

DRAFT

# MINUTES

May 18, 2022

## Group Insurance Board

State of Wisconsin

### Location:

Hill Farms State Office Building – CR N108  
4822 Madison Yards Way, Madison, WI 53705  
8:35 a.m. – 1:03 p.m.



### BOARD MEMBERS PRESENT:

Herschel Day, Chair	Dan Fields
Nathan Houdek, Vice-Chair	Walter Jackson
Nancy Thompson, Secretary	Brian Pahnke
Harper Donahue	Bob Wimmer
Jen Flogel	

### BOARD MEMBERS ABSENT:

Katy Lounsbury

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

#### Office of the Secretary:

John Voelker, Secretary  
Shirley Eckes, Deputy Secretary  
Kimberly Schnurr, Board Liaison

#### Benefit Services Bureau:

Jim Guidry

#### Office of Strategic Health Policy:

Eileen Mallow, Brian Stamm, Sara Brockman, Luis Caracas, Molly Dunks, Jessica Rossner, Tricia Sieg, Douglas Wendt, Korbey White, Xiong Vang

### OTHERS PRESENT

#### Office of the Secretary:

Pam Henning

#### ETF Staff:

Shellee Bauknecht, Liz Doss-Anderson, Oladipo Fadiran, Diana Felsmann, Dan Hayes, Michelle Hoehne, Patrick Hughes (teleconference), Tarna Hunter, Bruce Johnson, Cindy Klimke, Mark Lamkins (teleconference),

Arlene Larson, Kadimma Mbanefo, Tom Rasmussen, Mary Richardson, Yikchau Sze, Renee Walk (teleconference), Wade Whitmus, Cherylynn Wilkins, Kathryn Young

Board	Mtg Date	Item #
GIB	08.17.22	2A

**Aspirus Health Plan:**

Matt Streiff, Megan Umnus

**Dean Health Plan:**

Kathryn Beals, Penny Bound

**Delta Dental:**

Megan Wohlfeil

**Department of Administration:**

Meghan McKenna, Julie Perry, Derek Sherwin, Tina Updike

**Health Choice:**

Gary Praznik

**Health Partners:**

Katherine Siqueiros

**MercyCare Health:**

Sherrie Sargent

**Milliman:**

Paul Correia

**Michael Best Strategies:**

Anthony Langenohl

**Navitus:**

Julie Olson, Karen Markstahler

**Network Health:**

Vanessa Cagal

**Novo Nordisk:**

Pat Schmitt

**Quartz:**

Linsey Tennyson

**Securian:**

Kjirsten Elsner, Jody White

**Segal Consulting:**

Patrick Klein (teleconference), Ken Vieira (teleconference)

**UnitedHealthcare:**

De Arcy Raybuck

**UW System Administration:**

Amanda Sonnenburg, Brianne Jobke

**WEA Trust:**

Greg Cieslewicz

**WebMD:**

Jill Haring, Morgan Meinen, Kristi

Mulcahey, Emily Rathjen, Erin Seaverson

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Mr. Day, Chair, called the meeting of the Group Insurance Board (Board) to order at 8:35 a.m.

**ANNOUNCEMENTS**

Ms. Mallow provided the following updates:

- Welcomed everyone back to the first in-person Board meeting in two years.
- Announced that Malika Evanco and Peggy Wirtz-Olsen had resigned from the Board.
- Introduced the newest Board member, Jen Flogel, as Malika Evanco's superseder.
- Well Wisconsin Request for Proposal had been released.

**CONSIDERATION OF OPEN MINUTES OF FEBRUARY 16, 2022, MEETING**

***MOTION: Mr. Pahnke moved to approve the open session minutes of the February 16, 2022, meeting as submitted by the Board liaison. Mr. Wimmer seconded the motion, which passed unanimously on a voice vote.***

**MAY 2022 COVID-19 UPDATE**

Mr. Stamm referred the Board to the May 2022 COVID-19 Update memo authored by Renee Walk (Ref. GIB | 05.18.22 | 3). During the presentation, he discussed legislative

and regulatory changes, vaccines and treatments, long COVID, and other health and quality of care effects and cost impacts on the Group Health Insurance Programs.

Ms. Mallow announced that the COVID-19 update would be removed as a regular agenda topic. It would be added back onto the agenda as needed.

