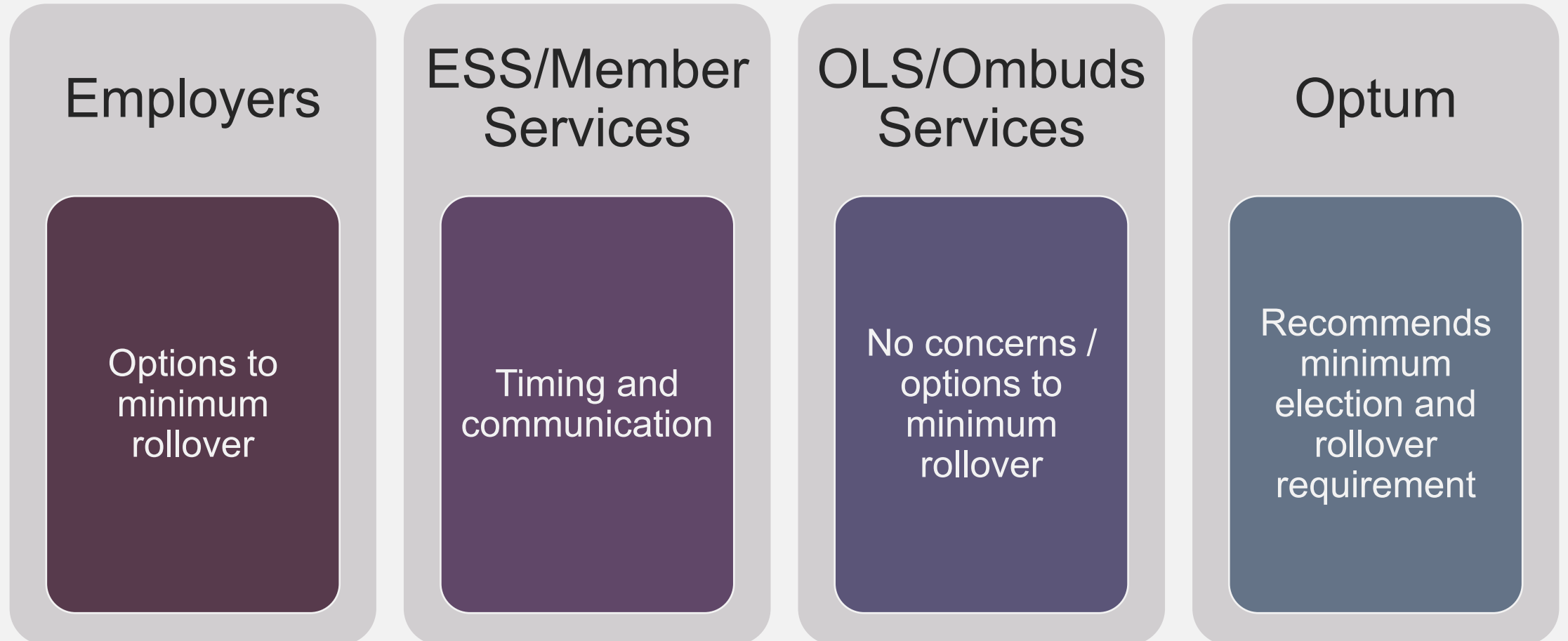
Office of Personnel Management

FSA
minimum
election of
\$100

Clients of Optum



Stakeholders Feedback



Proposal Options

Option 1

Minimum election
and rollover of
\$50 per year
(Recommends)

Option 2

Minimum election
and rollover of
\$20 per year

Option 3

No changes

Specifics of Proposal



All 2022 eligible balances will be carried over into 2023



Amounts less than \$50 by the end of 2023 plan year will require to have a minimum election



Internal control to prevent further discrepancies



Action Needed

ETF requests the Board approve a minimum annual election amount of \$50 for flexible spending accounts (FSAs) and commuter benefits with any balances less than \$50 to be carryover into the next plan year, effective January 1, 2023.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

Flexible Spending Account Cancellation Rule



Item 7B – Group Insurance Board

Xiong Vang, HSA & ERA Accounts Program Manager

Office of Strategic Health Policy





Action Needed

ETF requests the Board approve modifying the cancellation coverage rule for the FSAs to be effective on the last day of the month in which a participating member cancels or terminates employment beginning January 1, 2023.

Background



ETF provided information back in May of 2019



Employers were not ready for the change



ConnectYourCare did not have a recommendation

Current FSA Cancellation Rule

Last day of the month in which FSA contribution occurs

Continues to create administrative challenges

Some payroll systems have limitations with configurations

FSA election amount are funded at the beginning

Proposed Change

FSA cancellation rule to the end of the month in which the employee terminates from position or cancel coverage

Ease administrative work for stakeholders

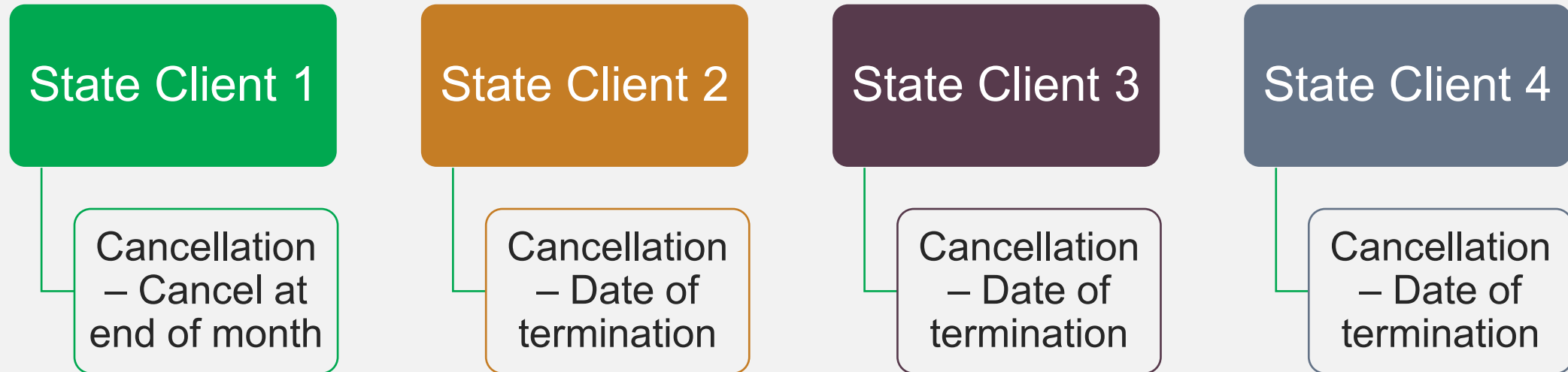
Improve data quality between employers and Optum

Simplify cancellation rules to be consistent with other benefit plans

Other States and Federal Agency

Illinois	Michigan	Minnesota	Office of Personnel Management
Date of termination	Last day of pay period	Date of termination	Date of termination

Clients of Optum



Framework and Development

The date of termination can be additional take-away for members

Does not require employers to perform any development or changes

No concerns to this proposal as it would standardize the cancellation rule

No significant challenges in administering this change

Communication Strategy

May 18, 2022
Group Insurance
Board

**June 2022 –
December 2022**
Employers/Members
Outreach

January 1, 2023
FSA Cancellation
Rule Effective Date



Action Needed

ETF requests the Board approve modifying the cancellation coverage rule for the FSAs to be effective on the last day of the month in which a participating member cancels or terminates employment beginning January 1, 2023.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

Optum Contract Extension

 Item 7C – Group Insurance Board

Xiong Vang, HSA & ERA Accounts Program Manager

Office of Strategic Health Policy





Action Needed

ETF requests the Board approve a second two-year extension for the following ETF contracts:

- Health Savings Accounts (HSA)
- Section 125 Cafeteria Plan and Employee Reimbursement Accounts (ERA)
- Commuter Fringe Benefit Accounts

With Optum for the period January 1, 2024, through December 31, 2025.

If the Board decides against the extension, ETF requests approval to prepare an RFP for the contracts.

Contract Terms

Contract Terms	HSA	Section 125/ERA	Commuter Benefits
Original Contract Term	May 7, 2019 – December 31, 2021	May 7, 2019 – December 31, 2021	May 7, 2019 – December 31, 2021
First Extension <i>(Approved February 17, 2021)</i>	January 1, 2022 – December 31, 2023	January 1, 2022 – December 31, 2023	January 1, 2022 – December 31, 2023
Second Extension <i>(Request May 18, 2022)</i>	January 1, 2024 – December 31, 2025	January 1, 2024 – December 31, 2025	January 1, 2024 – December 31, 2025



