

Welcome to the Group Insurance Board

November 13, 2024

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



Meeting Materials

- Scan the QR Code
- Available at etf.wi.gov



**Please Silence your
Cell Phone and Mute
your Microphone**

Announcements

Item 1 – No Memo

Renee Walk, Director

Office of Strategic Health Policy



Consideration of:

Open and Closed Minutes of August 14, 2024, Meeting
Open and Closed Minutes of October 3, 2024, Meeting

 Items 2A – 2E – Memos Only



Action Needed

- Motion needed to accept the Open and Closed Minutes of the August 14, 2024, Meeting and the Open and Closed Minutes of the October 3, 2024, Meeting as presented by the Board Liaisons.

2025 Open Enrollment Communications

Item 3 – 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.

Campaign Highlights

Medical Benefit
Changes

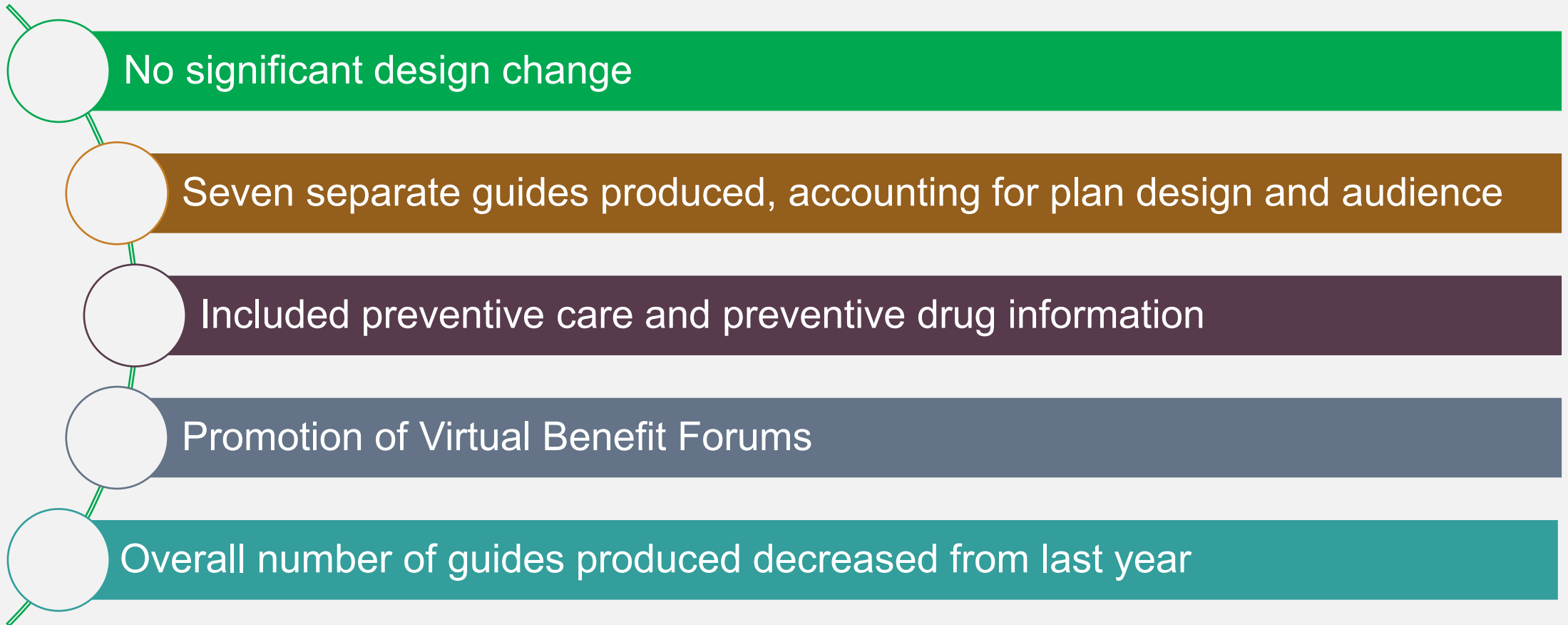
Health Plan
Name Change

Pre-tax Savings
Accounts Limit
Changes

State HSA
Employer
Contribution
Increase

State
Maintenance Plan
(SMP) Changes
for Locals

Decision Guides

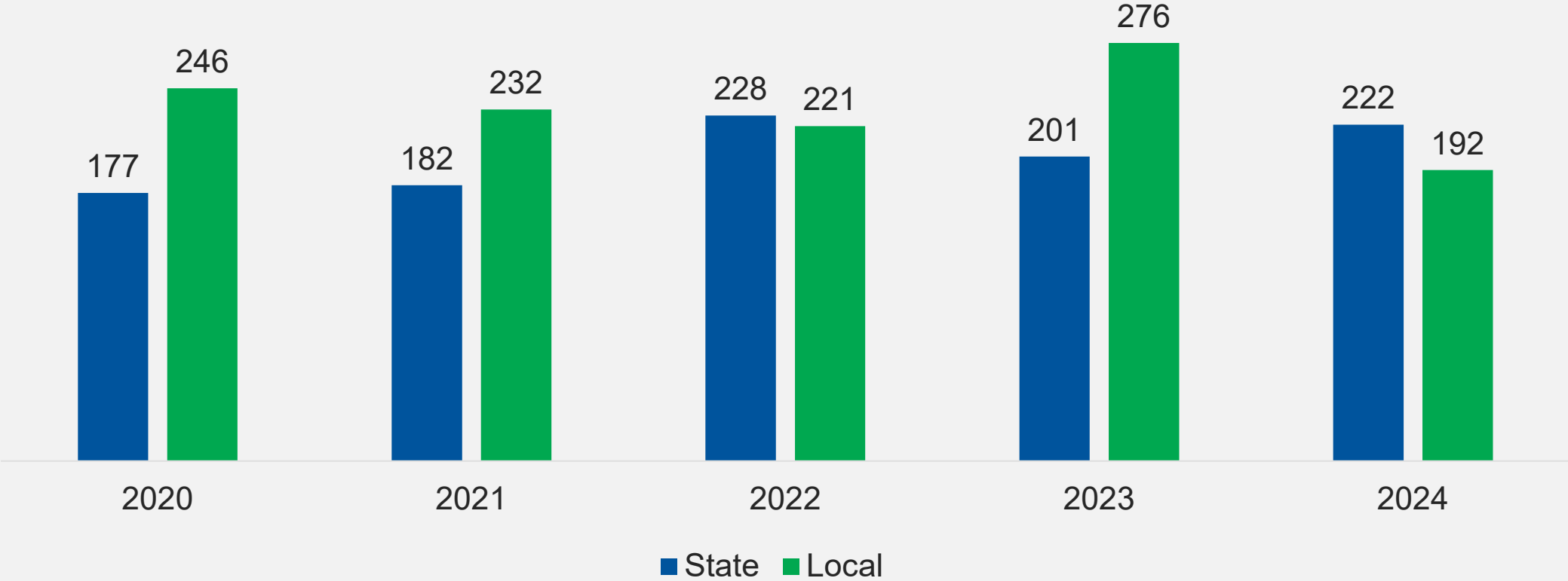


Employer Kickoff Meetings

- Held virtually
- Two sessions for State and Local Employers
- State attendance increased
- Local attendance decreased
- State and Local Q&A Sessions

Kickoff Meeting Attendance

Attendance for Employer Kickoff Meetings 2020-2024



Vendor Forums

- ETF hosted 15 Vendor Virtual Forums
- Vendors presentation with Q&A session
- Evening forums available
- Total of 640 participants
- 62% responded “Satisfied” or “Very Satisfied” Overall Experience

eLearning Videos

No new eLearning open enrollment videos produced

Reviewed 21 existing videos for content updates

11 videos were updated

Website

236 web pages reviewed and updated

- Premium and benefit information
- Health premium increase for Plan Year 2025
- Insurance Help page was created and published
- Frequently Asked Questions and Life Event Guide pages
- Link to HDHP informational UW School of Business Website

Call Center

	2021OE	2022OE	2023OE	2024OE	2025OE
Number of IYC Related Calls	6,998	6,873	12,320	6,433	6,499
Average Wait Time	2:32	1:47	10:47	2:48	1:57
Abandonment Rate	6.79%	3.09%	20.48%	6.26%	4.60%
Average Talk Time	6:10	6:35	7:50	6:53	6:39

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Questions?

