Welcome to the Group Insurance Board

November 15, 2023

Meeting will begin at: 8:30 a.m.

WIFI

WI-GUEST

No Password is needed

Please Sign In

- Who? All meeting attendees
- Sheet available at the door

http://

Meeting Materials

- Available at etf.wi.gov

Please Silence your Cell Phone and Mute your Microphone

Announcements

Item 1 – No Memo

Eileen Mallow, Director

Office of Strategic Health Policy

Consideration of Open Minutes of August 16, 2023, Meeting

Item 2 – Memo Only

Action Needed

- Motion needed to accept the Open Minutes of the August 16, 2023, Meeting as presented by the Board Liaison.

State of Wisconsin
Ethics Commission

Group Insurance Board Ethics and lobbying Overview

Daniel A. Carlton, Jr.
Administrator

POLITICAL MARKET

Conscientious Rail-road President to Dealer: “Ah! Let me see. I think I’ll take this bunch of Legislators at $5000 a head. The Senators, at - what price did you say?”
Dealer: “Can’t afford ‘em less than $10,000 each.”
R.R.P.: “Well, hand them over. I suppose I’ll have to take the lot.”
Dealer: “Anything else to-day? I have a lot of Editors, at various prices, from a Thousand down to Fifty Cents.”
R.R.P.: “No, nothing in that way, to-day. But I want a Governor very much indeed, and will stand $50,000 for him. Get me a Wisconsin one, if possible!”

Cartoon published in *Harper’s Weekly* of June 12, 1858, at the time of the Land Grant Investigation

About The Ethics Commission

- Created by 2015 Wisconsin Act 118
- 6 members – Partisan Appointments
  - 2 former judges, 4 others
  - 5-year terms
- Headed by Commission Administrator
- All actions require four votes
- One Staff Counsel; Six Other Staff Positions
- Confidentiality: Advice & Investigations

Responsibilities

- Administer Wisconsin Statutes
  - Chapter 11: Campaign Finance
  - Subchapter III, Chapter 13: Lobbying
  - Subchapter III, Chapter 19: Code of Ethics

JURISDICTION

- Co-Equal Jurisdiction with District Attorneys, but historically…

Ethics Commission	District Attorneys
• Legislators, aides, service agencies • Governor, Lt. Governor, appointees, secretaries, deputies, executive assistants, administrators • Justices and judges • Lobbyists and Lobbying Principals (organizations) • Most campaign committees • Any individual holding a state public office	• Code of Ethics for Local Officials • Local candidate and local referendum committees

Important laws to know

- Lobbying
  - Prohibits soliciting or accepting anything of pecuniary value from lobbyists or lobbying principals
- Code of Ethics
  - Use of office for financial gain
  - Influence and reward
  - Food, drink, transportation, lodging
  - Use of confidential information for private gain
  - Unlawful benefit
  - Interest in contract
  - Revolving Door Prohibitions
  - Pay to Play
  - Exceptions, Disposition of Gifts
  - Conflicts of Interest

Lobbying (Chapters 13) Restrictions

Lobbying: Prohibited Practices

- Wis. Stat. § 13.625
- No lobbyist or lobbying principal may give to an agency official, and no agency official may solicit or accept from a lobbyist or lobbying principal any:
  - Lodging
  - Transportation
  - Food, meals, beverages
  - Money or any other thing of pecuniary value
- A listing of registered lobbyists and lobbying principals can be found online at: https://lobbying.wi.gov/Who/WhoIsLobbying/

Campaign Contributions

- A lobbyist may deliver a contribution from another at any time (e.g., a PAC contribution).

- A lobbyist may only make a personal contribution if the "window" is open
  - Between the first day to circulate nomination papers and the date of the election
  - And a contribution to a candidate for legislative office can only be given by a lobbyist if the Legislature has concluded its final floor period and is not in special or extraordinary session
  - A lobbyist may contribute to their own campaign at any time

Other Exceptions

- Items and services made available to the general public
- Providing or receiving any thing of pecuniary value involving a relative or an individual who resides in the same household
- Lobbyists may provide educational/informational materials
- Providing or receiving payment or reimbursement for actual and reasonable expenses allowed under Wis. Stat. §19.56: Honorariums, Fees and Expenses
- Other very limited exceptions to the blanket prohibition on accepting anything of pecuniary value from a lobbyist or principal

NEW!! "Lobby Days" Exception

- 2021 Act 266 (Effective April 17, 2022)
- Allows covered officials to attend meetings with clubs, conventions, special interest groups, political groups, school groups, and other gatherings to discuss government functions, operations, proposals, and issues
- Not required to pay the cost of admission
- However, for an official to accept food, beverages, or other items included in the cost of admission, the official must pay the actual cost of the food, beverage, or item(s)

Ethics (Chapter 19) Restrictions

Use of Office for Financial Gain

- Wis. Stat. § 19.45(2)
  - No state public official may use his or her public position or office to obtain financial gain or anything of substantial value for the private benefit of himself or herself or his or her immediate family, or for an organization with which he or she is associated
    - "Organization" does **NOT** include bodies politic
    - "Associated" includes any organization in which an individual or a member of his or her immediate family is a director, officer, or trustee, or owns or controls at least 10% of the equity, or of which an individual or family member is an authorized representative or agent
- Special exceptions:
  - Campaign contributions
  - Candidates may solicit for donations to nonprofits they are associated with

Influence and Reward

- Wis. Stat. § 19.45(3)
  - No person may offer or give to a state public official, directly or indirectly, and no state public official may accept from any person, directly or indirectly, anything of value if it could reasonably be expected to influence the state public official's vote, official actions, or judgment, or could reasonably be considered as a reward for any official action or inaction on the part of the state public official.
  - As a general rule officials should not accept anything of more than nominal value from organizations that have a special or specific interest in an item or matter likely to be before the official.

Food, Drink, Transportation, and Lodging

- Wis. Stat. §19.45(3m)
  - No state public official may accept or retain any transportation, lodging, meals, food or beverage, or reimbursement therefor, except in accordance with § 19.56(3)
- Exceptions (see Guideline 1211):
  - Official talk or meeting
  - Unrelated to holding public office
  - State benefit
  - Reported as an expense by a political committee
  - WEDC/Department of Tourism
- Remember that items from lobbying principals must also meet an exception of the lobbying law to be accepted

Use of Confidential Information for Private Gain

- Wis. Stat. § 19.45(4)
  - No state public official may intentionally use or disclose information gained in the course of or by reason of his or her official position or activities in any way that could result in the receipt of anything of value for himself or herself, for his or her immediate family, or for any other person, if the information has not been communicated to the public or is not public information.

Unlawful Benefits

- Wis. Stat. § 19.45(5)
  - No state public official may use or attempt to use the public position held by the public official to influence or gain unlawful benefits, advantages or privileges personally or for others.

Interest in Contract

- Wis. Stat. § 19.45(6)
  - No state public official, member of a state public official's immediate family, nor any organization with which the state public official or member of the official's immediate family is associated with, may enter into any contract or lease involving payments of more than $3,000 within a 12-month period from state funds unless the official discloses the association to both the Commission and the department acting for the state in regards to the contract or lease.
  - Does not affect Wis. Stat. § 946.13, which is a much broader restriction on officials acting in an official capacity regarding contracts they have a personal interest in an amount greater than $15,000 per year.

Revolving door Prohibitions

- Wis. Stat. § 19.45(8): With certain exceptions, no state public official may:
  - For 12 months following the date on which the individual ceases to be a public official, for compensation on behalf of a person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee of the department with which the official was associated.
  - For 12 months following the date on which the individual ceases to be a public official, for compensation on behalf of a person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee regarding any proceeding, application, contract, claim or charge which was under the former official's responsibility.
  - For compensation, act on behalf of a person other than the state, in connection with any judicial or quasi-judicial proceeding, application, contract, claim, or charge which might give rise to a judicial or quasi-judicial proceeding in which the former official participated personally and substantially as a state public official.

Pay to Play

- Wis. Stat. § 19.45(13):
  - No state public official or candidate for state public office may, directly or by means of an agent, give, or offer or promise to give, or withhold, or offer or promise to withhold, his or her vote or influence, or promise to take or refrain from taking official action with respect to any proposed or pending matter in consideration of, or upon condition that, any other person make or refrain from making a political contribution, or provide or refrain from providing any service or other thing of value, to or for the benefit of a candidate, a political party, any committee registered under ch. 11, or any person making a communication that contains a reference to a clearly identified state public official holding an elective office or to a candidate for state public office.

EXCEPTIONS

- For WIS. STAT. § 19.45(2) only:
  - Campaign contributions
  - Solicitation of donations to nonprofits
- Honorarium
  - Reasonable compensation for elected officials.
  - Actual and reasonable expenses for others.
- Unrelated to holding or having held public office
- State benefit
  - Limited to transportation, lodging, meals, food or beverage, or reimbursement for such expenses. May also accept payment or reimbursement of actual and reasonable costs incurred.

EXCEPTIONS, CONT.

- Items from a political committee, which are properly reported under ch. 11.
- WEDC
  - For trips to a foreign country to promote trade
  - For hosting individuals to promote business, economic development, tourism, or conferences sponsored by multi-state, national, or international associations of governments or government officials.
- Department of Tourism
  - For hosting individuals in order to promote tourism.
- For more information regarding the application of these exceptions, see Guideline ETH 1211.

Accepting Gifts

- Do not accept items or services of more than trivial value that are offered to you because of your official position.
- You may accept something if it is not related to your public office.
- You may accept something if it is available to the general public and you received no special advantage in partaking of the opportunity (no use of public office)

Disposition of Gifts

- Treat the item as being given to the office.
- Turn the item over to another public institution, such as a local school, library, or museum, that can use the item.
- Donate the item to a charitable organization (other than one of which the official or a family member is an officer, director, or agent).
- Return the item to the donor.
- If the donor is neither a lobbyist nor a lobbying principal, purchase the item (by paying the donor the full retail value) and retain it.

Conflicts of Interests

- Wis. Stat. § 19.46(1): No state public official may:
  - Take any official action substantially affecting a matter in which the official, a member of his or her immediate family, or an organization with which the official is associated has a substantial financial interest.
  - Use his or her office or position in a way that produces or assists in the production of a substantial benefit, direct or indirect, for the official, one or more members of the official's immediate family either separately or together, or an organization with which the official is associated.

OFFICIAL MAY ACT IF…

- The official action affects a whole class of similarly-situated interests; and,
- Neither the interests of the official, a member of the official's immediate family, nor a business or organization with which the official is associated is significant when compared to all affected interests in the class; and
- The action's effect on the interests of the official, of a member of their immediate family, or of an associated business or organization is neither significantly greater nor less than upon other members of the class.

Ethics Commission Guideline 1232

Statement of Economic Interests

- Only certain officials are required to file an SEI.
- Annual requirement
- Must identify investments, real estate, businesses, and creditors as of the last day of the prior year.
- All direct sources of family income from prior year of $1,000 or more.
- All sources of income from prior year of $10,000 or more received from partnerships, sub S corporations, service corporations, and LLCs (including customers, clients, and tenants) in which your family has a 10% or greater interest.

Statement of Economic Interests (Cont'd.)

- NEW!!! Final SEI Requirement
- If you do not have a second position that requires you to file an SEI, you are required to file a Final SEI within 21 days after leaving your position.
- Once you have filed your Final SEI, you will not be required to file another SEI unless/until you accept a new position required to file.

Where to Find More Information

- **Wisconsin Statutes**
  - https://docs.legis.wisconsin.gov
- **Advisory Opinions**
  - Prompt, Confidential, Authoritative
- **Guidelines**
  - https://ethics.wi.gov

Ethics@wi.gov
https://ethics.wi.gov
Phone: (608) 226-8123
Fax: (608) 264-9319

Appeals Refresher Training: ETF Appeals Process

Item 4 – Group Insurance Board

Peter Rank, Attorney
ETF Office of Legal Services

Sarah Huck, Assistant Attorney General
Wisconsin Department of Justice

Informational Item Only

- No Board action is required.