Current State of Pre-Tax Savings Accounts

Optum continued to partner and improve benefits program with ETF

CYC was acquired by Optum in November 2020

Optum call center customer service level decreased end of 2021

Stakeholder reported fewer issues related to FSA unsubstantiated claims

Optum provided training and materials to employers and members

2021 Deliverables

Non-Discrimination Testing

Reporting Deliverables

Employer Training

Educational Campaigns

Claims Education

Enrollment Brochures

ETF Five Step FSA Unsubstantiated Claims

Claims Process Performance

Claims Process

Pass with no exceptions

**Process
Accuracy**

**Financial
Accuracy**

**Claims
Processing
Time**

**Claims
Processing
System
Availability**

**Participant
Reimburse-
ment**

Customer Service Performance

Customer Service

**Answer
Timeliness
Service**

**Call Abandonment
Rate**

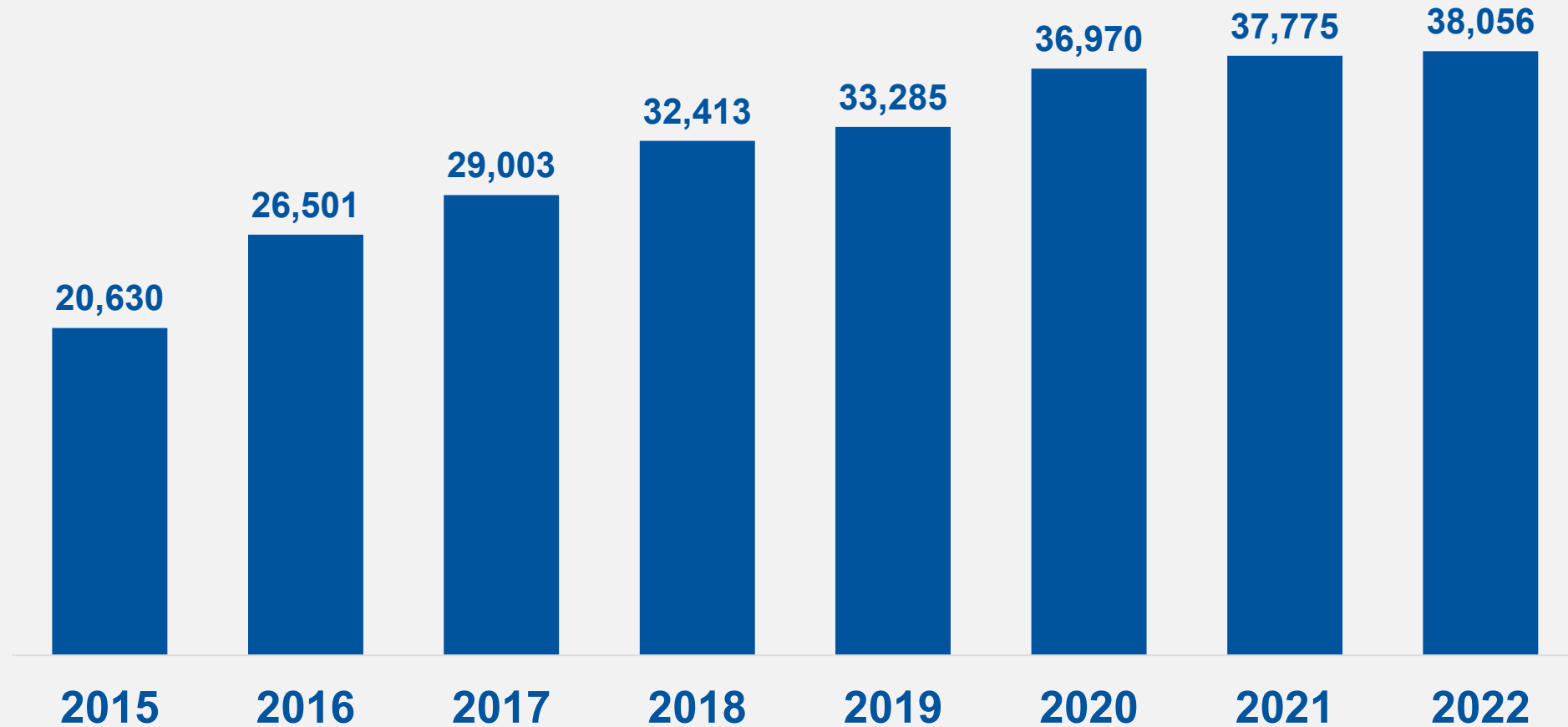
**Call Resolution
Turn-Around-Time**

**Electronic Written
Inquiry Response**

Exceptions

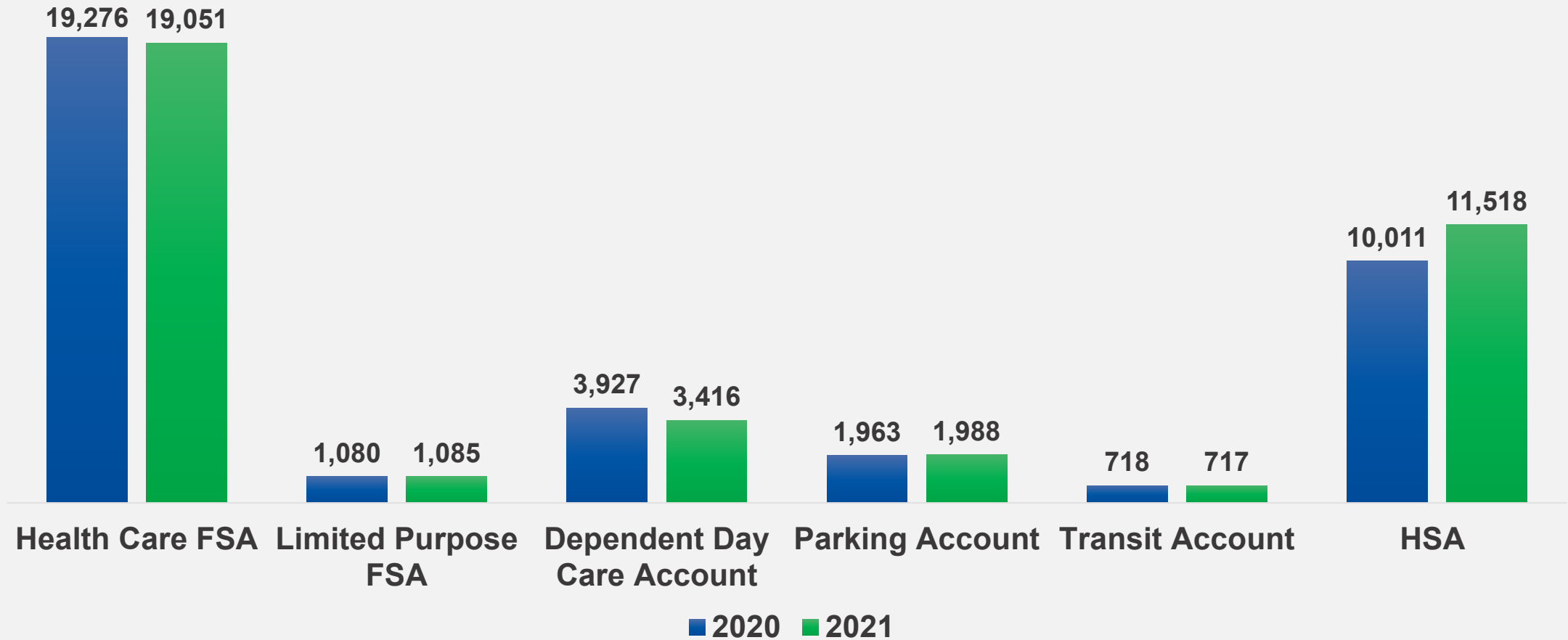
Pass with no exceptions

Overall Participation Enrollment



HSA, ERA, and Commuter Fringe Benefit Enrollments

2020-2021 Participant Enrollment



2021 Contributions and Savings

**Total Amount
Contributed**

\$71.9M

**Estimated
Employee Savings**

\$21.5M

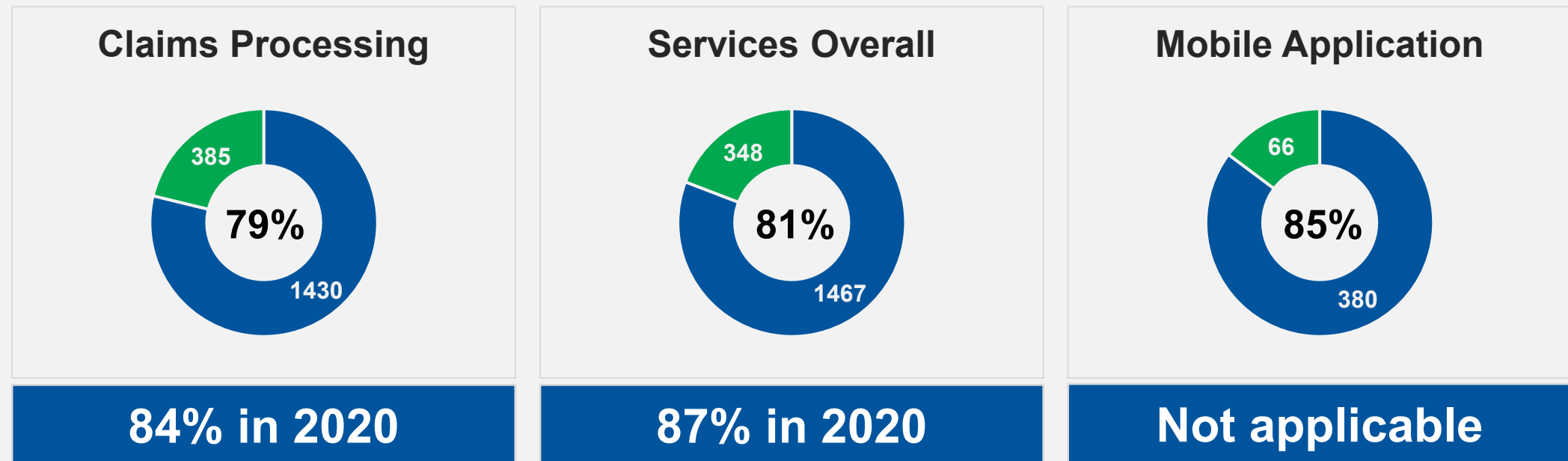
**Estimated
Employer FICA
Savings**

\$5.5M

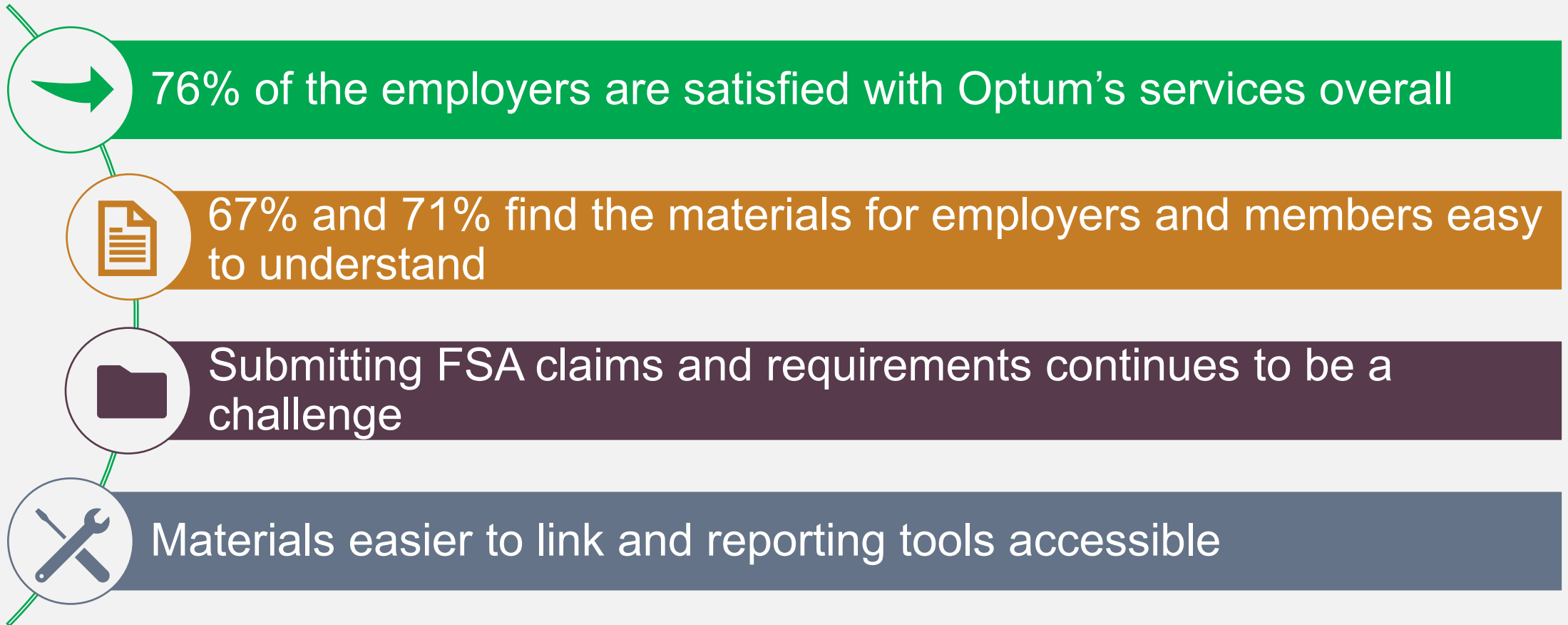
2021 Program Stats Report

Member Survey Results

- 1,830 participants completed the survey in 2021 plan year (16% responded)

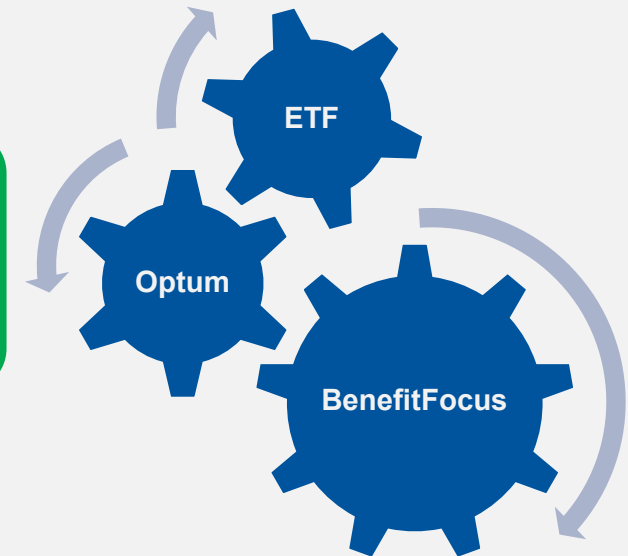


Employer Survey Results



ETF Insurance Administration System (IAS)

Optum is in planning phase to integrate the pre-tax savings account benefits enrollment functionality with ETF's IAS vendor, BenefitFocus



Conclusion

Partnership

Strong, dedicated
account
management
team

Performance

Met 2021
deliverables and
most
performance
standards

Proactiveness

Quick response
to improvements
of the benefit
programs



Action Needed

ETF requests the Board approve a second two-year extension for the following ETF contracts:

- Health Savings Accounts (HSA)
- Section 125 Cafeteria Plan and Employee Reimbursement Accounts (ERA)
- Commuter Fringe Benefit Accounts

With Optum for the period January 1, 2024, through December 31, 2025.

If the Board decides against the extension, ETF requests approval to prepare an RFP for the contracts.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

State of WI GIB Presentation

2021 Well WI Program Review

May 18, 2022

WebMD
health services

+


WELL WISCONSIN
healthier starts with you



Agenda

- Welcome and Introductions
- WebMD Overview
- 2021 Metrics
 - Incentive Participation
 - Key Findings
 - Lifestyle & Chronic Condition Management
 - Satisfaction
- Lessons Learned
- Appendix
 - Case Studies/Testimonials

WEBMD MISSION STATEMENT

At WebMD, we enable people to live better lives by empowering decisions and actions that improve well-being and health outcomes.

STATE OF WISCONSIN

Welcome and Introductions

WEBMD HEALTH SERVICES

Improving Health and Well-Being Every Day

A Trusted
Brand

2/3 OF AMERICANS

named WebMD as the first website they think of for health information.

A Well-Being
Industry Leader

20+ YEARS

of making an impact on 60m+ consumers well-being.

Clinically driven
Behavior change

9 BEST PRACTICES

when in place demonstrate higher risk reduction than clients not leveraging best practices.

High Standards of
Quality & Security

10+ RECOGNITIONS

ranging from data privacy and security, NCQA to customer service and program awards.

The Triple Aim & Well Wisconsin

- Since the launch of the program in 2017, we have partnered with ETF to successfully deliver against defined focus areas with keen attention to fulfilling the objectives put forward through the Triple Aim.
- WebMD has monitored program performance across several critical success metrics, including program participation/engagement, participant satisfaction and health risk change.
 - **Participation:** Participation rates in Well Wisconsin have increased by over 70% from 2017 to 2022.
 - **Incentive Engagement:** On average, 30% (approximately 48,000) of eligible users across the State of WI earn the \$150 incentive annually.
 - **Participant Satisfaction:** We have continuously reported extremely high levels of participant satisfaction (>90%).
 - **Health Risk Change:** Year-over-year improvements in the health status (i.e., risk change) have been reported within the population who participated in a lifestyle health coaching program.

