STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: January 23, 2023

To: Group Insurance Board

From: Diana Felsmann, General Counsel
Office of Legal Services

Renee Walk, Programs and Policy Unit Director
Office of Strategic Health Policy

Subject: Board Strategy Discussion

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

Background

In November 2019, the Group Insurance Board (Board) approved adopting an adapted version of the Healthcare Triple Aim (Triple Aim) as its rubric for evaluating Board programs (Ref. GIB | 11.13.19 | 5D). The Board also approved a series of initiatives intended to help the Group Health Insurance Program (GHIP) move toward the Triple Aim. At the following meeting, the Department of Employee Trust Funds (ETF) proposed a timeline by which these initiatives would be implemented (Ref. GIB | 02.05.20 | 5). This memo provides an update on the status of these initiatives, as well as proposed updates to the timeline to complete the remaining initiatives and evaluation of initiatives in progress or completed.

Status of Current Board Initiatives

Currently, all but two of the Board's initiatives have been completed. Table 1 below summarizes the current status of each initiative.

Table 1. Status of Group Insurance Board Initiatives

Initiative	Description	Status
Avoidable Emergency Room (ER) Use (Part 1)	Create educational materials to encourage members to use lower-cost, more appropriate sites of care when possible.	Informational webpage completed in 2020. Currently monitoring ER utilization trends.

Board	Mtg Date	Item #
GIB	02.22.23	4

Reviewed and approved by John Voelker, Secretary
Electronically Signed 02/03/2023

Initiative	Description	Status
Mental Health Parity & Access	Analyze opportunities to improve access to mental health care and reduce stigma.	Informational webpage going live in early 2023. Analysis of access revealed limited opportunity to impact provider landscape. Benefits modified in 2022 to allow family counseling associated with individual diagnoses. Additional opportunities for service provision and stigma reduction have been identified through Well Wisconsin and will be considered as a part of the Well Wisconsin RFP.
High-Deductible Health Plan (HDHP) Product Plan	Create a plan to support members in enrolling, understanding, and utilizing the HDHP.	In progress. Initial work delayed, but ETF is now exploring opportunities to improve educational materials and resources for HDHP members and potential members.
Wisconsin Public Employers (WPE) Program Strategy	Explore opportunities to adjust the WPE/local employer program offerings to better meet employer and employee needs.	Work completed. Survey revealed interest in possibly expanding pre-tax savings account options, which may be brought to the Board for future discussion.
Specialty Drugs and Site of Care	Identify high-cost prescription medications that could be paid for by the pharmacy benefit instead of the medical to save money and move coverage.	Program beginning in limited scope in 2023 (Ref. GIB | 05.18.22 | 5C) and potentially to expand as ETF, Navitus, and health plans gain more experience in the new billing structure and communications to members. Home infusion also being explored for possible inclusion in 2024

Initiative	Description	Status
		(Ref. GIB | 02.22.23 | 10C).
Social Determinants of Health (SDOH)	Identify how social determinants of health affect the Board's membership and ways the GHIP might help mitigate SDOH impacts.	Delayed due to pandemic and major health plan vendor changes in the GHIP. Work to resume in 2023.
Avoidable ER Use (Part 2)	Explore whether benefit changes are necessary to further affect avoidable ER use.	On hold. Utilization changed substantially during pandemic. More time is needed to determine best next steps as use normalizes.

Structure and Allocation of Premium Dollars
At its November 2022 meeting, the Board asked for additional information on whether premium dollars from one part of the GHIP could be used to fund benefits in another part of the GHIP. Specifically, the example raised at that meeting related to whether it would be permissible to shift the cost of weight loss benefits under the Well Wisconsin program to medical weight loss management under GHIP's medical insurance coverage. ETF subsequently performed an additional review of relevant statutes in order to address this question more fully.

In brief, the Board would have the authority in state law to shift costs from the Well Wisconsin program to the Uniform Benefits, as long as the Board decided that any shift was consistent with its fiduciary duties.