Appeals Process

- ETF Appeals Process
  - Independent Review Organizations (IROs)
  - Informal Review Process by ETF
  - Division of Hearings and Appeals
  - Proposed Decision
- Board Functions in an appeal
  - Quasi-judicial
  - Closed Session Deliberation
  - Review On The Record
  - Final Decision

IROs

- Independent Reviews are not administered by ETF
- They are requested by a participant and can get to IRO through multiple channels
- Examples of types of disputes decided by IRO:
  - Coverage issues
  - Medical necessity
  - Experimental treatment
  - Rescission of health policy
- If a participant pursues an IRO, no option for ETF review or appeal

Informal Review Process by ETF

- Resolution without a formal appeal being filed
- Resolution upon formal appeal being filed
  - Office of Legal Services internal review
- Resolution and Settlement authority of the ETF Secretary

Division of Hearings and Appeals

- Chapter 11 of ETF's Administrative Code
- Role of Administrative Law Judge
  - Oversees the formal appeals process
  - Conducts hearings, receives relevant evidence, rules on objections and motions
  - Issues the proposed decision
- Steps in the process vary depending on the legal issues presented

Proposed Decision

- Findings of Fact
- Conclusions of Law
- Order
- Parties have the opportunity to file objections to the proposed decision
  - These objections will be included in the appeal record

The Board's Attorney for ETF Administrative Appeals

- Wisconsin Department of Justice
- Assistant Attorney General (AAG), Sarah Huck

The Board's Function

- Quasi-judicial
- Closed session deliberation—parties not present during the deliberation
- Review on the record—Board does not take evidence or hear testimony
- Provide oversight of the initial decision-making process—either that of the Department, or, in direct appeals, the member's employer
- The hearing examiner issues a proposed decision, but the Board need not adopt it, either in part or in full. The proposed decision is not entitled to deference by the Board

Who are the Parties?

- A “substantial interest” in the issue to be decided
- Except for direct appeals, the Department is a party, but may choose not to participate
- In cases involving death benefits, the parties may include potential beneficiaries
- In cases involving insurance benefits, the third-party administrator, or health insurance program may be a party

Decision-making Process

- Board staff provides appeal record to each Board member
- Prior to Board meeting: read the record, identify the specific issues to be resolved and any factual and legal disputes
- Board meets to consider the appeal
- At Board meeting: DOJ AAG provides summary of case and a recommendation for deciding the appeal
- Board discusses members' views of the facts and law at issue
- Vote. Not all Board decisions are unanimous

Final Decision

- Parties to the appeal
- Must include findings of fact and conclusions of law. Should include facts establishing the Board's jurisdiction
- A statement of the disposition of the appeal: whether the decision of the Department or employer is affirmed, reversed, or remanded for further proceedings

What happens next?

- Participant accepts the board's decision and ends appeal
- Petition for re-hearing
- Judicial review in Dane County Circuit Court

Questions?

Thank you

wi_etf

etf.wi.gov

ETF E-mail Updates

608-266-3285
1-877-533-5020

Claims Expenditures in the GHIP

Item 5 – Group Insurance Board

Oladipo Fadiran, Senior Analytic Consultant, Merative

Jessica Rossner, Data and Compliance Unit Director

Office of Strategic Health Policy

Informational Item Only

- No Board action is required.

What to Expect

- Overview of Healthcare Fundamentals
- Current Dashboards – Costs and Trends Considerations
  - Benefit types, service categories, and responsibilities
  - Drivers, based on utilization and price
  - Top contributions by health condition
  - Risk categories
  - Plan groups
  - Eligibility

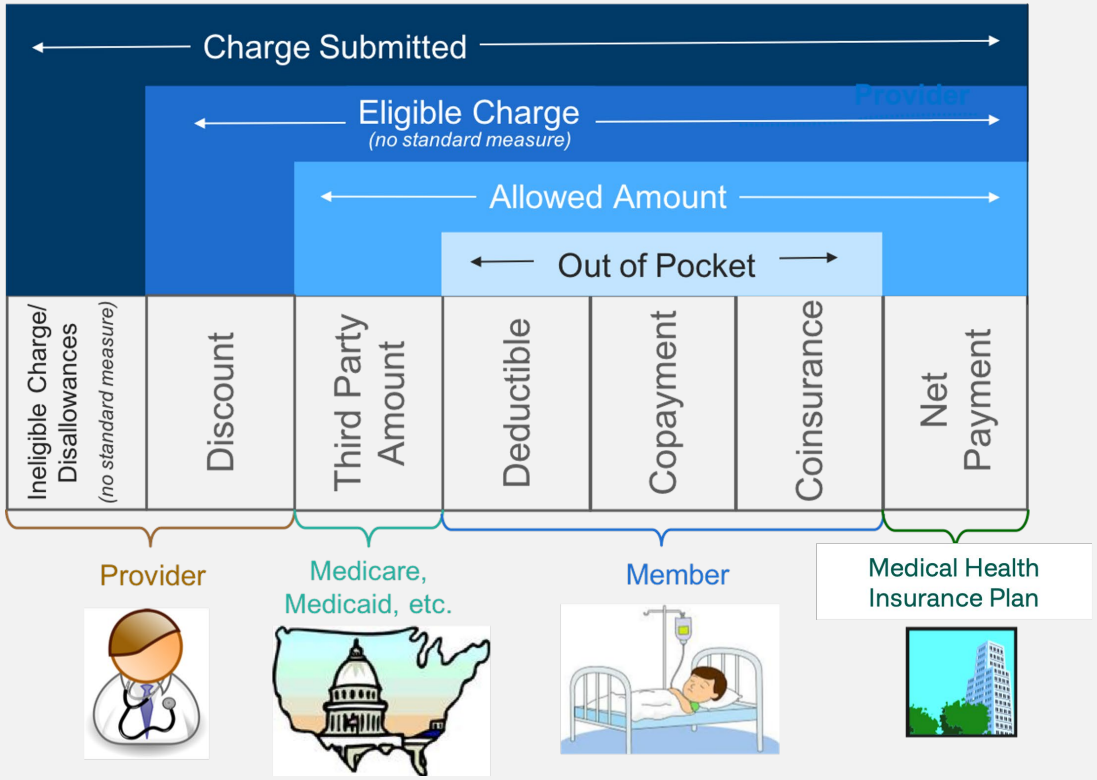
- An understanding of the healthcare financial metrics and other related elements included in the regular Board dashboards
- Recognition of the purpose of each of the specific Board dashboards, highlighting value for decision making

Overview

Healthcare Financials

- **Allowed Amount:** Total paid to the provider by all parties, overall cost of services
- **Out-of-Pocket:** Combination of deductible, copayment and coinsurance where applicable, responsibility of the member
- **Net Payment:** Portion of the service cost paid by the health insurance company
- **Simplified Summary Financial Relationship:**
  - *Out of Pocket + Net Payment = Allowed Amount*

Paid By Members | Paid By Health Plan | Total Cost of Services



Healthcare Premiums & Rates

Premiums:

- **Amount paid upfront for insured member**
- Paid for all coverage period, whether member receives services or not
- Offsets Net Payments made by insurance company

Rates:

- **Average per employee or per member at per month or year rates**
- Per Member Per Month (PMPM)
- Per Member Per Year (PMPY)
- Per Employee Per Year (PEPY)

Reporting Time Periods

Incurred:

- Dates services were provided

Paid:

- Dates payments are made to providers after “adjudication” of claims

Rolling Years:

- Allows for reporting the most current data as frequently as possible, could span one mid-month year to another
- Current Rolling Year (CRY)
- Previous Rolling Year (PRY)

Reporting Considerations

Adjudication: health insurance plans evaluate claims submitted by providers to determine what and how much is eligible for payment

- Varies by claim type: shorter for prescription drug claims and longer for the more complex services like inpatient hospital stays
    - Reporting typically allows for 3-month delay (lag) to allow for capturing most of the financial metrics for provided services
- Rolling vs. Calendar Years: historically, many important considerations e.g., the rate setting process, are based on data for full January – December calendar years

Eligibility

Employee:

- Also know as the contract holder or subscriber

Member:

- All members on the contract, to include employee, spouse, and dependents

Active:

- Current employee of GHIP participating employer
- IYC Uniform Benefits under the GHIP
- Largest sub-group in GHIP

Early Retirees:

- Subscriber under 65 with an employment status of retired
- IYC Uniform benefits under the GHIP

Medicare Retirees:

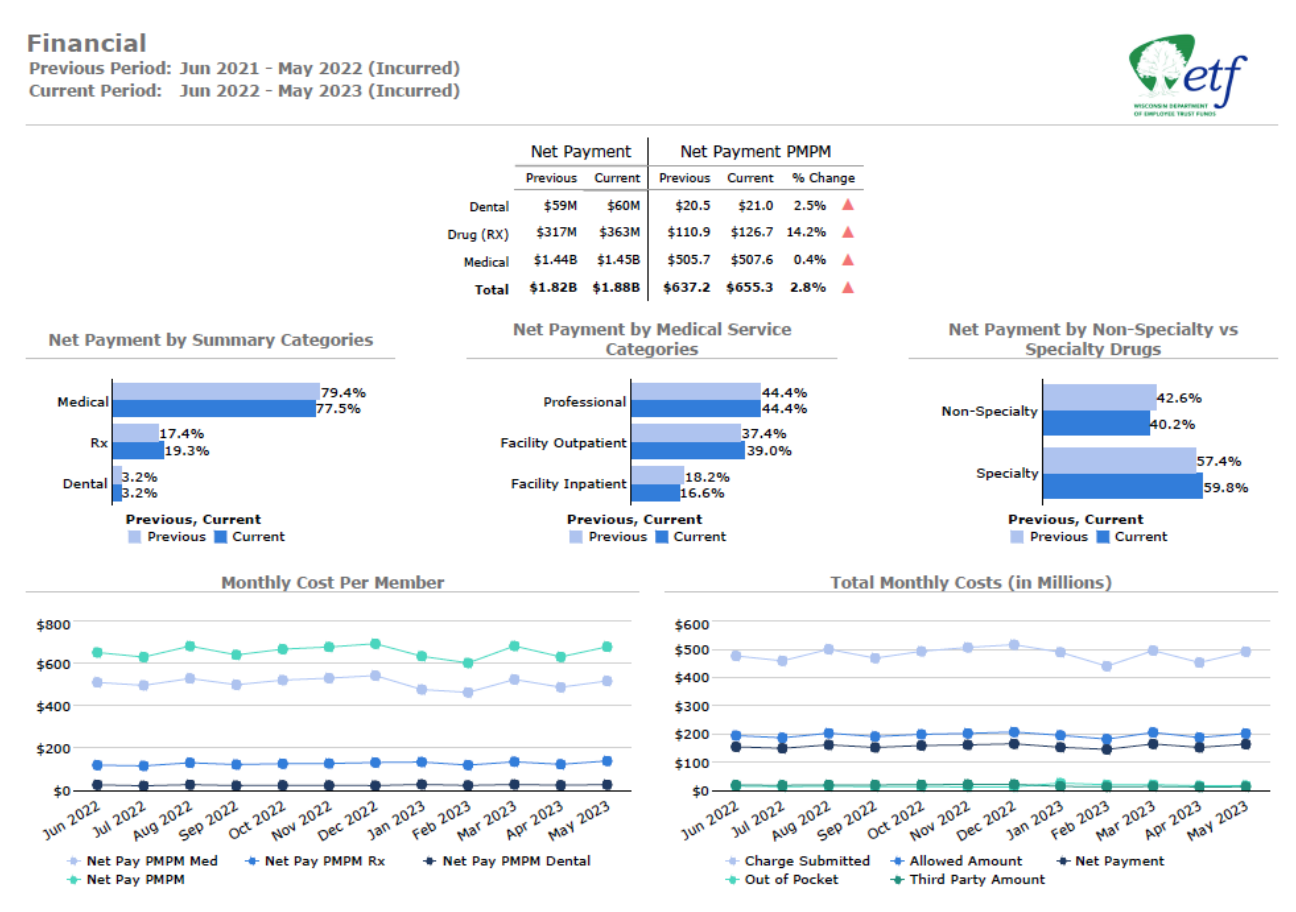
- Subscriber over 65 with an employment status of retired
- Enrolled in IYC Medicare, Medicare Plus, or Medicare Advantage Plans

Others:

- COBRA, Leave of Absence, Sabbatical, etc.

