

DRAFT

MINUTES

April 17, 2023

Group Insurance Board

State of Wisconsin

Location:

The Board meeting was held via teleconference.
2:30 p.m. – 3:38 p.m.



BOARD MEMBERS PRESENT:

Herschel Day, Chair
Rachel Cissne Carabell, Vice-Chair
Nancy Thompson, Secretary
Dan Fields
Jen Flogel

Walter Jackson
Katy Lounsbury
Brian Pahnke
Nathan Ugoretz
Bob Wimmer

BOARD MEMBERS ABSENT:

Erin Hillson

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

Bureau of Budget, Contract

Administration, and Procurement:

Tim Steiner

Office of Legal Services:

Diana Felsmann

Office of Strategic Health Policy:

Eileen Mallow, Brian Stamm

OTHERS PRESENT:

Office of the Secretary:

Pam Henning

ETF Staff:

Shellee Bauknecht, Laura Brauer, Beth Bucaida, Julie Coleman, Molly Dunks, Gina Fischer, Dan Hayes, Michelle Hoehne, Patrick Hughes, Tarna Hunter, Nancy Ketterhagen, Cindy Klimke, Mark Lamkins, Kadi Mbanefo, Zechariah McGugan, Alicia Miller, Peter Rank, Tom Rasmussen, Tricia Sieg, Matt Stohr, Yikchau Sze, Renee Walk,

ETF Staff (Cont.):

Wade Whitmus, Cherylynn Wilkins, Kathryn Young

Aspirus Health Plan:

Megan Umnus

Dean Health Plan:

Penny Bound, Maria Schneider

Delta Dental:

Megan Wohlfeil

| Board | Mtg Date | Item # |
|-------|----------|--------|
| GIB | 05.17.23 | 2D |

Department of Administration (DOA):

Dana Gehrmann, Meghan McKenna,
Julie Perry, Derek Sherwin, Danielle
Tesch, Lisa Tesch

Duffy Communication Strategies:

Melissa Duffy

Godfrey & Kahn, S.C.:

Zachary Bemis

Group Health Cooperative of South

Central WI:

Darin Lind

Health Partners:

Kyle Long

Jefferson County, WI:

Terri Palm

Legislative Audit Bureau:

Lauren Gingell

MercyCare Health:

Sherrie Sargent, John Trochlell

MetaStar, Inc.

Marc Dinnel

Michael Best Strategies:

Adam Barr

Milliman:

Paul Correia

Network Health Plan:

Vanessa Cagal, Al Wearing

Quartz:

Brittany Coyne

Security Health Plan:

Julie Koplitz

Sharecare:

Geoff Duncan, Sloan McCrary, Carrie
Ratliff, Melinda Raymond

UW Health:

Sara Broge, Emily Fairchild, Annette
Phelps Revolinski, Lara Wolfe

UW-Madison:

Marissa Isensee

UW-Milwaukee:

Linda Randolph

UW-Stout:

Jo Johnson

UW System Administration:

Brianne Jobke, David Miller, Erin
Schoonmaker, Amanda Sonnenburg

WebMD:

Angela Fox, Emily Rathjen

Wisconsin Health News:

Sean Kirkby

Public:

Joan Fisher, Renee Fox, Huma Khan,
Eric Quivers, WisconsinEye

Others (Unidentified):

8 individuals connected via telephone

Mr. Day, Chair, called the meeting of the Group Insurance Board (Board) to order at 2:30 p.m.

ANNOUNCEMENTS

Ms. Mallow provided the following updates:

- The agenda was revised to allow for the Income Continuation Insurance (ICI) Program Changes discussion to be completed before the Board took up the Well Wisconsin Program Vendor Appeal discussion.
- Board members that were reappointed to the Board should complete their reappointment paperwork in order to participate in the May Board meeting.
- Sharecare submitted a response letter earlier that day that was distributed to the Board members and would be shared on the ETF website.

ICI PROGRAM CHANGES

Mr. Guidry and Mr. Correia referred the Board to the ICI Program Changes memo (Ref. GIB | 04.17.23 | 2), which included an overview of the ICI Program and the state and federal regulations the program must comply with. This included the federal Age Discrimination in Employment Act (ADEA) and the Equal Cost Test. They provided a brief explanation of compliance standards across areas of Equal Benefits, Equal Cost, and the Safe Harbor provision.

