

DRAFT

MINUTES

November 15, 2023

Group Insurance Board

State of Wisconsin

Location:

Hill Farms State Office Building – CR N108
4822 Madison Yards Way, Madison, WI 53705
8:30 a.m. – 2:17 p.m.



BOARD MEMBERS PRESENT:

Herschel Day, Chair	Walter Jackson
Nancy Thompson, Secretary	Brian Pahnke
Dan Fields	Nathan Ugoretz*
Jen Fogel	Lauren Van Buren*†
Erin Hillson	Bob Wimmer

BOARD MEMBERS ABSENT:

Katy Lounsbury

PARTICIPATING EMPLOYEE TRUST FUNDS (ETF) STAFF:

Office of the Secretary:

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

Bureau of Information Security Management:

David Maradiaga

Office of Communications:

Brittney Kruchten

Office of Legal Services:

Laura Brauer, Peter Rank

Office of Strategic Health Policy:

Eileen Mallow, Brian Stamm, Jessica Rossner, Renee Walk, Luis Caracas, Molly Dunks, Oladipo Fadiran, Arlene Larson, Tom Rasmussen, Tricia Sieg, Xiong Vang, Douglas Wendt, Korbey White

Ombudspersons Services:

Liz Doss-Anderson*, Peggy McCullick

OTHERS PRESENT:

Office of the Secretary:

Pam Henning

ETF Staff:

Kevin Acker*, Ruth Ballard*, Shellee Bauknecht*, Sara Brockman*, Beth Bucaida*, Julie Coleman*,

ETF Staff (Cont.):

Annamarie Cummings*, Taylor DeBroux, Omar Dumdum*, Victor Dupuy*, Diana Felsmann, Jim Guidry*, Dan Hayes, Michelle Hoehne*, Bruce Johnson*, Joanne Klaas*, Cindy Klimke*,

* Attended via teleconference.

† Designee for Nathan Houdek.

Board	Mtg Date	Item #
GIB	02.21.24	2A

ETF Staff (Cont.):

Mark Lamkins, Kadi Mbanefo*, Laura Patterson, Marie Ruetten, Jodi Spencer*, Tim Steiner*, Yikchau Sze*, Sarat Tadi*, Stephanie Trigsted*, Barry Tucker, Laura Vang*, Mee Wartgow, Wade Whitmus*, Amanda Williams*, Kathryn Young

Anthem Blue Cross and Blue Shield:

Paul Nobile*

Aspirus Health Plan:

Megan Umnus*

Benefitfocus:

Jacob Dickerson*

Board of Aging and Long Term Care:

Vicki Buchholz*, Nicklaus Lutes*

Common Ground Healthcare

Cooperative:

Melissa Duffy

Claim Technologies Incorporated

(CTI):

Deb Danilson*, Marie Pollock*

Dean Health Plan:

Katie Beals*, Penny Bound*, Maria Schneider*

Delta Dental of Wisconsin:

Megan Wohlfeil*

Department of Administration (DOA):

Dana Gehrmann*, Mary Hasselquist*, Jennifer Kraus*, Julie Perry*, Derek Sherwin*, Danielle Tesch*, Tina Updike*

Department of Justice (DOJ):

Sarah Huck

Ethics Commission:

Dan Carlton

Group Health Cooperative of Eau

Claire:

Sarah McCracken*, Sarah North*

HealthChoice Insurance Solutions:

Bob Pearson*, Gary Praznik*

Health Partners:

Elizabeth Tobias*

Humana:

Joe Cowles*, Nick Probst

Legislative Audit Bureau (LAB):

Erin Scharlau*

Medical Associates Clinic and Health Plans:

Karen Brunton*

MercyCare Health:

Sherrie Sargent*, John Trochlell*

Navitus:

Steven Alexander*, Tara Argall*, Laura Francois*, Ryan Olson*

Network Health Plan:

Vanessa Cagal

Novo Nordisk:

Adam Barr*

Palmer Quade Consulting:

Nikki Palmer-Quade*

PillarRx:

Shaidikia DeV Vaughn*, Julie Weissmann*

Quartz:

