

DRAFT

# MINUTES

August 17, 2022

## Group Insurance Board

State of Wisconsin

### Location:

Hill Farms State Office Building – CR N108  
4822 Madison Yards Way, Madison, WI 53705  
8:30 a.m. – 12:13 p.m.



### BOARD MEMBERS PRESENT:

|                           |                |
|---------------------------|----------------|
| Herschel Day, Chair       | Walter Jackson |
| Nathan Houdek, Vice-Chair | Katy Lounsbury |
| Nancy Thompson, Secretary | Brian Pahnke   |
| Dan Fields                | Nathan Ugoretz |
| Jen Flogel                | Bob Wimmer     |

### BOARD MEMBERS ABSENT:

Harper Donahue

### 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

#### Employer and Contact Services Bureau:

Kathy Wienkes

#### Office of Enterprise Initiatives:

Michelle Baxter

#### Office of Policy, Privacy, and

#### Compliance:

Laura Patterson

#### Office of Strategic Health Policy

#### (OSHP):

Eileen Mallow, Brian Stamm, Sara Brockman\*, Arlene Larson, Tom Rasmussen\*, Xiong Vang, Renee Walk\*, Korbey White

### OTHERS PRESENT

#### Office of the Secretary:

Pam Henning

#### ETF Staff:

Shellee Bauknecht\*, Laura Brauer, Beth Bucaida, Luis Caracas, Bonnie Cyganek\*, Molly Dunks, Liz Doss-Anderson,

#### ETF Staff (Cont.):

Oladipo Fadiran, Diana Felsmann, Dan Hayes, Michelle Hoehne\*, Patrick Hughes, Tarna Hunter, Bruce Johnson, Nancy Ketterhagen\*, Joanne Klaas, Mark Lamkins, Kadimma Mbanefo\*, Peter Rank,

\* Attended via teleconference.

| Board | Mtg Date | Item # |
|-------|----------|--------|
| GIB   | 11.16.22 | 2A     |

**ETF Staff (Cont.):**

Mary Richardson, Jessica Rossner, Tricia Sieg, Tim Steiner\*, Matt Stohr\*, Yikchau Sze\*, Sarat Tadi\*, Barry Tucker, Douglas Wendt, Wade Whitmus, Cherylynn Wilkins, Kathryn Young

**City of Arcadia:**

Angela Berg\*

**City of Kaukauna:**

Allie Ross\*

**Common Ground Healthcare**

**Cooperative:**

Brian Gartner

**Dean Health Plan:**

Katie Beals, Penny Bound\*, Soren Cesar\*, Maria Schneider\*, Michael Weber\*

**Delta Dental:**

Megan Wohlfeil\*

**Department of Administration:**

Dana Gehrmann\*, Jennifer Kraus\*, Rachel Martin\*, Meghan McKenna\*, Julie Perry\*, Tina Updike\*

**Department of Health Services:**

Dawn M. Jennerjohn\*, Yvonne Runkel\*, Margaret M. Seamans\*, Kris Sutter-Parent\*