To provide some background, medical coverage, pharmacy benefit and Uniform Dental coverage are paid for through health insurance premiums held in ETF's health insurance reserve. The Well Wisconsin program is funded by an administrative fee that is part of the health insurance premium and also held in the health insurance reserve. Since both programs are funded through this reserve, it would be consistent with trust law to shift funds from the Well Wisconsin program to the medical insurance coverage. This type of shift would also comply with Wis. Stat. §40.01(2), which reflects that balances in the reserve for a specific benefit plan may only be used for the purpose of that benefit plan.

Noted in a November 16, 2022, memo to the Board (Ref. GIB | 11.16.22 | 13) were the different legal limitations on modification or expansion of health insurance benefits under the health insurance coverage and modification or expansion of benefits under the Well Wisconsin program. With respect to health insurance benefits, the Board is bound by the language in Wis. Stat. §40.03(6)(c) limiting the Board to modifying or expanding benefits under the Uniform Benefits only if "modification or expansion is

required by law or would maintain or reduce premium costs for the state or its employees in the current or any future year."

As concerns the Well Wisconsin program, the Board is not held to the same limitation. The Board is instead limited to modifying or expanding benefits for wellness or disease management programs based on its fiduciary duties, such as acting in the best interest of plan participants, ensuring the costs of providing the program are reasonable, and demonstrating a reasonable return on investment. Based on this difference, one important consideration for the Board if the Board shifted funds from the Well Wisconsin program to the health insurance benefits would be the potential impact on providing additional wellness and disease management benefits if those benefits would result in an increase to the cost of health insurance premiums. While that action would not be prohibited by Wis. Stat. §40.03(6)(c), any cost increase after having shifted past wellness benefits to benefits under the health insurance benefits could be viewed as an attempt to circumvent the statutory language requiring health insurance benefit changes be cost-neutral.

Beyond statutory requirements, there are additional considerations for the Board in terms of which program administers which benefits that lend toward fiduciary duty. Part of the rationale for carving out benefits is that a sole-source, specialized benefits administrator may have access to better pricing or resources than another vendor. The Board's programs take advantage of better pricing in cases like the new specialty drug clear bagging initiative approved in 2022 (Ref. GIB | 05.18.22 | 5C). ETF may also identify a carve-out vendor as the best way to offer service uniformity and availability, which maximizes the impact of services; an example is in cases like the wellness program's lifestyle and disease management coaching for weight loss. As new benefits coverage requests arise, ETF examines which program would be best situated to offer those benefits when proposing changes annually to the Board.

GHIP Programs Evolution and Integration

In November 2019, ETF provided the Board with a history of how the Board's programs have evolved over time (Ref. GIB | 11.13.19 | 5C). Over the past 70 years, the Board's programs have changed both in response to market trends, legislative change, and careful analyses of opportunities to purchase services in a more cost-effective way. In recent years, the Board has opted to carve out the pharmacy, dental, and wellness benefits from the core health insurance product in order to provide the best care at the lowest cost.

While these carve-outs are separately administered, they are still intended to be experienced as one holistic GHIP benefit by members. The separate program vendors are expected to coordinate on care delivery and referrals to resources, and to find a balance between ensuring access to and limiting duplication of services covered. Each program plays a joint role in driving the GHIP at large toward the goals of the Triple Aim—improving member health, ensuring access to quality care and services, and reducing costs.

GHIP Focus in 2023–2024

In addition to the initiatives described above, ETF is undertaking a substantial information technology system implementation to onboard the Insurance Administration System (IAS). Given limited resources and the critical nature of systems updates, ETF is not proposing new Board initiatives at this time. Rather, ETF will continue to pursue the remaining two in-progress initiatives described above and dedicate significant resources to ensuring the success of the IAS project.

A key part of ensuring the health and quality tenets of the Triple Aim lies in member experience of the programs; if benefits are too complicated or programs too disconnected, members will not likely be able to use them in a way that maximizes their value. ETF will look for opportunities to streamline and unify member experience of the Board's programs, for ways that vendors can partner for better health and cost outcomes, and for opportunities to simplify or provide better resources to explain the benefits the Board offers.

In terms of the cost tenet of the Triple Aim, ETF will also spend more time evaluating programs and benefit changes to verify that they are performing as expected by the Board. ETF will bring periodic analyses of benefit changes (e.g., bariatric surgery) to the Board. In cases where a benefit or program is not performing as expected, ETF will bring a discussion to the Board regarding the analysis and provide options for adjusting the approach.

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