Brittany Coyne*

Securian:

Kjirsten Elsner*

Security Health Plan:

Angela Pero*

TCP Software:

Donna Taylor*

UnitedHealthcare:

De Arcy Raybuck*

UW Health:

Sara Broge*, Emily Fairchild*, Abby Giese*, Hope Jackson*, Olivia Talma*

UW-Madison:

Marissa Isensee*

UW System Administration:

Brianne Jobke*, Erin Schoonmaker*, Amanda Sonnenburg*

WebMD:

Renee Fox

WI Association of Health Plans:

Kyle Caudill, Tim Lundquist

WI Health News:

Sean Kirkby*

Public:

Joan Fisher*, Jack Lawton*, Eric Quivers*, Stephanie Steel*, David Wahlberg*

Others (Unidentified):

10 individuals connected via telephone

Mr. Day, Chair, called the meeting of the Group Insurance Board (Board) to order at 8:30 a.m.

ANNOUNCEMENTS

Ms. Mallow provided the following updates:

- Introduced Nathan Houdek's designee, Lauren Van Buren, who would participate in Board action and discussions on Mr. Houdek's behalf.
- Optum contract amended to address audit findings.
- Board members are needed to volunteer and serve on the request for proposal (RFP) evaluation committee for the three RFPs that would be requested for release later in the meeting.
- State of Wisconsin Investment Board (SWIB) returns had come in at a little over 4% through September 30, 2023.

CONSIDERATION OF OPEN SESSION MINUTES OF AUGUST 16, 2023, MEETING

MOTION: Mr. Fields moved to approve the open session minutes of the August 16, 2023, meeting as submitted by the Board Liaison. Ms. Thompson seconded the motion, which passed unanimously on a voice vote.

GROUP INSURANCE BOARD ETHICS AND LOBBYING OVERVIEW

Mr. Carlton, from the State of Wisconsin Ethics Commission (Ethics Commission), presented on Wisconsin ethics, lobbying laws, and rules for public officials ([Ref. GIB | 11.15.23 | 3](#)). He began by sharing background information on the Ethics Commission. The agency works to provide support and guidance by answering questions about topics of uncertainty from public officials. He highlighted why Wisconsin's finance, lobbying, and ethics laws are important and gave examples of prohibited practices and exceptions for each.

Mr. Carlton said that the role of the Ethics Commission differs depending on whether or not a violation has already taken place. If a public official is seeking advice to prevent a potential violation, the Ethics Commission can give guidance and recommendations for the official to follow. This advice is not subject to non-compliance violations. However, if a violation has already taken place, before the public official seeks advice, the Ethics Commission's responsibility is to follow enforcement actions and investigate the situation.

Mr. Carlton said that part of the training he was giving to the Board members was to help them feel comfortable reaching out to the Ethics Commission if they had any questions or uncertainty regarding Wisconsin's finance, lobbying, and ethics laws. He shared additional resources, along with how to contact the Ethics Commission. He encouraged Board members to reach out any time.

APPEALS REFRESHER TRAINING: WISCONSIN DEPARTMENT OF EMPLOYEE TRUST FUNDS (ETF) APPEALS PROCESS

Ms. Huck, the Assistant Attorney General with the Wisconsin Department of Justice (DOJ), and Mr. Rank presented an “Appeals Refresher Training: ETF Appeals Process” ([Ref. GIB | 11.15.23 | 4](#)) to the Board. Mr. Rank highlighted the following as part of the ETF Appeals Process:

- Independent Review Organizations (IROs).
- Informal Review Process by ETF.
- Division of Hearings and Appeals.
- Proposed Decision.

Mr. Rank said that IROs are not administered by ETF. Rather, these are requested by a participant and can be obtained through multiple channels. Some dispute examples decided by IRO include coverage issues, medical necessity, experiment treatment, and rescission of health policy. He said that if a participant pursues an IRO, there is no option for ETF review or appeal.