## **HIGH DEDUCTIBLE HEALTH PLAN (HDHP) INITIATIVE UPDATE**

Mr. White referred the Board to the HDHP Initiative Update memo (Ref. GIB | 05.18.22 | 4). He shared some background information, external feedback (state/local government employers, health plans, and Optum Financial), and some proposals for next steps.

Ms. Brockman briefly joined Mr. White to provide the Board with more details on current and future communication efforts and engaging members to promote active HDHP education methods and tools. One example Ms. Brockman shared was continuing to provide live webinars to members interested in learning more about HDHP.

## **HEALTH PLAN PROGRAMS**

### 2021 Health Plan Performance Annual Report

Mr. White provided a verbal summary of the 2021 Health Plan Performance Annual Report (Ref. GIB | 05.18.22 | 5A) to the Board. Mr. White relayed that average health plan performance exceeded the annual target for the following key performance measures:

- Processing accuracy
- Claims processing time
- Call answer timeliness
- Call abandonment rate
- Open call resolution turn-around time
- Electronic written inquiry response.

### 2023 Health Program Agreement Changes

Mr. White referred the Board to the 2023 Health Program Agreement Changes memo (Ref. GIB | 05.18.22 | 5B) and provided an overview of the proposed change, which included changing the current language of requiring that members have a Primary Care Physician (PCP), or Primary Care Clinic (PCC) assigned within five business days of the receipt of enrollment data. ETF recommended language change to allow health plans additional time to work with members to assign PCPs/PCCs.

***MOTION: Mr. Fields moved to approve changing the language in the 2023 Health Program Agreement regarding the timeline of PCP or PCC assignment. Mr. Donahue seconded the motion, which passed unanimously on a voice vote.***

Mr. Day requested that the 2023 Health and Pharmacy Benefit Changes discussion take place after the Board members had returned from their scheduled break.

### Pilot Programs: Report and Policy Recommendations

Ms. Dunks clarified the pilot program by sharing that it allows deviation from Uniform Benefits (UB), includes changes to cost-sharing or covered medical benefits, and does not include educational programs or referrals to other GHIP services/vendors.

Ms. Sieg discussed population health management, long-term strategy and pilot programs that are currently in progress with vendors: Dean Health Plan, Network Health Plan, WebMD (StayWell), and Navitus.

***MOTION: Ms. Flogel moved to approve edits to the 2023 Program Agreement (Agreement) clarifying pilot program and population health management programming, and the addition of a new pilot program proposed by Network Health. Mr. Jackson seconded the motion, which passed unanimously on a voice vote.***

### Preliminary Reserve Estimate

Mr. Klein provided some highlights and reviewed the approved multi-year reserve strategy.

Mr. Vieira discussed a comparison of the State and Local projected 2021 reserve balances provided in August 2021 versus 2021 end-of-year balances. The year end balances were slightly above projections suggesting no need to alter the Board's multi-year reserve strategy. Mr. Vieira also provided insight into projected 2022 balances relative to the negative market returns.

The Board took a break from 9:35 a.m. – 9:55 a.m.

### 2023 Health and Pharmacy Benefit Changes

Mr. Caracas provided background information and health benefit change recommendations, including new definitions and sections, to the Uniform Benefits (UB) Certificates of Coverage (CoCs). He referenced the Board specifically to pages 1-4 in the 2023 Health and Pharmacy Benefit Changes memo (Ref. GIB | 05.18.22 | 5C). He highlighted therapy coverage changes, noting specific coverage criteria for pulmonary rehabilitation therapy, removal of exclusion to family therapy, and clarification of coverage in the Mental Health section to support a member's treatment plan.

Mr. Caracas reviewed 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.

Ms. Sieg discussed recommended pharmacy program and benefit changes:

- Implementing a clear bagging program through University of Wisconsin Specialty Pharmacy
- Updating the Uniform Pharmacy Benefits Certificate of Coverage.

Ms. Sieg also shared pharmacy benefit changes that were not recommended such as:

- Limiting coverage of Continuous Glucose Monitoring devices only as a pharmacy benefit
- Adding weight loss drugs to the non-Medicare pharmacy formulary
- Allowing a drug that is granted a lifetime exception through the grievance and appeals process to be exempt from any future formulary changes
- Implementing a brown bagging program
- Implementing a white bagging program
- Enacting a separate coinsurance rate for infusions received in an outpatient hospital setting
- Permitting home infusions through the pharmacy benefit.