**Duffy Communication Strategies:**

Melissa Duffy\*

**Elevance Health:**

Elisabeth Portz\*

**Group Health:**

Sarah North\*, Bob Tanner\*

**Group Health Cooperative of South**

**Central WI:**

Darin Lind\*

**Health Choice:**

Julieta Thill\*, Gary Praznik\*

**MA Healthcare:**

Karen Brunton\*

**MercyCare Health:**

Sherrie Sargent\*, John Trochlell\*

**MetaStar, Inc.:**

Marc Dinnel\*

**Milliman:**

Paul Correia

**Navitus:**

Karen Markstahler\*

**Network Health:**

Vanessa Cagal, Travis Janssen\*

**Neugen Health:**

Greg Cieslewicz\*

**Pepin County:**

Micci L. Weiss\*

**Quartz:**

Linsey Tennyson, Brittany Coyne

**Securian:**

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

**Segal Consulting:**

Patrick Klein, Ken Vieira, Zach Vieira

**UW Health:**

Sara Broge\*, Carrie M. Cichy-Krantz\*, Lara C. Wolfe\*

**UW-Stout:**

Jo Johnson\*

**UW System Administration:**

Brianne Jobke\*, David Miller\*, Erin Schoonmaker\*, Amanda Sonnenburg\*

**Village of Little Chute**

Lisa A. Remiker-DeWall\*

**Western Dairyland Economic**

**Opportunity Council:**

Meghan Solberg\*

**WI Assoc. of Health Plans:**

Tim Lundquist\*

**WI Health News:**

Sean Kirkby\*

**Public:**

Judy Atkinson\*, Dee Auxier\*, Joan Fisher\*, Patrick Flanagan\*, Chad C. Freymiller\*, Betsy Fulmer\*, Marissa Isensee\*, John Lawton\*

**Others (Unidentified):**

17 individuals connected via telephone

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

## **ANNOUNCEMENTS**

Ms. Mallow provided the following updates:

- Introduced Laura Brauer as one of the new ETF attorneys.
- Sara Brockman, Tom Rasmussen, and Renee Walk would be presenting to the Board virtually.

## **CONSIDERATION OF OPEN AND CLOSED MINUTES OF MAY 18, 2022, MEETING AND OPEN AND CLOSED MINUTES OF JUNE 30, 2022, MEETING**

***MOTION: Mr. Pahnke moved to approve the open and closed session minutes of the May 18, 2022, meeting, and the open and closed session minutes of the June 30, 2022, as submitted by the Board liaison. Mr. Wimmer seconded the motion, which passed unanimously on a voice vote.***

## **INSURANCE ADMINISTRATION SYSTEM (IAS) IMPLEMENTATION**

Ms. Wienkes, Mr. Stamm, and Ms. Baxter invited the Board to ask questions about the information provided in the IAS Implementation memo (Ref. GIB | 08.17.22 | 3), but there were none. Ms. Mallow shared that IAS updates would continue to be shared with the Board as an Operational Updates memo for future meetings.

## **2023 PLAN YEAR QUALITY CREDIT**

Mr. Stamm referred the Board to the 2023 Plan Year Quality Credit memo (Ref. GIB | 08.17.22 | 4), which provided quality credit results of the participating health plans in the Group Health Insurance Program (GHIP). The Board had no questions for Mr. Stamm about the information presented in the memo.

## **MOVE TO CLOSED SESSION**

Mr. Day announced the Board would meet in closed session to discuss vendor options for the Access, State Maintenance Plan, and the Medicare Plus plan. The Board would then return to open session to vote.

***MOTION: Ms. Thompson 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. Flogel seconded the motion, which passed on the following roll call vote:***

***Ayes: Day, Houdek, Fields, Flogel, Jackson, Lounsbury, Pahnke, Thompson, Ugoretz, Wimmer.***

***Nays: None.***

***Absent: Donahue.***

The Board convened in closed session at 8:38 a.m.

The Board returned to open session at 9:02 a.m.

## **DISCUSSION AND VOTE ON BUSINESS DELIBERATED DURING CLOSED SESSION DISCUSSION**

### Report and Vote on Closed Session Discussion

Mr. Day, Board Chair, announced that during closed session the Board, ETF staff, and Segal Consulting, the Board's consulting actuaries, discussed vendor options for the Access, State Maintenance, and the Medicare Plus plans.

***MOTION: Ms. Flögel moved to:***

- 1. Accept the application from Dean Health Plan (Dean) to provide health insurance services for the Access Plan and the State Maintenance Plan (SMP) effective January 1, 2023, for a three-year term that can be shortened if the plan is taken out for RFP.***
- 2. Accept the application from UnitedHealthcare (UHC) to provide health insurance services for the Medicare Plus plan effective January 1, 2023.***
- 3. Grant ETF the authority to negotiate in cases where vendors are unable to meet (or very closely meet) the current benefits. If contract negotiations with Dean and/or UHC are not successful, grant ETF the authority to contract with Anthem in all or in part.***

***Mr. Houdek seconded the motion, which passed unanimously on a voice vote.***

### New Plan Qualifications for 2023 Plan Year

Mr. White referred the Board to the New Plan Qualifications for 2023 Plan Year memo (Ref. GIB | 08.17.22 | 6B). In his presentation Mr. White explained some primary factors that were used to evaluate applications from providers interested in servicing GHIP members. Security Health Plan (Security) met qualifications for operating experience, provider network, claims processing, customer service, and data security.

