

DRAFT

# MINUTES

October 3, 2024

## Group Insurance Board

State of Wisconsin

### Location:

This meeting was held via teleconference.  
10:00 a.m. – 11:26 a.m.



### BOARD MEMBERS PRESENT:

Herschel Day, Chair	Erin Hillson
Nathan Houdek, Vice Chair	Brian Keenan
Nancy Thompson, Secretary	Brian Pahnke
Dan Fields	Nathan Ugoretz
Jen Flogel	

### 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

#### Division of Benefits Administration:

Carley LeMahieu, Insurance  
Administration Process Manager

#### Office of Strategic Health Policy (OSHP):

Renee Walk, Director  
Arlene Larson, Federal Health Programs  
and Policy Manager  
Tom Rasmussen, Life Insurance and  
Dental Insurance Manager

### OTHERS PRESENT:

#### Office of the Secretary:

Pam Henning, Assistant Deputy  
Secretary

#### ETF Staff:

Kevin Acker, Michelle Baxter, Laura Brauer, Beth Bucaida, Erin Casper, Liz Doss-Anderson, Omar Dumdum, Patti Epstein, Diana Felsmann, Jim Guidry, Dan Hayes, Michelle Hoehne, Brittney Kruchten, Kadi Mbanefo, Peggy McCullick, Robert Mirshak, Peter Rank, Jessica Rossner, Marie Ruetten, Tim Steiner, Yikchau Sze, Wade Whitmus,

#### ETF Staff (Cont.):

Kathryn Young  
**Aspirus Health Plan:**  
Megan Umnus

#### Common Ground Healthcare

#### Cooperative:

Melissa Duffy

#### Delta Dental of Wisconsin:

Ami Mata

#### Department of Administration (DOA):

Dana Gehrmann, Amy Lauersdorf,  
Meghan McKenna, Derek Sherwin,  
Danielle Tesch, Lisa Tesch

Board	Mtg Date	Item #
GIB	11.13.24	2D

**Elevance Health:**

Elisabeth Portz

**Group Health Cooperative of Eau**

**Claire:**

Christina McConaughy

**Hamilton Consulting Group:**

Abbey Rude

**HealthPartners:**

Katherine Siqueiros

**Hubbard Wilson and Zelenkova, LLC:**

Dan Romportl

**Network Health Plan:**

Vanessa Cagal

**Securian:**

Kjirsten Elsner

**Security Health Plan:**

Angela Pero

**UW System Administration:**

Brianne Jobke, David Miller, Erin Schoonmaker, Amanda Sonnenburg

**Wisconsin Association of Health**

**Plans:**

HJ Waukau

**Wisconsin Health News:**

Sean Kirkby

**Others (Unidentified):**

1 individual connected via telephone

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Mr. Day, Chair, called the meeting of the Group Insurance Board (Board) to order at 10:00 a.m.

Mr. Keenan joined the meeting at 10:01 a.m., and Ms. Hillson joined at 10:02 a.m.

**ANNOUNCEMENTS**

Ms. Walk made the following announcement:

- The Medicare Advantage and Medicare Plus Request for Proposal (RFP), Pharmacy Benefit Manager RFP, and Pre-Tax RFP were on track and more information would be shared with the Board at the February meeting.

Ms. Eckes made the following announcement:

- She would be retiring on February 7, 2025, and a succession plan was underway. In the coming days, there would be an announcement shared with ETF staff and Board members naming her successor. She planned to continue working part-time as Deputy Secretary beginning October 21 to ensure the transfer of her roles and responsibilities was seamless.

**LIFE INSURANCE EFFECTIVE DATE ALIGNMENT ([Ref. GIB | 10.03.24 | 2](#))**

Mr. Rasmussen stated that ETF was recommending that the Board approve changes to the Group Life Insurance Program (Program). One of the recommendations being brought to the Board for consideration was to change the coverage effective date to the first of the month on or after the date of an eligible employee's application submission or approval of underwritten coverage in accordance with enrollment provisions. The other recommendation was to align all coverage and premium termination dates to coincide with the end of coverage. If the Board approved these changes, Mr. Rasmussen

explained that they would take effect on the day Securian Financial (Securian), sends the last conversion file, prior to the Insurance Administration System (IAS) go live date, tentatively scheduled for July 2025.

Mr. Rasmussen provided some background information on the Program, which is currently provided under the Wisconsin Retirement System (WRS) and available to employees of the State of Wisconsin and employees of participating Wisconsin Local government employers. Securian is the third-party administrator (TPA) contracted for the Program.