Thank you



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

Uniform Dental Benefit (UDB) Contract Extension



Item 4 – Group Insurance Board

Tom Rasmussen, Life Insurance and Dental Insurance Program Manager

Office of Strategic Health Policy





Action Needed

The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) approve the extension of the third-party administration of the Uniform Dental Benefit (UDB) contract with Delta Dental of Wisconsin (Delta) for two years, beginning January 1, 2027, through December 31, 2028.

Background

July 2021, the Board signed a contract with Delta Dental for the administration of the statewide Uniform Dental Benefit

- Contract period runs from January 1, 2022, through December 31, 2026.
- Includes an option for renewal for two additional two-year terms.
- ETF is requesting a two-year extension.

Administrative Fee Costs

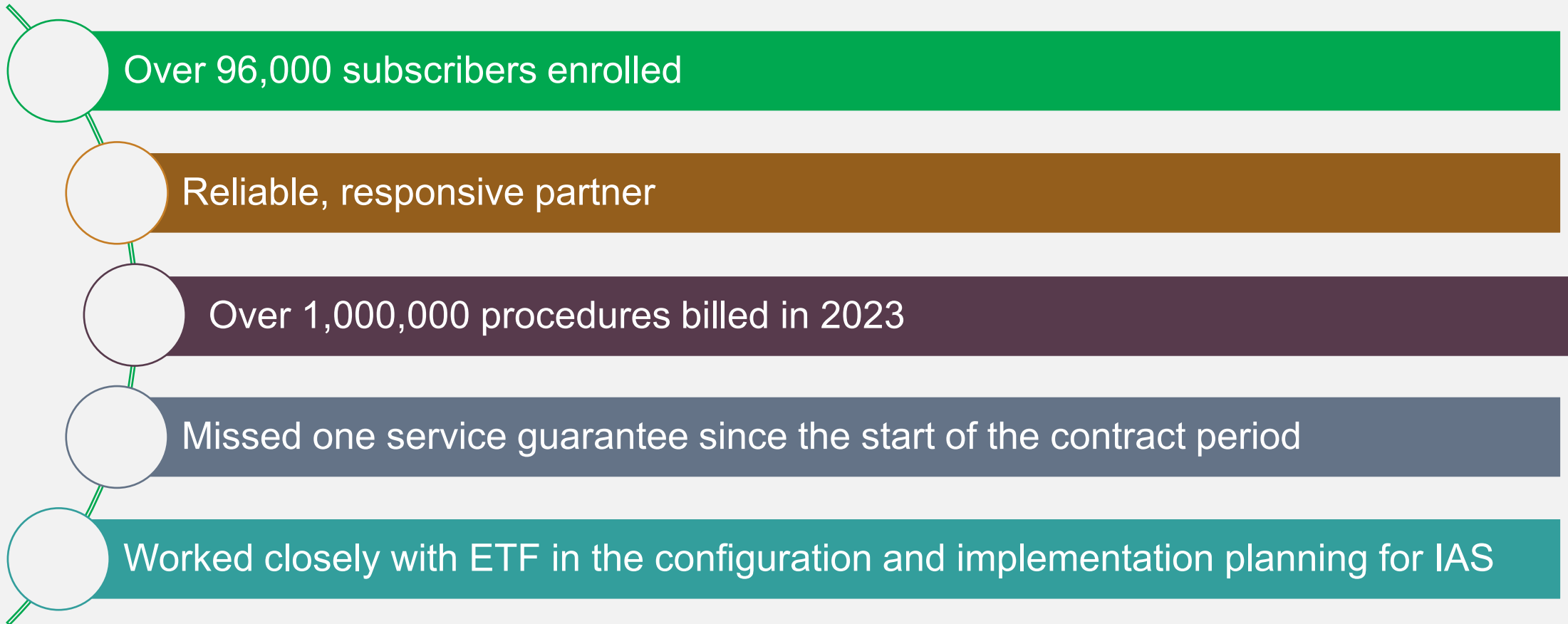
Increase of \$.05 to \$1.15 PEPM

- Inflation
- IT Projects to Support Custom IAS Related Functions

\$.01 Higher than the admin fee for Plan Years 2018-2021

Delta has agreed to hold the \$1.15 PEPM fee for Plan Year 2029-2030 if the Board exercises the additional extension.

Performance



Network

88% of providers contracted PPO Plus Premier Network

98% provider retention

Providers stated that Delta is easy to work with and responsive

Increased reimbursement rates benefitting over 75% of general dentists in February 2023



Action Needed

The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) approve the extension of the third-party administration of the Uniform Dental Benefit (UDB) contract with Delta Dental of Wisconsin (Delta) for two years, beginning January 1, 2027, through December 31, 2028.

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Supplemental Plan Guidelines Changes



Item 5 – Group Insurance Board

Douglas Wendt, Supplemental Plans Program Manager

Office of Strategic Health Policy





Action Needed

ETF requests the Board approve modifications to the *Supplemental Insurance Guidelines* (ET-7422) for the vision and accident plan contracts, effective for the 2026 plan year.

Proposed General Changes

Accept Proposals for vision and accident for a three-year period

Modify wording on timing for implementing these plans into the data warehouse

Add complaint history from OCI and DATCP to proposal review process

Change penalty for not consistently meeting loss ratio

Change penalty for violation of non-disclosure requirement

Proposed IAS-Related Changes

Remove
requirement for
vendor to offer on-
line enrollment

Remove three
requirements for
vendor enrollment
processing timing

Add requirement for
timing of processing
enrollment file from
ETF



Action Needed

ETF requests the Board approve modifications to the *Supplemental Insurance Guidelines* (ET-7422) for the vision and accident plan contracts, effective for the 2026 plan year.



Questions?

Thank you



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Move to Closed Session



Item 6 – No Memo





Action Needed

- Motion needed to move to closed session pursuant to the exemptions contained in Wis. Stat. §19.85 (1) (a) for quasi-judicial deliberations, Wis. Stat. § 19.85 (1) (d) to consider strategy for crime detection or prevention, and 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. If a closed session is held, the Board may vote to reconvene into open session following the closed session.

**The Board is meeting in closed session.
Audio and visual feed will resume upon the
Board's return.**



Announcement of Action Taken on Appeals Deliberated During Closed Session

Item 11A – No Memo

Herschel Day, Chair

Group Insurance Board



Announcement on Business Deliberated During Closed Session Discussion

Item 11B – No Memo

Herschel Day, Chair

Group Insurance Board



Vote on ICI Program Contract Administrative Services Fee Amendment



Item 11C – Group Insurance Board



2026 Preliminary Agreement and Benefit Changes

Item 12 - Group Insurance Board

Korbey White, Health Program Manager

Luis Caracas, Health Plan Policy Advisor

Office of Strategic Health Policy



Informational item only

- No Board action is required.

Annual Review of Contracts

September 2024

- ETF began the 2026 Agreement and Certificate review process.