Current Services Included

- WebMD ONE Health Portal
- Health Assessment (online and paper)
- Spanish translation
- Lifestyle Health Coaching, including a specialty weight management program
- Chronic Condition Management Coaching
- Biometric Screenings (onsite, health care provider form, home test kit)
- Two Dedicated Well-Being Staff
- Detailed Custom Reporting
- Robust Custom Communication Package

Overview of Incentive Structure

1. Complete the Health Assessment
2. Complete a Health Check: biometric screening, dental exam or one coaching session
3. Complete a well-being activity

Earn \$150 gift card (or \$138.52)

- Delivered to participants in a hard card format directly to their homes



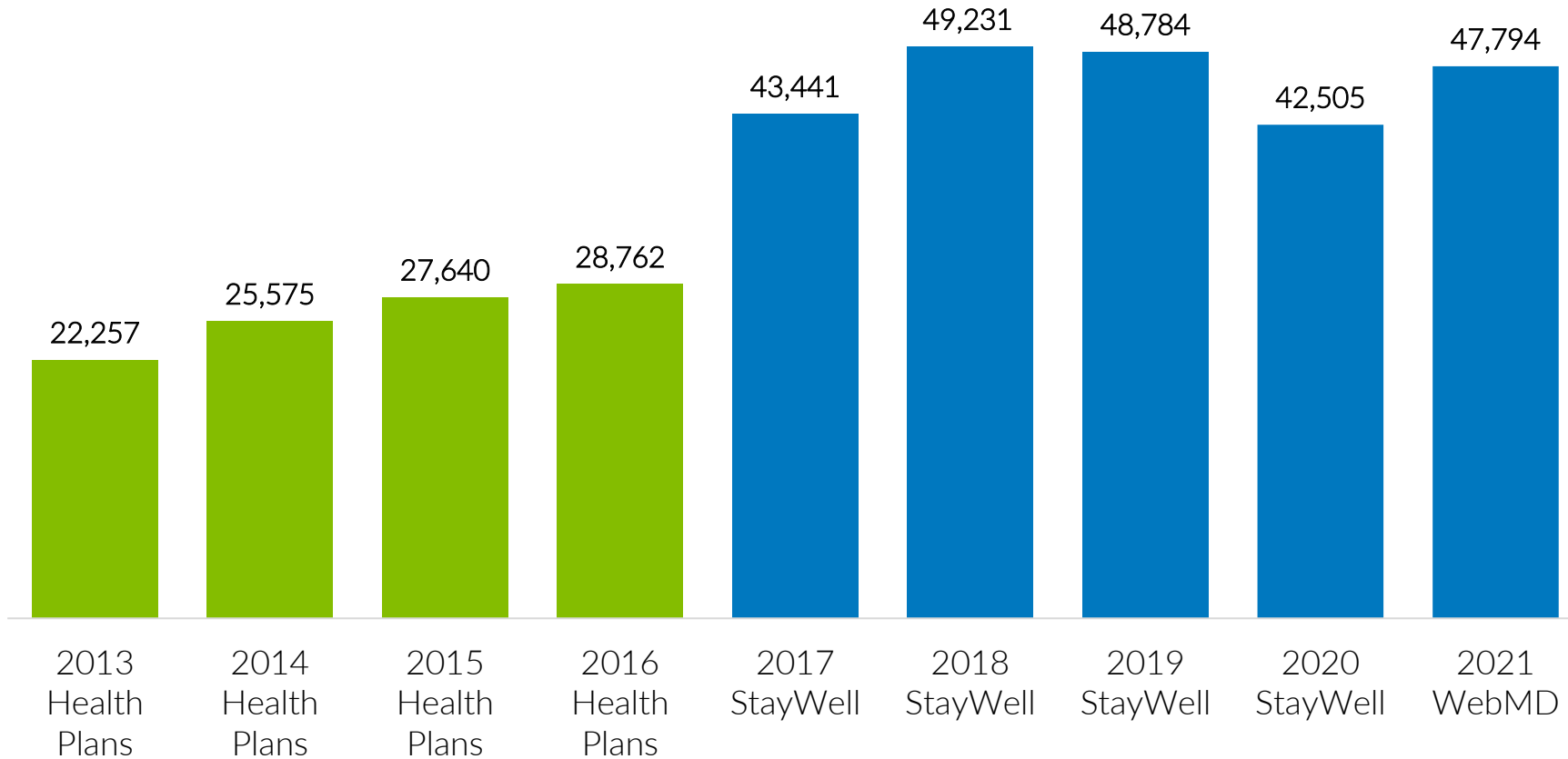
2021 REVIEW

2021 Program Metrics

Completion Metrics

- Health Assessment Completions: 53,916
- Health Check Completions: 50,724
 - Dental Cleaning: 38,363
 - Screening: 12,607
 - Health Coaching Call: 10,998
- Well-Being Activities: 48,313
 - Well WI Radio: 26,331
 - Employer-Sponsored Activity: 6,799
 - Daily Habits (1 plan): 6,591
 - Health Coaching (3 calls): 4,446
 - Seize the Zzzzz's Sleep Challenge: 3,581

2021 Overall Incentive Participation

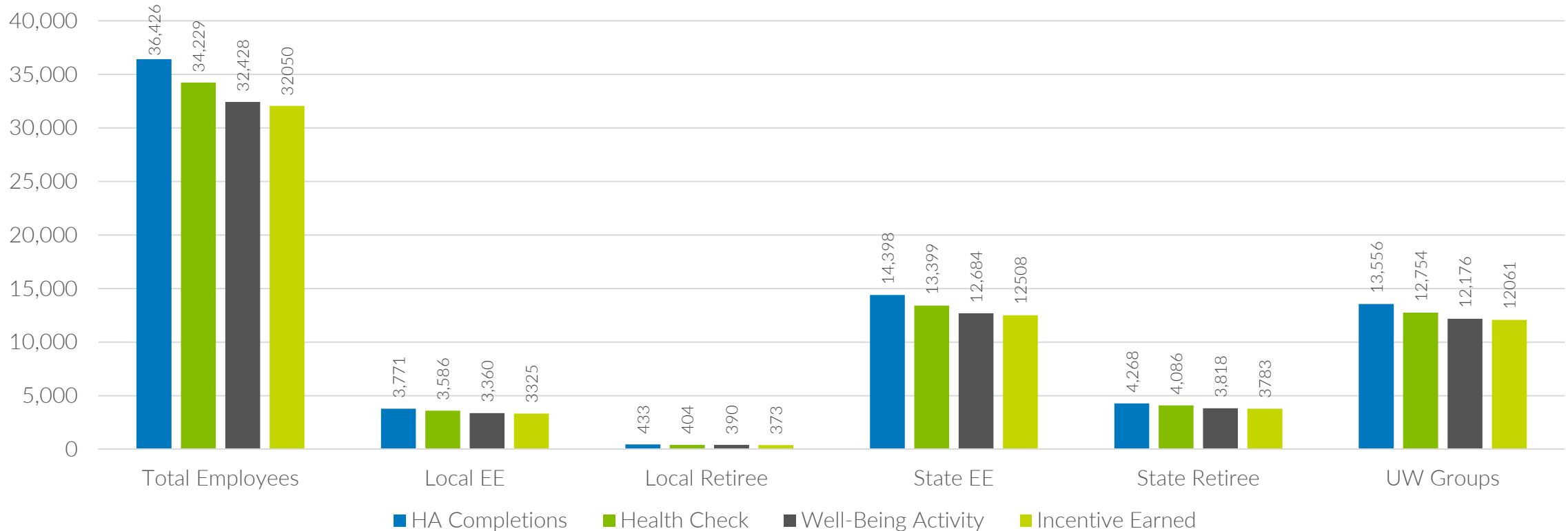


35.5%
State agency employees completed screening, health assessment and well-being activity

36.8%
UW employees completed screening, health assessment and well-being activity

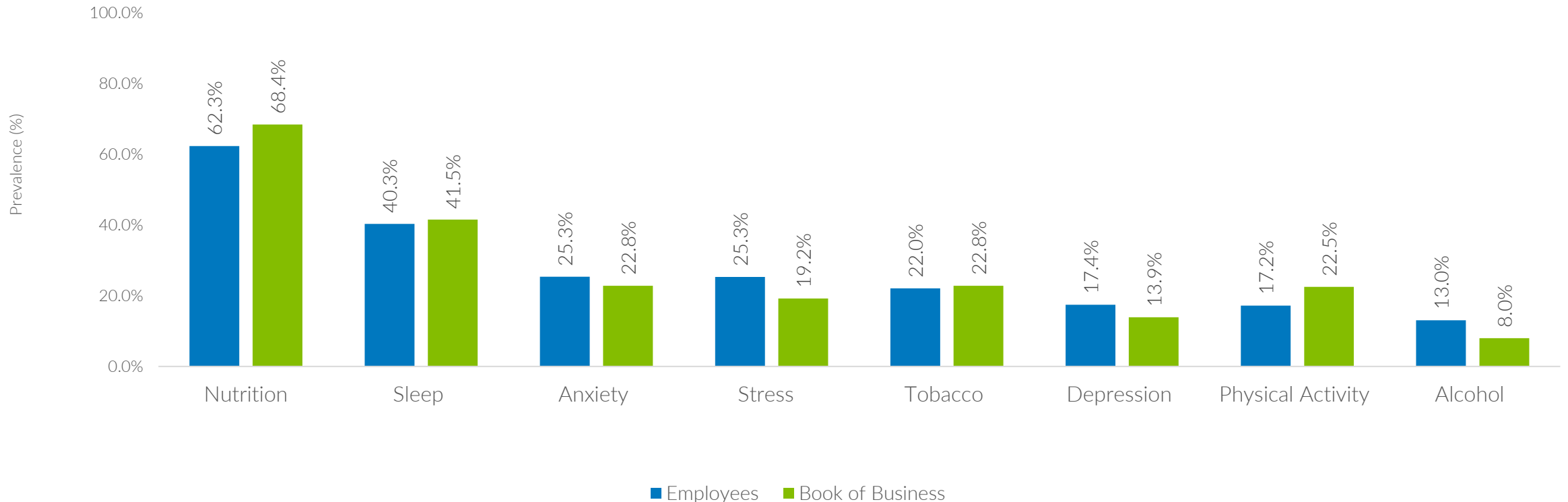
31.1%
Local employees completed screening, health assessment and well-being activity

Well-Being Activity Completion



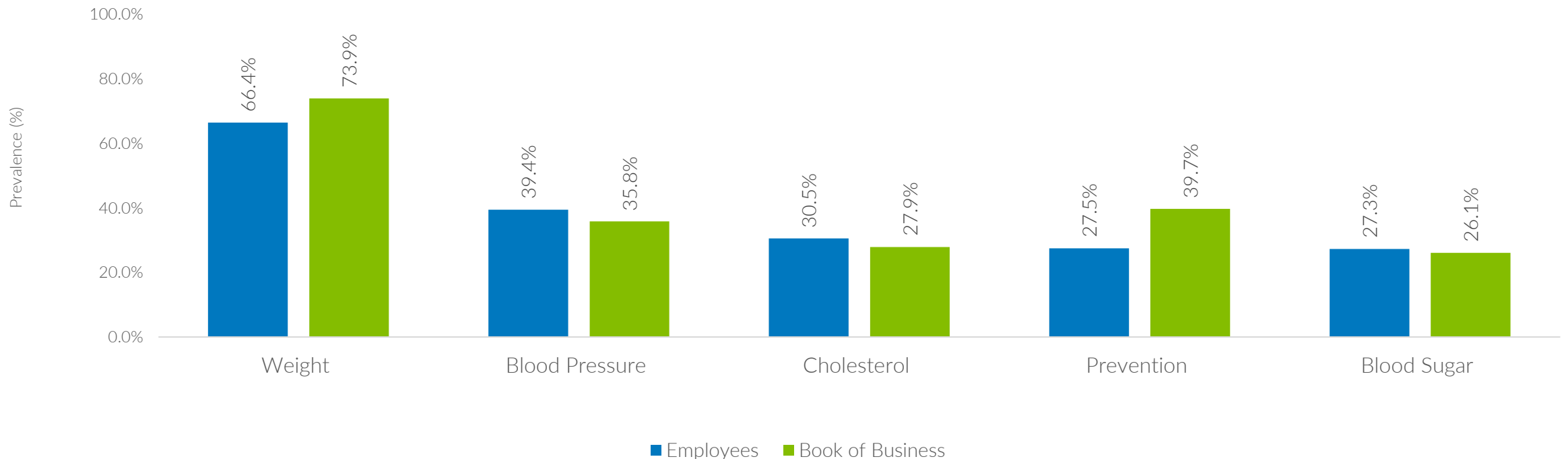
Modifiable Health Risk Prevalence

- Nutrition is the highest modifiable risk area with more than two thirds with poor eating habits.
- Anxiety, Stress, tobacco, depression and alcohol risk areas are all above the book-of-business.
- Alcohol is 1.5 times the WebMD book-of-business.