Mr. Guidry and Mr. Correia then proceeded to provide an analysis of the ICI Program's current and future state against the different compliance standards. Future state ICI would have no upper age enrollment restrictions; all eligible employees could enroll provided that they meet all other eligibility requirements, and current enrollees could continue coverage after turning 70. Additionally, benefits would be paid according to an ADEA compliant duration schedule.

Mr. Guidry and Mr. Correia presented an analysis of how the program changes would affect members. The Board received information regarding how many Wisconsin Retirement System (WRS) active employees were 70 years of age or older, individuals enrolled in the state ICI program between the ages of 65-70, and percentages of ICI enrollment for eligible participants between the ages of 65-70. Data regarding the financial impact of the ICI program changes were also provided to Board members for consideration.

The Board was presented three ICI Program update options, including duration schedules for each option. Mr. Guidry and Mr. Correia shared more detail regarding the aforementioned Equal Cost Test and Safe Harbor provision. For the Equal Cost Test, expected claims costs were the same for every option through age 59 because the maximum benefit period is age 65 in every option. Furthermore, expected claims costs for Option 1 and Option 2 for age 65 and above would be considered too low for satisfying EEOC's equal cost criteria. Meanwhile, the estimated impact of adopting the safe harbor schedule was a 0.9% increase in the State ICI open claim liability and a 0.7% increase in the Local ICI open claim liability as of December 31, 2021. The Board was provided an analysis of advantages and disadvantages for each of the three options that incorporated the information presented from the Equal Cost Test and Safe Harbor provision.

Mr. Guidry concluded the presentation by reviewing the next steps for implementing changes based on the option approved by the Board. Follow-up actions from ETF included:

- Communicating with employers to immediately begin accepting applications for coverage from eligible employees.
- Working with the Hartford to update forms, brochures, and letters to reflect updated program design.
- Instructing the Hartford to assign the approved maximum duration scheduled to all open and future claims.

Mr. Day asked the Board if anyone had questions for ETF's Legal Counsel regarding the ICI compliance matter, which would require a vote to move into closed session. Receiving no response, Mr. Day announced that the Board would proceed with voting on the ICI program changes.

Vote on ICI Program Changes

MOTION: Mr. Fields moved to accept ETF's recommendation that the Board adopt Option 3, which would apply the safe harbor provisions of the Equal Employment Opportunity Commission regulations that address the maximum duration of ICI benefits and age-related enrollment limits, effective May 1, 2023. Ms. Thompson seconded the motion, which passed on the following roll call vote:

Ayes: Cissne Carabell, Day, Flogel, Fields, Jackson, Pahnke, Thompson, Ugoretz, Wimmer.

Nays: None.

Absents: Hillson.

Abstains: Lounsbury.

APPEAL BY SHARECARE OF THE BOARD'S NOTICE OF INTENT TO AWARD CONTRACTS RESULTING FROM RFPS ETB0047-49 FOR WELL-BEING SERVICES, MENTAL HEALTH SERVICES, AND CHRONIC CONDITION MANAGEMENT SERVICES

Mr. Day announced that Mr. Steiner and Ms. Felsmann would be presenting on the results of their investigation in open session, but the Board would go into closed session for deliberations on the Well Wisconsin Program vendor appeal. He asked that Board members be mindful that during open session any questions that might affect contract negotiations be saved for closed.

Mr. Steiner and Ms. Felsmann began their presentation by stating that a response from Sharecare had been received through the ETF Board Feedback inbox that morning. It had been distributed to the Board members, along with the memo and supporting documents regarding the Appeal by Sharecare of the Board's Notice of Intent to Award Contracts Resulting from RFPs ETB0047-49 for Well-Being Services, Mental Health Services, and Chronic Condition Management Services (Ref. GIB | 04.17.23 | 7).