October 2024

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

Contract and Benefit Categories

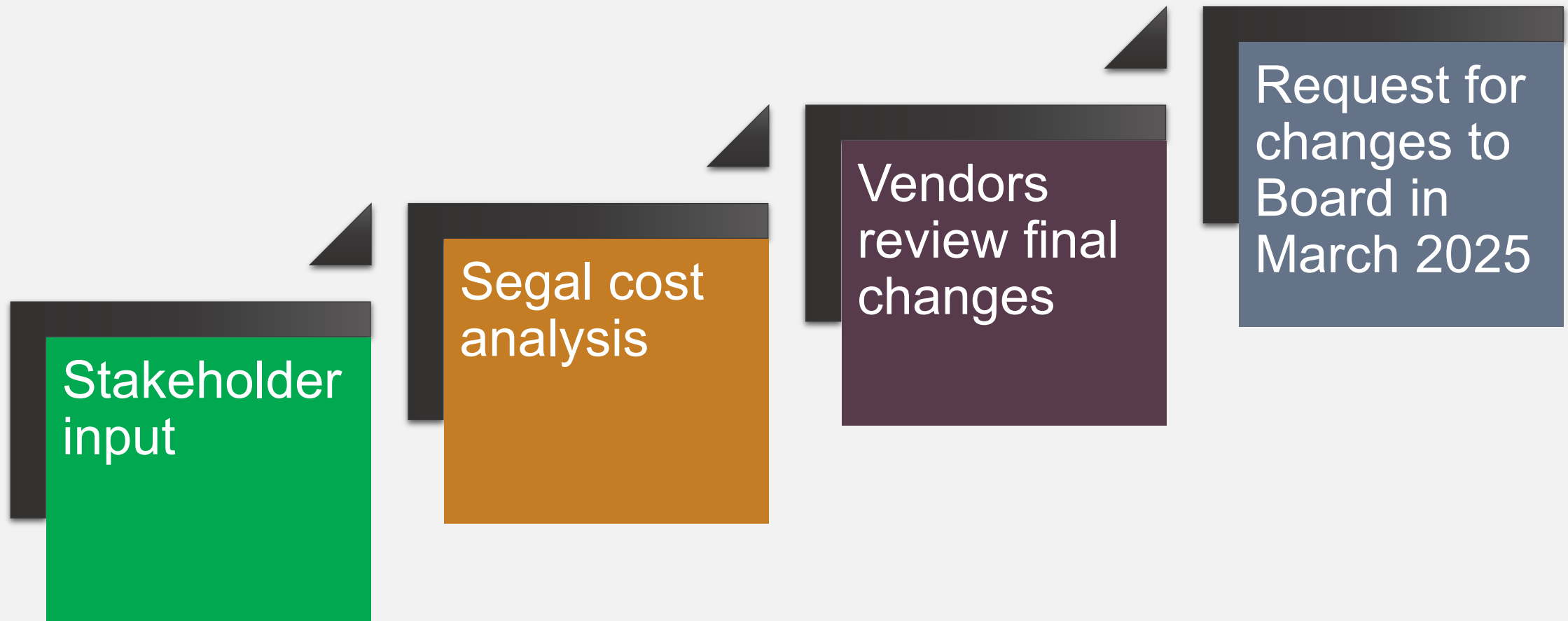
Health plans:

- Program Agreement
- Certificate of Coverage
- Schedules of Benefits

Others:

- Uniform Pharmacy Benefits
- Pilot programs

Next Steps



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Questions?

Thank you



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Weight-Loss Drugs: Cost Analysis, Options, and Current Events

Item 13 – Group Insurance Board

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.

What to Expect

- Anti-obesity medication (AOM) drug cost analysis
- Update on future AOM options
- Other states' public employee AOM drug coverage
- Weight-loss drug current events
- Next steps

What Are We Talking About

Drug	Approval Year	FDA Approved Indications	Covered by the GHIP
Ozempic	2017	Lower blood sugar levels in adults with type 2 diabetes	Yes
Wegovy	2021	Chronic weight management in adults and certain children with obesity. Reduces the risk of cardiovascular death, heart attack, and stroke in adults with cardiovascular disease and those who are either obese or overweight.	No
Mounjaro	2022	Improve glycemic control in adults with type 2 diabetes	Yes
Zepbound	2023	Chronic weight management in adults	No

AOM Cost Analysis

Changes Since February 2024

Navitus
signed new
agreements
with AOM
manufacturers

Tiered
pricing/rebates

New guidelines
regarding when
no rebates are
available on
AOMs

AOM Cost Analysis with Full Rebates

Year	Utilizers	AOMs Prescriptions	AOM Cost	Medical Savings	Net Loss
2025	13,053	56,129	\$37,185,614	\$6,175,060	-\$31,010,553
2026	16,234	84,530	\$59,012,775	\$21,716,516	-\$37,296,259
2027	17,078	97,049	\$71,382,889	\$34,977,832	-\$36,405,057
2028	17,461	106,382	\$82,425,828	\$48,469,853	-\$33,955,975
2029	17,520	113,381	\$92,524,228	\$62,186,799	-\$30,337,428
2030	17,355	118,429	\$101,772,140	\$75,948,834	-\$25,822,306



Update On Future AOM Options

Increase Body Mass Index (BMI) Indications

- Current FDA BMI indications for AOMs:
 - 30 or greater
 - 27 with at least one weight-related comorbidity
- Some payers have increased BMI requirements for coverage.
- The higher BMI requirements eliminate some people from coverage.
- Would reduce manufacturer rebates the Board receives for AOMs.
- Findings show the greater a person's BMI, the more likely they are to take an AOM and continue to take the drug.

AOM Cost Analysis with Partial Rebates

Year	Utilizers	AOMs Prescriptions	AOM Cost	Medical Savings	Net Loss
2025	7,406	31,844	\$26,908,178	\$3,503,319	-\$23,404,859
2026	9,315	48,406	\$43,069,498	\$12,373,407	-\$30,696,091
2027	9,602	54,802	\$51,335,325	\$19,912,500	-\$31,422,825
2028	9,412	58,174	\$57,363,445	\$27,175,462	-\$30,187,983
2029	8,950	59,520	\$61,774,139	\$34,048,327	-\$27,725,812
2030	8,390	59,612	\$65,112,307	\$40,423,105	-\$24,689,201

New AOM Drug Formulary Level

Year	AOMs Prescriptions	Net Loss	Copay Required Per Prescription
2025	56,129	-\$61,179,890	\$1,090
2026	84,530	-\$79,719,484	\$944
2027	97,049	-\$74,281,118	\$766
2028	106,382	-\$79,188,547	\$745
2029	113,381	-\$73,870,551	\$652
2030	118,429	-\$66,166,116	\$559

Copay/Deductible Increases

Plan Design	2024 copays and deductibles	Proposed change to offset AOM cost
Deductible (Individual/Family)	\$250/\$500	\$300/\$600
Out-of-Pocket Maximum (Individual/Family)	\$1,250/\$2,500	\$1,400/\$2,800
Primary Care Office Visit	\$15 copay	\$25 copay
Specialist Office Visit	\$25 copay	\$35 copay
Urgent Care	\$25 copay	\$35 copay
Emergency Room	\$75 copay	\$100 copay
Pharmacy Specialty/ Tier 4	\$50 copay	\$75 copay
Pharmacy Maximum (Preferred/Non-Preferred/Specialty)	\$50/\$150/\$200	\$75/\$175/\$250

- Cost increase to all non-Medicare members.
- Copays and deductibles would remain below the national average.
- Medical vendors would need to recognize plan design savings in their renewals.

Nutritional Counseling

- Beginning January 1, 2025, nutritional counseling is covered under the Group Health Insurance Plan (GHIP) for all members.
- Board could require nutritional counseling for anyone taking an AOM without losing any rebates.
- Mandatory nutritional counseling would require members to pay medical copays in addition to pharmacy copays/coinsurance for AOMs.

Well Wisconsin Consideration

Idea: Redirect funds from Well Wisconsin to help pay for AOMs

- The approximate \$16M paid to administrator and member incentives per year would not be enough to cover the expected costs of AOMs.
- The Board would need to cut other benefits or increase member cost-share to offset the total estimated costs of AOMs.

Well Wisconsin and Weight-Loss

Part of the Total Health Management approach.

Well Wisconsin includes weight-loss services that can directly benefit members who would use AOMs.

Supports the FDA's approval of AOMs "for use, *in addition* [emphasis added] to a reduced calorie diet and increased physical activity."

Supporting Other Conditions

Well Wisconsin can also help members manage other comorbidities/conditions:

- Diabetes and diabetes prevention
- Mental health coaching for depression, anxiety, stress, etc.
- Asthma
- Chronic obstructive pulmonary disease
- Heart disease

Pilot Program

Allowing a pre-determined subset of members to have AOMs covered along with coaching and nutritional counseling is an option.

Eligibility criteria will be challenging and may result in appeals.

Cost estimate of \$8.6 - \$14.4M, assuming there are 1,000 participants.

Use DAISI for evaluation.

Existing GHIP vendors could partner to administer, or an RFP could be released for 2028 or 2029 implementation.

Other States' Public Employee Weight Loss Drug Coverage

What Are Other States Doing?

Alabama

South Carolina

Arizona

Tennessee

Kansas

Utah

AOM Current Events

AOM Latest News

- October 24: Prime Therapeutics study found no medical cost offset in medical treatment for those taking AOMs over two years.
- October 21: Northwestern University researchers publish findings comparing the cost-effectiveness of bariatric surgery and AOMs.
- October 17: New study found people taking semaglutide or tirzepatide had a 40% lower rate of opioid overdose and a 50% lower rate of intoxication than those not taking the drugs.