Board Dashboards

Board Dashboard Example



Financial

Previous Period: Jun 2021 - May 2022 (Incurred)
Current Period: Jun 2022 - May 2023 (Incurred)

	Net Payment		Net Payment PMPM		
	Previous	Current	Previous	Current	% Change
Dental	$59M	$60M	$20.5	$21.0	2.5% ▲
Drug (RX)	$317M	$363M	$110.9	$126.7	14.2% ▲
Medical	$1.44B	$1.45B	$505.7	$507.6	0.4% ▲
Total	**$1.82B**	**$1.88B**	**$637.2**	**$655.3**	**2.8%** ▲

Net Payment by Summary Categories

Net Payment by Medical Service Categories

Net Payment by Non-Specialty vs Specialty Drugs

Monthly Cost Per Member

Total Monthly Costs (in Millions)

(Ref. GIB | 11.15.23 | 5, Attachment page 1)

Net Payments

- Cost to health plans, a good indicator of future premium rates
- Rates and Trends for three benefits separated:
  - Dental: self insured, lowest contribution to total cost
  - Prescription Drugs (Rx): self insured, highest trend
  - Medical: full insured through health plans, largest contribution to total cost

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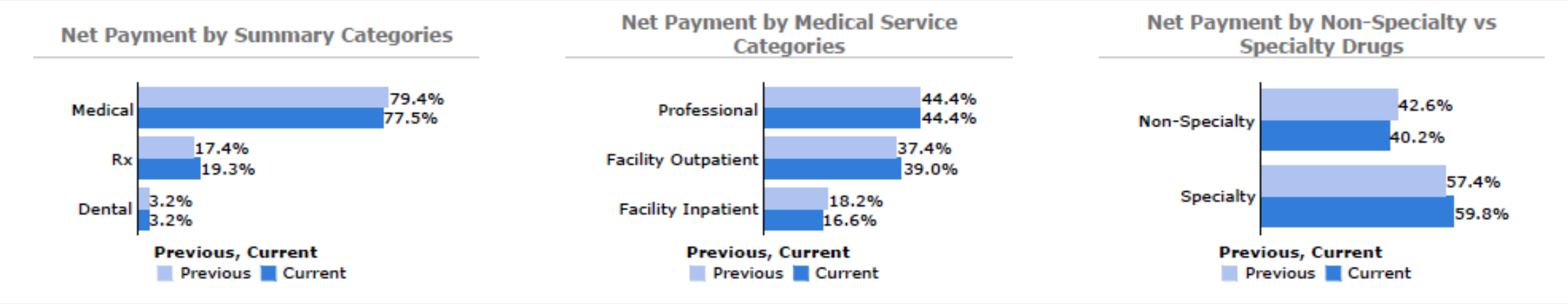
(Ref. GIB | 11.15.23 | 5, Attachment page 1, top)

Cost by Benefit & Service Categories

- Relative Costs And Trends by Service Categories:
  - Medical: Outpatient costs growing relatively faster than inpatient
  - Prescription Drugs (Rx): specialty drugs make up a larger proportion, and growing faster than non-specialty drugs

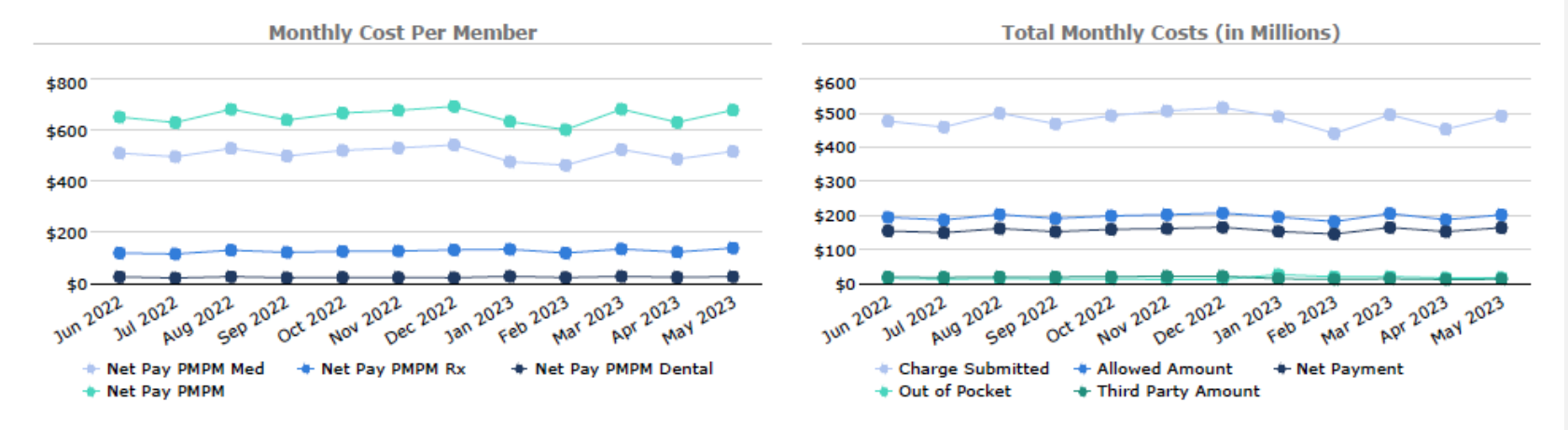


(Ref. GIB | 11.15.23 | 5, Attachment page 1, middle)

Monthly Cost

- Cost Share Monthly Trends:
  - Net Payments dominate the total allowed amount cost
  - Some monthly variation for all costs

Insight: Summary rates and trends by benefit types and service categories, informs expectations for future GHIP costs



(Ref. GIB | 11.15.23 | 5, Attachment page 1, bottom)

Cost Drivers – Per Member Trends

- Cost Per Member: highlights per member annual cost by top service types and aggregate
  - Based on allowed amounts – independent of benefit design
  - Assesses the following:
    - Year-Over-Year (YoY) trends
    - Comparison to norms

Financial

Previous Period: Jun 2021 - May 2022 (Incurred)
Current Period: Jun 2022 - May 2023 (Incurred)

Cost Per Member

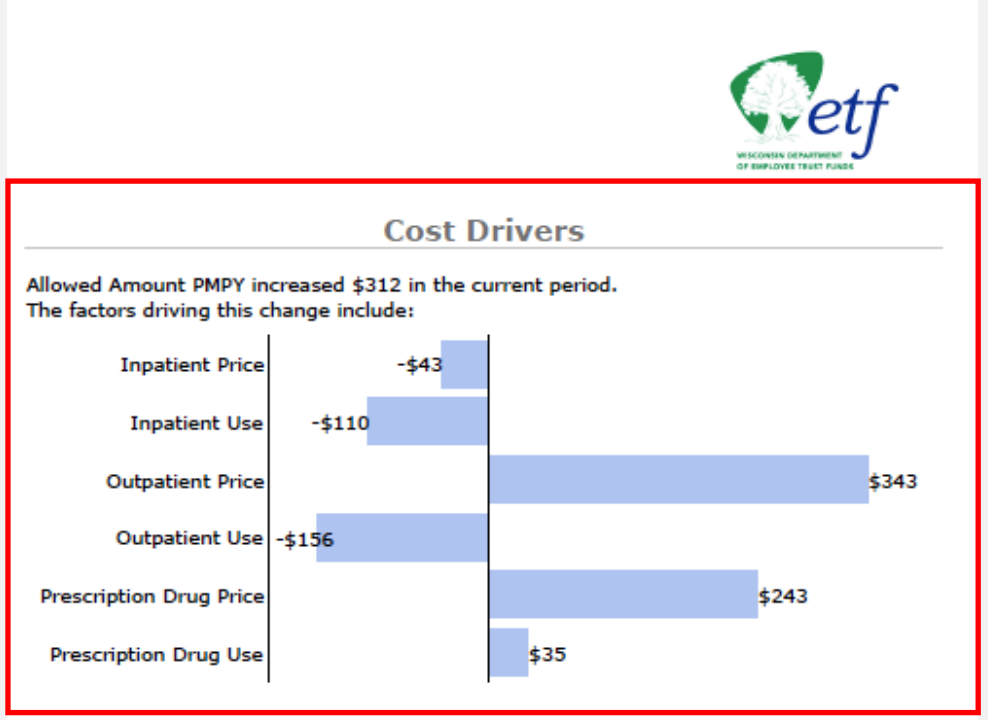
	Previous	Current	% Change	Norm	% Difference from Norm
Allow Amt PMPY Med and Rx	$9,319	$9,630	3.3% ▲	$8,054	19.6% ▲
Allow Amt Per Visit Office Med	$225	$237	5.0% ▲		
Allow Amt Per Adm Acute	$25,689	$24,996	-2.7% ▼	$34,699	-28.0% ▼
Allow Amt Per Visit ER	$2,162	$2,144	-0.8% ▼	$2,430	-11.8% ▼
Allow Amt Per Script Rx	$169	$187	10.8% ▲	$173	8.0% ▲
Visits Per 1000 Office Med	7,589	7,275	-4.1%	6,674	9.0%
Admits Per 1000 Acute	65	61	-6.9%	49	22.9%
Visits Per 1000 ER	259	270	4.4%	202	33.5%
Scripts Per 1000 Rx	11,648	11,993	3.0%		

(Ref. GIB | 11.15.23 | 5, Attachment page 2, left)

Cost Drivers – Utilization and Price

- Cost Drivers: relative contribution to costs based on utilization (use) and unit cost (price) of 3 broad categories: Inpatient, Outpatient, and Prescription Drugs (Rx)
- Overall current change of $312 in PMPY cost consists of:

Category	Unit Cost	Utilization	Net Contribution
Inpatient	-$43	$-110	-$153
Outpatient	$343	-$156	$187
Prescription Drugs	$243	$35	$278



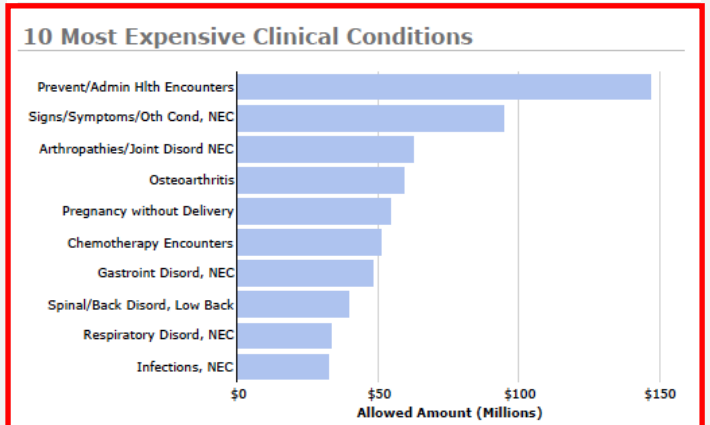
Insight: how do GHIP costs trend over time, compare to norms, and what categories are driving changes?