Mr. Rasmussen explained that the Program currently uses separate effective dates for the administration of the plan, including the coverage effective date and the premium effective date, and the coverage termination date and premium termination date.

Mr. Rasmussen stated that life insurance for eligible employees is effective as of the first of the month following 30 days from the date of hire, return from an approved leave of absence, or a qualifying family status change event. Mr. Rasmussen added that coverage and claims payments are based on the employee's election date, which is either the date of online enrollment or the date the paper application was received by the employer but could not be earlier than the applicable event date.

Mr. Rasmussen stated that there are also two separate dates used for cancellation and termination determinations in the administration of the Program. In most instances, coverage ceased at the end of the month when the employer received the cancellation application, or the qualifying event occurred. However, in certain cases, coverage ended immediately upon the qualifying event, with premiums billed for the entire month.

Mr. Rasmussen shared some of the reasons changes to the Program was being recommended for the Board's consideration. One of these included IAS having one data field available for driving the effective date rules and one data field for driving the termination date rules. He explained that ETF was recommending aligning the coverage effective date with the premium effective date by changing the coverage start date to the first of the month in which premiums were billed. For example, if an employee began employment and submitted a life insurance application on October 10, their coverage and billing would both start on November 1. If an eligible employee submitted an application on the first of the month, coverage would begin on the same day.

Ms. LeMahieu walked the Board through how the coverage effective date alignment would impact new hires/newly eligible enrollment, enrollment due to Family Status Change, and evidence of insurability enrollment scenarios. She also provided a breakdown of the termination alignment over common scenarios, such as employee death. For both the enrollment and termination scenarios, Ms. LeMahieu provided information across the current coverage effective date, current premium effective date, the new effective date rule to align for IAS configuration, current coverage termination

date, current premium termination date, and the updated termination date rule to align for IAS configuration.

Mr. Rasmussen explained that the recommended changes were reviewed by ETF's Office of Legal Services to ensure compliance with state statutes and Administrative Code. The recommendations were also vetted with key employers, including DOA, and were results from collaboration between ETF, Securian, and BenefitFocus. The changes would allow the life insurance to be included in IAS when it will go live and have no impact to actuarial calculations of the Program.

***MOTION: Mr. Fields moved to approve the following changes to the Program as recommended by ETF:***

- ***Change the coverage effective date to align with the premium effective date to the first of the month on or after the date of an eligible employee's application submission or approval of underwritten coverage in accordance with enrollment provisions.***
- ***Align all coverage and premium termination dates to coincide with the end of coverage.***

***Ms. Hillson seconded the motion, which passed on the following roll call vote:***

***Ayes: Day, Fields, Flogel, Hillson, Houdek, Keenan, Pahnke, Thompson, Ugoretz.***

***Nays: None.***

***Absents: Lounsbury.***

#### **ALIGN RETIREE HEALTH PLAN CHANGE WITH MEDICARE INITIAL ENROLLMENT PERIOD ([Ref. GIB | 10.03.24 | 3](#))**

Ms. Larson started by reviewing the current timeline for retiree life event to change health plans. Three months before the member's birth month, retirees could submit an application for coverage to be effective with Medicare. She added that retirees may also submit their application up to 30 days after their Medicare effective date.

Ms. Larson explained that members have an initial enrollment period in the Medicare program that lasted seven months, which included the three months before their birth month, their birth month, and three months afterwards. Medicare coverage was effective either the first of the birth month if the member applied before their birth month, or the first of the month following Medicare's receipt of their enrollment if the application was submitted after the first day of the birth month.

Ms. Larson stated that Benefitfocus, the vendor implementing IAS, released a system change that would permit an eligible retiree to enroll or change plans to align with

Medicare's seven-month initial period. She explained that if ETF were to retain their 30-day window when IAS goes live, ETF staff would need to manually adjust member records to close the window earlier than the seven-month period. Ms. Larson stated that about 150 retired members are enrolled in Medicare every month. To prevent staff needing to go in and make this manual adjustment, ETF was recommending that the 30-day timeframe be modified to align with Medicare's seven-month window and be effective when IAS goes live.

