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Correspondence Memorandum

Date: October 12, 2023

To: Group Insurance Board

From: Renee Walk, Programs & Policy Unit Director
Office of Strategic Health Policy

Subject: 2024–2026 Group Insurance Board Initiatives

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

Background

Over the past 15 years, the Group Insurance Board (Board) has undertaken several strategic planning efforts to provide direction to the programs that they oversee. The most recent effort was completed in February of 2020 (Ref. GIB | 02.05.20 | 5). At that time, the Board approved seven different initiatives geared toward pursuing the Healthcare Triple Aim, the majority of which have drawn to a close. In August of 2023, the Department of Employee Trust Funds (ETF) provided a presentation to the Board describing its intent to align programs within the Group Health Insurance Program (GHIP) (Ref. GIB | 08.16.23 | 3). That presentation identified several goals related to better data sharing and better vendor coordination.

The following memo provides a work plan for implementing the opportunities discussed at the August Board meeting, remaining initiatives from the prior Board initiatives approved in 2020, and other opportunities identified by the Board and ETF for program sustainability, innovation, and education.

Program Sustainability

Following a challenging renewal for program year 2024, ETF is including an additional category of focus in the roadmap related to program sustainability. This aligns with the Triple Aim tenet of maintaining program affordability. ETF recommends the following initiatives be included:

- **High Deductible Health Plan (HDHP) Product Plan.** This item is also a continuing initiative from the Board's prior strategic plan. ETF has been working with researchers at the University of Wisconsin-Madison to evaluate why members choose the HDHP and how the value might be better communicated to members who do not. ETF has also been developing a user guide for the HDHP to help members navigate this product. ETF plans to continue this work, with a

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
Electronically Signed 10/24/2023

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goal of finalizing an analysis and any options for the Board by the May 2026 Board meeting.

- **Local Program Evaluation & Redesign.** The Board's last strategic plan included an analysis of the local employer program, and at that time no changes were made to the structure. Since then, the local program has experienced multiple costly renewals, with 2024 resulting in an average 15.1% increase over prior year premiums. These increases are unsustainable for local units of government and their employees. ETF plans to revisit options for changes to the structure of the local employer program that might help to better control costs going forward. ETF plans to bring a preliminary discussion of this issue to the Board in August of 2024.
- **Low Value Care.** Low value care is a concept that had been included in the Board's health program agreement in the past in general terms, but at the time, ETF found it challenging to evaluate. Given that this continues to be an issue of concern for the health insurance and healthcare industry at large, ETF will revisit the concept and provide an evaluation of what could be done to limit low value care in August of 2025.
- **Cost-Sharing Changes/Benefit Simplification.** Healthcare costs continue to rise, and in order to maintain premium affordability, the Board may need to consider future cost sharing adjustments. ETF also regularly hears from members that the current mix of copays, coinsurance, out of pocket limits, and maximum out of pockets can be very confusing for members trying to use their benefits. ETF will review the current program design related to other options offered by similar employers and will also look at possible plan design options that would make benefits clearer for members. ETF plans to present an initial analysis of this item at the August 2026 Board meeting unless budgetary pressure requires the Board to consider this topic earlier.
- **Required Requests for Proposals (RFPs).** ETF has also included the three required RFPs that will come due in the next three years in this plan. At the November 2023 meeting, ETF will request permission to issue RFPs for the pharmacy benefit manager, Medicare Advantage vendor and Medicare Plus vendor, and the pre-tax savings account vendor. Sustainability in pricing and services is a core consideration of these RFPs. Recommendations regarding all three RFPs will be presented at the Board's February 2025 meeting.

Innovative Opportunities

As in prior planning efforts, ETF recommends the Board continue to seek opportunities to evolve the programs it oversees. This aligns with the Triple Aim tenets of improving member health and program quality. Based upon prior feedback and discussions, ETF recommends the following initiatives be included in this category of the Board's three-year plan:

- **Social Determinants of Health**. This initiative is continuing from the Board's prior plan. Due to both limited ETF resources and the complexity of this issue, ETF was not able to complete work on this initiative prior to the end of the last Board strategic plan. ETF recommends continuing the initiative with the intent to

report on various determinants, the Board's authority and ability to change medical and nonmedical factors that may influence health outcomes related to the Triple Aim, and potential program changes, if any, each February of the coming years, with a closing analysis and options to be presented in November of 2026.

- **Centers of Excellence**. Board members and ETF have raised the possibility of exploring centers of excellence in the GHIP at past meetings. This concept has been challenging to implement as a uniform approach given the number of plans and the structure of the Board's programs. ETF will undertake a more comprehensive analysis of the feasibility of implementing such programs within the GHIP, targeting an initial discussion with the Board in February 2025.
- **Quality-Based Performance Guarantees.** As discussed at the August 2023 meeting, ETF plans to explore additional ways to incentivize care access and quality in the current health program agreement and other vendor contracts. An initial discussion of this concept would tentatively come to the Board in August of 2025.

A visual timeline of these and the other initiatives described in this memo is available in Attachment A.

Board Education
The Board is regularly asked to decide policy matters related to highly complex and often niche subjects in the GHIP. The GHIP is also a unique program in the employer insurance space. ETF surveyed the Board members at their August 2023 meeting regarding what educational topics they would like to cover at future meetings that would help them in their roles. Following that survey, ETF has created a Board education schedule, where each requested item will be addressed at subsequent meetings based on both Board member interest and pending Board business. That schedule is included in Attachment A.

Items and Concepts Not Included
The roadmap includes initiatives that may not necessarily be within the usual scope of the Board's annual processes. This means that specific benefit changes or additions and contract renewals are not included. The exception in the attachment is the three requests for proposals (RFPs) that will take place during the time period in the roadmap. These are included due to the additional time needed from ETF to complete them as juxtaposed with the other initiatives being proposed and would incorporate any of the above-mentioned sustainability and innovation opportunities discussed above as appropriate.

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

Attachment A: Board Initiatives Roadmap