Going Forward

Next Steps

January 15, 2025, special Board meeting:

Board is scheduled to discuss awarding the Pharmacy Benefits Program contract set to begin January 1, 2026.



Questions?

Thank you



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Vendor Proposed Pilot Programs

Item 14 – Group Insurance Board

Molly Dunks, Disease Management and Wellness Program Manager

Office of Strategic Health Policy



Informational Item Only

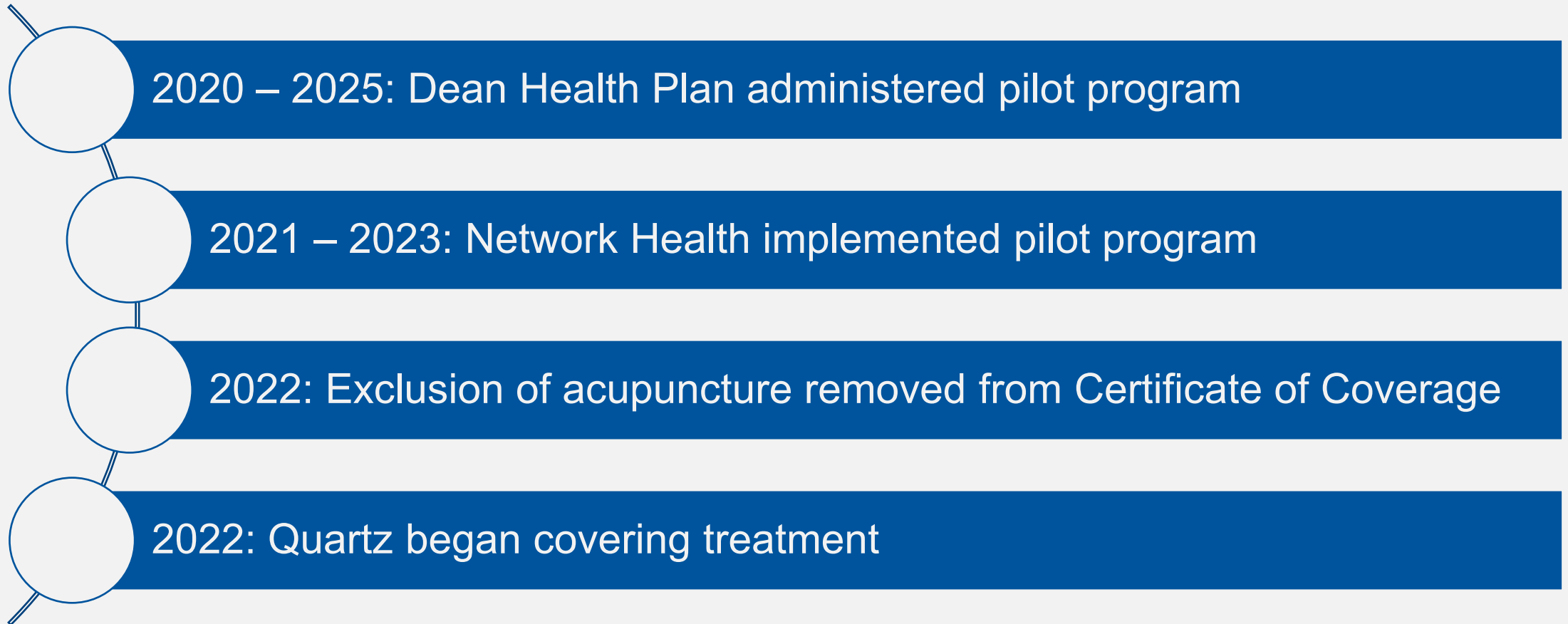
No Board action is required.

Pilot Programs Background

- Opportunity to evaluate benefit changes

Vendor	Program	Years of Implementation
Dean Health Plan	Acupuncture	2020 – 2025
Navitus/WebMD	It's Your Health: Diabetes	2019 – 2025
Network Health	Remote patient monitoring	2025
Quartz	Virta Health: Diabetes Management	2024 – 2025
Quartz	Therapy360	2024 – 2025
Quartz	Doula Services	2024 – 2025
Security Health Plan	Omada: Diabetes Management	2024 - 2025

Acupuncture



Acupuncture Claims and Experience

- Number of patients is relatively low.
- Cost is approximately \$60 per visit, which is comparable to chiropractic care and much less than physical therapy.
- We are unable to determine the impact of acupuncture on preventing or prolonging the need for more intensive pain management support.
- Accessibility of acupuncturists is a concern.

Future of Acupuncture

- Dean is discontinuing pilot for 2026.
- Health plans can continue to offer acupuncture benefits under the Alternate Care Provision.

It's Your Health: Diabetes

- Pilot program with Navitus and WebMD since 2019
- Available to non-high deductible health plan subscribers and spouses
- Diabetes management coaching
- Reduced pharmacy copayment for antidiabetic drugs
- 41,252 prescriptions filled and \$1.7M member copays savings from 2019 through 2023

2020 – 2023 Triple Aim Analysis

- There is some evidence that participants had better healthcare engagement.
- Participants maintained or improved their disease stage at a slightly better rate compared to non-participants.
- Increases in medical and diabetes prescription cost trends are lower:
 - Medical and prescription allowed amounts increased 25.7% for participants and 41.5% for non-participants.
 - Medical allowed amounts varied more substantially (increases of 10.6% vs. 47.2%).



Questions?

Thank you



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Benefit Change Evaluation

Item 15 – Group Insurance Board

Jessica Rossner, Data and Compliance Unit Director

Tricia Sieg, Pharmacy Benefits Program Manager

Oladipo Fadiran, Consulting Lead for Merative

Office of Strategic Health Policy



Informational Item Only

No Board action is required.

Background

- Evaluations of changes to the Group Health Insurance Program (GHIP) for non-Medicare Members
- Bariatric surgery approved by the Board in 2019
- Clear bagging approved by the Board in 2022
- Evaluations used information from the Board's claims data warehouse, Data Analytics, and Insights (DAISI)

Bariatric Surgery

- Coverage change is effective 2020 through present.
- Additional coverage was approved for individuals with a BMI of 35 or higher.
- Surgery requires prior authorization and pre-surgery services, including nutritional counseling and mental health counseling.
- Analysis shows utilization, costs, and health outcomes for GHIP members.

Clear Bagging Program

- Drugs are provided by in-hospital/clinic/infusion center specialty pharmacy.
- Drug is administered in same location but billed through pharmacy benefit rather than medical benefit.
- Program started in 2023 through UW-Specialty Pharmacy for non-Medicare members with Quartz health insurance who received their specialty drug infusions at UW Hospitals and Clinics.
- Program has been successful with savings to the GHIP and member satisfaction.

Assessment of Bariatric Surgery Benefit for WI ETF GHIP Members

Background and Analytic Parameters

Bariatric surgery became a uniform benefit effective 2020

- Informed by evidence of benefit¹
- Qualification/Requirement: BMI of 35 or higher

Assessment

- Qualified member trends
- Surgery: utilization and cost trends
- Post-surgery: assessment of obesity and comorbidity trends, preliminary financial analysis

¹ <https://onlinelibrary.wiley.com/doi/full/10.1038/oby.2010.199>

Time Periods: 2020 – 2023 (4 years) for overall trends, 2021 as baseline year for post surgery assessment

Eligibility for bariatric surgery: BMI \geq 35, using diagnosis codes for morbid obesity

Inclusion in post surgery analysis

- continuously enrolled in GHIP 2020 – 2023
- qualified for surgery in both 2020 and 2021
 - **study group:** got bariatric surgery in 2021, not before or after
 - **control group:** no record of bariatric surgery

Summary Findings

Members Qualified for Bariatric Surgery

Trends in GHIP members potentially qualifying for bariatric surgery:

- 2020: 9,402 (3.7% of GHIP) to 2023: 15,390 (5.9% of GHIP)
- 3X utilization and costs for qualifying members