(Ref. GIB | 11.15.23 | 5, Attachment page 2, right)

Top Cost Contributions by Health Conditions

- Identifying top health conditions by overall costs informs efficient allocation of resources to disease or condition specific initiatives
  - Top ranked Preventive health encounters e.g., annual physical check-ups desirable
  - Other top conditions e.g., osteoarthritis are manageable, candidates for disease management programs

Clinical
Previous Period: Jun 2021 - May 2022 (Incurred)
Current Period: Jun 2022 - May 2023 (Incurred)



	Allow Amt Med	% of Total	+Patients	**Allow Amt Per Patient Med
Prevent/Admin Hlth Encounters	$146,946,277	8.4%	171,387	$857
Signs/Symptoms/Oth Cond, NEC	$94,629,622	5.4%	74,712	$1,267
Arthropathies/Joint Disord NEC	$62,430,183	3.6%	48,256	$1,294
Osteoarthritis	$59,310,802	3.4%	16,266	$3,646
Pregnancy without Delivery	$54,665,566	3.1%	4,644	$11,771
Chemotherapy Encounters	$50,852,797	2.9%	1,074	$47,349
Gastroint Disord, NEC	$47,982,057	2.7%	24,426	$1,964
Spinal/Back Disord, Low Back	$39,617,812	2.3%	25,348	$1,563
Respiratory Disord, NEC	$33,136,407	1.9%	20,455	$1,620
Infections, NEC	$32,319,402	1.9%	35,154	$919
Top 10 Subtotal	**$621,890,925**	**35.6%**	**201,246**	**$3,090**
All Clinical Conditions	**$1,746,678,860**	**100.0%**	**245,711**	**$7,685**

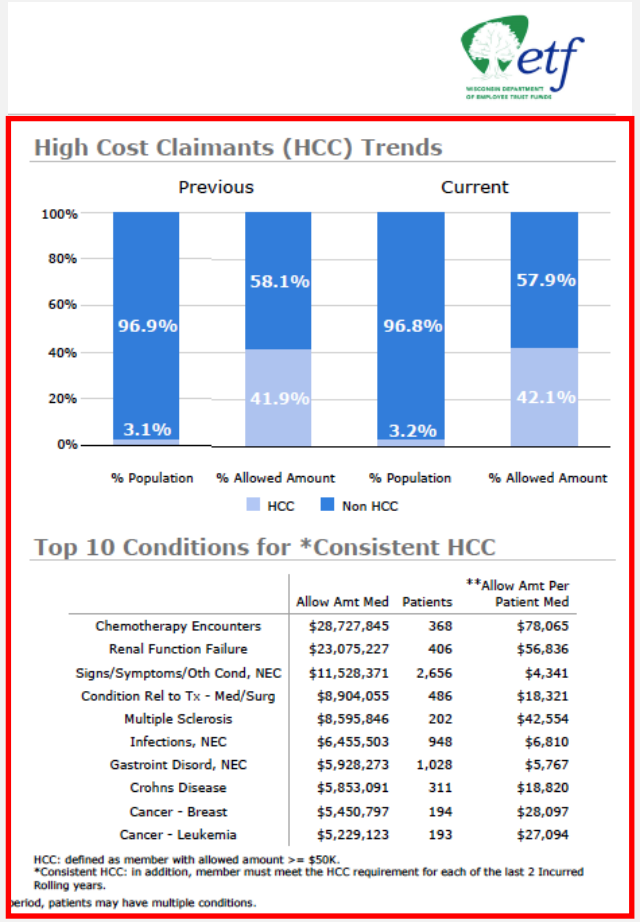
+Patient counts may not be unique since some patients have multiple conditions.
**Only costs associated with this condition in the current pe

(Ref. GIB | 11.15.23 | 5, Attachment page 3, left)

High-Cost Claimants Trends

- High-Cost Claimant (HCC): Small percentage of total membership accounting for disproportionate relative cost
    - Members consistently meeting criteria (>=$50K in annual medical costs) may benefit from proactive, targeted efforts ensuring best evidence-based treatment for members

Insight: Identify health conditions with good positive ROI potential for quality and cost outcomes



High Cost Claimants (HCC) Trends

Top 10 Conditions for *Consistent HCC

	Allow Amt Med	Patients	**Allow Amt Per Patient Med
Chemotherapy Encounters	$28,727,845	368	$78,065
Renal Function Failure	$23,075,227	406	$56,836
Signs/Symptoms/Oth Cond, NEC	$11,528,371	2,656	$4,341
Condition Rel to Tx - Med/Surg	$8,904,055	486	$18,321
Multiple Sclerosis	$8,595,846	202	$42,554
Infections, NEC	$6,455,503	948	$6,810
Gastroint Disord, NEC	$5,928,273	1,028	$5,767
Crohns Disease	$5,853,091	311	$18,820
Cancer - Breast	$5,450,797	194	$28,097
Cancer - Leukemia	$5,229,123	193	$27,094

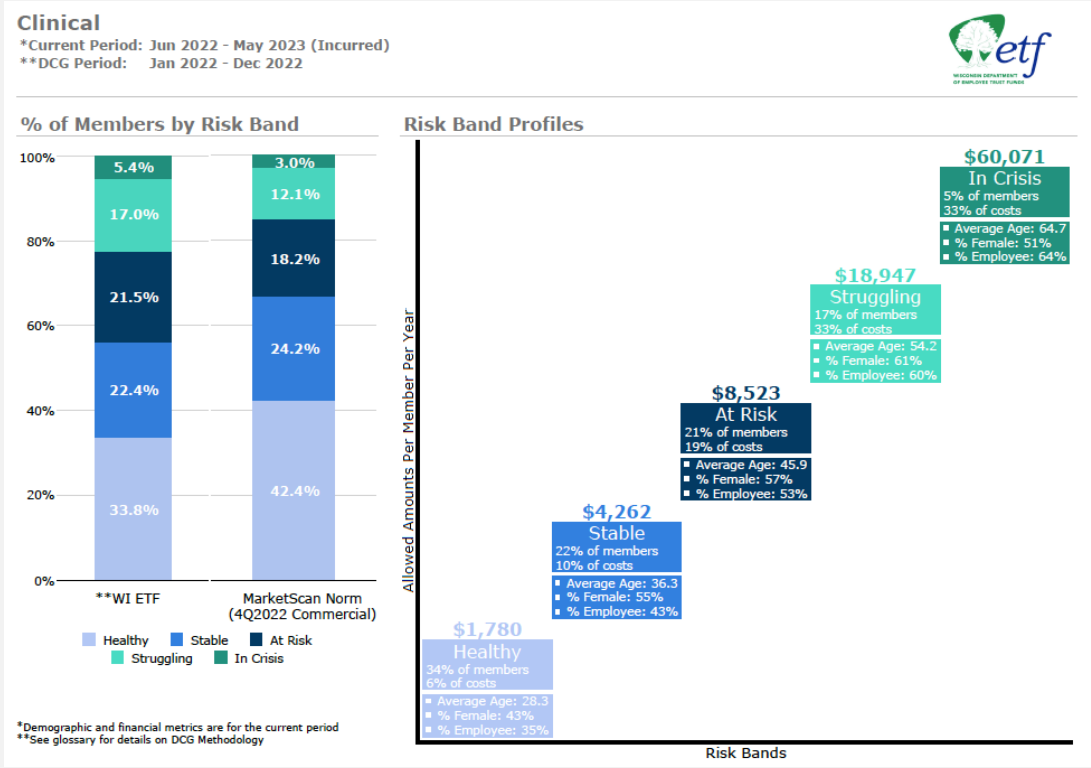
HCC: defined as member with allowed amount >= $50K.
*Consistent HCC: in addition, member must meet the HCC requirement for each of the last 2 Incurred Rolling years.
eriod, patients may have multiple conditions.

(Ref. GIB | 11.15.23 | 5, Attachment page 3, right)

Costs by Risk Categories

Members are categorized into risk bands using Merative's risk methodology (licensed from Cotiviti). Bands range from:

- "Healthy": require least resources for healthcare
  - 34% of members accounting for 6% of costs
- "In Crisis": require a disproportionate level of resources for healthcare
  - 5% of members, account for 33% of costs



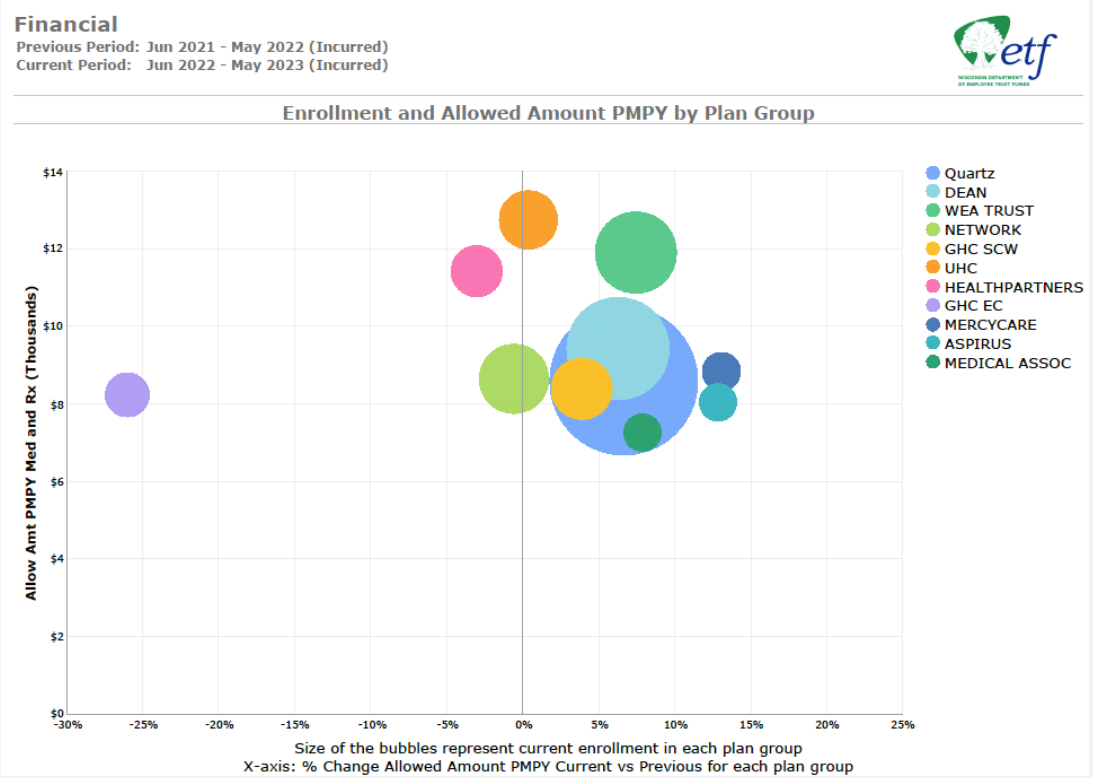
Insight: identify sub-population with the best potential for impact from intervention

(Ref. GIB | 11.15.23 | 5, Attachment page 4)

Costs and Trends by Plan Groups

Summary illustration of the membership distribution and financial status of the GHIP

- Bubble sizes indicate the relative size of the members by health plan groups
- Locations on the vertical axis represent the annual per member costs for medical and prescription drug services
- Horizontal distances from the y-axis represent the YoY trend of the per member annual costs