***MOTION: Ms. Thompson moved to alter the timeframe when a retiree can change health plans due to Medicare enrollment to match Medicare's seven-month initial enrollment window as recommended by ETF. This would be effective when the IAS goes live. Ms. Hillson seconded the motion, which passed on the following roll call vote:***

***Ayes: Day, Fields, Flogel, Hillson, Houdek, Keenan, Pahnke, Thompson, Ugoretz.***

***Nays: None.***

***Absents: Lounsbury.***

#### **TEMPORARY DELEGATION OF AUTHORITY FOR PLAN CHANGES ([Ref. GIB | 10.03.24 | 4](#))**

Ms. Walk explained that over the last two years, ETF has been working on the IAS program implementation with a go-live date scheduled for July 2025. As work has progressed on IAS, instances where current policy or practice may be inconsistent with the capabilities of Benefitplace or with industry norms have been identified. Currently, ETF brought these changes to Board meetings for review and approval. However, due to the approaching IAS go-live date, ETF was requesting that the Board grant limited authority to make certain decisions. Ms. Walk explained that this would be a temporary delegation of limited authority starting on October 3, 2024, and would end on June 30, 2025. She said that the Board granting limited authority to the ETF Secretary to approve minor changes would help ETF support IAS stakeholders and the integrity of the fund.

Ms. Walk described the scope of authority that was being requested. She explained that the ETF Secretary could only approve changes that met the following criteria:

- Not otherwise prohibited by law
- Are premium-neutral
- Do not adversely impact more than 20% of members.

Additionally, changes could not be made without going through a thorough review process. This included being reviewed with state and local employer groups; ETF's Office of Legal Services and Budget, Contract Administration, and Procurement team;

and ETF's IAS Governance Structure. Finally, changes could only be made after being approved by both the OSHP Director and ETF's Secretary's Office. Changes would, then, be reported to the Board at each Board meeting.

Ms. Walk provided some alternative options to delegating limited authority to the ETF Secretary for the Board to consider. One of these was that all decisions could be made during the regularly scheduled Board meetings. However, this will likely cause delays in IAS implementation. Another option was to schedule special Board meetings to address issues as they come up. This could still cause delays in implementation.

Mr. Houdek asked for clarification on what the report to the Board would entail. Ms. Walk explained that the report would include a summary of all the changes made under the delegated authority at each regularly scheduled Board meeting. She went on to state that the Board could request that ETF justify any changes made under the delegated authority. Furthermore, the Board could require that any changes be brought to a Board meeting for a vote if there were concerns that changes had not met the delegation criteria.

***MOTION: Mr. Houdek moved to delegate authority to the ETF Secretary from Oct. 3, 2024, until June 30, 2025, to approve changes to Board programs that are required due to the implementation of the IAS as requested by ETF and add a standing agenda item to upcoming Board meetings to report updates to the Board on any changes. Mr. Fields seconded the motion, which passed on the following roll call vote:***

***Ayes: Day, Fields, Flogel, Hillson, Houdek, Keenan, Pahnke, Thompson, Ugoretz.***

***Nays: None.***

***Absents: Lounsbury.***

## **MOVE TO CLOSED SESSION**

Mr. Day announced that the Board would be meeting in closed session to discuss the RFPs Update and Contract Contingencies and Income Continuation Insurance (ICI) Program Contract Administrative Services Fee Amendment. The Board would vote to reconvene in open session following the closed session.

***MOTION: Ms. Flogel moved to approve moving to closed session pursuant to the exemption contained in Wis. Stat. § 19.85 (1) (e) to deliberate or negotiate the investing of public funds or to conduct other specified public business, whenever competitive or bargaining reasons require a closed session. Mr. Pahnke seconded the motion, which passed on the following roll call vote:***

***Ayes: Day, Fields, Flogel, Hillson, Houdek, Keenan, Pahnke, Thompson, Ugoretz.***

***Nays: None.***

***Absents: Lounsbury.***

The Board convened in closed session at 10:45 a.m.

The Board returned to open session at 11:22 a.m.

### **ANNOUNCEMENT AND VOTE OF BUSINESS DELIBERATED DURING CLOSED SESSION DISCUSSION**

#### Announcement on Business Deliberated During Closed Session Discussion

Mr. Day announced that the Board met in closed session to discuss the RFPs Update and Contract Contingencies and ICI Program Contract Administrative Services Fee Amendment.

Mr. Day also announced that the Board would be tabling the discussion of the ICI program contract administrative services fee amendments until the November 13, 2024, Board meeting with the request that ETF go back to Milliman for detailed information on the potential impact to members' premiums that will result from the current recommended increase in the administrative services fee for 2025 and 2026.

### **ADJOURNMENT**

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

The meeting adjourned at 11:26 a.m.

Date Approved: \_\_\_\_\_

Signed: \_\_\_\_\_

Nancy Thompson, Secretary  
Group Insurance Board