GHIP Bariatric Surgery Patients

- Highest utilization in 2021: **297** patients at total cost of **\$10.0M**
- **242** patients in the most recent 2023 at a total cost of **\$7.8M**
- relatively stable average cost for bariatric surgery for GHIP members about \$32,000 in 2023

Post Bariatric Surgery Assessment

The study group receiving the bariatric surgery show:

- a faster rate of reduction in prevalence and severity of obesity and multiple comorbidities
- an estimated saving per member of:
 - **\$1,354** in 2022, 1 year after the surgery
 - **\$4,131** in 2023, 2 years after the surgery
 - the average cost for the study group in 2023 is 22% lower than the comparable control group

Review of Members Qualified for Bariatric Surgery

Qualifying Member Demographic Trends

- Increases in total number of GHIP members, and members potentially qualifying for bariatric surgery as a percentage of total membership
- Higher percentage of potential qualifiers among older, female members

Figure 1 Trend of GHIP Members Qualifying (BMI >=35) for Bariatric Surgery

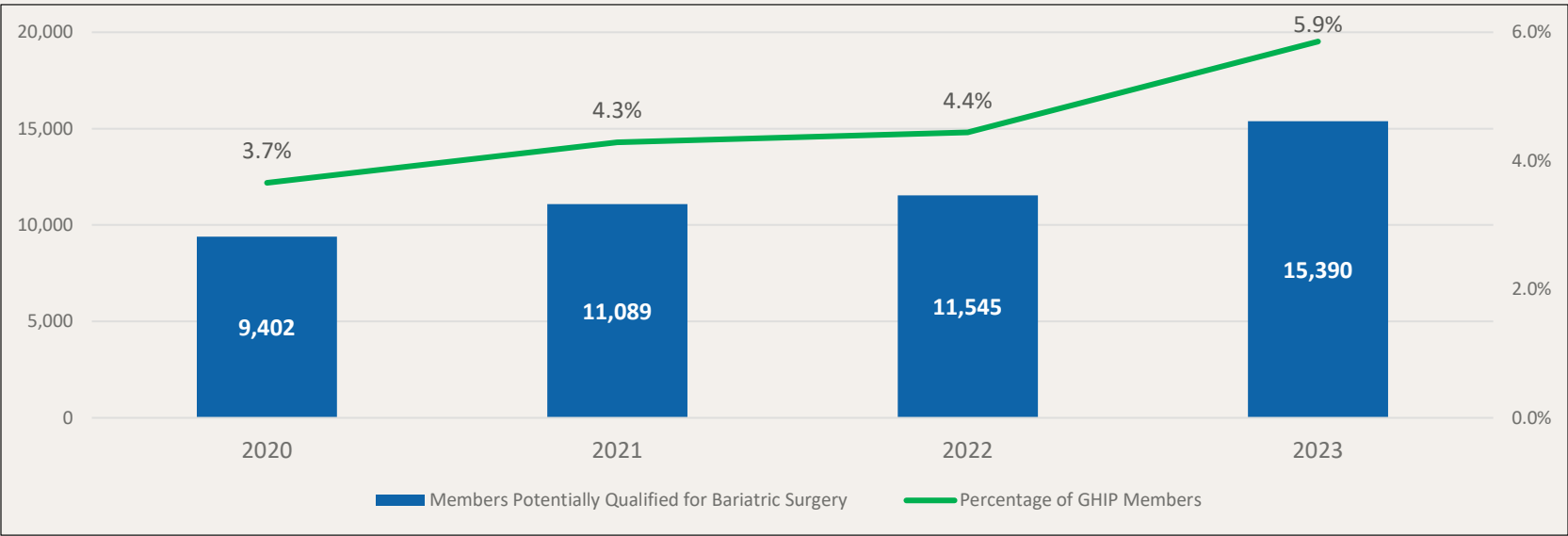
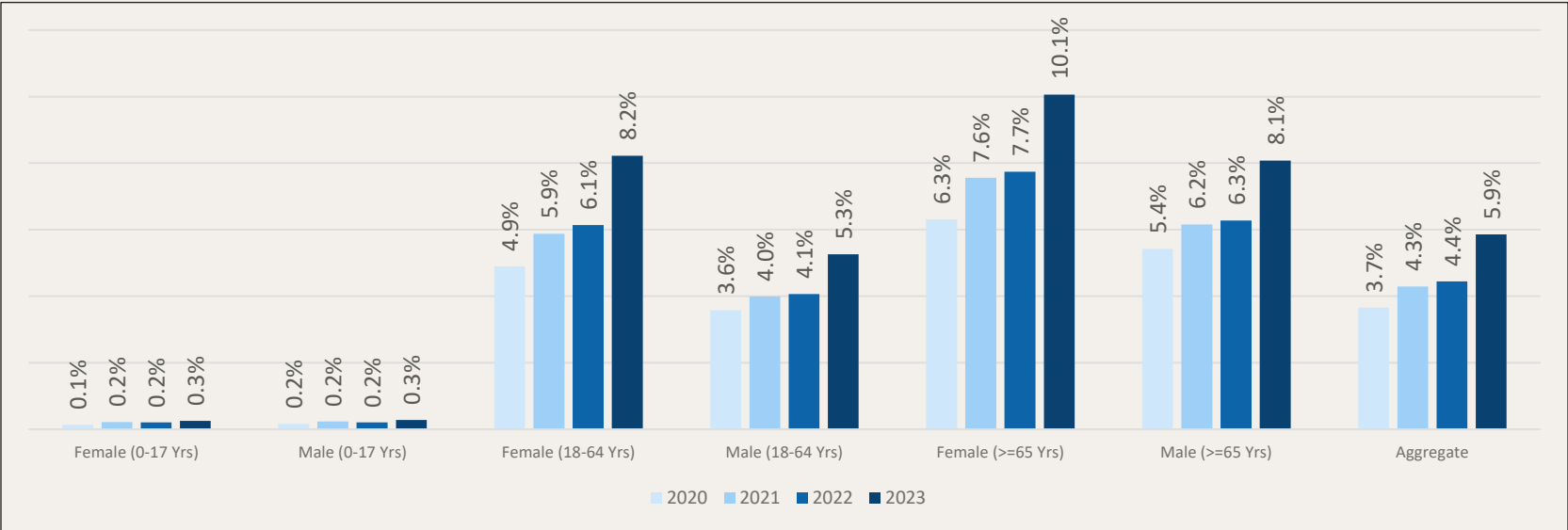


Figure 2 GHIP Members Qualifying (BMI >=35) for Bariatric Surgery by Age Groups and Gender



Qualifying Member – Top Comorbidities

- Members potentially meeting the obesity requirement for bariatric surgery typically have multiple other conditions
- There is evidence that some of these obesity comorbidities completely resolve or go into remission post bariatric surgery¹, leading to future reduced cost