Mr. Rank discussed the informal review process by ETF. This could occur when participant’s concerns are resolved without a formal appeal being filed. Informal reviews sometimes include ETF’s Office of Legal Services performing an internal review. This extended to the Resolution and Settlement authority of the ETF Secretary according to Wis. Stat. § 40.03(2)(v) for settlement of dispute in an appeal (requires approval of the board). If an informal resolution is not possible, the appeal is referred to the Division of Hearings and Appeals.

Mr. Rank said that the provisions of the Division of Hearings and Appeals are in Chapter 11 of ETF’s Administrative Code. These involve an Administrative Law Judge who oversees the formal appeals process; conducts hearings, receives relevant evidence, rules on objections and motions, and issues the proposed decision. The steps of the Division of Hearings and Appeals process vary depending on the legal issues presented.

The Hearing Examiner then provides the Proposed Decision based on Findings of Fact, Conclusions of Law, and Order. Parties then have an opportunity to file objections to the proposed decision, which are included in the appeal record.

Ms. Huck discussed the Board’s Function in an appeal as:

- Quasi-judicial.
- Closed session deliberation — parties are 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.

Ms. Huck provided a definition of “parties” to the Board. This could include a person with a “substantial interest” in the issue to be decided. Ms. Huck said that except for direct appeals, ETF is a party, but may choose not to participate. In cases involving death benefits, the parties may include potential beneficiaries. Meanwhile, in cases involving insurance benefits, the third-party administrator, or health insurance program, may be a party.

Ms. Huck discussed the decision-making process. ETF’s appeals coordinator provides the appeal record to each Board member. Prior to the Board meeting, the appeal record is read and the specific issues that need to be resolved are identified, as well as any factual and legal disputes. The Board then meets to consider the appeal. An assistant attorney general from DOJ, like Ms. Huck, would provide a summary of the appeal case and a recommendation for deciding the appeal. The Board then discusses members’ views of the facts and law at issue. The Board then votes. Ms. Huck said that not all Board decisions are unanimous.

The final decision must include:

- Findings of fact and conclusions of law.
- Facts establishing the Board’s jurisdiction, including the date on which the appeal was filed.
- A statement of the disposition of the appeal:
 - Affirmed,
 - Reversed, or
 - Remanded for further proceedings
- Parties to the appeal

Ms. Huck discussed the losing party’s options after the final decision is issued. The participant could accept the Board’s decision and end the appeal, petition for a re-hearing, or elevate the appeal for a Judicial review in circuit court in accordance with Wis. Stat. § 40.08(12).

CLAIMS EXPENDITURES IN THE GROUP HEALTH INSURANCE PROGRAM (GHIP)

Mr. Fadiran, senior analytic consultant with Merative, and Ms. Rossner, referred the Board to the “Claims Expenditures in the GHIP” memo ([Ref. GIB | 11.15.23 | 5](#)) on the data warehouse dashboard. Their presentation covered topics and educated the Board on:

- 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.
- Healthcare financial metrics and other related elements included in the regular Board dashboards.
- The purpose of each of the specific Board dashboards, highlighting value for decision making.

When the Board was invited to ask questions, Mr. Day asked if Wellness data could be pulled into the dashboard in comparison to the information Segal provides to the Board. Ms. Rossner and Ms. Mallow stated that this was already in progress, and that a preliminary recommendation would be presented to the Board at the February 21, 2024, meeting, with a formal recommendation provided in May.

Mr. Day also requested that a secondary axis be provided on the monthly charts, as well as adding data labels rather than based only on colors. Ms. Rossner and Mr. Fadiran said they would make those changes as part of the regular data warehouse dashboards memo the Board receives in their Operational Updates.

RESERVE POLICY DISCUSSION

Ms. Mallow referred the Board to the “Reserve Policy Discussion” memo ([Ref. GIB | 11.15.23 | 6](#)). Since it was adopted on November 18, 2020, some adjustments to the *Reserve Policy for the GHIP* were recommended for the Board’s consideration. These included:

- Statutory authority for a reserve be noted in the policy.
- Clarification that reserves for the GHIP and Wisconsin Public Employer (WPE) are separate.
- The Board will use the mid-point of the reserve range for each pool as its intended reserve balance at the end of each rate cycle.
- If, in any rate cycle, reserve projections for future plan years are outside the target range (either above or below the range), the Board will adopt a plan to return to the target range within five years.
- Note that any GHIP or WPE assets are managed by SWIB in the Core Fund.