***MOTION: Mr. Fields moved to accept the application from Security to provide health insurance services within the GHIP, contingent upon acceptance of the premium rates. Mr. Pahnke seconded the motion, which passed unanimously on a voice vote.***

## **2023 HEALTH PLAN RATES INCLUDING PHARMACY AND DENTAL**

### 2023 Health Plan Financial Status

Ms. Mallow provided a verbal summary of the 2023 Health Plan Financial Status memo (Ref. GIB | 08.17.22 | 7A) to the Board. The Board had no questions for Ms. Mallow about this memo.

#### 2023 Health Plan Compliance Status

Mr. White referred the Board to the 2023 Health Plan Compliance Status memo (Ref. GIB | 08.17.22 | 7B). He reminded the Board that the memo was a general overview of health plans compliance with the requirement to have a SOC2 Type 2 audit program, and that a more in-depth analysis will be provided as part of the annual compliance report to the Board in November.

#### 2023 Health Plan Rates and Qualifications

Mr. Zach Vieira referred the Board to the Health Plan Service Area Qualification for 2023 memo (Ref. GIB | 08.17.22 | 7CI). He provided an overview of the qualification criteria that ensures participating health plans offer an adequate provider base and have enough operating experience to service members.

Mr. Zach Vieira identified the impacts WEA Trust leaving the GHIP had on the Fully Insured Medical Plan Renewals. He referenced the vote the Board had taken prior to having the Access/SMP administered by Dean, and Medicare Plus administered through UHC. Additionally, WEA Trust exiting the GHIP resulted in five expansions of coverage and existing networks being altered.

Mr. Klein and Mr. Ken Vieira provided an overview of medical increases by product breakdown for state and local programs from the 2022 in-force rates to the 2023 best and final offer rates. Mr. Zach Vieira noted the proposed overall rate for the state program increased 8.2% across all rating categories (Medicare Advantage, statewide, and HMO) before applying any surplus to buy-down rates. The proposed overall rate for the local program increased 8.6% across the same rating categories before applying any surplus to buy-down rates.

Mr. Zach Vieira discussed historical pharmacy “top line” trend comparisons over the past five years for ETF. He reported that Segal utilized claims data from Navitus and baseline data from most recent 12 months of claims (June 2021 through May 2022) in their analysis. Prescription drug plans rates had an aggregate increase of 10.2% for state and an aggregate rate decrease of 4.4% for local. The overall recommended rate increase for the prescription drug plan is 8.1%.

Mr. Zach Vieira provided an overview of dental plan costs for both state and local plans. The overall recommended rate increase for the dental plan is 3.2%.

Mr. Klein, Mr. Ken Vieira, and Mr. Zach Vieira stated the 2023 aggregate renewal for medical, prescription and dental resulted in a \$131.1 million total premium increase, which is a 7.8% increase from 2022 in-force rates (8.0% for state and 6.1% for locals). Segal’s recommendation is that the Board utilize a portion of the current surplus to buy down both State and Local premiums. After providing an overview of the status of the

reserve funds, Mr. Zach Vieira presented the Board with four, multi-year reserve draw strategy options, which included calculations on the state premiums after buy-down. Only one multi-year reserve draw strategy option was recommended for local premiums after buy-down.

The Board discussed each of the reserve draw options and the consequences each would have on premium rates in 2023, 2024, and 2025. Mr. Day announced the Board would be entertaining a motion on the application of state and local reserves before voting on approving the plan year 2023 rates. Further, Mr. Houdek requested that Segal assess in the future whether graduate assistants should be combined with other risk pools within the state plan.