The Board discussed the options before them and questioned the cost differences and savings calculations relative to weight loss drugs. The Board requested a more in-depth analysis from Segal that includes a comparison of other states currently using weight-loss drug coverage. Mr. Day requested that a special Board meeting be scheduled in June to go over the weight-loss drug research in more detail.

Mr. Day reminded his fellow Board members that the vote should only be to approve the recommended changes presented in the 2023 Health and Pharmacy Benefit Changes memo (Ref. GIB | 05.18.22 | 5C).

***MOTION: Ms. Thompson moved to approve modifications to the Uniform Benefits (UB) Certificates of Coverage (CoCs) and the Uniform Pharmacy Benefit (UPB) as described in the memo presented to the Board, other than a final decision on coverage for weight loss drugs. Mr. Fields seconded the motion, which passed unanimously on a voice vote.***

## **RECOMMENDATIONS FOR VISION, ACCIDENT, AND LONG TERM CARE (LTC) PLAN CONTRACTS FOR 2023**

Mr. Wendt referred the Board to the Recommendations for Vision, Accident, and LTC Plan Contracts for 2023 memo (Ref. GIB | 05.18.22 | 6). He provided an overview of the general timeline of the supplemental plan request for proposals, vendor submissions and review process. There were separate proposals and evaluation committees and Mr. Wendt described the process and contract recommendation for each benefit plan.

**MOTION: Ms. Flogel moved to 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 to increase the plan benefit amounts with no premium increase.**
- **Two-year contract with HealthChoice (as broker) and Mutual of Omaha (as insurer) for LTC insurance coverage.**

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

## **PRE-TAX SAVINGS PROGRAMS**

Flexible Spending Account (FSA)/Commuter Benefits Minimum Election and Carryover  
Mr. Vang referred the Board to the FSA/Commuter Benefits Minimum Election and Carryover memo (Ref. GIB | 05.18.22 | 7A). In his presentation, he explained that currently there is no minimum annual election amount or guidance to handle balances less than the minimum amount. He went on to discuss discrepancies, historical carryover data, and projected costs and savings if a minimum election amount and carryover balance requirement were established. Mr. Vang showed a comparison from other state and federal agencies, as well as clients of Optum. He also shared feedback gathered from internal and external stakeholders. Three options were proposed with advantages and disadvantages noted for each one.

**MOTION: Ms. Flogel moved to approve a minimum annual election amount of \$50 for FSAs and commuter benefits with any balances less than \$50 to be carryover into the next plan year, effective January 1, 2023. Mr. Harper seconded the motion, which passed unanimously on a voice vote.**

### FSA Cancellation Rule

During his presentation to the Board, Mr. Vang referred to the memo, FSA Cancellation Rule (Ref. GIB | 05.18.22 | 7B). He explained the current cancellation rule whereby coverage is cancelled on the last day of the month in which a participating member FSA contribution occurs. The proposed change is to end coverage at the end of the month in which the employee cancels coverage or terminates. He compared the current FSA cancellation rules to those of other state and federal agencies, as well as some of Optum's other clients and employers. Mr. Vang concluded his presentation with an overview of a communication strategy if the proposed change were approved.

**MOTION: Mr. Fields moved to approve modifying the cancellation coverage rule for the Health Care Flexible Spending Account (FSA) and Limited Purpose FSA to be effective on the last day of the month in which a participating member cancels or terminates employment beginning January 1, 2023. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.**

### Optum Contract Extension

In his final presentation to the Board, Mr. Vang referred to the Optum Contract Extension memo (Ref. GIB | 05.18.22 | 7C). He discussed the current contract terms allowing for a second, two-year extension. Mr. Vang described the Optum services as well as specific 2021 deliverables. He highlighted Optum's claims process and customer service performance relative to established standards. Mr. Vang showed overall enrollment and contribution statistics from 2015 to 2022. He then went on to share favorable results from member and employer surveys regarding Optum services.