There was discussion about how often the policy should be updated. The proposed policy states that the Board will review at least every three years. Ms. Mallow and Mr. Voelker said the Board could revise the policy at any time, however.

MOTION: Mr. Pahnke moved to adopt the attached updated policy for managing program reserves. Mr. Wimmer seconded the motion, which passed unanimously on a voice vote.

The Board took a break from 10:22 a.m. to 10:33 a.m.

2024-2026 GROUP HEALTH INSURANCE BOARD INITITIVES

Ms. Walk referred the Board to the “2024-2026 Group Insurance Board Initiatives” memo ([Ref. GIB | 11.15.23 | 7](#)). She discussed how the Board approved the last Strategic Initiatives in February 2020; the “Group Health Insurance Program Alignment” materials the Board received at the August 16, 2023, meeting ([Ref. GIB | 08.16.23 | 3](#)); and the objective of her presentation today, in order to provide the Board with the 2024-2026 Board Initiatives Roadmap.

Ms. Walk said that ETF was including an additional category of focus in the roadmap, related to program sustainability. This aligned with the Triple Aim tenet of maintaining program affordability. The program sustainability focus should include initiatives such as the High Deductible Health Plan (HDHP) Product Plan, local program evaluation and redesign, low value care, cost-sharing changes/benefit simplification, and required requests for proposals (RFPs).

Additionally, another area of focus in the 2024-2026 Initiatives Roadmap is to continue seeking opportunities to evolve the programs the Board oversees. Ms. Walk said that this aligns with the Triple Aim tenets of improving member health and program quality. The Board’s three-year plan for this category should include initiatives such as Social Determinants of Health (SDOH), centers of excellence, and quality-based performance guarantees.

To support the Board’s decisions on complex topics, Board members had completed a survey on educational topics to be covered at future meetings. In response, ETF created a Board education schedule, with each requested topic to be addressed in subsequent meetings based on both Board member interest and pending Board business. Ms. Walk said that this schedule had been added to the 2024-2026 Initiatives Roadmap along with the other areas of focus and recommended initiatives.

Mr. Pahnke asked if it would be possible to move the HDHP timeline earlier due to the rate setting cycle change in 2024, so that information would be available before they vote on it. He said that May 2026 might be a long wait. Ms. Walk said this could be changed if the Board desires by shuffling priorities and revisiting timelines.

Ms. Hillson shared Mr. Pahnke’s concerns about the proposed 2024-2026 Initiatives Roadmap timeline. She asked if the local program and redesign initiative could be prioritized, as it focuses on sustainability. Mr. Day and Ms. Flogel agreed and requested that this initiative be moved up on the 2024-2026 Initiatives Roadmap.

Mr. Voelker said that the Board should keep in mind that some items could not be reprioritized to accommodate moving the HDHP and local program and redesign initiatives up. These include negotiating RFPs and implementing IAS, as staff were already staggered across those projects. Mr. Wimmer asked about the risk of staff

working on RFPs, IAS, and moving initiatives such as the local program and redesign up on the roadmap timeline. Ms. Walk said that the same staff would be required, which would create a significant overlap in resources.

Mr. Day asked on whether innovative opportunities could help with program sustainability initiatives and whether innovation might drive sustainability initiatives forward. Ms. Mallow said that there were some innovative ideas, such as clear bagging, that could fundamentally change how prices and impact looked across the GHIP. She added that the Wellness program was another example of innovative opportunities helping program sustainability in the long run, but that would not be apparent for some time.

Ms. Flogel and Mr. Pahnke agreed that the Board's priority should be on more foundational elements. In consideration of IAS implementation and existing cost pressures across the industry, addressing foundational elements was the best place to start.

Ms. Mallow expressed appreciation to Board members for sharing their feedback as it helped set the Board initiatives going forward.