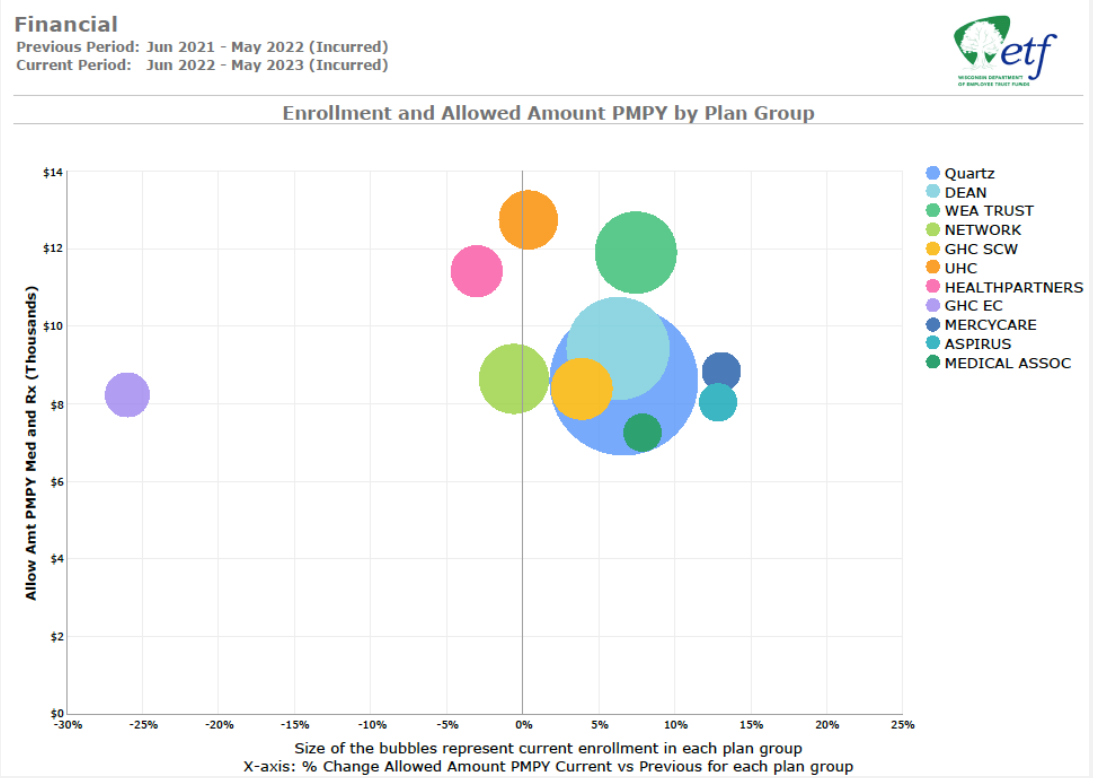


(Ref. GIB | 11.15.23 | 5, Attachment page 5)

Analytics Notes

- Largest plan groups by size typically drive the overall trend
- Smaller plan groups susceptible to outlier effects
- Does not account for membership transitions
- Not risk adjusted

Insight: how are the GHIP members distributed by plan groups, and what are the cost trends for each of the plan groups



(Ref. GIB | 11.15.23 | 5, Attachment page 5)

Enrollments and Demographics

- Enrollments and demographics:
  - Slightly positive trends in employees and families (employees + dependents) counts
  - Mostly flat trends for average age, family sizes
- Net Payment per member rates by demographics and employee/subscriber type supports decisions on benefit designs

	Enrollment			Average Age		
	Previous	Current	% Change	Previous	Current	% Change
Employees	121,053	122,599	1.3%	51.5	51.5	-0.1%
Members	261,462	263,939	0.9%	40.0	40.1	0.2%
Family Size Avg	2.2	2.2	-0.3%			

Membership and Net Pay PMPM by Gender

	Previous	Current	% Change
Female	136,081	137,406	1.0%
Male	125,432	126,607	0.9%

***Membership and Net Pay PMPM by Employee Relationship**

	Previous	Current	% Change
Employee/Self	120,886	122,028	0.9%
Spouse	60,246	60,854	1.0%
Child/Other Dependent	80,330	81,057	0.9%

***Membership and Net Pay PMPM by Employee Status**

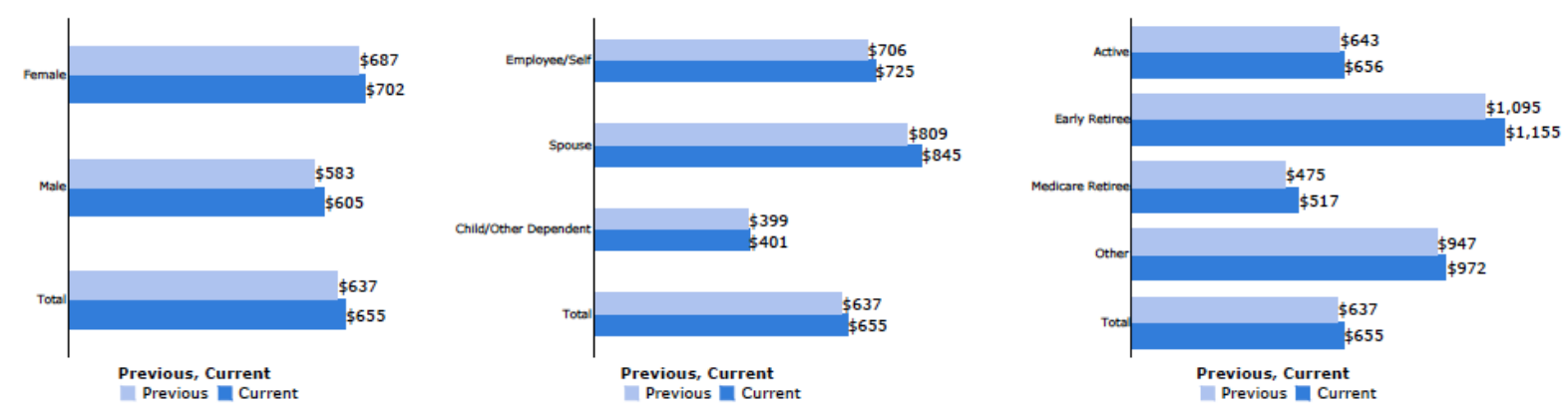
	Previous	Current	% Change
Active	215,506	217,232	0.8%
Early Retiree	13,085	12,492	-4.5%
Medicare Retiree	38,278	39,208	2.4%
Other	1,404	1,147	-18.3%

(Ref. GIB | 11.15.23 | 5, Attachment page 6, top)

Net Payments by Employee Status Groups

- Actives: the sub-group with the largest membership is 2% ($656 vs $643)
- Early Retirees: 5.4% ($1,155 vs $1095)
- Medicare Retirees: 8.8% ($517 vs $417)

Insight: What are the costs and trends by sub-groups separated by criteria that are relevant for benefit design considerations?



(Ref. GIB | 11.15.23 | 5, Attachment page 6, bottom)

Questions?

Thank you

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ETF E-mail Updates

608-266-3285
1-877-533-5020

Reserve Policy Discussion

Item 6 – Memo Only

Eileen Mallow, Director

Office of Strategic Health Policy

Action Needed

- The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) adopt the attached updated policy for managing program reserves.

BREAK

The Board is on a short break. Audio and visual feed will resume upon the Board's return.

2024 – 2026 Group Insurance Board Initiatives

Item 7 – Group Insurance Board

Renee Walk, Programs and Policy Unit Director

Office of Strategic Health Policy

Informational Item Only

- No Board action is required.

Background

February 2020

- GIB Approves Last Strategic Initiatives

August 2023

- ETF provides initial alignment presentation

November 2023

- ETF provides 2024 – 2026 initiatives roadmap

(Ref. GIB | 11.15.23 | 7, page 1)

Areas of Focus

Program Sustainability

- HDHP Product Plan
- Local Program Evaluation & Redesign
- Low Value Care
- Cost Sharing Changes/Benefit Simplification
- Required RFPs

Innovative Opportunities

- Social Determinants of Health
- Centers of Excellence
- Quality-Based Performance Guarantees

(Ref. GIB | 11.15.23 | 7, page 2-3)

Board Education

- Effort to support Board in decision-making on complex topics
- Based upon Board member survey and initiative/work product timing

Questions?

Thank you

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2025 Preliminary Agreement and Benefit Changes

Item 8 - Group Insurance Board

Korbey White, Health Programs Manager
Luis Caracas, Health Plan Policy Advisor
Tricia Sieg, Pharmacy Benefits Program Manager
Molly Dunks, Disease Management and Wellness Program Manager
Office of Strategic Health Policy

Informational Item Only

- No Board action is required.

Annual Review of Contracts

September 2023

- ETF began the 2025 Agreement and Certificate review process.

October 2023

- Vendors returned their benefit changes and pilot program proposals to ETF. Members and other stakeholders also provided suggestions for changes to ETF.

(Ref. GIB | 11.15.23 | 8, pages 1-2)

Contract and Benefit Categories

Health plans:

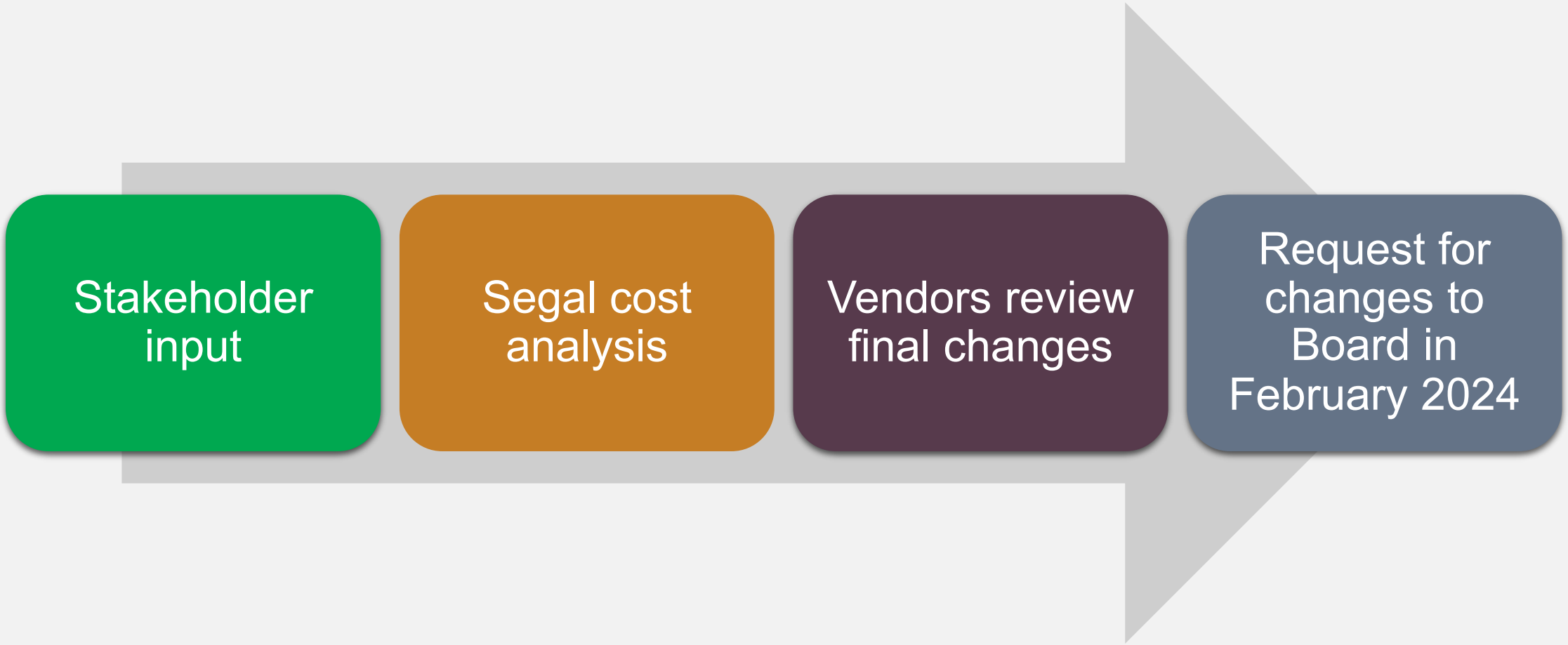
- Program Agreement
- Certificate of Coverage
- Schedules of Benefits
- Pilot programs

Others:

- Uniform Pharmacy Benefits
- Wellness and Disease Management Benefits

(Ref. GIB | 11.15.23 | 8, Attachment A)

Next Steps



(Ref. GIB | 11.15.23 | 8, pages 2)

Questions?

