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Correspondence Memorandum

Date: February 14, 2024

To: Group Insurance Board

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

Subject: 2024 – 2026 Strategic Initiatives Update

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

Background

On November 14, 2023, the Department of Employee Trust Funds (ETF) presented a tentative roadmap of initiatives for the Group Health Insurance Program (GHIP) for the coming three years. The Group Insurance Board (Board) provided input at that meeting and asked that ETF re-prioritize some items in the plan to focus work on program sustainability.

This memo provides an updated roadmap attachment, additional detail regarding the timing, and a discussion of limitations in accelerating that timeline.

Changes to Roadmap

At their November 2023 meeting, the Board noted that some items in the plan that could potentially lead to cost savings had significantly longer timelines. Specifically, they asked that ETF consider moving cost-sharing changes, benefit simplicity, and the high deductible health plan product plan initiatives earlier in the timeline. Board members also stated that, given the uncertain returns in low-value care changes, centers of excellence, and some of the quality-based performance guarantees, these could be moved later in the timeline. These changes are reflected in Attachment A of this memo, resulting in five program sustainability initiatives being presented for Board consideration in February 2025 for 2026 IYC benefits and rate setting. This includes incorporating best practices resulting from the RFP process, Segal consulting, and vendor selection for the Medicare Plus/Advantage, Pharmacy Benefits Manager, and Pre-Tax Savings programs.

Timing and Limitations

Several Board members noted concerns on the overall timing of the plan and when changes could be implemented.

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
 Electronically Signed 02/15/2024

Board	Mtg Date	Item #
GIB	02.21.24	10B

The first factor affecting when initiatives can be pursued is the new rate-setting schedule, presented to the Board in February of 2023 ([Ref. GIB | 02.22.23 | 10D](#)). The change in timing was required in large part due to the development time needed for ETF's new Insurance Administration System (IAS) vendor to implement any other program vendor changes and to load annual rates. The knock-on effect of this, however, is that the process to change benefits and contracts begins over a year in advance. Changes for program year 2025 will be decided at the February 2024 Board meeting after initial presentations in November 2023. The next opportunity for the Board to approve changes will be for program year 2026. The initiative calendar was created with this new cycle in mind.

The second factor affecting the timeline of initiatives is the implementation of the IAS project itself. As discussed in updates to the Board on the progress of IAS, implementation was intended to happen in June of 2024. While ETF has adjusted the schedule to finish the implementation of IAS in 2025, staff will continue to be needed to support implementation. The ETF program managers who administer the Board's programs are critical staff in the implementation of IAS and will therefore have limited ability to work on other projects until the transition to IAS is successfully made.

The third factor affecting the timeline of initiatives is OSHP staff capacity. There are 13 full time equivalent staff, four contractors, two consultants, Segal consulting services, and the University of Wisconsin to support the GHIP. ETF received funding in the 2023-2025 budget for an additional contractor who was recently hired.

ETF considered additional options to expand its capacity to accelerate completion of the initiatives, such as outsourcing analysis work. It was determined that this will require additional costs and may provide limited benefit, largely because ETF staff will still need to be involved in any procurement and oversight. ETF will attempt to expedite analyses and delivery of recommendations to the Board where possible.

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

Attachment A: [Board Initiatives Roadmap](#)