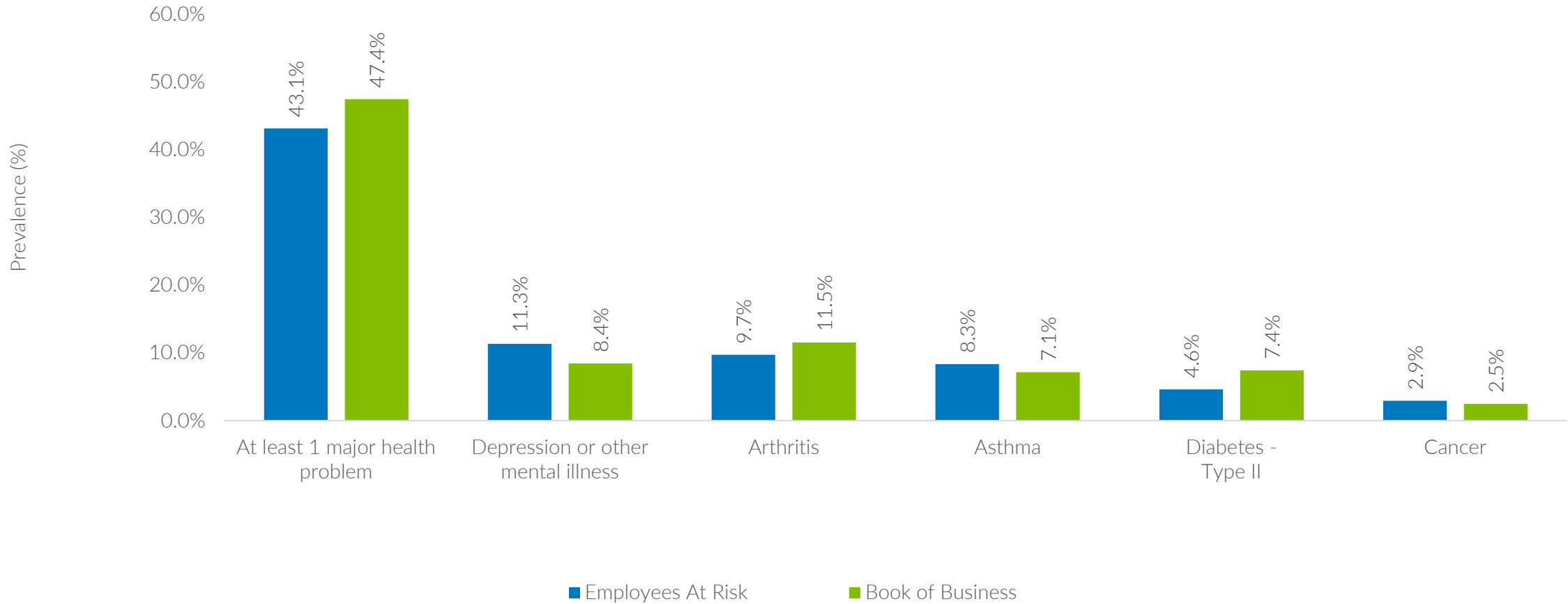


Clinical Risk Prevalence (HA)

- Weight remains the highest risk area to focus on from a clinical perspective with 66% with a BMI > 25.
- The following clinical risk areas are above the WebMD book-of-business; blood pressure, cholesterol and blood sugar.



Top 5 Chronic Conditions

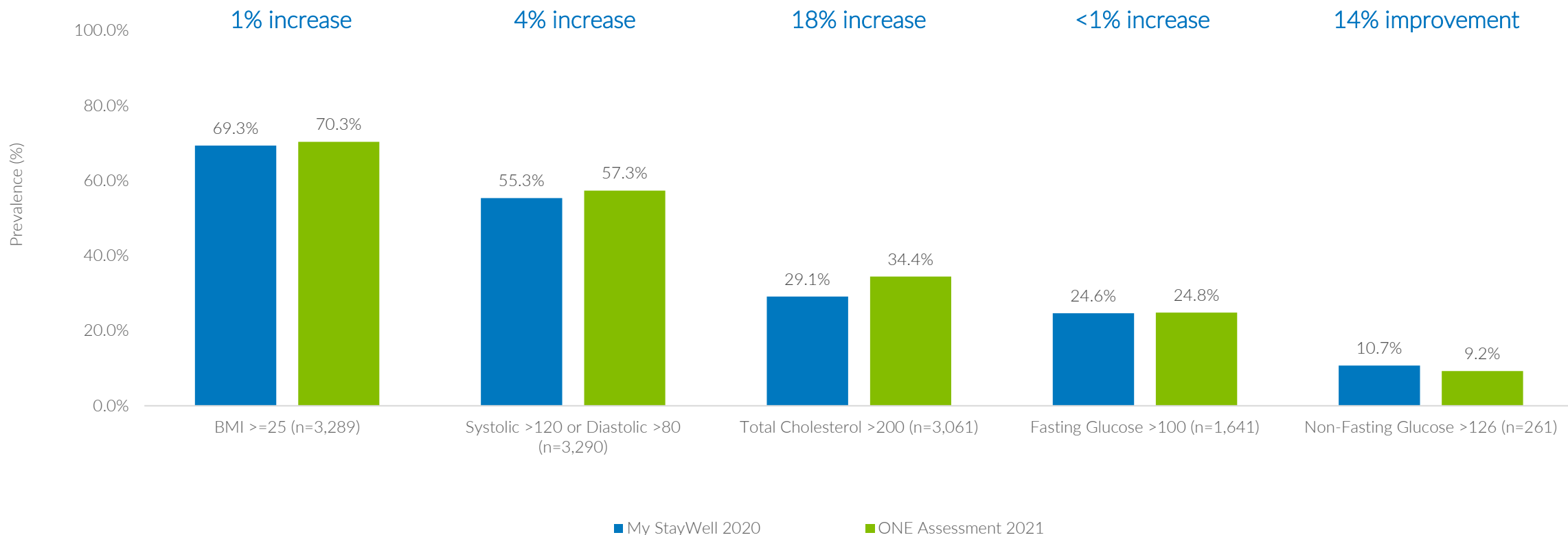


CUSTOM LOOK

Comparison of Health Risk Prevalence of Current and My StayWell Health Assessment

Clinical Health Risk Change - Employees

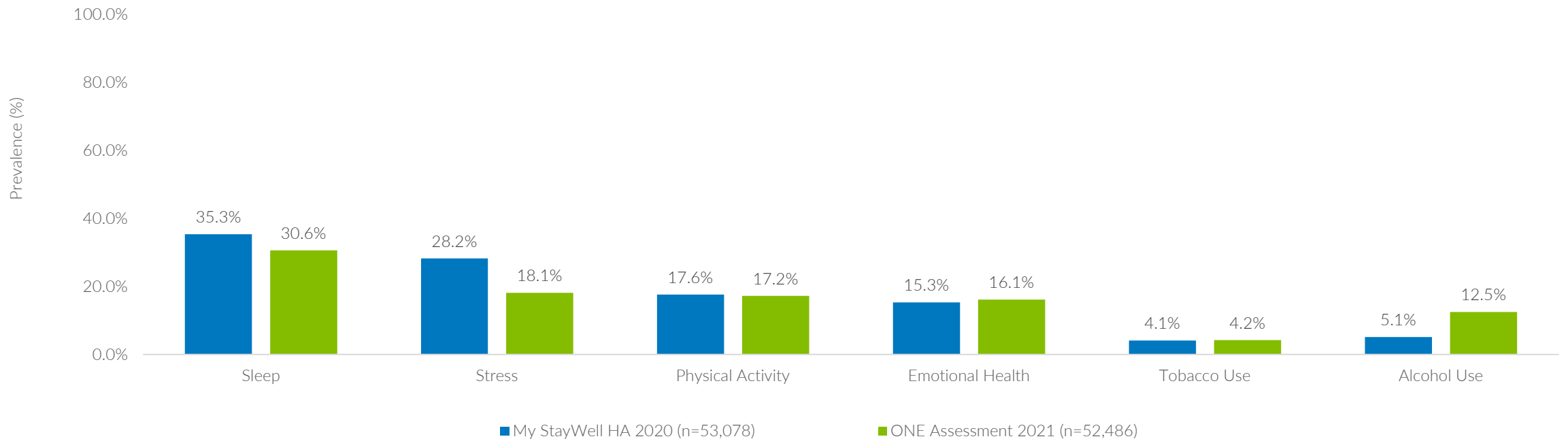
- Risk prevalence among employees increased slightly for most risk factors with the most change occurring for cholesterol (18% increase)



YEAR OVER YEAR COMPARISON

Modifiable Health Risk Prevalence by Year

- Favorable differences in health prevalence was observed among those who completed assessments in 2020 compared to those who completed in 2021, particularly for sleep and stress
- Emotional Health and Alcohol risks are trending upwards, which may be, at least in part, residual impacts of the pandemic



Health Coaching

Health Coaching Cascade

Metric	Definition	2021		WHS BoB
		N	%	
Health Coaching	High, Moderate, Low, PM, CM			
Enrolled	% HA Completion	54,474	33%	52%
Engaged	% Health Coaching Enrolled	12,286	23%	46%
3+ Sessions	% of Health Coaching Engaged	5,430	44%	39%

Note: Health Coaching Enrolled defined as those stratified into an available coaching product offering; Health Coaching Engaged defined as having completed at least 1 health coaching session.

Of the overall State of Wisconsin population enrolled in coaching (n=12,286):

- 1 in 4 engaged in coaching
- Over 40% of those who engaged went on to complete 3 or more coaching sessions
- Of those that engaged in the first 6 months of the year, almost half of them had 3+ reaches
- Average of 2.66 calls for those in coaching and identified as high-risk

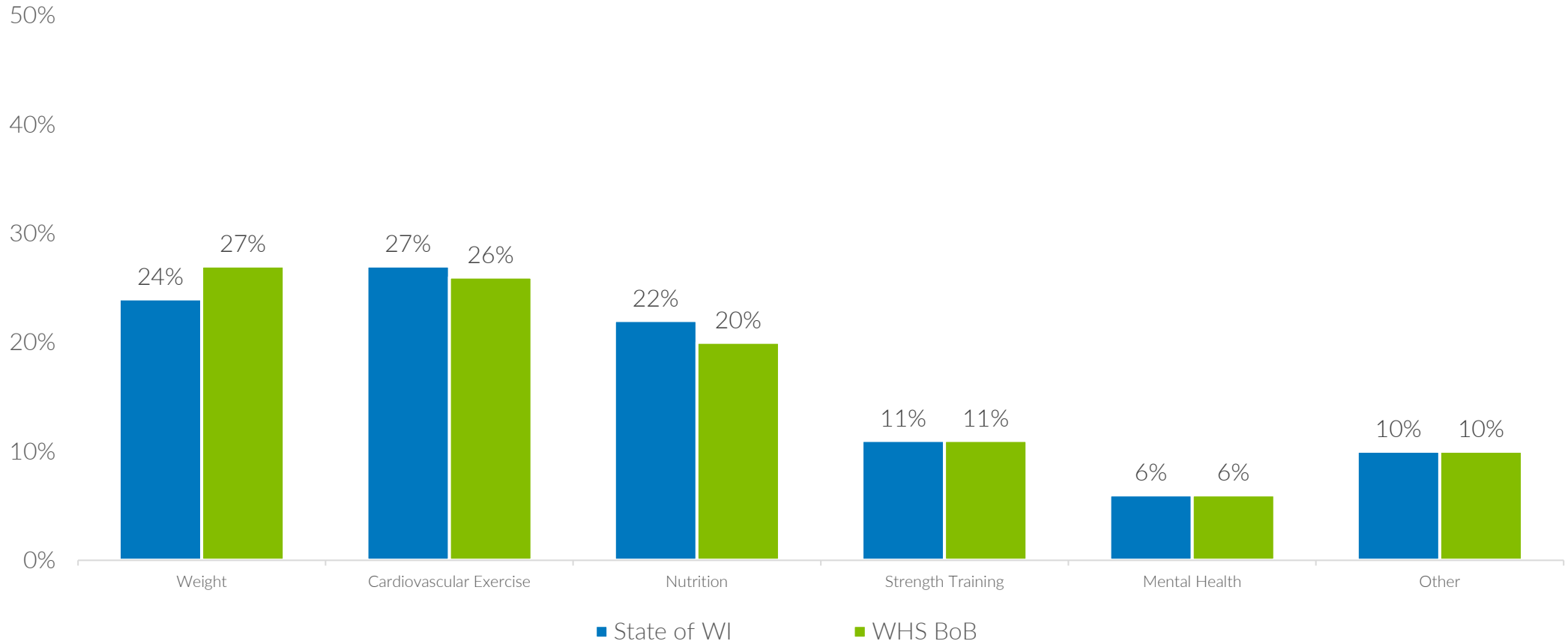
Specialized Coaching Programs

	2021		WHS BoB
	N	%	%
Weight Management			
Enrolled	6,608		
Engaged (% of enrolled)	354	5.4%	14.8%
Average Sessions	3.30		3.78
Condition Management			
Enrolled	7,004		
Engaged (% of enrolled)	1,957	27.9%	16.9%
Average Sessions	2.70		2.73