They began their presentation with some background information on the Vendor Appeals Board Policy and a timeline of the specific appeal by Sharecare. Mr. Steiner emphasized that some items, such as the subjective opinion of evaluation committee members, is not appealable. Furthermore, the Board had several options on how to address vendor appeals. These included, but not limited to:

- Rescinding the Intent to Award and awarding to a different bidder.
- Rescinding the Intent to Award and terminating procurement.
- Denying appeal and proceeding with original award decision.

The Board's decision regarding an appeal was final.

Mr. Steiner and Ms. Felsmann provided an in-depth look at the appeal claims, which had been consolidated into two general categories. Argument 1 was that the evaluation process was unfair or flawed, and Argument 2 claimed ETF awarded contracts to the higher-cost vendor.

Mr. Steiner went through several conclusions that addressed both of the arguments presented in the appeal by Sharecare. For Argument 1, the appeal claimed that scores had been changed without justification; and Sharecare's capabilities were understated, and WebMD's were overstated. However, ETF had concluded in its investigation that the proposal scores were changed based on established procurement practices and that ETF staff asked clarifying questions of both finalist vendors. Additionally, the proposed scoring changes would not have materially changed vendor finalist rankings for general and technical scoring. WebMD's proposal consistently scored higher in general and technical scoring across all 3 RFPs.

The appeal claimed in Argument 2 that Sharecare's price was unjustifiably adjusted upward, ETF should not pay a higher price for an inferior solution, and ETF had not provided pricing information to Sharecare. Mr. Steiner reported that the investigation had found that Sharecare's Best and Final Offer (BAFO) excluded required cost elements. Vendors were provided with sufficient information to inform cost proposals and had opportunities to ask questions. ETF was unable to verify Sharecare's claim that it had a higher Return on Investment (ROI). Finally, ETF had the right to withhold pricing information because contract negotiations had not yet begun.

At the end of their presentation, Mr. Steiner and Ms. Felsmann summarized ETF's recommendation that Sharecare's appeal be denied. The reasons for denying the appeal emphasized to the Board were:

- The evaluation committee based its recommendation on the information gleaned through a rigorous evaluation process.
- Vendors were treated equally throughout the process.
- Proposals submitted by WebMD and Sharecare were competitive, however, the Evaluation Committee unanimously concluded that WebMD had the stronger proposal and would best meet the goals of the State's benefit programs.

MOVE TO CLOSED SESSION

Mr. Day announced that the Board would meet in closed session to deliberate the appeal filed by Sharecare.

MOTION: Mr. Pahnke moved to approve moving to closed session pursuant to the exemption contained in Wis. Stat. § 19.85 (1) (e) to deliberate or negotiate the investing of public funds or to conduct other specified public business. If a closed session is held, the Board may vote to reconvene in open session following the closed session. Ms. Cissne Carabell seconded the motion, which passed on the following roll call vote:

Ayes: Cissne Carabell, Day, Fields, Flogel, Jackson, Lounsbury, Pahnke, Thompson, Ugoretz, Wimmer.

Nays: None.

Absents: Hillson.

The Board convened in closed session at 3:11 p.m.

Ms. Cissne Carabell, Mr. Day, Mr. Fields, Ms. Flogel, Mr. Jackson, Ms. Lounsbury, Mr. Pahnke, Mr. Ugoretz, and Mr. Wimmer returned to open session at 3:30 p.m.

ANNOUNCEMENT AND VOTE ON BUSINESS DELIBERATED DURING CLOSED SESSION

Announcement of Business Deliberated During Closed Session Discussion

Mr. Day announced that during the closed session, the Board deliberated on the appeal filed by Sharecare. The Board would now vote on a decision regarding the vendor appeal.

Vote Regarding Vendor Appeal

MOTION: Mr. Pahnke moved to deny the appeal filed by Sharecare. Ms. Cissne-Carabell seconded the motion which passed on the following roll call vote:

Ayes: Cissne Carabell, Day, Fields, Flogel, Jackson, Lounsbury, Pahnke, Ugoretz, Wimmer.

Nays: None.

Absents: Thompson, Hillson.

Due to technical difficulties, Ms. Thompson returned to open session at 3:36 p.m.

ADJOURNMENT

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

The meeting adjourned at 3:38 p.m.

Date Approved: _____

Signed: _____

Nancy Thompson, Secretary
Group Insurance Board