***MOTION: Mr. Pahnke moved to approve the reserve spend-down amounts presented by Segal in Option 2, \$86.5 million for the state pool, and \$4.1 million for the local pool. Mr. Fields seconded the motion, which passed on the following roll call vote:***

***Ayes: Day, Houdek, Fields, Flogel, Jackson, Lounsbury, Pahnke, Thompson, Ugoretz, Wimmer.***

***Nays: None.***

***Absent: Donahue.***

A vote was then taken on the 2023 rates and ETF's request for minor service area adjustments, as needed.

***MOTION: Ms. Lounsbury moved to approve the recommended health, pharmacy, and dental rates presented by the Board's actuary, Segal, for plan year 2023; and to approve ETF's request to make any additional minor adjustments to the service areas, as they are reviewed and finalized with each health plan. Mr. Fields seconded the motion, which passed unanimously on a voice vote.***

The Board took a break from 10:28 a.m. – 10:40 a.m.

## **WEA UPDATE AND OTHER UPDATES – COMMUNICATIONS AND OUTREACH PLAN**

Ms. Brockman began her presentation to the Board by identifying the key areas of focus for the 2023 open enrollment period. These included concentrating communication and outreach efforts to members on WEA Trust's departure and the requirement for impacted members to select a new health plan, and information about the new plan administrators for Access, Medicare Plus, and SMP.

Ms. Brockman provided examples of outreach activities that are planned for the 2023 open enrollment period. She highlighted the 2023 Health Benefits Decision Guide changes, which includes an action graphic on all covers and plain language inside the guide itself. The goal is to catch the attention of members visually with graphic components and replace technical jargon with simpler words and phrases. Ms. Brockman explained that members will also have the opportunity to attend vendor webinars about the WEA transition in advance of and during open enrollment and have access to presentation materials via the ETF website.

ETF frontline staff outreach activities are being planned, as well. These include webinars for members affected by WEA Trust's withdrawal from the program, an overview of health plan changes, and casual "open house" style webinars for staff training purposes in advance of open enrollment.

Ms. Thompson requested that members impacted by the health plan changes be surveyed, if feasible, and Mr. Day inquired if webinars would be recorded for accessibility to all members. Ms. Brockman stated she will note this as they roll out the communications campaign and that she will provide the Board a 2023 open enrollment campaign summary at the November 2022 meeting. Mr. Day requested that in November member participation in the outreach activities be provided.

## **GROUP LIFE INSURANCE PROGRAM ANNUAL REPORT**

Mr. Rasmussen referred the Board to the Group Life Insurance Program Annual Report (Ref. GIB | 08.17.22 | 9). He began his presentation by highlighting state and local plan changes for 2021 in comparison to 2020. Mr. Rasmussen also discussed some of the lingering effects of COVID-19 on the Group Life Insurance Program. Mr. Rasmussen called out several achievements from the 2021 Annual Performance Standards, including achieving higher than contracted targeted goals in all nine quantitative standards.

Mr. Rasmussen then deferred the remainder of the presentation time to Ms. Munson-Regala and Mr. Larsen with Securian Financial Group (Securian). Ms. Munson-Regala shared some highlights for both state and local government plans that were observed from the 2021 Policy Year Report. She also shared Securian's consideration of COVID-19's impact as part of their analysis, which included enhancements to the process for updating mortality assumption. Mr. Pahnke requested that trend information be provided relative to the number of active members versus retirees in future presentations.

Mr. Rasmussen stated that the state plan's rate changes for 2023 will continue the premium rate increase schedule approved in 2019, and there were no premium rate changes for 2023 for the local plan.

***MOTION: Ms. Thompson moved to accept the annual Wisconsin Public Employers (WPE) Group Life Insurance 2021 Policy Year Report by Securian. Mr. Fields seconded the motion, which passed unanimously on a voice vote.***

## **SECTION 125 AND TRANSIT/PARKING PLAN DOCUMENT UPDATES**

Mr. Vang referred the Board to the Section 125 and Transit/Parking Plan Document Updates memo (Ref. GIB | 08.17.22 | 10). In his presentation, he provided background information on the Section 125 Cafeteria Plan document and the Transit and Parking Plan document (Section 132). The Board has oversight authority over both the cafeteria plan and the transit/parking plan at ETF and is required to annually revise the plans to set contribution and carryover limits within the maximum allowable set each year by the IRS.