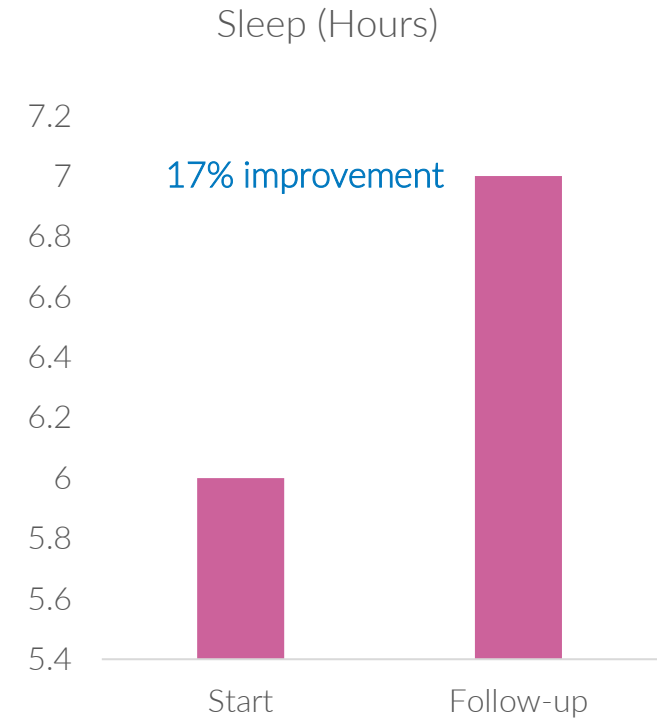
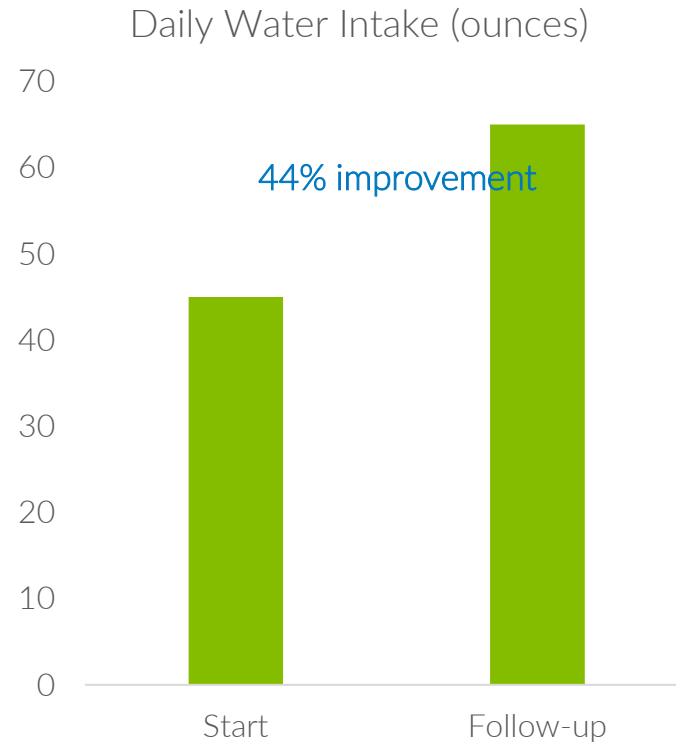
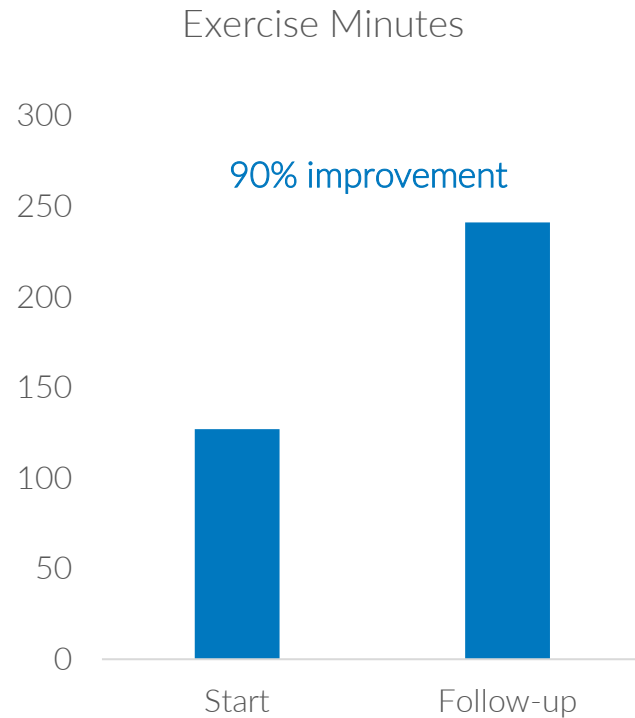
Note: Enrolled defined as those stratified into an available coaching product offering; Health Coaching Engaged defined as having completed at least 1 health coaching session.

Goal-Setting

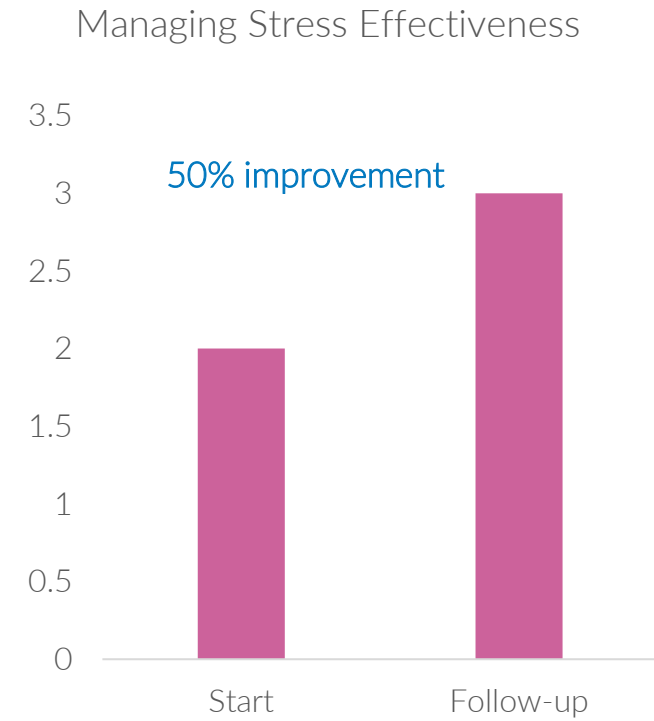
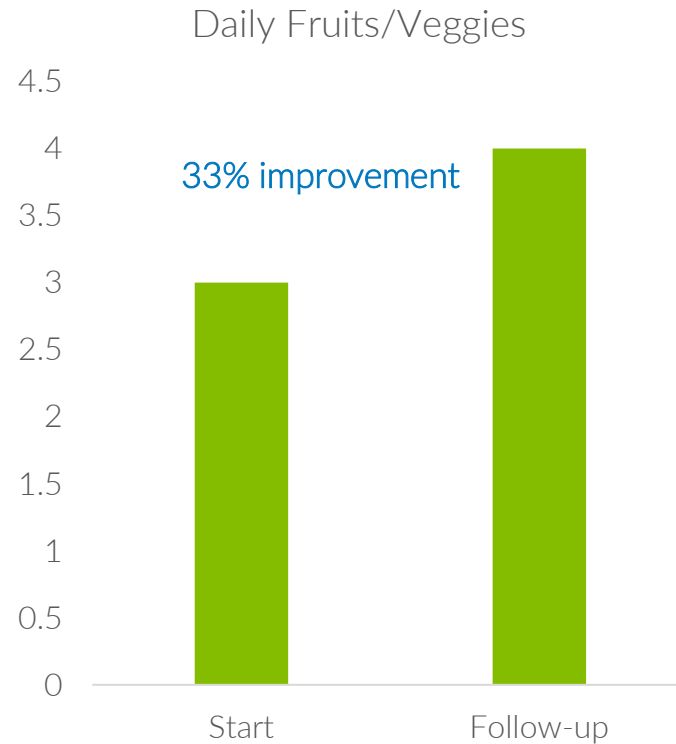
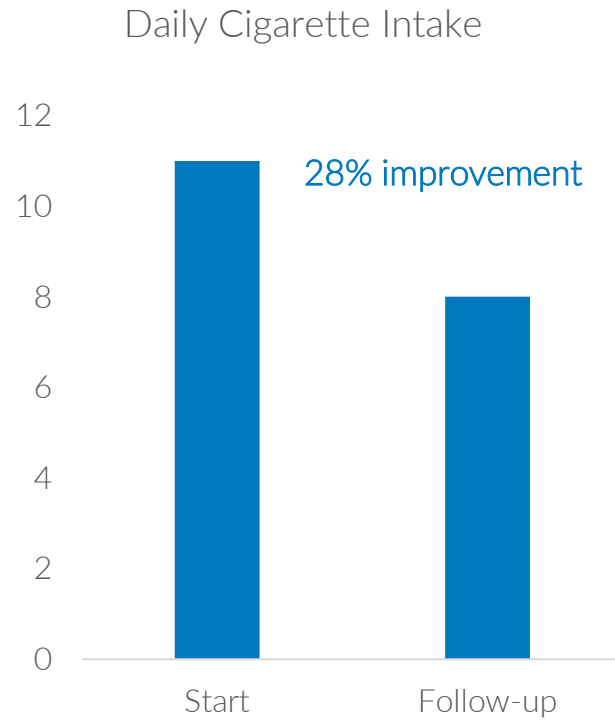
- Weight, Exercise and Nutrition highest percentage of goal setting



Health Coaching Program Impact



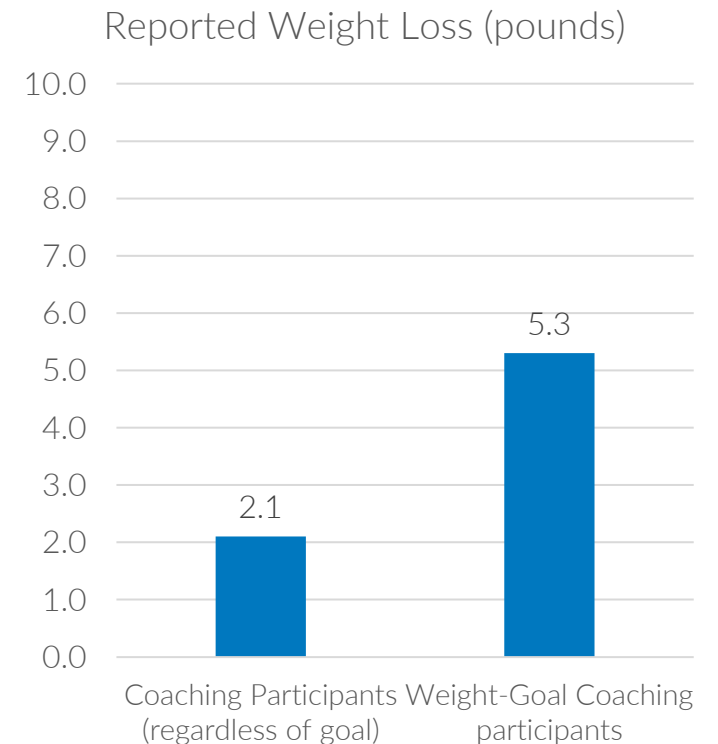
Health Coaching Program Impact



2: Only slightly effective
3: Somewhat effective

Lifestyle Weight Outcomes

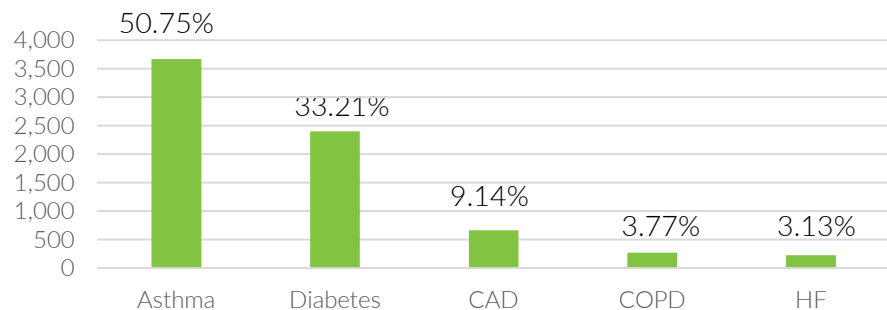
- Overall, coaching participants reported an average weight loss of 2.1 pounds
- Nearly 25% of Coaching participants set a short- or longer-term goal focused on weight
- Among participants who set a weight goal, 68% reported an improvement in their weight.
 - Average weight loss was 5.3 pounds
 - Total of almost 14,000 pounds lost across all weight-goal participants
 - 3% of starting weight was lost



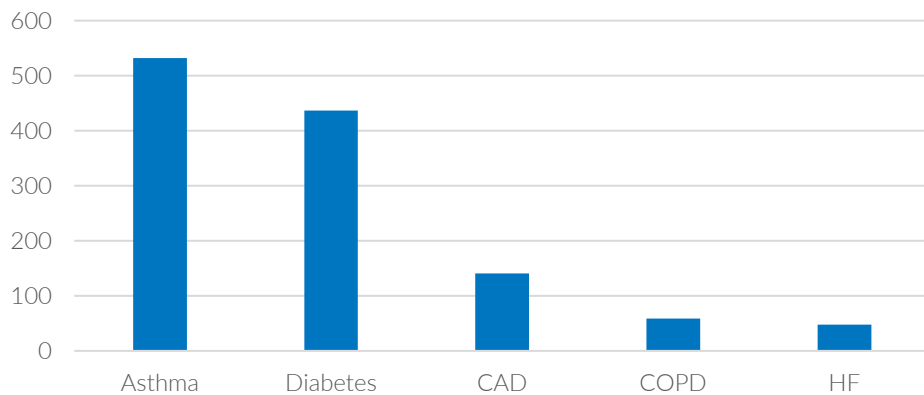
*Positively Me Data will be shared mid-year 2022 after a full year of the program