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Gag Clause Attestation Delegation

Item 9 - Group Insurance Board

Korbey White, Health Program Manager
Office of Strategic Health Policy

Laura Brauer, Attorney
Office of Legal Services

Action Needed

- The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) delegate authority to ETF's secretary to submit the Gag Clause Prohibition Compliance Attestation (GCPCA) required by the Consolidated Appropriations Act (CAA) for the Group Health Insurance Program (GHIP).

Background

- What is a Gag Clause
- Attestations Requirements
- Recommendation

(Ref. GI | 11.15.23 |9, page 1)

Gag Clause

Providing provider-specific cost or quality of care

Electronically accessing de-identified claims and encounter information

Sharing information or data

(Ref. GIB | 11.15.23 |9, page 1)

Attestations Requirements

Submit annually

Health and pharmacy

Due December 31

(Ref. GIB | 11.15.23 |9, page 2)

Ways to Attest

Vendors

- Program Agreement amendment needed to address continued Board liability
- The Board would need to keep track of which providers have submitted attestations for each benefit

ETF

- Previously submitted information supplied by vendors
- 2024 Program Agreement addition

(Ref. GIB | 11.15.23 |9, page 2)

Action Needed

- The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) delegate authority to ETF's secretary to submit the Gag Clause Prohibition Compliance Attestation (GCPCA) required by the Consolidated Appropriations Act (CAA) for the Group Health Insurance Program (GHIP).

Questions?

Thank you

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Uniform Dental Benefit Audit

Item 10 – Group Insurance Board

Tom Rasmussen, Life Insurance and Dental Insurance Program Manager

Office of Strategic Health Policy

Informational Item Only

- No Board action is required.

Audit Background

- ETF retained Claim Technologies Incorporated (CTI) to conduct biennial audit of the Uniform Dental Benefit (UDB) Program
- Plan years 2021 and 2022
- CTI conducted audit according to accepted standards and procedures
- CTI planned and performed audit based on the scope of work agreed upon by ETF and CTI

Audit Objectives

- Determine if Delta followed the terms of the service agreement
- Determine if claims were paid according to plan documents
- Assess eligibility verification
- Assess if claims administration or eligibility maintenance system needs improvement

Findings

Delta's performance above the median in each benchmarked performance indicator

Two in-network providers were paid for services who were listed on the Office of Inspector General's List of Excluded Individuals

Plan certificate is currently silent on the exclusion of occlusal guards

Findings

Less than .04% of total dental spend paid for members who were not eligible

- Normal rate averages ranges between .5 - .8%

Delta unable to reproduce all performance guarantee reports to validate self-reported results

Lack of internal review when members contacted Delta with grievances

Next Steps

- Post audit review with CTI, Delta and ETF
- Work with Delta to make appropriate improvements to the program
- Office of Internal Audit monitors and reports audit results and implementation status to GIB and ETF Audit Committee

Questions?

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Audit of Pharmacy Benefit Manager

Item 11 - Group Insurance Board

Tricia Sieg, Pharmacy Benefits Program Manager

Office of Strategic Health Policy

Informational Item Only

- No Board action is required.

PBM Audit Background

- Twelfth annual audit or phase by PillarRx Consulting, LLC. (PillarRx) of the Board's Pharmacy Benefit Program
- PillarRx is an independent auditing firm specializing in the pharmaceutical marketplace
- PillarRx found this audit to be a passing audit

What Did This Audit Examine?

Commercial pharmacy claims Jan. 1, 2022 – Dec. 31, 2022

Employer Group Waiver Plan (EGWP) pharmacy claims Jan. 1, 2021 – Dec. 31, 2021

Pharmacy Network Jan. 1, 2021 – Dec. 31, 2021

Pharmacy Rebates Oct. 1, 2021 – Dec. 31, 2021

(Ref. GIB | 11.15.23 | 11, page 1-2)

PillarRx 2023 Recommendation

State should work with Navitus Health Solutions to understand the rebate Group Purchasing Organization's (GPO's) decisions on rebate differences

Looked at first agreements from first quarter of commercial GPO's

Going forward yearly audits will closely examine PA form adherence

If problem continues a corrective action plan will be made with Navitus

(Ref. GIB | 11.15.23 | 11, page 2-4)

PillarRx 2022 Recommendation

State should work with Navitus to ensure all required prior authorization (PA) forms are submitted by members and their prescribers

No issues found regarding PA forms in most current audit

(Ref. GIB | 11.15.23 | 11, page 1)

Questions?

Thank you

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Request for Proposals to Select a Vendor to Provide Medicare Advantage and Medicare Plus Options

Item 12A - Group Insurance Board

Arlene Larson, Federal Health Programs and Policy Manager

Luis Caracas, Health Plan Policy Advisor

Office of Strategic Health Policy

Action Needed

- The Department of Employee Trust Funds (ETF) recommends the Group Insurance Board (Board) authorize ETF to prepare and issue a Request for Proposals (RFP) to select one or more vendors to provide Medicare Advantage (MA) and Medicare Plus (M+) options.

State of Current Medicare Advantage Contract

June 1, 2018 — Initial three-year contract begins with two two-year extensions

Nov. 18, 2022 — Board approves first two-year extension set to expire **Dec. 31, 2023**

Nov. 17, 2021 — Board approves final two-year extension set to expire **Dec. 31, 2025**

(Ref. GIB | 11.15.23 | 12A, pages 1)

Medicare Advantage Expectations

National carriers dominate the group Medicare Advantage market in Wisconsin

Regional carriers may be interested in offering a group product

Three-year contract term, **Jan. 1, 2026**, through **Dec. 31, 2028**, with two two-year extensions

(Ref. GIB | 11.15.23 | 12A, pages 1)

RFP Considerations

Medicare Advantage Considerations

- Could award a contract to one or more vendors with a nationwide network, and a regional vendor(s) with more limited provider networks
- Provide member choices with low premium costs
- Provide high value, high quality benefits

(Ref. GIB | 11.15.23 | 12A, pages 2)

Medicare Plus Considerations

- Control vendor onboarding and offboarding
- Create long-term contract with vendor for unique benefit
- Maintain Medicare Supplement offering with worldwide coverage

(Ref. GIB | 11.15.23 | 12A, pages 2)

RFP Preliminary Timeline

March 2024	July 2024	February 2025	May 2025	January 2026
ETF issues RFP	Proposals due	RFP results reviewed by the Board and vendor(s) approved	Finalize MA premium rates and execute new contract	Member coverage with vendor(s) begin

(Ref. GIB | 11.15.23 | 12A, pages 2-3)

Action Needed

- ETF recommends the Board authorize ETF to prepare and issue an RFP to select one or more vendors to provide Medicare Advantage and Medicare Plus options.

(Ref. GIB | 11.15.23 | 12A, pages 1)

Questions?

Thank you

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Administrative Services for the State of Wisconsin Pharmacy Benefits Program Request to Release a Request for Proposal

Item 12B – Group Insurance Board

Tricia Sieg, Pharmacy Benefits Program Manager

Tom Rasmussen, Life Insurance and Dental Insurance Program Manager

Office of Strategic Health Policy

Action Needed

- ETF requests the Board authorize ETF to prepare and issue a Request for Proposal (RFP) to select a vendor to provide Administrative Services for the State of Wisconsin Pharmacy Benefits Program, effective Jan. 1, 2026.

Brief PBM History

2002

ETF begins to explore carving the pharmacy benefits from the GHIP

2004

DeanPoint, which later changed its name to Navitus, begins as the Board's PBM

2010 & 2017

Through the RFP selection process, Navitus is awarded contract to be the Board's PBM

2020

Board approves last extension under current contract

2023

Board adds one year extension to current contract that with extension expires Dec. 31, 2025

(Ref. GIB | 11.15.23 | 12B, page 1-2)

What Does Board's PBM Do?

- Negotiate discounts
- Process all pharmacy claims
- Manage Board's Medicare Part D Program
- Manage accumulator files for Board's health plans
- Negotiate rebates
- Maintain Pharmacy Network
- Provide member services and coordinate benefits
- Manage formularies and drug list

(Ref. GIB | 11.15.23 | 12B, page 1-2)

Proposed New RFP Timeline

Month/Year	Action
April 2024	Publish the Pharmacy Benefits Program RFP
August 2024	Proposals due from vendors
December 2024	Evaluation committee makes their selection
February 2025	Board Presentation on evaluation committee's findings
May 2025	New pharmacy contract negotiated and signed
May 2025-December 2025	Vendor works with ETF, health plans, and stakeholders
Dec. 31, 2025	Member's pharmacy benefits begin under new contract

Action Needed

- ETF requests the Board authorize ETF to prepare and issue a Request for Proposal to select a vendor to provide Administrative Services for the State of Wisconsin Pharmacy Benefits Program, effective Jan. 1, 2026.

Questions?

Thank you

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Section 125 Cafeteria Plan, Health Savings Account, Employee Reimbursement Account, and Commuter Fringe Benefit Account Programs Request for Proposals

Item 12C – Group Insurance Board

Xiong Vang, HSA & ERA Accounts Program Manager

Molly Dunks, Disease Management & Wellness Program Manager

Office of Strategic Health Policy

Action Needed

- Requests approval from the Group Insurance Board (Board) to issue an RFP to select a vendor(s) to provide Administrative Services for:
  - Section 125 Cafeteria Plan
  - Health Savings Account (HSA)
  - Employee Reimbursement Account (ERA) and
  - Commuter Fringe Benefit Account Programs
- Effective for Jan. 1, 2026

Contract Terms

Contract Terms	HSA	Section 125/ERA	Commuter Benefits
Original Contract Term	May 7, 2019 – Dec. 3, 2021	May 7, 2019 – Dec. 3, 2021	May 7, 2019 – Dec. 3, 2021
First Extension *(Approved Feb. 17, 2021)*	January 1, 2022 – Dec. 31, 2023	January 1, 2022 – Dec. 31, 2023	January 1, 2022 – Dec. 31, 2023
Second Extension *(Approved May 18, 2022)*	January 1, 2024 – Dec. 31, 2025	January 1, 2024 – Dec. 31, 2025	January 1, 2024 – Dec. 31, 2025

Pre-Tax Savings Accounts Program

Health Savings Account

Employee Reimbursement Accounts

- Health Care Flexible Spending Account (FSA)
- Limited Purpose (FSA)
- Dependent Day Care Account

Commuter Fringe Benefit Accounts

- Parking Account
- Transit Account

Section 125 Cafeteria Plan

RFP will include a vendor to support ETF's Section 125 Cafeteria Plan:

- Provide expert guidance regarding plan documents
- Establish accurate and current plan documentation to avoid compliance issues
- Conduct non-discrimination testing on a consistent annual basis
- Provide guidance as IRS regulations changes

RFP Components

Component 1

- Section 125 Cafeteria Plan
- Employee Reimbursement Account
- Commuter Fringe Benefits

Component 2

- Health Savings Account

(Ref. GIB | 11.15.23 | 12C, page 2)

RFP Goals

1. Delivering high quality benefits and services
2. Delivering an easy-use technology platform for claims substantiation
3. Implementing contracts that reflect industry best practices
4. Championing member communication, engagement, and education