1. <https://jamanetwork.com/journals/jamasurgery/fullarticle/1790378>

Table 1 Top Obesity Comorbidities for GHIP Members

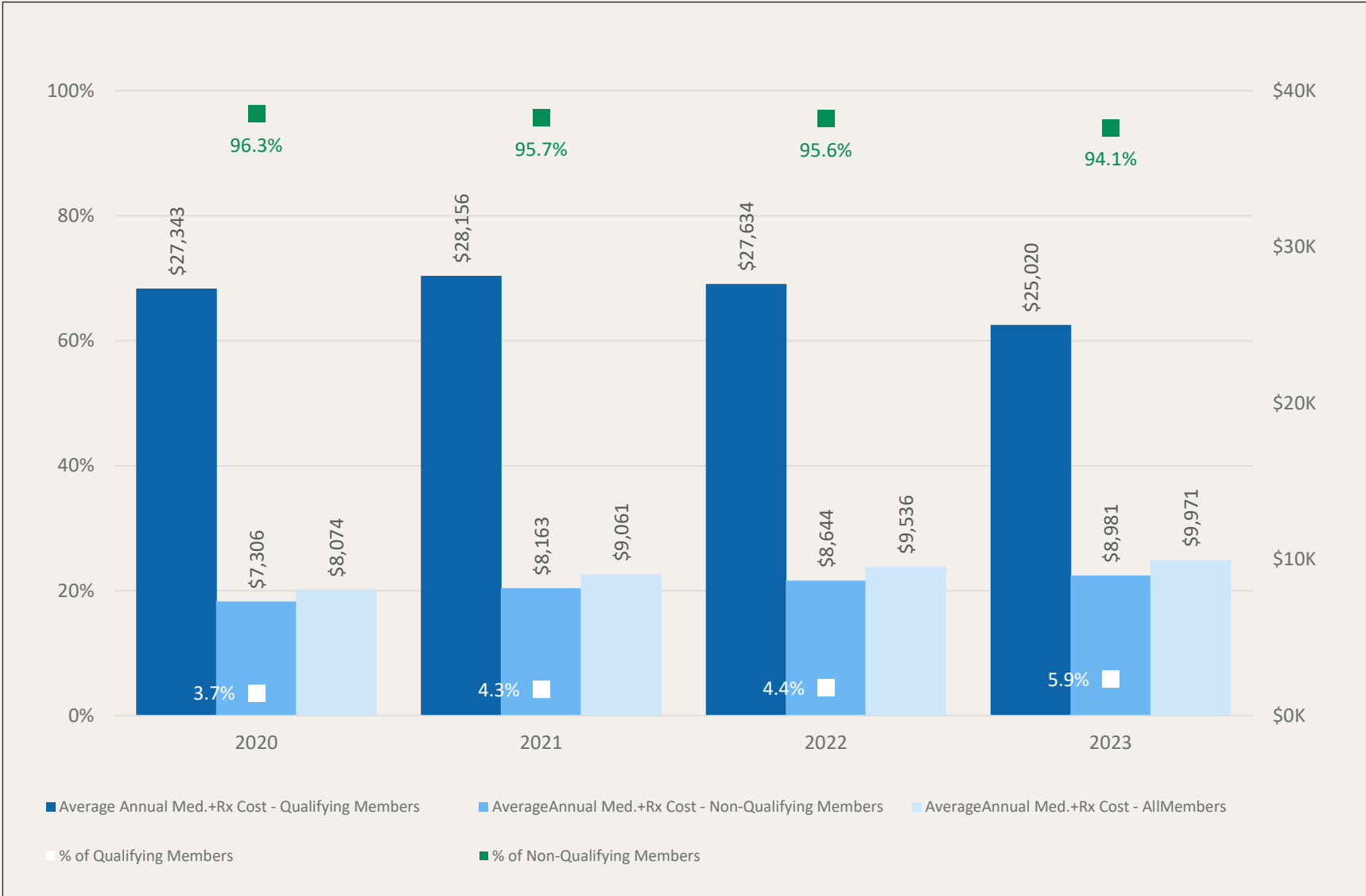
Top Episode Groups by Patient Counts*	Average Annual Cost Per Patient
Essential Hypertension	\$2,783
Other Arthropathies - Bone and Joint Disorders	\$1,735
Diabetes Mellitus (Type 2)	\$10,611
Other Spinal and Back Disorders - Low Back	\$2,178
Osteoarthritis (Except Spine)	\$7,588
Depression	\$3,288
Generalized Anxiety Disorder	\$1,365
Sleep Disorders	\$966
Bursitis	\$3,094
Arrhythmias	\$5,555

*Using Merative’s Episode Grouper methodology, excluding some episodes types e.g. preventive care

Qualifying Member – Cost Trends

- GHIP members potentially meeting the bariatric surgery requirement contribute disproportionately to the overall program costs:
 - the qualifying members making up **5.9%** of the population account for approximately **11%** increase in the average annual membership cost in 2023 – \$8,981 to \$9,971

Figure 5 Relative Cost (Med. + Rx) Impact of GHIP Members Qualifying for Bariatric Surgery

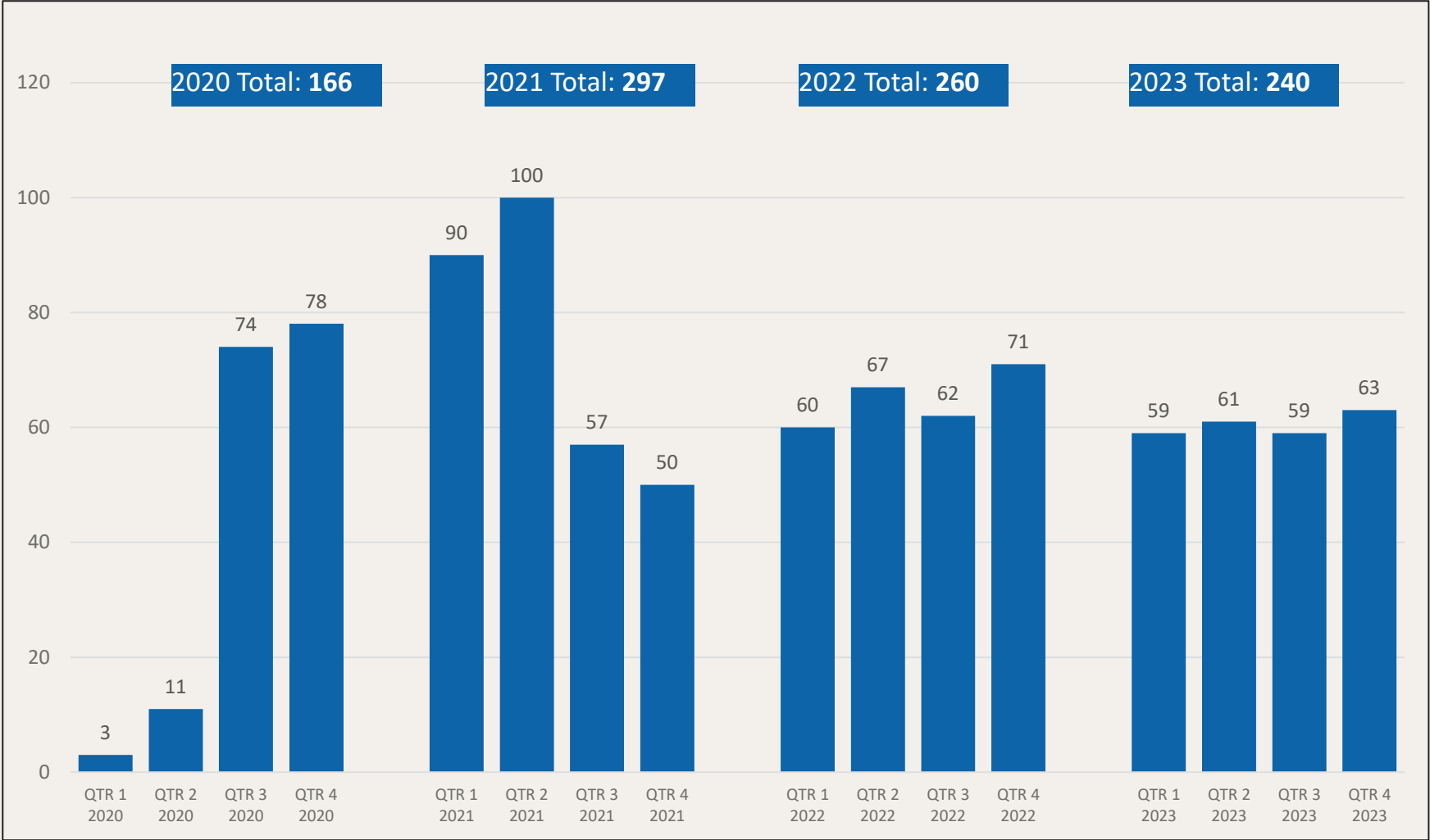


GHIP Bariatric Surgery Patients

Surgical Patients - Utilization Trends

- Slower utilization in 2020 may be because it was a new benefit and COVID pandemic disruption to healthcare services
- Highest utilization in Q1 and Q2 2021 may be due to pent up demand from 2020
- Utilization seems to have stabilized in 2022 and 2023 to an average of about 250 GHIP bariatric patients per year

Figure 7 GHIP Bariatric Surgery Utilization Trends – Quarterly Patient Counts



Surgical Patients - Demographics

- Most GHIP bariatric surgery patients are female – ranging from about 77% - 86%
- females between the ages of 36 and 55 years old consistently account for 50%

