

DRAFT

# MINUTES

July 26, 2023

## Group Insurance Board

State of Wisconsin

### Location:

The Board meeting was held via teleconference.  
2:00 p.m. – 4:15 p.m.



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### BOARD MEMBERS PRESENT:

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

Walter Jackson  
Katy Lounsbury  
Brian Pahnke  
Nathan Ugoretz  
Bob Wimmer

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

#### Office of the Secretary:

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

#### Office of Strategic Health Policy:

Eileen Mallow, Brian Stamm, Luis Caracas, Tricia Sieg, Xiong Vang

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### OTHERS PRESENT:

#### Office of the Secretary:

Pam Henning

#### ETF Staff:

Shellee Bauknecht, Laura Brauer, Molly Dunks, Diana Felsmann, Oladipo Fadiran, Dan Hayes, Michelle Hoehne, Patrick Hughes, Tarna Hunter, Bruce Johnson, Nancy Ketterhagen, Joanne Klaas, Cindy Klimke, Mark Lamkins, Arlene Larson, Tom Rasmussen, Jessica Rossner, Marie Ruetten, Yikchau Sze, Stephanie Trigsted, Renee Walk, Douglas Wendt, Korbey White, Wade Whitmus, Kathryn Young

#### Aspirus Health Plan:

Megan Umnus

#### Dean Health Plan:

Katie Beals, Penny Bound, Maria Schneider

#### Delta Dental:

Megan Wohlfeil

#### Department of Administration (DOA):

Abigail Butson, Dana Gehrman, Jennifer Kraus, Meghan McKenna, Julie Perry, Derek Sherwin, Lisa Tesch, Tina Updike

#### Duffy Communication Strategies:

Melissa Duffy

#### Governor's Office:

Kelly Becker

Board	Mtg Date	Item #
GIB	08.16.23	2C

**Group Health Cooperative of Eau Claire:**

Sarah North

**Health Partners:**

Kyle Long, Elizabeth Tobias

**Jefferson County, WI:**

Jessica Tucker

**Legislative Audit Bureau (LAB):**

Lauren Gingell

**MercyCare Health:**

Sherrie Sargent, John Trochlell

**Navitus:**

Steve Alexander, Tara Argall, Jeff Bogardus, Laura Francois, Laura Jester, Karen Markstahler, Ryan Olson, Annette Pownell

**Network Health Plan:**

Vanessa Cagal, Ingrid Davis, Jeffrey Lanser

**Novo Nordisk:**

Adam Barr

**Quartz:**

Brittany Coyne

**Security Health Plan:**

Beth Krull

**Segal Consulting:**

Ken Vieira

**UW Health:**

Sara Broge, Emily Fairchild, Hope Jackson, Annette Phelps Revolinski, Olivia Talma

**UW-Madison:**

Marissa Isensee

**UW-Oshkosh:**

Jeanne Hiatt

**UW-Stout:**

Jo Johnson

**UW System Administration:**

Brianne Jobke, Erin Schoonmaker, Amanda Sonnenburg

**Vilas County, WI:**

Kris Braynack

**Village of Little Chute, WI:**

Lisa Remiker-DeWall

**Wisconsin Court System:**

Samantha Lemke, Chris Marsh

**Public:**

Don Dingledine, Rebecca Higby, WisconsinEye

**Others (Unidentified):**

12 individuals connected via telephone

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Mr. Day, Chair, called the meeting of the Group Insurance Board (Board) to order at 2:00 p.m.

**ANNOUNCEMENTS**

Ms. Mallow provided the following updates:

- WisconsinEye is live streaming the meeting.
- Additional board correspondences were received and were added to the "Board Correspondence" memo ([Ref. GIB | 07.26.23 | 10A](#)). Board members were also given copies directly via email and were encouraged to review.
- WebMD contract negotiations are going well, and a draft contract is with WebMD's legal department for review.
- WebMD recently acquired Limeade.
- A survey for Board members will be provided at the August 16, 2023, meeting and will be used for prioritizing and scheduling Board member educational sessions on future meeting agendas.