Condition Management

Primary Condition, Cumulative Enrollees 2021



2021 Engaged 6+ Months by Condition



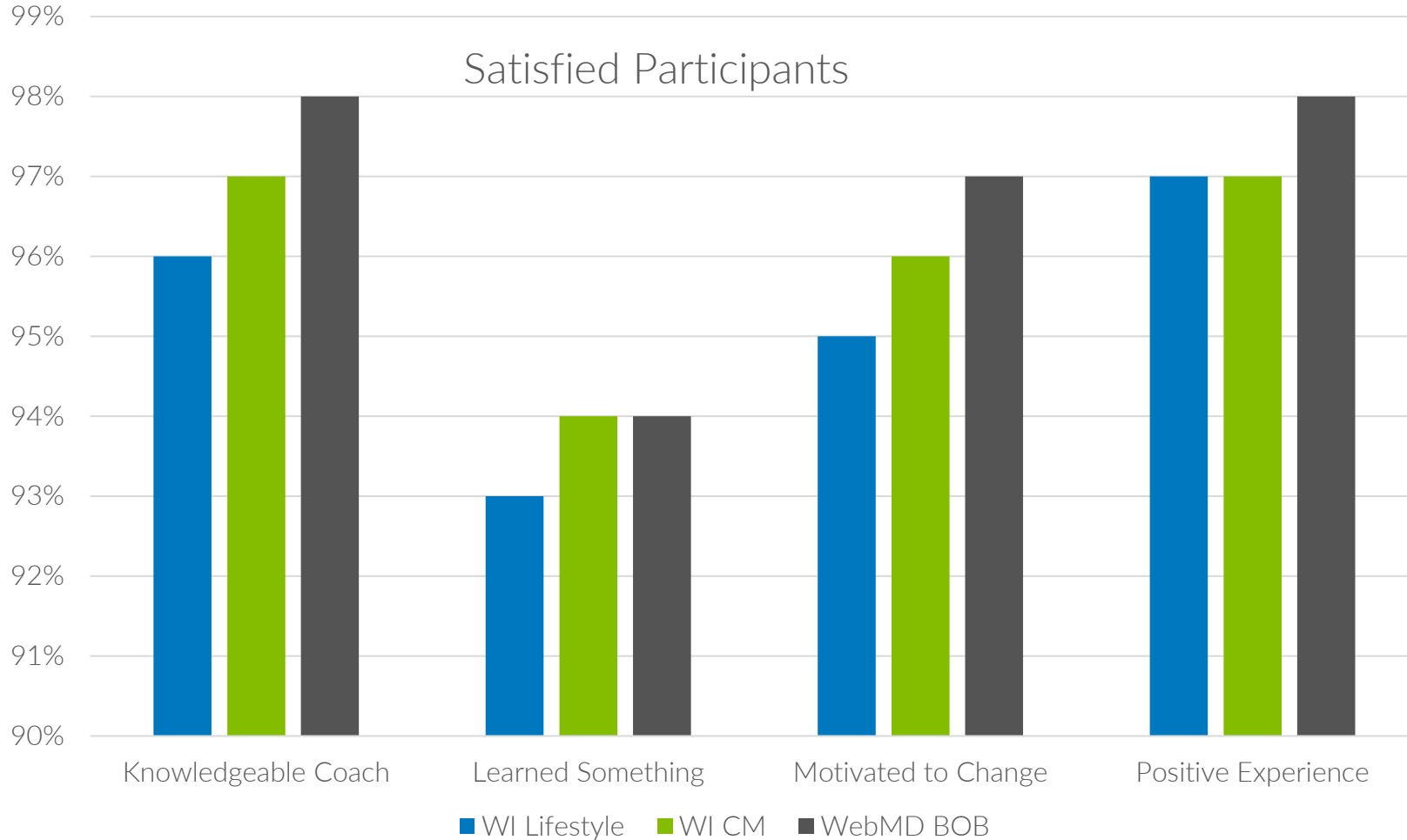
Condition Management Outcomes 2021
Pre to Post Coaching, 6+ Months

Asthma	# Pt	Pre	Post
Percent to Rarely or Never Miss Medication in Last Week	447	90.6%	95.8%
Percent to Have an Asthma Action Plan	241	31.1%	66.8%
Percent to have a flu vaccine in the last 12 months	555	82.5%	79.8%
CAD	# Pt	Pre	Post
Percent to Rarely or Never Miss Medication in Last Week	151	95.4%	96.7%
Percent with LDL Cholesterol Test in the Last Year	160	96.9%	97.5%
Percent to use Statin Medication	126	96.8%	99.2%
Percent to Eat a Low (Saturated and Trans) Fat Diet	122	19.7%	83.6%
Heart Failure	# Pt	Pre	Post
Percent to Rarely or Never Miss Medication in Last Week	38	92.1%	97.4%
Percent to Use Beta Blockers	23	91.3%	100.0%
Percent to Use ACE, ARB/ARNI	16	81.3%	100.0%
Percent to Eat a Low Salt Diet	32	37.5%	75.0%
COPD	# Pt	Pre	Post
Percent to Rarely or Never Miss Medication in Last Week	54	88.9%	94.4%
Percent to have a flu vaccine in the last 12 months	58	93.1%	87.9%
Diabetes	# Pt	Pre	Post
Percent to Rarely or Never Miss Medication in Last Week	386	93.5%	95.9%
Percent with Retinal or Dilated Eye Exam in Last Year	362	97.5%	97.2%
Percent with A1c < 7	274	46.4%	52.2%
Percent with Nephropathy Screening in the Last Year	465	90.8%	93.1%

SATISFACTION

Health Coaching Participant Satisfaction

State of WI Versus WebMD Book of Business

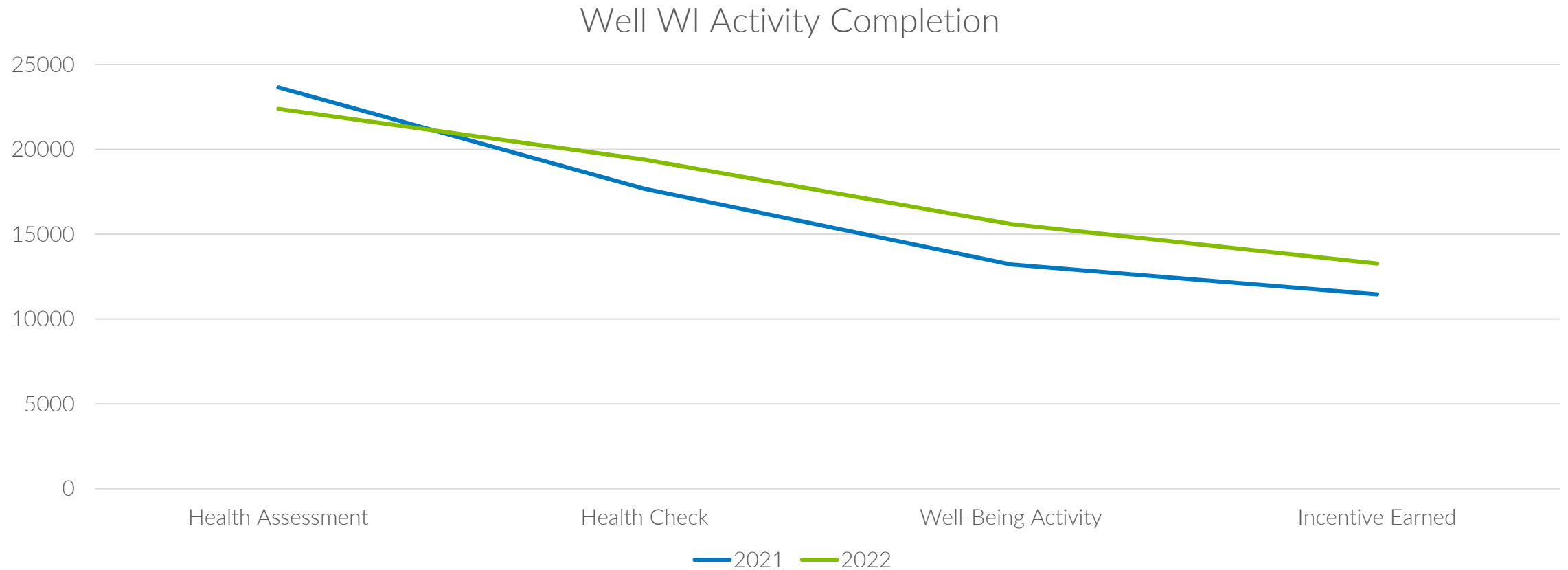


Current Program Performance

Current 2022 Metrics

	5/2/2022
Health Assessment	22,395
Health Check	19,403
Screening	3,248
Dental Cleaning	12,728
Health Coaching: 1 Call	5,671
Well-Being Activity: 1+ Activities	15,608
Daily Habits: 1 Plan	2,582
Employer-Sponsored Activity	1,711
Health Coaching: 3 Calls	996
meQuilibrium Assessment	302
Complete the Stressless Challenge	2,462
Well Wisconsin Radio: 2 Interviews	8,408
Well Wisconsin Radio: Time 1	9,558
Well Wisconsin Radio: Time 2	8,454
Well Wisconsin Incentive Earned	13,275

Current 2022 Metrics Compared to 2021*



*Compared to same timeframe in 2021. 2022 data is through May 2, 2022.

Lessons Learned

Lessons Learned

- Promote programs that move the needle, like lifestyle management and chronic condition management coaching programs (DPP engagement, expanding outreach for participants with diabetes, etc.).
- Currently working on creating a handout that focuses specially on chronic condition management and how to engage.
- Address weight risk and mental health concerns by organizing and promoting all resource options via communities and other avenues throughout the year.
- Work to increase the “stickiness” to the portal.
- Pilot the group coaching program as an additional option available to participants.
- Continue to increase challenge participation through fun and engaging onsite events (e.g., smoothie bike, raffles for giveaway items, etc.).
- Incorporate more testimonials throughout communications and promotional material.



APPENDIX I

Participant Feedback & Case Studies

SATISFACTION

What WI Participants are Saying



It is always great to hear from the Well Wisconsin team. They are knowledgeable they are motivated and if I have any specific questions about something I can ask them and get another opinion about things that I may have questions about they are great at pointing to resources and helping me understand about diets and just overall about weight."



I think the monthly reminders are good it's easy to kind of forget but when you know that deadline is coming up its like bookends you have a succinct amount of time that you can work towards and then you have your check ins you can kind of recommit and then you can move on to the next stop."



What I love about the health coaching program is that you take an active interest in keeping me healthy. It's amazing to me that more insurance companies don't use this kind of wisdom because it makes dollars and cents. I just appreciate the fact that you are prioritizing giving out good information and being helpful towards the goal of making the people who are paying the premiums healthy because healthy people that pay premiums keep paying premiums and they live long enough to continue to pay premiums it's just a good idea a win-win."



I think that it's very helpful very educational and it helps you keep on track when you're not able to keep on track. It also helps you to be honest with yourself and you can if you miss something they don't make you feel bad they just help you get on track and go a different direction."



The fact that there is someone knowledgeable that is kind of sort of a cheerleader and yet keeping me on track with the individual issues and goals that I have not to even mention that she is a very likeable person and I enjoy speaking to Mary Jo and I feel as if I've acquired a new friend at least someone that could motivate me. Knowing that I'll be talking to her again motivates me to actually work towards the goals that I have set."



It's a good reminder of where we're at especially with my job and for my health coach to listen to my daily my weekly schedule and how it's hard for me to get eating in and everything else and it's just a reminder that I still have to try to keep looking for better options instead of eventually falling back on excuses instead of solutions. Very positive health coach they did a very good job and I hope picking fives was the positive one because everything was perfect."



Lifestyle Coaching

Male, 49

Working with a health coach helped this participant to **quit smoking**. A new job with fewer opportunities to go for a smoking break and less people who smoked at work motivated this participant to quit smoking. With his coach, he created a plan to leave his cigarettes at home during the workday to limit access to them. By his second coaching call, he had quit cold turkey! Now, focusing on his health took a new turn. Setting goals with his coach to reduce red meat, eat more salads, and begin running became new habits for him to continue his health journey and stay smoke-free.



RESULTS:



0 cigarettes – completely tobacco free!

- Participated in 3 coaching sessions this program year
- Quit smoking
- Implemented healthier eating habits
- Implemented a plan to start exercising



Lifestyle Coaching

Male, 45

Setting goals for exercise with his coach helped him to explore ways to stay active during the winter months and continue his success with weight loss. A goal to walk in the evening became a nightly routine. As the weather warmed up, he also began riding his bike to and from work. Exploring resources from his coach for strength training helped him to consider ways to build a new routine as he was ready to join the gym. The goals set with his health coach to exercise and eat healthier helped him to exceed his weight loss goal!



RESULTS:

29 pounds lost

4.4 points BMI reduction

150 minute increase in weekly exercise

- Participated in 5 coaching sessions this program year
- Moved from obese weight range to overweight range
- Implemented a consistent exercise program



Condition Management Coaching

Female, 60

Health coaching helped this participant to stay accountable to her goals to manage her weight and A1C. Paying attention to daily habits helped her see the relationship between her eating patterns and diabetes. She began bringing lunches to work to assist her with eating more consistently. Including fruits and vegetables became a priority. As her energy improved so did her willingness to explore other habits, like walking. Small steps, encouraged by her coach, made a big difference. She shared with her coach that she was more excited about exercise and even looked forward to walks to the greenhouse!