Mr. Vang provided details on IRS changes that impacted Health Saving Account (HSA) contribution limits, Flexible Spending Account (FSA) contribution and carryover limits, and commuter benefits contribution limits. Any changes approved by the Board will be communicated to participating members by Optum during the 2023 open enrollment period. Additionally, ETF will revise the plan documents to include updated contributions and plan design changes effective for plan year 2023.

***MOTION: Mr. Houdek made a motion to adopt the following changes to the Section 125 Cafeteria Plan and Transit and Parking Plan Document effective January 1, 2023:***

- 1. Increase the HSA annual contribution limit to \$3,850 for an individual plan and \$7,550 for a family plan;***
- 2. Increase the Health Care FSA and Limited Purpose FSA annual contribution limit to \$2,850;***
- 3. Increase the Health Care FSA and Limited Purpose FSA annual carryover limit to \$570; and***
- 4. Increase the Transit Account and Parking Account contribution limit to \$280 per month.***

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

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

Mr. Guidry and Mr. Correia referred the Board to the ICI Program Changes memo (Ref. GIB | 08.17.22 | 11) during their presentation to recommend ICI plan language changes. The ICI plan language amendments will update the maximum earnings eligible for coverage under the ICI Standard Plan from \$64,000 to \$120,000. Mr. Guidry highlighted the following resulting from the proposed changes:

- The benefit program maximum earnings will be updated to reflect increased wage earnings
- Supplemental coverage will be consolidated with standard coverage
- Additional plan language changes will be needed
- The share of earnings available for employer share will increase but are offset by approved 2023 premium reductions



- Member impact will vary but generally those employees earning more than \$64,000 but not enrolled in supplemental coverage will see premium increases while coverage for employees earning more than \$64,000 and enrolled in supplemental coverage will see premium decreases
- Program complexity in administration will be reduced
- Improve alignment with current IAS/Benefitplace project.

The Board discussed the options and expressed concern that the sudden loss of the Supplemental coverage option may create confusion amongst employers and employees during onboarding and insurance enrollment. The Board requested more information from ETF and Milliman regarding the projected premium increases for the approximately 13,000 employees that are enrolled in the state ICI plan but chose to forego Supplemental coverage.

Mr. Day asked for a motion to table the vote for approving the recommended changes to the ICI program state and local plan language until the November 2022 Board meeting.

***MOTION: Mr. Pahnke moved to table approving the vote on the recommended changes to the ICI program state and local plan language until the November 2022 Board meeting. Ms. Flögel seconded the motion, which passed unanimously on a voice vote.***

## **RENEWAL OF GROUP INSURANCE BOARD DELEGATION TO THE ETF SECRETARY FOR EXECUTING HEALTH INSURANCE PROGRAM ACTUARIAL CONTRACTS**

Ms. Patterson referred the Board to the Renewal of Group Insurance Board Delegation to the ETF Secretary for Executing Health Insurance Program Actuarial Contracts memo (Ref. GIB | 08.17.22 | 12). She emphasized that the request before the Board is strictly to renew the existing delegation that was already in place.

***MOTION: Mr. Pahnke moved to renew the Board's delegation of authority to executive contracts and amendments for health insurance program actuarial services to the ETF Secretary. 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 | 08.17.22 | 13A-13H) and provided an overview of the written memos.

There were no questions from the Board about any of the materials in the reports.

**TENTATIVE NOVEMBER 2022 AGENDA**

Ms. Mallow referred the Board to the Tentative November 2022 Agenda memo in the Board packet (Ref. GIB | 08.17.22 | 14). She stated that the ICI Program Changes discussion would be added to the November agenda to accommodate the Board’s decision to table the vote.

**ADJOURNMENT**

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

The meeting adjourned at 12:13 p.m.

Date Approved: \_\_\_\_\_  
Signed: \_\_\_\_\_  
Nancy Thompson, Secretary  
Group Insurance Board