PRELIMINARY 2025 BENEFIT AND AGREEMENT CHANGES

Mr. White referred the Board to the "2025 Preliminary Agreement and Benefit Changes" memo ([Ref. GIB | 11.15.23 | 8](#)) and provided background information on work completed as part of the 2025 Program Agreement (Agreement) and Certificate of Coverage (Certificate) process. In September 2023, ETF started asking contracted health plans, the Uniform Dental Benefits (UDB), wellness and disease management, and the Pharmacy Benefit Manager (PBM) vendors for ideas for changes. Vendors returned their benefit changes and pilot program proposals to ETF in October 2023, and the summary of these changes was sent to health plans and the PBM for their review. ETF, members, and other stakeholders also provided suggestions for changes to ETF.

Mr. Caracas said that health plans requested changes to the Agreement pertaining to eligibility, communications, coordination of benefits, and care management. Additionally, proposed changes include administrative revisions to the Certificate and Schedules of Benefits (Schedules), such as clarifying definitions and refining language related to covered benefits and exclusions. He said that ETF will review requested changes and identify modifications on visit limits. ETF will also review excluded services and identify where additional distinction is needed. In addition, ETF will monitor federal guidance and recommendations regarding age ranges for cancer screening, particularly regarding mammography services, following draft guidance issued earlier this year.

Mr. Caracas also said that the ETF was reviewing four pilot program proposals submitted by Dean Health Plan, Network Health, Quartz, and Security Health Plan.

These proposals are related to remote patient monitoring, weight management, diabetes prevention, and home nursing care.

Other changes ETF was reviewing include:

- Continuing to monitor independent scientific studies, changes to cost, and state and federal law that would affect coverage for weight-loss drugs.
- Terminating coverage for wellness and disease management benefits through Well Wisconsin for Medicare Advantage members.
- Adding benefits related to weight management for adult child dependents through Well Wisconsin.

Mr. Caracas said some of ETF's next steps include continuing its review of the proposed changes, the Board's vendors, and Segal before presenting final changes to the Board in February 2024.

GAG CLAUSE ATTESTATION DELEGATION

Mr. White and Ms. Brauer referred the Board to the "Gag Clause Attestation Delegation" memo ([Ref. GIB | 11.15.23 | 9](#)). Mr. White provided background information to the Board. The Consolidated Appropriations Act (CAA) of 2021 applies to group health plans and health insurance issuers offering group health insurance coverage as a means to provide health care cost transparency to consumers. The CAA's Gag Clause Prohibition Compliance Attestation (GCPCA) provisions prohibit group health plans and health insurance issuers offering group health insurance coverage from entering into an agreement with a health care provider, network or association of providers, third-party administrator, or other service provider offering access to a network of providers that would directly or indirectly restrict a plan or issuer from:

- Providing provider-specific cost or quality of care.
- Electronically accessing de-identified claims and encounter information.
- Sharing information or data.

Ms. Brauer stated that the CAA requires that plans submit attestations each year to affirm they are compliant with the requirements. The gag clause attestation requirement applies to the Board's health-related benefits, excluding excepted benefits. This means that the Board is required to provide attestation for medical and pharmacy benefits but not for wellness, dental and vision benefits. The first GCPCA is due on December 31, 2023, with subsequent attestations due by December 31 of each year.

There are two ways the Board can submit an attestation of compliance:

1. The Board can have the vendors attest on its behalf.
2. The Board may attest compliance on its own behalf.

Ms. Brauer said that because of the administrative burden on the first option, ETF recommended that the Board delegate authority to submit the annual GCPCA on behalf of the Board to the ETF Secretary.

MOTION: Ms. Thompson moved to delegate authority to ETF's Secretary to submit the GCPA required by the CAA for the GHIP. Mr. Wimmer seconded the motion, which passed unanimously on a voice vote.

UNIFORM DENTAL BENEFIT (UDB) AUDIT

Mr. Rasmussen referred the Board to the "Uniform Dental Benefit (UDB) Audit" memo ([Ref. GIB | 11.15.23 | 10](#)). He said that ETF retained Claim Technologies Incorporated (CTI) to conduct a biennial audit of the UDB Program by Delta Dental of Wisconsin (Delta). It covered the period spanning from January 1, 2021, through December 31, 2022. He said that CTI had conducted the audit according to the accepted standards and procedures for claim audits in the health insurance industry.