RESULTS:

80 pound reduction in weight

12.1 point reduction in BMI

30 minute increase in physical activity

- Participated in 7 coaching sessions this program year
- Reduced blood pressure
- Reduced A1C
- Increased fruits and vegetables intake



Lifestyle Coaching

Male, 46

With the help of his WebMD health coach, this participant learned about healthy weight loss guidelines. He first focused on increasing fruits and vegetables, going from 2 servings to 8 servings daily! As his readiness increased to do more exercise, he and his coach focused on a plan that would help him ease back into a routine after an injury. Cardiovascular, strength training, and stretching became consistent. With health coaching, he exceeded his initial weight loss goal feeling healthier and more supported than ever.



RESULTS:

27 pound reduction in weight

6 servings per day increase in fruits and veg

60 minute exercise increase

- Participated in 5 coaching sessions this program year
- Improved overall diet
- Implemented a new exercise routine
- Moved BMI from overweight to healthy weight range

APPENDIX II

Health Risk and Report Definitions

Modifiable Health Risk Definitions

Risk	“At Risk” Definition
Alcohol	Younger than 65 years: Males more than 4 alcoholic drinks/week or Females more than 7 alcoholic drinks/week. 65 years or older: More than 7 alcoholic drinks/week, or Females 4 or more / Males 5 or more drinks in a single sitting.
Anxiety	Derived index including indication of current anxiety (i.e., past two weeks) and indication of lack of control over worrying.
Depression	Derived index including indication of current depression (i.e., past two weeks) and indication of lack of interest in activities.
Nutrition	Derived index including less than 5 daily servings of fruit/vegetables, less than 3 daily servings of whole grains, and less than 3 weekly servings of nuts/seeds (if not allergic).
Physical Activity	Derived index including light intensity exercise; less than 150 minutes per week of moderate-intensity exercise and less than 2 days of strength training; or less than 75 minutes of vigorous exercise and less than 2 days of strength training. Will not be calculated if user indicates they are unable to exercise to due a medical condition.
Sleep	Less than 7 hours of sleep or more than 9 hours of sleep (more than 8 hours if age 65+) and report rarely, sometimes, usually or always feeling tired after sleep.
Stress	Derived index including lack of effectiveness at dealing with stress and perception that stress has negatively impacted health and happiness.
Tobacco	Current or former tobacco user.

Clinical (HA) Health Risk Definitions

Risk	“At Risk” Definition
Blood Pressure	Reported values of systolic blood pressure ≥ 120 or diastolic blood pressure ≥ 80 ; or indicated blood pressure range of Elevated, High/Stage 1, or High/Stage 2.
Blood Sugar	Reported fasting glucose value of ≥ 100 or A1c value of $\geq 5.7\%$; or indicated glucose or Ac1 range of Borderline High or High.
Cholesterol	Reported total cholesterol value of ≥ 200 ; or indicated total cholesterol range of Borderline High or High.
Weight	Reported height and weight values that calculate to Body Mass Index of ≥ 25.0 or < 18.5 .
Prevention	Up-to-date on two-thirds or fewer of preventive screening exams and vaccines recommended for age and sex.

Preventive Exam Health Risk Definitions

Risk	“At Risk” Definition
Cervical Cancer Screening	For women age 21-65, last pap smear was 3 years ago or more, or don’t know last occurrence, or never had screening.
Colorectal Cancer Screening	For adults age 50-75, last colonoscopy was 10 years ago or more, or last CT colography/flexible sigmoidoscopy was 5 years ago or more, or last stool-based test was 1 year ago or more, or don’t know last occurrence, or never had screening.
Dental Exam	For all adults, last dental exam was 1 year ago or more, or don’t know last occurrence.
Flu Vaccine	For all adults, last flu vaccine was 1 year ago or more, or don’t know last occurrence.
Mammogram	For women age 50-74, last mammogram was 2 years ago or more, or don’t know last occurrence, or never had screening.
Physical Exam or Wellness Visit	For all adults, last physical exam or wellness visit was 1 year ago or more, or don’t know last occurrence.
Pneumonia Vaccine	For adults age 65 or older, never had pneumonia vaccine.
Shingles Vaccine	For adults age 50 or older, never had shingles vaccine.

Risk Change Comparison Definitions

Modifiable Health Risk Area	Definition
Alcohol Use	Age <65 years, Males >14 drinks/week or Females >7 drinks/week; Age 65+ years, >7 drinks/week; OR Females 4+ / Males 5+ alcoholic drinks in a single sitting
Cigarette Use	Current tobacco user
Emotional Health	MSW = Felt significantly depressed now or in last 7 days or prescribed/taking medication for depression; ONE = Derived index including indication of current depression (i.e., over past two weeks) and indication of lack of interest in activities
Physical Activity	Derived index including light intensity exercise; less than 150 minutes per week of moderate-intensity exercise and less than 2 days of strength training; or less than 75 minutes of vigorous exercise and less than 2 days of strength training
Sleep	% who reported less than 7 hours of sleep per night or 9 or more hours of sleep per night
Stress	% who reported Sometimes, Fairly Often/Most of the time, or Very Often/All the time to "In the last month, how often have you found that you could not cope with all the things that you had to do?"

APPENDIX III

Additional Data Points

Sex and Age

	Employees	Book of Business
Unique HA Completers	34,971	-
Sex		
Female/Woman	59.5%	62.4%
Male/Man	39.7%	37.2%
Non-Binary	0.3%	0.1%
Decline to Answer	0.5%	0.3%
Age Group		
< 30	7.4%	6.0%
30 - 39	24.6%	19.5%
40 - 49	22.9%	23.8%
50 - 59	21.8%	27.2%
60+	23.2%	23.5%

Endnote(s): 1, 2

Additional Demographics

Main Language	Employee	BoB
English	96.5%	98.1%
Other	1.2%	0.5%
Chinese (Mandarin)	0.9%	0.3%
Spanish	0.7%	0.7%
Korean	0.3%	0.1%
Hindi	0.1%	0.1%
German	0.1%	0.0%
French	0.1%	0.0%
Russian	0.1%	0.0%
Japanese	0.1%	0.0%
Italian	0.0%	0.0%
Vietnamese	0.0%	0.0%
Punjabi	0.0%	0.0%
Arabic	0.0%	0.0%
Thai	0.0%	0.0%

Race/Ethnicity (check all that apply)	Employee	BoB
White	86.0%	88.2%
Asian	6.2%	2.8%
Hispanic or Latino	3.0%	2.4%
Black or African-American	3.0%	5.0%
Prefer not to say	2.1%	1.6%
Other	0.8%	0.6%
American Indian or Alaska Native	0.8%	0.7%
Native Hawaiian or other Pacific Islander	0.1%	0.1%

Education Level	Employee	BoB
Post-graduate or professional school	38.3%	35.1%
College Graduate	36.0%	28.1%
Associate Degree or Vocational school	11.5%	9.9%
Some college	8.5%	12.4%
High School Graduate or equivalent	5.4%	13.8%
Less than High School	0.2%	0.2%
Some High School	0.2%	0.5%

Endnote(s): 1, 4

WEBMD HEALTH SERVICES

Clinically Driven. Behavior Change.

Thank you

meQuilibrium Update

Item 8B – Group Insurance Board

Molly Heisterkamp

Disease Management and Wellness Program Manager

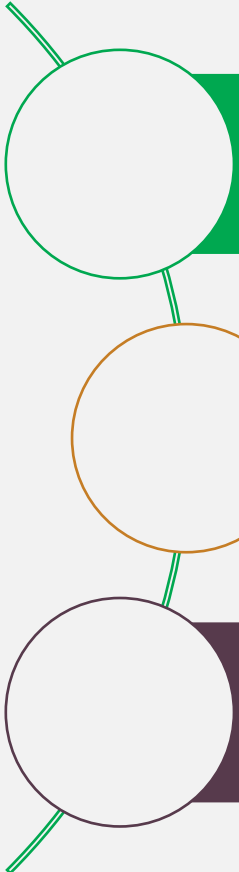
Office of Strategic Health Policy



Informational Item Only

No Board action is required.

Background



meQuilibrium (meQ) is an evidence-based stress and resilience digital coaching solution

Supports overall good health, reduces depression and clinical anxiety

Available to 10,000 GHIP subscribers from 8 state agencies, beginning in November 2021

Enrollment and Engagement

310 employees enrolled; goal was 900

Engagement by GHIP participants is greater than meQ's benchmark

Preliminary Results

Average resilience score is 11% lower than the book of business (BoB)

Baseline risks are worse than meQ's BoB

Reassessments showing improvements in resilience and risks

Satisfaction survey results are trending well

Summary and Next Steps

Mental health is an area of opportunity for the GHIP

Utilization of resources and impact has been positive, but uptake is lower than expected

Focus on increasing enrollments

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

State and Local ICI Actuarial Valuations

Item 9A – Group Insurance Board

Jim Guidry, Director

Benefit Services Bureau

Paul Correia, Principal and Consulting Actuary

Milliman, Inc.





Action Items

ETF requests the Board accept the State and Local ICI Actuarial Valuations as of December 31, 2021. ETF also recommends the Board adopt Scenario 1 for the state ICI plan, which would result in a 20% premium decrease in the 2023 plan year, and a continuation of the local ICI program premium holiday in the 2023 plan year.

State ICI Program Reserves

- 2020 Fund Balance – 134.1% of liabilities
 - Fund balance - \$120 million
 - Liabilities - \$89.5 million
- 2021 Fund Balance - 174% of liabilities
 - Fund balance - \$154.3 million
 - Liabilities - \$88.4 million
- No premium increase in 2021
- 50% premium rate decrease in 2022
- Board adopted reserve target policy – November 2019
 - Established reserve target of 135% of actuarial liabilities

Local ICI Program Reserves

- Local ICI program premium holiday in effect since 2012
- Board adopted reserve target policy – November 2019
 - Established reserve target of 150% of actuarial liabilities
- Current projections show continued gradual decline in reserve percentage through 2027
- 2020 Fund Balance - 612% of liabilities
 - Fund balance - \$41.6 million
 - Liabilities - \$6.8 million
- 2021 Fund Balance - 611% of liabilities
 - Fund balance - \$43.8 million
 - Liabilities - \$7.2 million

State ICI Valuation

Estimated Liabilities as of December 31, 2021

Liability Component	Standard Benefit	Supplemental Benefit	\$75 Add-On	Total Liability
Open Claims	\$76,683,938	\$2,487,749	\$226,667	\$79,398,354
IBNR Claims	\$4,029,192	\$130,713	\$11,910	\$4,171,815
Loss Adjustment Expense	\$4,694,101	\$152,284	\$13,875	\$4,860,260
Total	\$85,407,231	\$2,770,746	\$252,452	\$88,430,429

- **Open Claims:** Members disabled prior to December 31, 2021 whose claims were reported on or before that date.
- **Incurred but not Reported (IBNR) Claims:** Members disabled on or prior to December 31, 2021 whose claims had not yet been reported as of that date.
- **Loss Adjustment Expenses:** Future expenses related to the ongoing management and payment of ICI claims.

State ICI Valuation Comparison to Prior Year

Liability Component	December 31, 2020	December 31, 2021
Open Claims	\$80,100,379	\$79,398,354
IBNR Claims	\$4,347,022	\$4,171,815
Loss Adjustment Expense	\$5,073,456	\$4,860,260
Total	\$89,520,857	\$88,430,429

- The total liability decreased by 1.2% from \$89.5 million as of December 31, 2020 to \$88.4 million as of December 31, 2021.
- The number of open and pending open claims decreased by 3.9% from 1,116 as of December 31, 2020 to 1,072 as of December 31, 2021.
- The average net benefit amount increased by 2.4% from \$1,446 as of December 31, 2020 to \$1,481 as of December 31, 2021.

State ICI Valuation Retrospective Runout Test

Claim Duration	Average Annual Margin
1 – 12 months	3.9%
13 – 24 months	9.7%
25 – 36 months	5.2%
37 – 48 months	1.3%
49 – 60 months	0.1%
61 + months	2.1%
Total	2.5%

- Study period: 2017 through 2021
- Positive margin of 2.5% indicates the liability is adequate to cover the runout of open disability claims during the study period

State ICI Valuation Historical Reserve Balances

	December 31, 2019	December 31, 2020	December 31, 2021
Reserve Balance	\$90,324,629	\$120,036,016	154,290,018
Actuarial Liability	\$90,091,957	\$89,520,857	88,430,429
Surplus / (Deficit)	\$232,672	\$30,515,159	\$65,859,589

- The State ICI reserve increased by \$34.3 million between December 31, 2020 and December 31, 2021:
 - Solid investment income in 2021
 - Premium contributions exceeded claims and expenses in 2021
- The December 31, 2021 reserve balance is equal to 174% of the actuarial liability.
- In 2019, the Board approved a target reserve range of 130% to 140% of the actuarial liability for the State ICI plan.
- Last year, the Board approved a 50% reduction in State ICI premium rates effective January 1, 2022.