## **2023–2025 BIENNIAL BUDGET AND LEGISLATIVE UPDATE**

Ms. Hunter referred the Board to the “2023–2025 Biennial Budget and Legislative Update” memo ([Ref. GIB | 07.26.23 | 2](#)). She highlighted the following items:

- Secretary Voelker and Ms. Hunter met with many of the Joint Finance members, and those conversations went well.
- On July 5, 2023, Governor Evers signed the biennial budget and approved the following ETF resource requests:
  - 12 positions — seven positions are related to ETF’s modernization effort of replacing outdated IT systems. The other five are for critical customer service positions in Employer Services, Member Services, and Call Center.
  - Insurance administration system (IAS), data management and consulting and contracting costs for ongoing IAS.
  - Mandatory LAB Actuarial Audit – provides one-time funding to contract with the LAB for the actuarial audit of the Wisconsin Retirement System.
- Shared revenue changes and changes to Milwaukee County that allows them to impose sales tax to deal with unfunded pension liabilities. The City of Milwaukee voted to adopt these changes, which required joining the WRS, and Milwaukee County will be voting on July 27, 2023.

Ms. Hunter shared that 2023 SB 341, and 2023 AB 340 require health insurance plans to cover maternity and newborn care, as specified by the commissioner of insurance by rule. The bill specifies a list of requirements that the commissioner must follow when establishing the maternity and newborn care benefit, including certain limitations on cost sharing. No vote has been scheduled at this time.

A hearing on 2023 SB 121 and 2023 AB 117 relates to extra coverage of supplemental breast screening examinations for women with increased risk. This has not gone to a scheduled vote yet.

Ms. Hunter referred the Board to the emails they had received from Senator Jacque and Representative Tittl. These board correspondences were regarding the copay assistance bills, SB100 and AB103. Ms. Hunter clarified that educational outreach was done with legislators. The intent was not to ask for an exemption but rather to share what the program is, and how it would work to open the door for future conversations should the Board request them.

Ms. Hunter invited the Board to ask questions. There were none.

## **OVERVIEW OF RESULTS OF 2024 RATE SETTING AND HEALTH PLAN NEGOTIATIONS**

Ms. Mallow shared that Best and Final Offers (BAFOs) from health plans had been received and contracts were expected to be signed next week. Rate increase on

Medical is approximately 6%, Pharmacy is 5%, and Dental is 2%. Overall increase will come in at about 6% without any adjustments for reserve availability. She stated that there are currently 30 State Maintenance Plan (SMP) counties in the local pool for 2024.

Ms. Mallow invited the Board to ask questions. There were none.

### **MOVE TO CLOSED SESSION**

Mr. Day announced that the Board would meet in closed session to discuss the 2024 health plan rate strategy.

***MOTION: Ms. Cissne Carabell 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. Mr. Jackson seconded the motion, which passed on the following roll call vote:***

***Ayes: Cissne Carabell, Day, Fields, Fogel, Hillson, Jackson, Lounsbury, Pahnke, Thompson, Ugoretz, Wimmer.***

***Nays: None.***

The Board convened in closed session at 2:15 p.m.

Ms. Cissne Carabell, Mr. Day, Ms. Fogel, Ms. Lounsbury, Mr. Pahnke, Mr. Ugoretz, and Mr. Wimmer returned to open session at 2:39 p.m.

Mr. Fields, Ms. Hillson, Mr. Jackson, and Ms. Thompson were experiencing technical difficulties. To allow them additional time to rejoin open session, Mr. Day announced the Board would be taking a short break. The break started at 2:40 p.m. and ended at 2:55 p.m.

Mr. Jackson returned to open session at 2:42 p.m. Ms. Hillson returned to open session at 2:52 p.m. Mr. Fields returned to open session at 2:53 p.m. Ms. Thompson returned to open session at 2:53 p.m.

The Board returned to open session at 2:55 p.m.

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

Mr. Day announced that the Board met in closed session to discuss the 2024 health plan rate strategy. No action was taken.

## **ACCESS GUIDANCE SERVICE PROGRAM**

Ms. Sieg referred the Board to the “Access Guidance Service (AGS) Program” memo ([Ref. GIB | 07.26.23 | 8](#)). She provided a recap of the information provided during the May 17, 2023, Board meeting. Following that, Ms. Sieg identified the following updates that ETF staff had gathered as part of their ongoing research into the AGS program:

- The State of Montana saved over \$4 million with the AGS program last year and feels the savings they realize and the savings their members receive made implementing the program worthwhile.
- The University of Montana System stated that the significant savings for their plan and members under the AGS program is a win-win.
- La Crosse County was not able to provide an administrator reference, but ETF was able to speak directly with a La Crosse County member with experience in the AGS program. The family’s experience has been positive stating that they receive their medication without interruption and pay a lower copay than before enrolling in the program.