Mr. Rasmussen discussed the audit's objectives, operational review, plan documentation review, random sampling of 170 claims, 100% electronic screening (involving 30 targeted samples), and an analysis of the electronic data provided by both Delta and ETF. Some of the audit's findings were:

- Delta performed above the median in each benchmarked performance indicator.
- Two in-network providers who were paid for services were listed on the Office of Inspector General's List of Excluded Individuals.
- Plan certificate is currently silent on the exclusion of occlusal guards.
- Less than .04% of total dental expense paid for members who were not eligible (normal rate averages ranges between .5 – .8%).
- Delta was unable to reproduce all performance guarantee reports to validate self-reported results.
- There was a lack of internal review when members contacted Delta with grievances.

Mr. Rasmussen said that a post audit review would take place between CTI, Delta, and ETF, with the latter working with Delta to make appropriate improvements to the program. Additionally, the Office of Internal Audit would monitor and report the audit results and implementation status to the Board and the Employee Trust Funds Board Audit Committee.

AUDIT OF PHARMACY BENEFIT MANAGER

Ms. Sieg referred the Board to the report and accompanying documents submitted as part of the "Audit of Pharmacy Benefit Manager (PBM)" memo ([Ref. GIB | 11.15.23 | 11](#)). The audit was an annual review of the Board's Pharmacy Benefit Program conducted by PillarRx Consulting, LLC (PillarRx), an independent auditing firm that specializes in the pharmaceutical industry. PillarRx assessed Navitus Health Solutions, LLC (Navitus), the current PBM contracted with the Board. The audit examined Navitus's administration of the pharmacy benefits offered to all members, with the most recent scope concentrated on the following records:

- Commercial pharmacy claims from January 1, 2022, to December 31, 2022.
- Employer Group Waiver Plan (EGWP) pharmacy claims from January 1, 2021, to December 31, 2021.
- Pharmacy Network from January 1, 2021, to December 31, 2021.
- Pharmacy Rebates from October 1, 2021, to December 31, 2021.

As a result of the audit, PillarRx recommended that the State should work with Navitus to understand the Group Purchasing Organization's (GPO's) decisions on rebate differences. Ms. Sieg said that ETF staff would continue to make sure all yearly audits examine ETF's pharmaceutical manufacturer rebate contracts and invoices. If a pattern of variances outside of the threshold emerges, ETF will work with Navitus on a corrective action plan.

REQUESTS FOR PROPOSALS (RFPs)

RFP to Select a Vendor to Provide Medicare Advantage and Medicare Plus Options

Ms. Larson and Mr. Caracas referred the Board to the "RFP to Select a Vendor to Provide Medicare Advantage and Medicare Plus Options" memo ([Ref. GIB | 11.15.23 | 12A](#)). They highlighted the following items:

- State of Current Medicare Advantage Contract.
- Medicare Advantage Expectations.
- Medicare Advantage Considerations.
- Medicare Plus Considerations.
- RFP Preliminary Timeline.

MOTION: Mr. Fields moved to authorize ETF to prepare and issue an RFP to select one or more vendors to provide Medicare Advantage and Medicare Plus options. Ms. Fogel seconded the motion, which passed unanimously on a voice vote.

Administrative Services for the State of Wisconsin Pharmacy Benefits Program Request to Release an RFP

Ms. Sieg and Mr. Rasmussen referred the Board to the "Administrative Services for the State of Wisconsin Pharmacy Benefits Program Request to Release an RFP" memo ([Ref. GIB | 11.15.23 | 12B](#)). They highlighted the following items:

- Brief PBM History.
- What Does the Board's PBM Do?
- Proposed New RFP Timeline.

MOTION: Ms. Thompson moved to authorize ETF to prepare and issue an RFP to select a vendor to provide Administrative Services for the State of

Wisconsin Pharmacy Benefits Program, effective January 1, 2026. Mr. Jackson seconded the motion, which passed unanimously on a voice vote.