State ICI Valuation Funding Analysis

Financial projection that assumes a 50% reduction in premium rates in 2022 followed by 20% reduction in 2023, then held level in 2024 and beyond:

Calendar Year	2021	2022	2023	2024	2025	2026	2027
BOY Reserve Balance	\$120,028,097	\$154,290,018	\$163,584,817	\$169,350,872	\$173,988,162	\$177,557,529	\$180,047,066
Premium Contributions	\$39,386,893	\$20,689,935	\$17,048,506	\$17,559,962	\$18,086,760	\$18,629,363	\$19,188,244
Investment Income	\$16,242,523	\$10,491,721	\$11,123,768	\$11,515,859	\$11,831,195	\$12,073,912	\$12,243,201
Total Revenues	\$55,629,416	\$31,181,656	\$28,172,274	\$29,075,821	\$29,917,955	\$30,703,275	\$31,431,445
Insurance Claims	\$18,240,575	\$18,683,934	\$19,127,292	\$20,862,195	\$22,492,735	\$24,084,938	\$25,724,819
Carrier Administrative Expenses	\$2,332,822	\$2,389,524	\$2,446,226	\$2,668,106	\$2,876,639	\$3,080,269	\$3,289,996
Administrative Expense	\$794,098	\$813,399	\$832,701	\$908,229	\$979,215	\$1,048,531	\$1,119,922
Total Operating Expenses	\$21,367,495	\$21,886,857	\$22,406,219	\$24,438,530	\$26,348,589	\$28,213,738	\$30,134,738
Net Change in Reserve Balance	\$34,261,921	\$9,294,799	\$5,766,055	\$4,637,290	\$3,569,367	\$2,489,537	\$1,296,707
EOY Reserve Balance	\$154,290,018	\$163,584,817	\$169,350,872	\$173,988,162	\$177,557,529	\$180,047,066	\$181,343,773
Actuarial Liability	\$88,430,429	\$95,405,848	\$103,460,832	\$111,004,912	\$118,355,684	\$125,584,203	\$132,683,605
Surplus / (Deficit)	\$65,859,589	\$68,178,969	\$65,890,040	\$62,983,251	\$59,201,844	\$54,462,863	\$48,660,168
Ratio of EOY Fund Balance to Liability	174%	171%	164%	157%	150%	143%	137%

Projected reserve is expected to reach target range in 2027

Local ICI Valuation

Estimated Liabilities as of December 31, 2021

Liability Component	Standard Benefit	Supplemental Benefit	\$75 Add-On	Total Liability
Open Claims	\$6,054,263	\$270,790	\$50,558	\$6,375,611
IBNR Claims	\$357,110	\$15,973	\$2,982	\$376,065
Loss Adjustment Expense	\$387,594	\$17,336	\$3,237	\$408,166
Total	\$6,798,967	\$304,098	\$56,777	\$7,159,842

- **Open Claims:** Members disabled prior to December 31, 2021 whose claims were reported on or before that date.
- **Incurred but not Reported (IBNR) Claims:** Members disabled on or prior to December 31, 2021 whose claims had not yet been reported as of that date.
- **Loss Adjustment Expenses:** Future expenses related to the ongoing management and payment of ICI claims.

Local ICI Valuation Comparison to Prior Year

Liability Component	December 31, 2020	December 31, 2021
Open Claims	\$6,019,867	\$6,375,611
IBNR Claims	\$389,587	\$376,065
Loss Adjustment Expense	\$388,521	\$408,166
Total	\$6,797,975	\$7,159,842

- The total liability increased by 5.3% from \$6.8 million as of December 31, 2020 to \$7.2 million as of December 31, 2021.
- The number of open claims increased by 3.1% from 96 as of December 31, 2020 to 99 as of December 31, 2021.
- The average net benefit amount increased by 6.7% from \$1,716 as of December 31, 2020 to \$1,831 as of December 31, 2021.

Local ICI Valuation Historical Reserve Balances

	December 31, 2019	December 31, 2020	December 31, 2021
Reserve Balance	39,603,652	41,601,274	43,754,728
Actuarial Liability	5,970,710	6,797,975	7,159,842
Surplus / (Deficit)	\$33,632,942	\$34,803,299	\$36,594,886

- The Local ICI plan has run a large surplus for many years.
- Premium contributions have been waived since 2012.
- Funding analysis indicates premium waiver can be continued for the near future.
- In 2019, the Board approved a fund reserve target of 145% to 155% of the actuarial liability for the Local ICI plan.
- The December 31, 2021 reserve balance is equal to 611% of the actuarial liability.

State ICI Premium Rate Action

- Board approved 20% premium rate increases for 2016-2020
- Premium rates held steady for 2021
- Premium decrease for 2022 – 50%
- 2021 Fund balance at 174%
 - Pandemic concerns resulted in a recommendation for no rate changes in 2021
 - 2021 Investment income exceeded assumption

ICI Program Update

- Program Changes
 - Currently reviewing plan language for changes in preparation for IAS and other technical updates
 - Increase standard benefit coverage maximum
 - Would increase salary maximum for standard coverage from \$64,000 to \$120,000 for a maximum \$7,500 monthly benefit
 - Eliminates need for supplemental coverage
 - Present changes at August GIB meeting
- ICI Contract
 - Contract issued for 2022 plan year



Action Items

ETF requests the Board accept the State and Local ICI Actuarial Valuations as of December 31, 2021. ETF also recommends the Board adopt Scenario 1 for the state ICI plan, which would result in a 20% premium decrease in the 2023 plan year, and a continuation of the local ICI program premium holiday in the 2023 plan year.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

Income Continuation Insurance Reserve Balance Policy Review



Item 9B – Group Insurance Board

Jim Guidry, Director

Benefit Services Bureau





Action Items

ETF recommends the Board approve the Income Continuation Insurance Program Reserve Policy and also approve maintaining the current reserve target of 135% of plan liabilities for the state ICI plan and 150% for the local ICI plan.

Income Continuation Insurance

Voluntary disability income replacement program payable to enrolled participants

- Separate state and local plans
- Short-term and long-term benefits payable to age 65
- 75% of salary - monthly
- Unable to perform duties of current position (short-term)
- Unable to perform duties of any position (long-term)

ICI Reserve Policy Objective

Provide the Board with guidance in establishing program reserve target

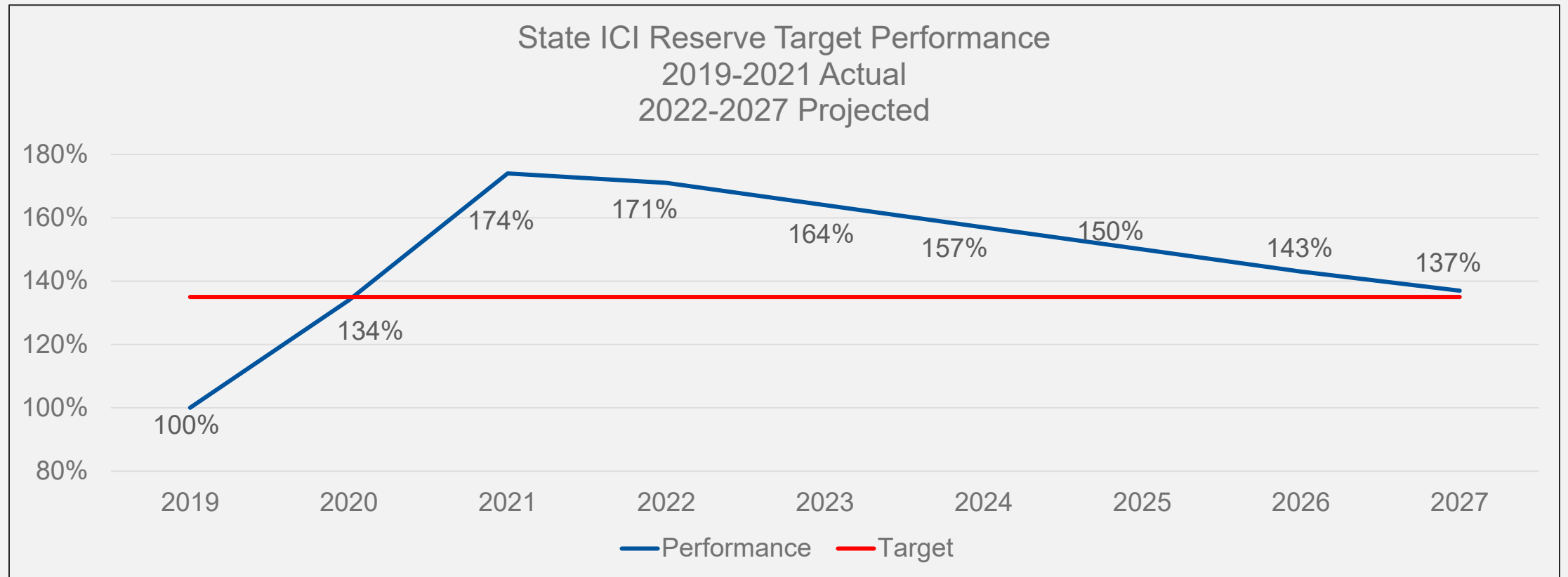
- Sufficient to fund plan liabilities
- Maintain fiscal integrity
- Maintain premium rate adequacy and stability

LAB Recommendation

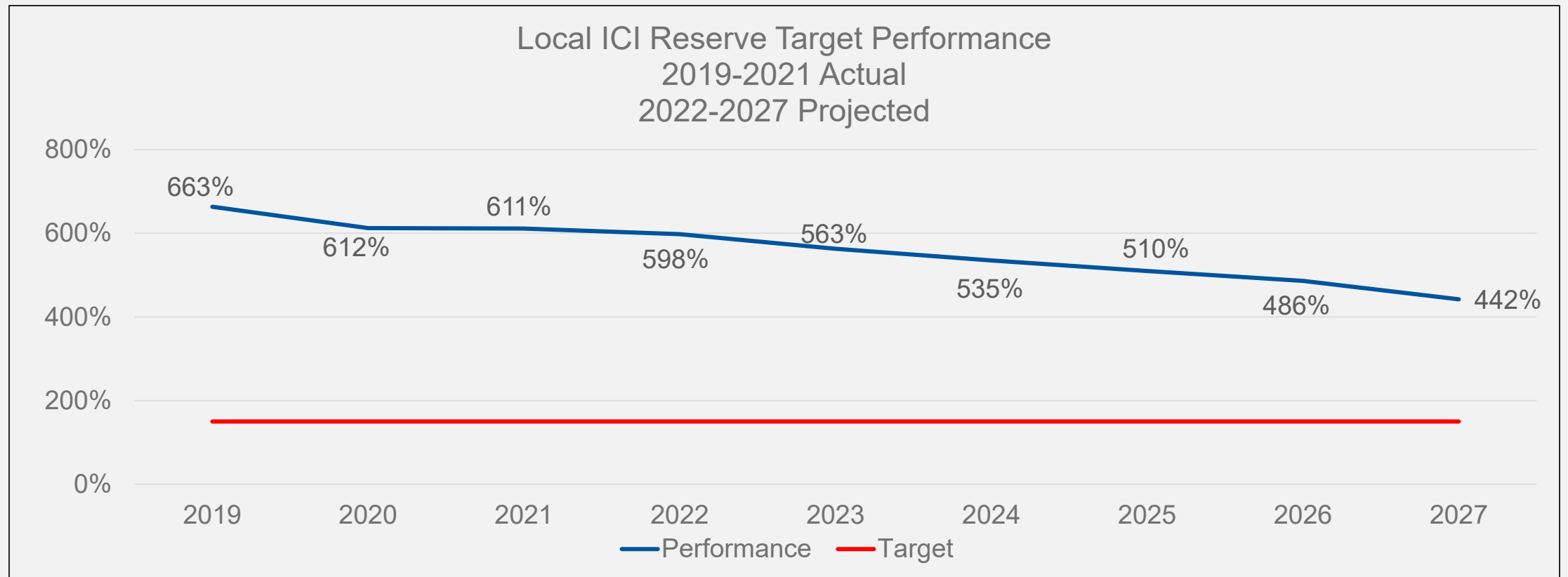
ICI Reserve Policy

- Approved by Board Nov – 2019
- Minimum 3-year reviews
- Board sets reserve target
- Policy establishes target range
 - +/- 5% of target

State ICI Reserve Performance



Local ICI Reserve Performance





Action Items

ETF recommends the Board approve the Income Continuation Insurance Program Reserve Policy and also approve maintaining the current reserve target of 135% of plan liabilities for the state ICI plan and 150% for the local ICI plan.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect. The text is centered at the bottom of the image.

Questions?

Operational Updates

Items 10A – 10I – Memo Only



Tentative August 2022 Agenda

Item 11 – Memo Only

Eileen Mallow, Director

Office of Strategic Health Policy



Informational item only

No Board action is required.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

CLOSED SESSION

The Board may meet in 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. If a closed session is held, the Board may vote to reconvene in open session following the closed session.



Item 12 – No Memo



Announcement of Business Deliberated During Closed Session Discussion

Item 13 – No Memo

Herschel Day, Chair

Group Insurance Board



Adjournment



Item 14 – No Memo



Thank you



[wi_etf](#)



[etf.wi.gov](#)



ETF E-mail Updates



608-266-3285
1-877-533-5020