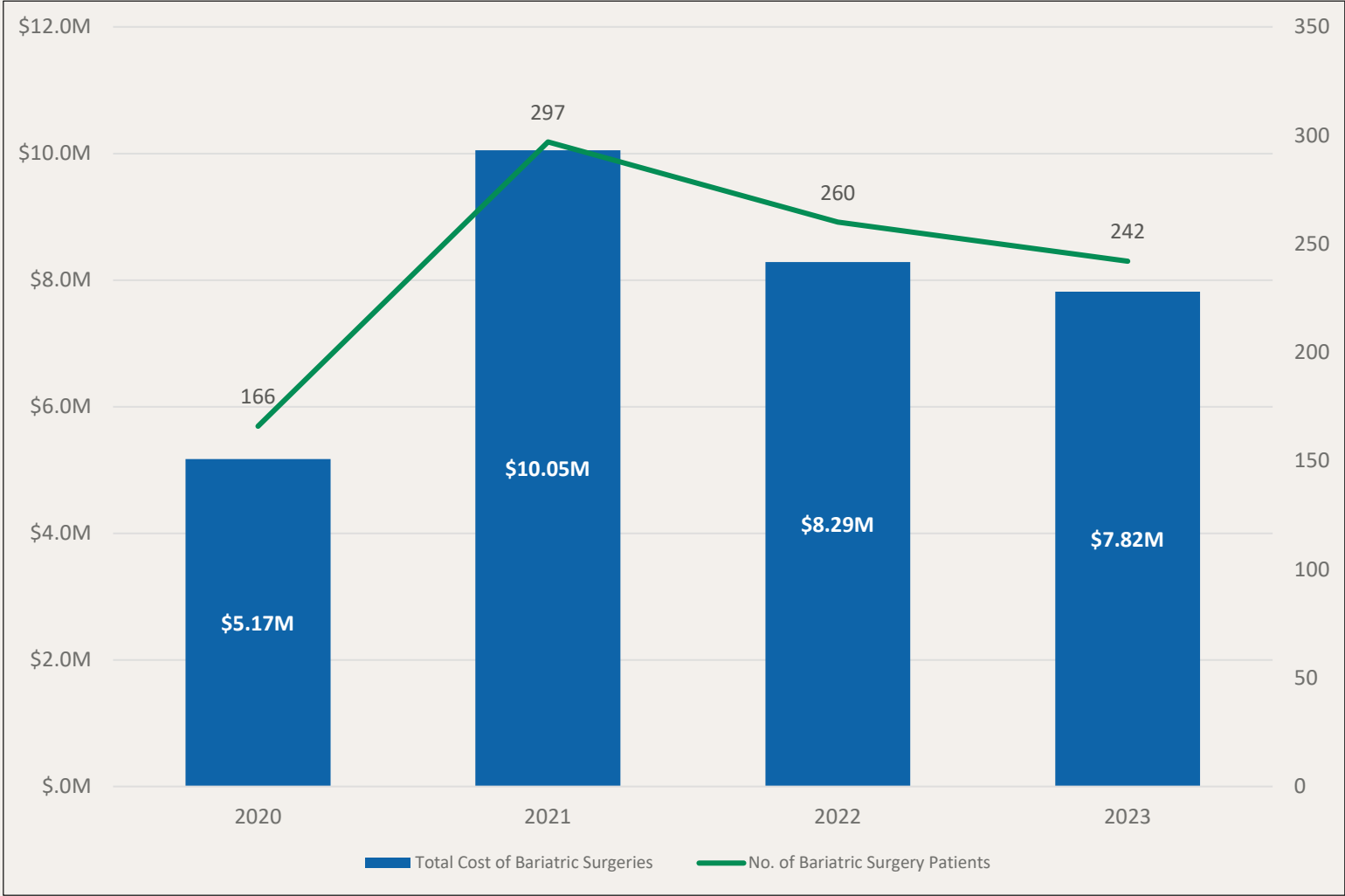
Table 2 Age and Gender Representation of GHIP Bariatric Patients

Gender	Age Groups	2020		2021		2022		2023	
		Patients	% of Total	Patients	% of Total	Patients	% of Total	Patients	% of Total
Female	18-25 Years	3	1.8%	8	2.7%	2	0.8%	4	1.7%
	26-35 Years	15	9.0%	38	12.8%	31	11.9%	42	17.4%
	36-45 Years	36	21.7%	77	25.9%	65	25.0%	75	31.0%
	46-55 Years	49	29.5%	74	24.9%	68	26.2%	54	22.3%
	56-65 Years	27	16.3%	30	10.1%	33	12.7%	28	11.6%
	>=65 Years	7	4.2%	3	1.0%	2	0.8%	4	1.7%
	Aggregate (Female)	137	82.5%	230	77.4%	201	77.3%	207	85.5%
Male	18-25 Years					1	0.4%		
	26-35 Years	5	3.0%	7	2.4%	5	1.9%	2	0.8%
	36-45 Years	10	6.0%	21	7.1%	22	8.5%	12	5.0%
	46-55 Years	9	5.4%	23	7.7%	18	6.9%	14	5.8%
	56-65 Years	4	2.4%	13	4.4%	12	4.6%	6	2.5%
	>=65 Years	1	0.6%	3	1.0%	1	0.4%	1	0.4%
	Aggregate (Male)	29	17.5%	67	22.6%	59	22.7%	35	14.5%
Aggregate	166		297		260		242		

Surgical Patients – Utilization and Cost Trends

- The total cost of bariatric surgery for GHIP peaked in 2021 at **\$10.0M** for **297 patients**, and has continued to reduce since then
- trend primarily driven by utilization
- **\$7.8M** for **242 patients** in the most recent 2023

Figure 11 Average Annual Utilization and Cost Trends for GHIP Bariatric Surgery



Post Bariatric Surgery Assessment

Post Surgery Assessment – Disease Progression

- Faster drop in prevalence and severity of obesity and comorbidities in the study group, in 2023:
 - only 23% (39) of the control group obese, vs 45% (76) for the matched control group
 - comorbid hypertension reduced to 9% (15) in study group vs increase to 21% (36) in matched control group

Figure 14a Obesity Stage Transitions for Study and Matched Control Group

	Study Group				Matched Control Group			
	Patients				Patients			
	2020	2021	2022	2023	2020	2021	2022	2023
Stage 0-1	1		20	17	1	10	10	4
Stage 2	168	169	41	22	168	158	70	72
Stage 3						1		
Aggregate	169	169	61	39	169	169	80	76

Figure 14b Hypertension Stage Transitions for Study and Matched Control Group

	Study Group				Matched Control Group			
	Patients				Patients			
	2020	2021	2022	2023	2020	2021	2022	2023
Stage 0-1	22	26	25	15	24	29	31	30
Stage 2								
Stage 3					2		3	6
Aggregate	22	26	25	15	26	29	34	36

Post Surgery Assessment - Disease Progression

- Comorbid diabetes dropped rapidly to 12% (21) in study group vs increase to 30% (51) in matched control group
- Impact of bariatric surgery on obesity related conditions like musculoskeletal disorders may take longer to be realized

Figure 14c Diabetes Stage Transitions for Study and Matched Control Group

	Study Group				Matched Control Group			
	Patients				Patients			
	2020	2021	2022	2023	2020	2021	2022	2023
Stage 0-1	19	15	14	9	17	15	20	27
Stage 2	20	18	13	12	26	23	29	24
Stage 3	1	1	1		1	1	1	
Aggregate	40	34	28	21	44	39	50	51

Figure 14c Spinal and Low Back Disorder Stage Transitions for Study and Matched Control Group

	Study Group				Matched Control Group			
	Patients				Patients			
	2020	2021	2022	2023	2020	2021	2022	2023
Stage 0-1	22	33	20	21	24	32	29	32
Stage 2								
Stage 3								
Aggregate	22	33	20	21	24	32	29	32

Post Surgery – Preliminary Financial Assessment

Figure 16 Average Annual Medical and Prescription Drugs Cost for Study and Matched Control Group