Section 125 Cafeteria Plan, Health Savings Account, Employee Reimbursement Account, and Commuter Fringe Benefit Account Programs RFP

Mr. Vang and Ms. Dunks referred the Board to the “Section 125 Cafeteria Plan, Health Savings Account, Employee Reimbursement Account, and Commuter Fringe Benefit Account Programs RFP” memo ([Ref. GIB | 11.15.23 | 12C](#)). They highlighted the following items:

- Contract Terms.
- Pre-Tax Savings Accounts Program.
- Section 125 Cafeteria Plan.
- RFP Components.
- RFP Goals.
- Proposed RFP Timeline.

MOTION: Mr. Jackson moved to issue an RFP to select a vendor(s) to provide Administrative Services for the Section 125 Cafeteria Plan, HSA, ERA, and Commuter Fringe Benefit Account Programs, effective January 1, 2026. Mr. Fields seconded the motion, which passed unanimously on a voice vote.

LONG-TERM CARE STANDARDS CHANGES

Mr. Wendt referred the Board to the “Long-Term Care Standards Changes” memo ([Ref. GIB | 11.15.23 | 13](#)).

The Long-Term Care Standards (ET-7423) had the following proposed changes:

- ETF will not accept proposals for hybrid plans or long-term care riders to life insurance.
- The contract term will run from January 1, 2025, to December 31, 2027, to align with the Board’s decision at the November 2021 meeting to set three-year contract terms for supplemental plans.
- Remove references to “individual” plans.
- Change the due date for the annual reporting from January 15 to February 15.
- Add clarification that the plan is only available to Wisconsin residents.
- Add a requirement to disclose any direct or indirect ownership relationships.
- Other minor wording and formatting changes to sync the ET-7423 with the Supplemental Insurance Plan Guidelines (ET-7422).

MOTION: Ms. Flogel moved to approve modifications to the Long-Term Care Insurance Standards (ET-7423) for contract effective for the 2025 plan year. Mr. Jackson seconded the motion, which passed unanimously on a voice vote.

OMBUDSPERSONS SERVICES

Ms. Doss-Anderson and Ms. McCullick referred the Board to the “Education and Outreach Report” ([Ref. GIB | 11.15.23 | 14A](#)) and the “2023 Semi-Annual Case Report” ([Ref. GIB | 11.15.23 | 14B](#)) memos. Ms. Doss-Anderson shared an overview of the Ombudsperson Services (OS) program. Afterwards, Ms. Kruchten demonstrated how to navigate and utilize the “Benefits Dispute” page on the ETF website. This change had been a collaboration between the Office of Communications and OS and was meant to assist members seeking Grievance and Appeal Information. Ms. McCullick then provided some reasons why members sought OS and listed the top types of GHIP cases OS handled throughout 2023.

OPERATIONAL UPDATES

Mr. Stamm discussed additional information with the Board regarding the “IAS Update” memo ([Ref. GIB | 11.15.23 | 15A](#)). He said that ETF is in the process of collecting information from employers. Overall, there are three elements that needed to be collected from employers to enter them into the system. There are local employers that have yet to submit the information to ETF. If the employers do not provide all deliverables, they cannot be entered into IAS. While it was not ETF’s preference, this means that some employers could have their access to benefits terminated, which requires a 60-day notice from ETF. Mr. Stamm said that in the February 21, 2024, meeting, action may be taken to address this situation, and ETF may ask the Board for guidance or recommend actions for Board approval.

Mr. Stamm also said that data needs to be transitioned into the new IAS. That means shutting down the old source systems to begin the migration of information and data into IAS. During that time, employers will be advised not to make any drastic changes. The most likely impact would be schools who typically change employees, such as teachers, during this period.

Ms. Mallow provided an overview of the other Operational Updates, including:

- Quarterly Health Plan Performance Report ([Ref. GIB | 11.15.23 | 15B](#)).
- Board Authority Contracts Update ([Ref. GIB | 11.15.23 | 15C](#)).
- Board Correspondence ([Ref. GIB | 11.15.23 | 15D](#)).
- Wisconsin Health Market Update ([Ref. GIB | 11.15.23 | 15F](#)).
- Open Enrollment Campaign Review ([Ref. GIB | 11.15.23 | 15G](#)).

