

# STATE OF WISCONSIN Department of Employee Trust Funds

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# Correspondence Memorandum

**Date:** October 26, 2023

**To:** Group Insurance Board

From: Tim Steiner, Director

Budget, Contract Administration and Procurement

**Subject:** Board Authority Contracts Update

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

**Contracts and Amendments Executed Since the August 2023 Update:** 

Navitus Health Solutions, LLC TPA for Pharmacy Benefit Program

Amendment #6 with Navitus was signed by the Board Chair on August 4, 2023, extending the contract by one calendar year, through December 31, 2025.

#### Securian Accident Insurance

Amendment #1 with Securian was signed by the Board Chair on August 8, 2023, reducing premiums by 15% for plan years 2024-2025.

# Group Health Insurance

The 2024 health plan contracts were signed by the Board chair in August.

Milliman Consulting Actuary for Wisconsin Group Insurance and Disability Programs Contract Amendment #21 was signed by the Department of Employee Trust Funds (ETF) secretary on September 29, 2023. The amendment was for "incurred but not reported" (IBNR) Experience Studies and Assumption Development for Duty Disability and Income Continuation Insurance Programs, with a do not exceed limit of \$30,000.

<u>Segal Consulting Actuary for Wisconsin Group Health Insurance Programs</u>
Contract Amendment #23 was signed by the ETF secretary on October 12, 2023. The amendment was for assistance with the Medicare RFPs, with costs not to exceed \$75,000.

Pamela & Henning

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<u>WebMD – Wellness, Mental Health, Chronic Condition Management Programs</u> Contracts resulting from RFPs ETB0047-49 for the Well Wisconsin programs, for services commencing January 1, 2024, were signed by the Board Chair in August and September 2023.

Optum Financial – Section 125/ERA, HSA, and Commuter Fringe Benefit Accounts
Amendments to the three contracts between ETF and Optum were signed by the Board
Chair in September. The amendments extend the contracts for another two years
through December 2025, per the Board's approval at its May 18, 2022, meeting,
reduces administrative fees for some programs for the 2024 and 2025 plan years, and
revises performance standards and penalties.

### **Contract Administration**

ETF conducted an annual staff and Board survey regarding the 2023 performance of the Wisconsin Health Insurance actuary, Segal, and the Wisconsin Group Insurance and Disability Programs actuary, Milliman. These surveys are conducted to inform decisions on (1) whether to extend the actuary contracts or initiate the 180-day termination notice, and (2) if the contract is extended, what percent increase, if any, will be added to the actuary's current retainer fee for the following calendar year. Only staff who worked with one of these vendors in 2023 were asked to respond to the survey.

# **Health Insurance Program Actuary:**

Twenty-one staff received the 2023 Segal survey and six responded; all responses were either satisfied or highly satisfied. The only suggestion was it would be helpful if Segal provided additional breakdowns of premium changes by product line (Medicare Advantage, Medicare Plus, total premium).

Ten Board members received the Segal survey and five responded; all were satisfied or highly satisfied. No recommendations were suggested but one Board member commented the presentations were well-done.

# Wisconsin Group Insurance and Disability Program Actuary:

Nineteen staff received the 2023 Milliman survey and seven responded; all responses were either satisfied or highly satisfied. No suggestions were provided as areas of improvement.

Ten Board members received the Milliman survey and five responded; all were satisfied or highly satisfied. Again, no recommendations for improvement were provided and one Board member commented the presentations were well-done.

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