Ms. Sieg invited the Board to ask questions and a robust discussion was held.

***MOTION: Mr. Fields moved to approve adding the Access Guidance Service (AGS) program for members on the 2024 non-Medicare Pharmacy Formulary. There was not a second to the motion.***

Ms. Hillson requested an amendment to the motion that would exclude HDHP members from the AGS program. Mr. Fields accepted the amendment.

***MOTION AS AMENDED: Mr. Fields moved to approve adding the Access Guidance Service (AGS) program for members of the 2024 non-Medicare Pharmacy Formulary, excluding HDHP members from the program. Ms. Hillson seconded the motion, which failed on the following roll call vote:***

***Ayes: Fields, Wimmer.***

***Nays: Cissne Carabell, Day, Flogel, Hillson, Jackson, Lounsbury, Pahnke, Thompson, Ugoretz.***

Mr. Day stated that the Board should prepare specific questions or request additional information needed to give ETF a clear direction to move forward with at the August 16, 2023, meeting. Ms. Thompson asked a general question about Board fiduciary duty when they are presented with a cost saving option.

## **AUTHORITY TO AUTOMATICALLY ADJUST PRE-TAX SAVINGS ACCOUNT PROGRAMS AND HIGH DEDUCTIBLE HEALTH PLAN (HDHP) LIMITS**

Mr. Caracas and Mr. Vang referred the Board to the “Authority to Automatically Adjust Pre-Tax Savings Account Programs and High Deductible Health Plan (HDHP) Limits”

memo ([Ref. GIB | 07.26.23 | 9](#)). Mr. Vang began with an overview of information Section 125 and Section 132 of the Internal Revenue Code (IRC) and Wis. Stat. §40.515. Mr. Vang explained how these guidelines are used by the Board to set limits for its state employees pre-tax savings account programs, such as the Health Savings Account (HSA), Health Care Flexible Spending Account (FSA), Limited Purpose FSA, Dependent Day Care Account, and commuter benefits such as the Transit Account and Parking Account. Finally, Wis. Stat. §40.515 requires the Board to offer all state employees the option of coverage through an HDHP. This statute also requires that the HDHP may be used in conjunction with an HSA.

Mr. Vang also discussed the advantages of having the Board grant ETF the authority to automatically make annual updates to monetary limits defined by the Internal Revenue Services (IRS) for the pre-tax savings account programs and the HDHP effective for 2024. This would save time and effort from having to request approvals each year, allow the Board to prioritize efforts in other benefits program areas, and they would be notified via an operational update memo to keep them informed on updates to the plan documents starting in August 2024.

Mr. Caracas explained the HDHP deductible changes. Mr. Vang covered HSA contribution limit changes, the FSA contribution and carryover limit changes, and commuter benefit limit changes. Mr. Vang concluded the presentation by explaining the communication strategy and next steps following the Board's decision.

When the Board was invited to ask questions, Ms. Cissne Carabell asked how we have kept up with the IRS limits. Mr. Vang responded that ETF makes an effort to be compliant and up to national standards to ensure that members have those benefits available.

***MOTION: Mr. Fields moved to grant ETF authority to automatically reflect the maximum contribution and carryover limits defined by the Internal Revenue Service (IRS) for the Board's Pre-Tax Savings Account Programs and the minimum deductible for the High Deductible Health Plan (HDHP) effective for 2024, and grant ETF authority to make related Plan Document updates in future years. Mr. Jackson seconded the motion, which passed unanimously on a voice vote.***

## **OPERATIONAL UPDATES**

Ms. Mallow shared that the only item in the Operational Updates was the "Board Correspondence" memo ([Ref. GIB | 07.26.23 | 10A](#)). Since the July 26, 2023, Board meeting had been scheduled outside of the regular Board meeting cycle, only correspondences that pertained to the topics being discussed at the special meeting had been included. All other correspondences would be available to the Board as part of their August 16, 2023, meeting materials.

**ADJOURNMENT**

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

The meeting adjourned at 4:15 p.m.

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

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

Nancy Thompson, Secretary  
Group Insurance Board