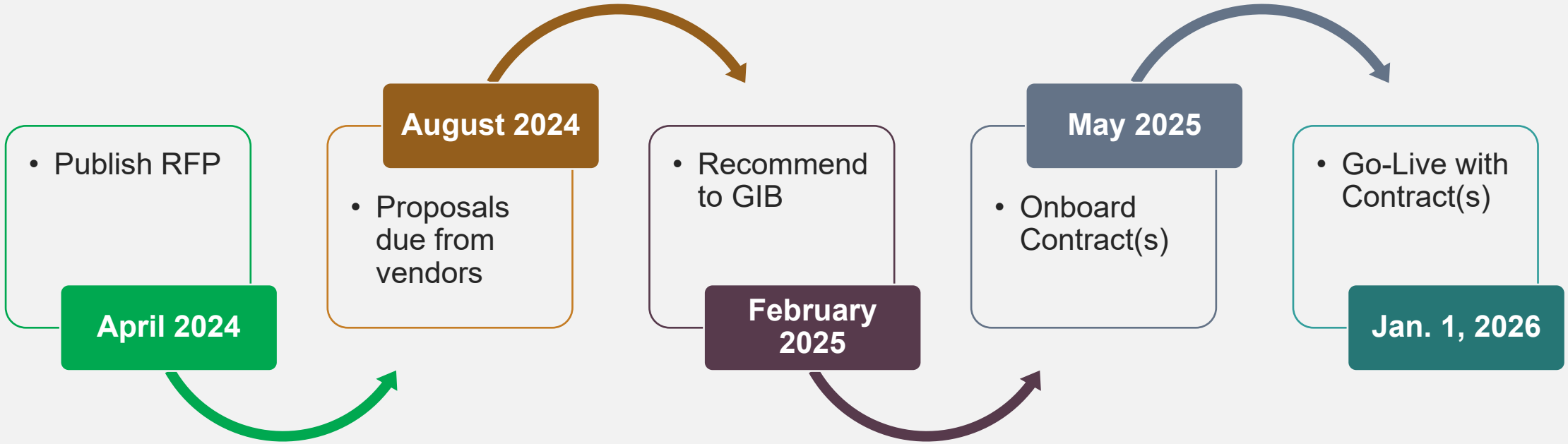
(Ref. GIB | 11.15.23 | 12C, page 2)

RFP Goals – Continued

5. Improving debit card functionality for all pre-tax saving accounts
6. Offering the ability to submit reoccurring claims for a Dependent Day Care Account
7. Offering enhanced and straightforward end-year reporting

(Ref. GIB | 11.15.23 | 12C, page 2)

Propose RFP Timeline



(Ref. GIB | 11.15.23 | 12C, pages 2-3)

Action Needed

- ETF recommends the Board approve the development and release of an RFP to select a vendor(s) to provide Administrative Services for:
  - Section 125 Cafeteria Plan
  - Health Savings Account (HSA)
  - Employee Reimbursement Account (ERA) and
  - Commuter Fringe Benefit Account Programs
- Effective for Jan. 1, 2026

Questions?

Thank you

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1-877-533-5020

BREAK

The Board is on a short break. Audio and visual feed will resume upon the Board's return.

Long-Term Care Standards Changes

Item 13 – Group Insurance Board

Douglas Wendt, Supplemental Plans Program Manager

Office of Strategic Health Policy

Action Needed

- ETF requests the Board approve modifications to the *Long-Term Care Insurance Standards* (ET-7423) for contract effective for the 2025 plan year.

Background

- Long-term care insurance is provided for in statute, primarily Wis. Stat. § 40.55.
- Not a benefit selection during new hire or open enrollment.
- Not a guaranteed benefit. Members must pass health underwriting and stay with the original insurer if the Board changes approved insurers.
- ETF posts basic information on the ETF website.
- Members initiate contact with the contracted agent to apply.
- Simplified contract requirements vs. supplemental dental, vision, and accident.

Proposed Changes

Proposals not accepted for hybrid plans or life insurance riders

3-year contact

Jan. 1, 2025-
Dec. 31, 2027

Remove references to “individual” plans to open to both group and individual

Change due date for annual reporting from January 15 to February 15

Add clarification that plan is only available to Wisconsin residents

Add requirement to disclose outside ownership relationship

(Ref. GIB | 11.15.23 | 13, page 1-2)

Action Needed

- ETF requests the Board approve modifications to the *Long-Term Care Insurance Standards* (ET-7423) for contract effective for the 2025 plan year.

Questions?

Thank you

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ETF E-mail Updates

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Ombudspersons Services: Education and Outreach Report 2023 Semi-Annual Case Report

Items 14A-14B – Group Insurance Board

Liz Doss-Anderson, Ombudsperson, Office of the Secretary

Peggy McCullick, Ombudsperson, Office of the Secretary

Brittney Kruchten, Communications Project Manager, Office of Communications

Informational Items Only

- No Board action is required.

Education and Outreach Report

(Ref. GIB | 11.15.23 | 14A)

Ombudsperson Services

- ETF Ombudspersons serve as a resource and help members as they attempt to resolve issues that involve Wisconsin Retirement System benefit programs prior to using the administrative review process
- Ombudspersons work to ensure the quality delivery of ETF services and benefits by representing participants' interests relating to the insurance and retirement programs

Ombudsperson Services Networking Partners

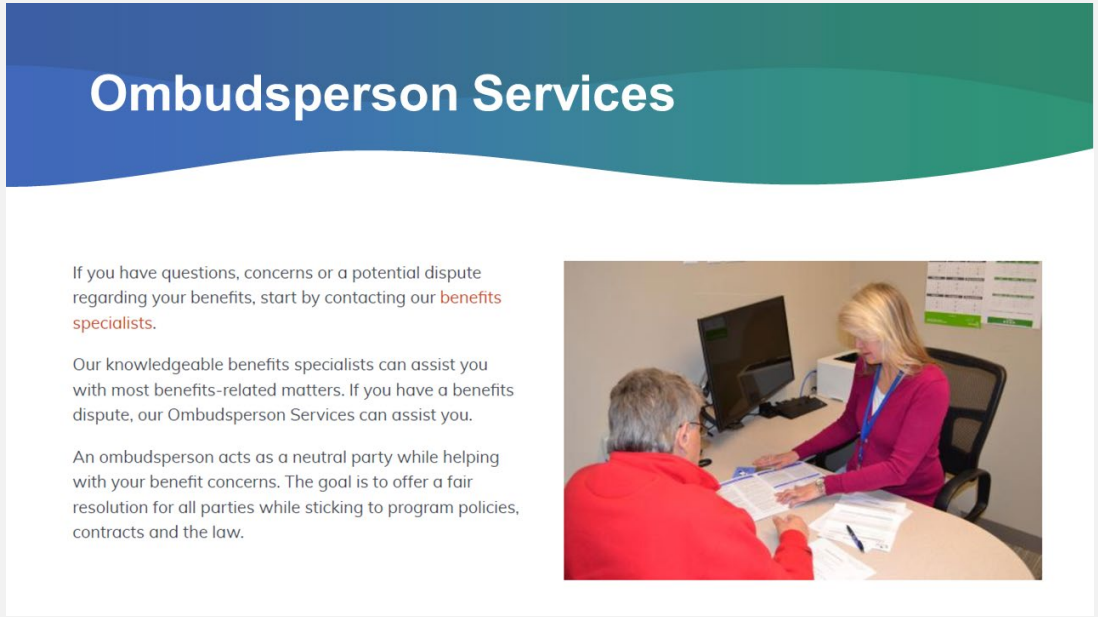
Member Experience Initiative

ETF's plan to resolve disagreements, complaints and appeals at the most appropriate level

- Emphasize quality communications with members
- Share information with members as complaint resolution is in process
- Provide members with explanation of resolution, clarification of benefits
- Advise members on additional avenues of appeal, if appropriate

Background

- Historically, Ombudsperson Services has not had a prominent location on the ETF website
- ETF staff, plans, and employers have asked for more resources regarding benefit disputes and avenues for resolution
- Ombudsperson Services collaborated with various ETF staff and offices and divisions

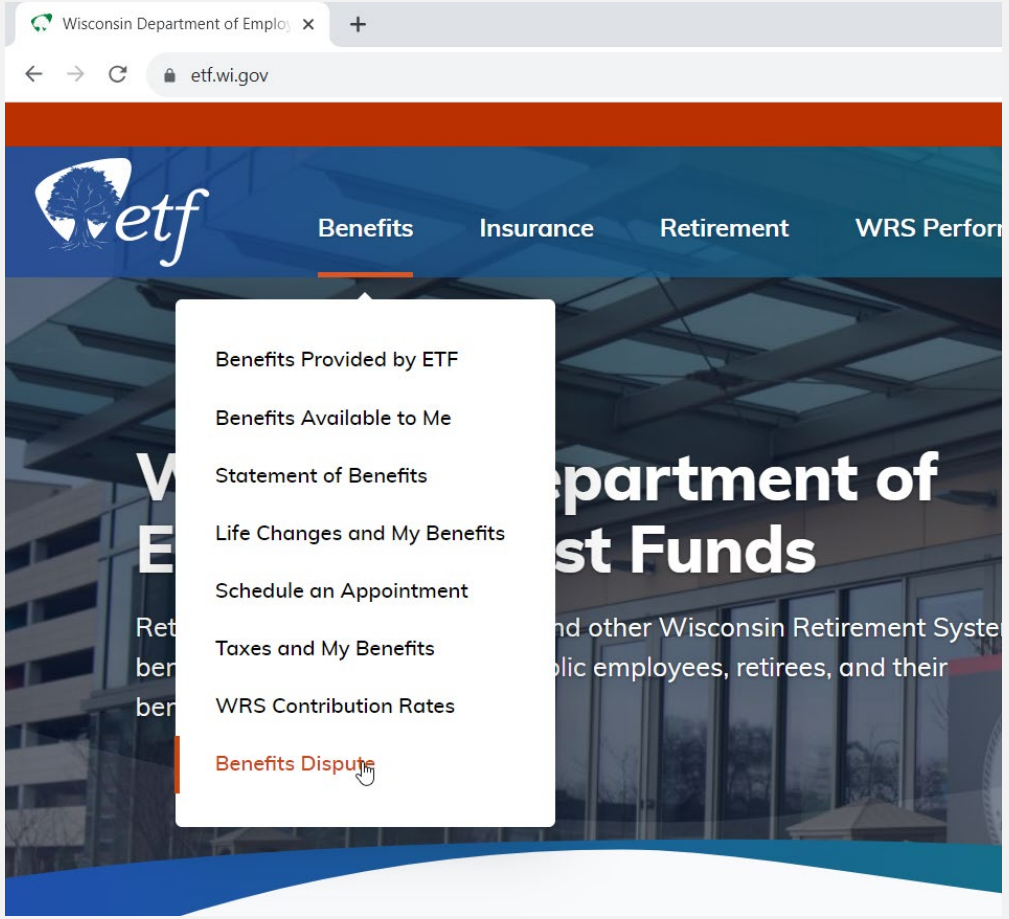


Benefits Dispute Page

Demonstration

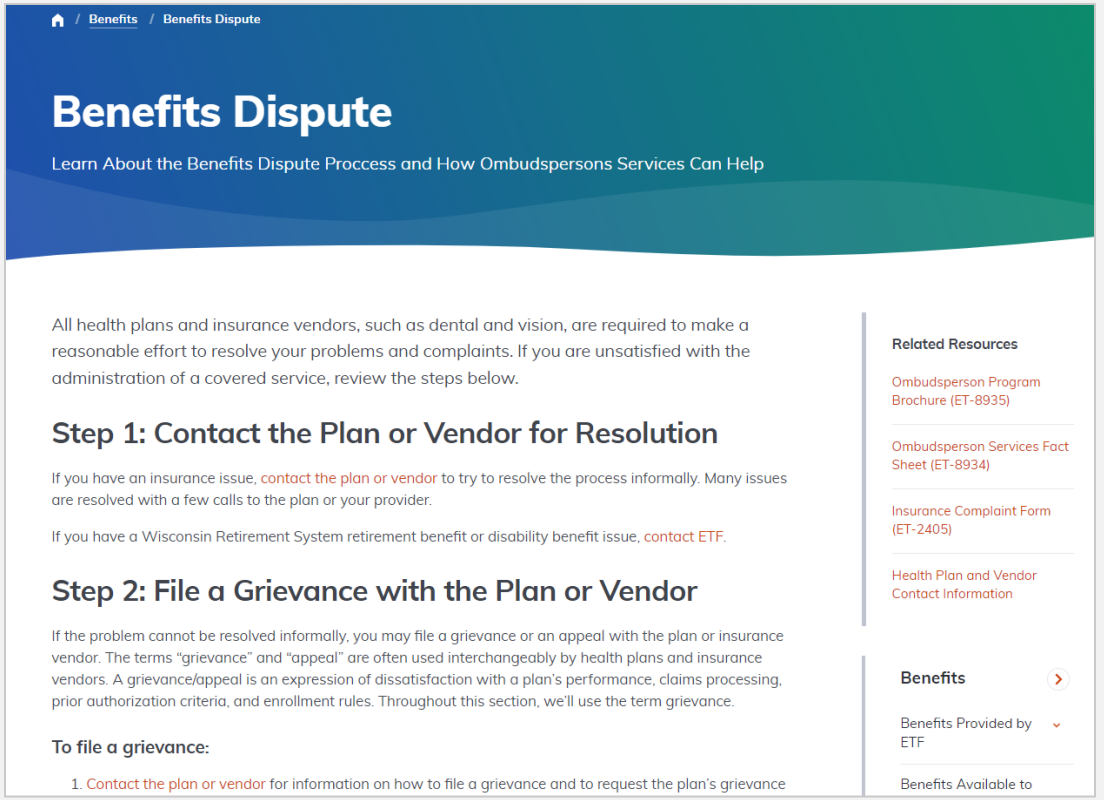
Navigation to Page

- ETF Homepage
- Found in main menu under Benefits
- Titled “Benefits Dispute”



