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Correspondence Memorandum

Date: September 17, 2024

To: Group Insurance Board

From: Renee Walk, Director
 Office of Strategic Health Policy

Subject: Temporary Delegation of Authority for Plan Changes

The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) delegate authority to the ETF Secretary to approve changes to Board programs that are required due to the implementation of the Insurance Administration System (IAS), as described in this memo.

Background

ETF has been working over the past two years to implement the IAS program to replace legacy eligibility and enrollment systems and to provide new self-service options for members. ETF plans to go live with these systems in July of 2025.

As work has progressed on IAS, ETF has identified instances where current policy or practice may be inconsistent with the capabilities of Benefitplace or with industry norms. To date, ETF has brought these changes to Board meetings for review and approval. As the IAS approaches the go-live date, ETF is requesting limited authority to make certain decisions. ETF does not expect many, if any, additional policy or program changes. However, as a contingency, this limited authority for the time period prior to go-live would offer ETF the flexibility to remain agile while supporting IAS stakeholders and the integrity of the fund.

Scope of Authority Requested

ETF is requesting that, if the Board approves delegating authority, this authority be limited in substance and duration. Specifically, the following criteria must be met if a change does not require Board review and approval:

- Changes that are not otherwise prohibited by law. ETF will ensure that any change considered for approval under delegated authority does not violate existing state or federal laws.

Board	Mtg Date	Item #
GIB	10.03.24	4

- Changes that are premium-neutral. Any change that would increase cost such that premiums would need to be increase in the current or future years would not qualify for approval under delegated authority.
- If a change has adverse impacts, it should not affect more than 20% of members. If a negative change impacts more than one fifth of members, it cannot be made under the delegated authority sought.

Any changes that do not meet all three of the above limitations, recommended requests for proposals, or contract extensions potentially impacting IAS would continue to require Board approval.

Duration of Authority Requested

The need for delegated authority exists specifically due to IAS, which is scheduled to go live in July of 2025. Therefore, ETF is requesting that this delegated authority extend from the date of the Board meeting in which this proposal is presented (October 3, 2024) until June 30, 2025.

Review and Reporting

ETF will take the following steps to ensure transparency of these changes:

- Changes will be reviewed with state and large local employer groups before they are made. This includes discussion with the Division of Personnel Management (DPM) in the Department of Administration (DOA), the Universities of Wisconsin (UW), and UW Hospitals & Clinics (UWHC), as well as local employers with 300 or more subscribers. ETF will use existing meetings and communication channels to preview any needed changes and ask for input. If any of these parties has concerns about the impact of the change and is not able to come to a resolution with ETF, ETF must bring the change to the Board for decision.
- Changes will be reviewed by ETF's Office of Legal Services and Bureau of Budget, Contracting, and Procurement. This review step is to ensure that the change requested follows all legal requirements, and that any needed changes to plan documents or vendor contracts are properly executed.
- Changes will be reviewed through the established IAS governance structure and formally approved by the Office of Strategic Health Policy (OSHP) Director and Secretary's Office. Changes will be logged for reporting once they have received approval from the OSHP Director and the Secretary's Office. Either may decline approval and require that the change be brought to the Board.
- ETF will report a summary of all changes made under this delegated authority to the Board at each regularly scheduled Board meeting. The Board may request ETF to justify any change made under this delegated authority at a future Board meeting or may require the change be brought to the Board for a vote if there are concerns that the change has not met the delegation criteria described above.

Alternatives to Delegated Authority

Without delegated authority, there are two alternatives.

ETF could wait for the next regularly scheduled board meeting following identification of a problem to request the approval to make changes. This option carries a high degree of risk of creating a bottleneck in the program that could jeopardize the go-live date.

Alternatively, ETF could schedule a special board meeting each time a change is identified. While the hope is that the number of changes would be minimal, the time and coordination needed to schedule a special board meeting carries risk and would likely cause delays in the IAS program. Based on the risks associated with the two above-referenced options, ETF requests the Board delegate authority to make certain changes to the ETF Secretary as described in this memo.

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