***MOTION: Mr. Houdek moved to approve a second two-year extension for the following ETF contracts: ETH0052 for Third-Party Administration of Health Savings Accounts (HSA), ETH0053 for Third-Party Administration of Section 125 Cafeteria Plan and Employee Reimbursement Accounts (ERA), and ETH0054 for Third-Party Administration of Commuter Fringe Benefit Accounts with Optum Financial [formerly known as ConnectYourCare (CYC)], for the period January 1, 2024, through December 31, 2025. Mr. Fields seconded the motion, which passed unanimously on a voice vote.***

### **WELNESS PROGRAM**

#### Well Wisconsin 2021 Key Findings Report

Ms. Rathjen and Ms. Seaverson from WebMD were invited to present their Well Wisconsin 2021 Key Findings Report to the Board (Ref. GIB | 05.18.22 | 8A). Ms. Rathjen provided an overview of WebMD, 2021 metrics relative to the Well Wisconsin program and lessons learned.

Ms. Seaverson shared program key findings, lifestyle and chronic condition management, and provided some key highlights from the 2021 lessons learned, such as:

- Promoting coaching programs for concerns like lifestyle and chronic pain management (DPP engagement, expanding outreach for participants with diabetes, etc.)
- Creating a handout that focuses specifically on chronic condition management and engagement
- Addressing weight risk and mental health concerns by promoting all resource options via communities and other avenues throughout the year
- Increasing challenge participation through fun and engaging onsite events (e.g., smoothie bike, raffles for giveaway items).
- Incorporating more testimonials throughout communications and promotional material.

#### meQuilibrium (meQ) Update

Ms. Dunks referred the Board to the meQ Update memo (Ref. GIB | 05.18.22 | 8B). She began by highlighting that there were 310 employees enrolled out of the set goal of 900. Engagement by those employees were greater than meQ's original benchmark.

While utilization of the meQ resources and results have been positive for those who have enrolled, uptake is lower than expected. ETF staff do not believe enough time has passed to justify an expansion of the program. Staff will continue working with WebMD and the meQ teams to explore ways to increase enrollments and monitor impact throughout the year.

## **INCOME CONTINUATION INSURANCE (ICI)**

### Acceptance of State and Local ICI Actuarial Valuations

Mr. Guidry referred the Board to the Acceptance of State and Local ICI Actuarial Valuations memo (Ref. GIB | 05.18.22 | 9A). He discussed both state and local ICI reserves, estimated liabilities as of December 31, 2021 for State ICI Valuation, and a comparison to the prior year.

***MOTION: Mr. Pahnke moved to accept the State and Local ICI Actuarial Valuations as of December 31, 2021, and 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. Mr. Wimmer seconded the motion, which passed unanimously on a voice vote.***

### ICI Program Reserve Policy Review

Mr. Guidry and Mr. Correia referred the Board to the ICI Program Reserve Policy Review (Ref. GIB | 05.18.22 | 9B). They provided a summary of the ICI program, objectives, policy, and reserve performance for both state and local levels.

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

## **OPERATIONAL UPDATES**

Ms. Mallow referred the Board to the Operational Updates in the Board packet (Ref. GIB | 05.18.22 | 10A-10I), and provided an overview of the written memos.

Ms. Mallow asked if there were any questions from the Board regarding any of the materials in the reports and received no questions.

## **TENTATIVE AUGUST 2022 AGENDA**

Ms. Mallow referred the Board to the Tentative August 2022 Agenda memo in the Board packet (Ref. GIB | 05.18.22 | 11).

Jen Fogel left the meeting at 12:19 p.m.



### **MOVE TO CLOSED SESSION**

Mr. Day announced that the Board would meet in closed session to discuss the 2023 rate strategy.

***MOTION: Mr. Wimmer moved to approve moving to closed session pursuant to the exemption contained in Wis. Stats. §19.85 (1) (e) to deliberate or negotiate the investing of public funds or to conduct other specified public business, whenever competitive or bargaining reasons require a closed session. Ms. Thompson seconded the motion, which passed on the following roll call vote:***

***Ayes: Day, Donahue, Houdek, Fields, Jackson, Pahnke, Thompson, Wimmer.***

***Nays: None.***

***Absent: Lounsbury, Fogel.***

The Board convened in closed session at 12:22 p.m.

The Board returned to open session at 1:01 p.m.

### **ANNOUNCEMENT OF BUSINESS DELIBERATED DURING CLOSED SESSION**

Mr. Day, Board Chair, announced during closed session that members of the Board listened to a presentation regarding rate strategy. No action was taken.

### **ADJOURNMENT**

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

The meeting adjourned at 1:03 p.m.

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

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

Nancy Thompson, Secretary  
Group Insurance Board