TENTATIVE FEBRUARY 2024 AGENDA

Ms. Mallow highlighted the February 2024 agenda items, including Officer Elections, Final List of 2025 Benefit Changes, Establish 2025 Open Enrollment Period, 2024 Open Enrollment Results, Educational Session: Reserve Calculations and Options for Rate Setting, Fiduciary Training, and an Insurance Administration System (IAS) Update.

Mr. Fields requested that the Access Guidance Service discussion be added to the February 21, 2024, agenda.

MOVE TO CLOSED SESSION

Mr. Day announced that the Board would be taking a 30-minute break for lunch starting at 12:20 p.m. At approximately 12:50 p.m., the Board would convene in closed session to discuss ETF's Information and Security Management program and get an update on security measures in place to protect information at ETF.

MOTION: Ms. Hillson moved to approve moving to closed session pursuant to the exemption contained in Wis. Stat. § 19.85 (1) (d) to consider strategy for crime detection or prevention. 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: Day, Fields, Flogel, Hillson, Jackson, Pahnke, Thompson, Ugoretz, Van Buren, Wimmer.

Nays: None.

Absents: Lounsbury.

The Board convened in closed session at 12:54 p.m.

The Board returned to open session at 2:04 p.m.

ANNOUNCEMENT ON BUSINESS DELIBERATED DURING CLOSED SESSION DISCUSSION

Mr. Day announced that the Board met in closed session to discuss ETF's Information and Security Management program and get an update on security measures in place to protect information at ETF. No action was taken.

MINIMUM BASELINE INFORMATION TECHNOLOGY SECURITY STANDARDS

Mr. Maradiaga referred the Board to the "Minimum Baseline Information Technology Security Standards" memo ([Ref. GIB | 11.15.23 | 21](#)). He provided a brief overview of the definition of a SOC 2 Type 2 Report, and how it is used to help assess the risks arising from interactions with the company's system, particularly risks to the security, availability, processing integrity, confidentiality, and privacy of their information.

The SOC 2 Report contained various aspects used to draw conclusions on the amount of residual risk to member information across health and benefit plans contracted by the Board. These included:

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.

Overall, all health vendors but one was able to provide a SOC 2 Type 2 Report to ETF. The one health vendor submitted a HITRUST Certificate instead, which provided limited assurances of their security controls and maturity of their information risk management practices and required ETF staff to set up a separate meeting with the vendor to glean some necessary detail.

Mr. Maradiaga said that SOC 2, Type 2 Reports are the security standard for the health insurance and administration industry. These allow ETF staff 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. Therefore, ETF recommended that vendor contracts should include the requirement to submit a SOC 2 Type 2 Report. The contract language should also include a deadline for compliance, as well as further examination into their security practices if they were unable to submit a SOC 2 Type 2 Report.

The Board discussed an appropriate deadline for providers to successfully achieve SOC 2 Compliance. Ms. Flogel asked if ETF staff could bring a "framework of action" to the Board with their recommendation on how providers not meeting SOC 2 Compliance standards would be monitored. Mr. Pahnke agreed with this request and said he would be interested to see a timeline from ETF on communications and course corrective measures to bring vendors up to SOC 2 Compliance by the deadline. Ms. Mallow and Mr. Maradiaga said they could have a recommended "framework of action" for the Board's consideration at the May meeting.

Hearing no further questions or need for additional discussion, Mr. Day asked if any Board member would like to make a motion.

MOTION: Mr. Fields made a motion to require all vendor contracts provide a SOC 2 Report to ETF by the December 31, 2025, deadline. Mr. Wimmer seconded the motion, which passed unanimously on a voice vote.

ADJOURNMENT

MOTION: Ms. Thompson moved to adjourn the meeting. Mr. Ugoretz seconded the motion, which passed unanimously on a voice vote.

The meeting adjourned at 2:17 p.m.

Date Approved: _____

Signed: _____
Nancy Thompson, Secretary
Group Insurance Board