Benefits Dispute Page

- Highlight Grievance and Appeal Information
- Related Resources including:
  - Ombudsperson Program Brochure (ET-8935)
  - Ombudsperson Services Fact Sheet (ET-8934)
  - Insurance Complaint Form (ET-2405)
  - Health Plan and Vendor Contact Information

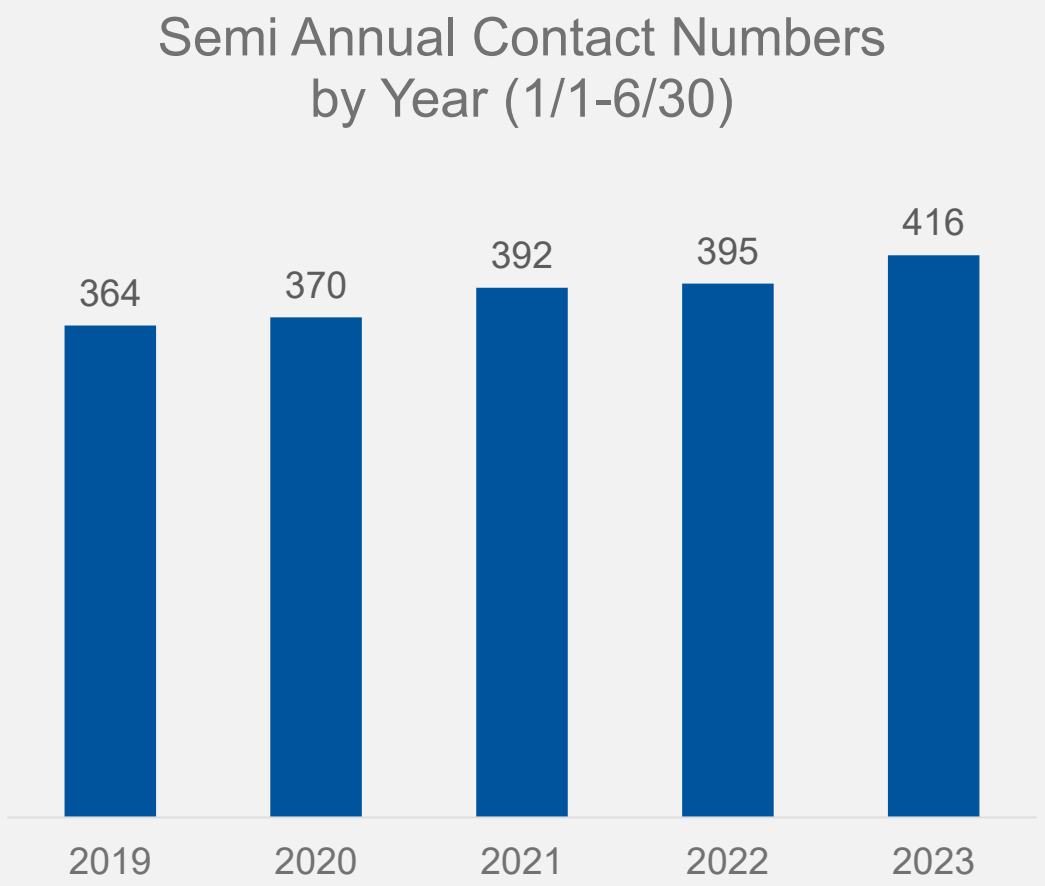


2023 Semi-Annual Report

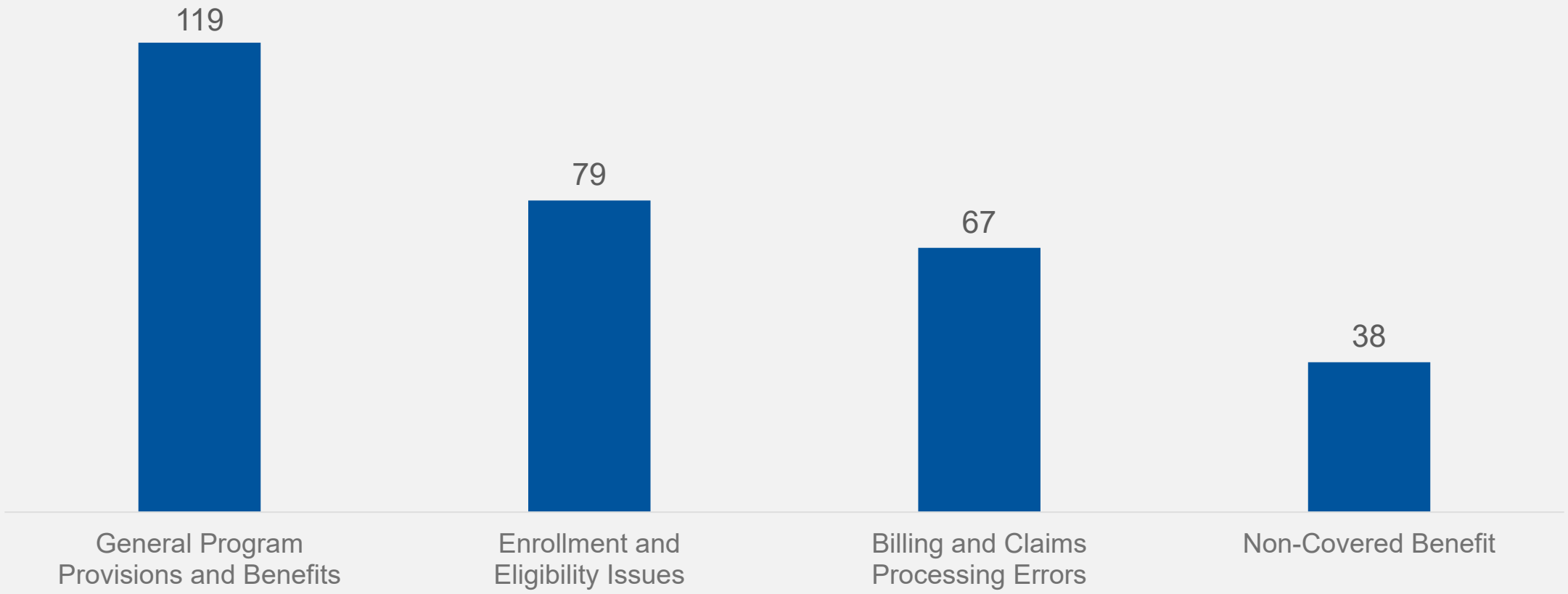
(Ref. GIB | 11.15.23 | 14B)

Report Highlights

- Contacts to Ombudsperson Services continues to see an increase in member inquiries during the first six months of each year
- General contacts regarding benefit additions, clarifications or education about changes to GHIP benefits remain some of the top reasons for contacting Ombudsperson Services
- Escalated enrollment and eligibility inquiries continue to be a frequent reason for contact to Ombudsperson Services



2023 Top GHIP Case Types (1/1-6/30)*



* 10 cases were WRS Retirement and Sick Leave

Questions?

Thank you

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Operational Updates

Items 15A–15I – Memos Only

Tentative February 2024 Agenda

Item 16 – Memo Only

Eileen Mallow, Director

Office of Strategic Health Policy

Informational Item Only

- No Board action is required.

Questions?

CLOSED SESSION

The Board may meet in closed session pursuant to the exemption contained in Wis. Stats. § 19.85 (1) (d) to consider strategy for crime detection or prevention. If a closed session is held, the Board may vote to reconvene into open session following the closed session.

Item 17 – No Memo

Announcement of Business Deliberated During Closed Session Discussion

Item 20 – No Memo

Herschel Day, Chair

Group Insurance Board

Minimum Baseline Information Technology Security Standards

Item 21 - Group Insurance Board

David Maradiaga, Chief Information Security Officer

Ruth Ballard, Security Analyst

Bureau of Information Security Management

Action Needed

The Department of Employee Trust Funds (ETF) staff request the Group Insurance Board (Board) approval to add requirements to vendor contracts that clarify that alternatives to System and Organization Controls (SOC) 2 submissions must provide to ETF detailed visibility into the health plans security controls — scope, description, evaluation criteria, and results.

Value of a SOC 2 Report

A SOC 2 Type 2 Report is a third-party audit that provides assurance about a company's security controls and their operating effectiveness over a period of time. It is designed to help users of the report assess the risks arising from interactions with the company's system, particularly the risks to the security, availability, processing integrity, confidentiality, and privacy of their information.

- **Security** - the security of information during its entire life cycle from creation, use, processing, and transmission to storage
- **Availability** - ensuring that the system is available for operation and use as agreed upon
- **Processing Integrity** - ensuring that system processing is complete, accurate, timely, and authorized
- **Confidentiality** - protecting confidential information from unauthorized access, disclosure, or use
- **Privacy** - protecting personal information from unauthorized collection, use, retention, disclosure, and disposal

Assessment Scope and Criteria

BISM Security Analyst evaluated various aspects found within the SOC 2 report to draw conclusions on the amount of residual risk to member information.

1. Service Auditors Report
2. Management Assertion
3. Trust Service Principles
4. Reporting Period
5. Control Descriptions
6. End User Controls passed to ETF
7. Subservice Organizations
8. Evaluation and Results
9. Management Response to Exceptions

Assessment Scope and Criteria

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1. Service Auditors Report
2. Management Assertion
3. Trust Service Principles - the risks to the security, availability, processing integrity, confidentiality, and privacy of their information.
4. Reporting Period
5. Control Descriptions
6. End User Controls passed to ETF
7. Subservice Organizations - How they oversee and mitigate risk of subservice providers
8. Evaluation and Results - evaluation scope, testing criteria and audit findings
9. Management Response to Exceptions - managements response to findings

Recommendations

The Department of Employee Trust Funds (ETF) staff request the Group Insurance Board (Board) approval to add requirements to vendor contracts that clarify that alternatives to System and Organization Controls (SOC) 2. Contracts should minimally include:

- If a health plan fails to submit a SOC 2 Type 2 report (submission of a HITRUST certificate) as they pursue compliance, the health plan must allow further examination of their security practices
- This examination would allow ETF to assess the independent auditor's detailed testing approach; the testing results; and follow-up on their policies, standards, and procedures, including full disclosure and oversight of their subservice organizations
- A deadline for compliance

Action Needed

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Questions?

Thank you

wi_etf

etf.wi.gov

ETF E-mail Updates

608-266-3285
1-877-533-5020

Adjournment

Item 22 – No Memo