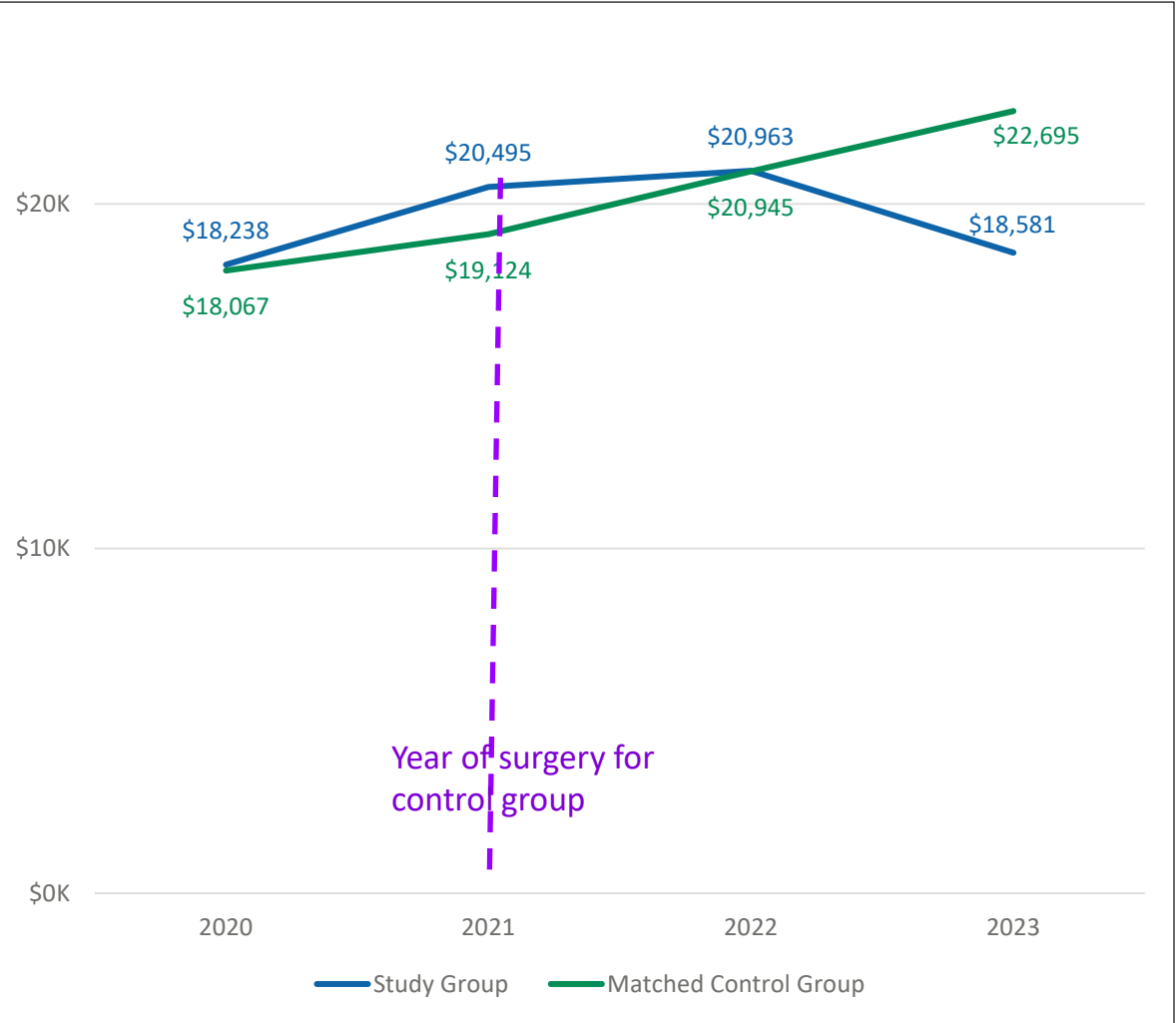


Table 3 Average Annual Cost Trends for Study and Matched Control Group

		2021	2022	2023
Study Group	Average Cost	\$20,495	\$20,963	\$18,581
	Difference from Prev. Year		\$468	\$2,382
Matched Control Group	Average Cost	\$19,124	\$20,945	\$22,695
	Difference from Prev. Year		\$1,822	\$1,749
Difference of difference			\$1,354	\$4,131

Using a "Difference in differences"^{1,2} approach for financial assessment of the bariatric surgery benefit shows an average per member savings for the study group :

- **\$1,354** in 2022, 1 year after the surgery
- **\$4,131** in 2023, 2 years after the surgery, the average cost for the study group in 2023 is 22% lower than the control group

1. <https://theeffectbook.net/ch-DifferenceinDifference.html>
 2. https://en.wikipedia.org/wiki/Difference_in_differences

Evaluation of WI ETF GHIP Clear Bagging Program

Background and Summary Findings

GHIP Clear Bagging Program

Transfer of a selection of specialty drugs from medical benefits to prescription drug benefits

- arrangement between PBM (Navitus) and UW Health Pharmacy dispensing the drugs
- expected savings to GHIP from the benefit change

Analytic Notes

- Evaluating first full year (2023) of data
- Compared costs under Rx and medical benefits

Results

- Under the GHIP clear bagging program in 2023
 - **292** members received **952** specialty drug prescriptions, at a cost of **\$1.68M** in net payments (\$1.73M in total allowed amount)
- Assessment of representative subset (**\$1.4M** or 83%) for potential savings shows a cost reduction of **\$0.7M** to GHIP, representing approximately 51% of the net payments and a saving of about 34% over the average cost under medical benefits

Clear Bagging – Utilization and Costs

- Utilization: 952 prescription scripts for 292 GHIP members
- Cost: **\$1.68M** in GHIP net payments (\$1.73M in total allowed amount costs)
- Rows highlighted in orange are excluded from assessment due to unavailability of equivalent medical costs data

Note: the specialty drug product names are anonymized to protect proprietary information

Table 1 Utilization and Costs of Specialty Drugs Under the GHIP Clear Bagging Program in 2023

Product Name	Scripts Rx	Patients Rx	Base Units	Plan Paid (Rx)	Allowed Amount (Rx)
P1	2	1	160.00	\$19,683	\$19,783
P2	3	1	18,846.00	\$22,090	\$22,240
P3	7	3	4,200.00	\$26,551	\$26,901
P4	511	180	100,000.00	\$609,332	\$635,354
P5	9	2	4,400.00	\$45,460	\$47,324
P6	2	1	400.00	\$3,405	\$3,505
P7	10	2	2,100.00	\$22,389	\$22,889
P8	2	2	2,040.00	\$3,911	\$4,441
P9	83	12	6,000.00	\$371,085	\$374,936
P10	7	5	26,208.00	\$27,109	\$27,459
P11	4	3	76.00	\$1,049	\$1,249
P12	11	3	15,750.00	\$27,621	\$28,171
P13	1	1	10,038.00	\$10,120	\$10,170
P14	11	1	975.00	\$52,735	\$53,285
P15	2	2	120.00	\$3,156	\$3,256
P16	33	4	2,510.00	\$192,619	\$194,269
P17	1	1	390.00	\$5,642	\$5,692
P18	1	1	1.00	\$48,014	\$48,064
P19	5	1	1,050.00	\$18,913	\$19,163
P20	1	1	40.00	\$114	\$164
P21	40	12	8,600.00	\$2,730	\$4,730
P22	133	99	27,700.00	\$132,853	\$140,980
P23	12	1	1,440.00	\$34,397	\$34,997
P24	61	37	244.00	\$98	\$1,200
Aggregate	952	292		\$1,681,077	\$1,730,223

Clear Bagging – Potential Savings

Table 2 Rx and Medical Costs Comparisons for Specialty Drugs under the GHIP Clear Bagging Program in 2023

Product Name	Scripts Rx	Base Units	Plan Paid (Rx)	Plan Paid Per Unit (Rx)	Plan Paid Per Unit (Med.)	% Plan Savings/ Extra	Total Savings/Extra in Plan Paid for Clear
P4	511	100,000	\$609,332	\$6.09	\$9.10	49%	\$300,918
P7	10	2,100	\$22,389	\$10.66	\$19.90	87%	\$19,408
P8	2	2,040	\$3,911	\$1.92	\$0.86	-55%	(\$2,153)
P9	83	6,000	\$371,085	\$61.85	\$117.52	90%	\$334,015
P10	7	26,208	\$27,109	\$1.03	\$1.14	10%	\$2,707
P11	4	76	\$1,049	\$13.81	\$42.82	210%	\$2,205
P12	11	15,750	\$27,621	\$1.75	\$1.51	-14%	(\$3,891)
P14	11	975	\$52,735	\$54.09	\$61.51	14%	\$7,238
P15	2	120	\$3,156	\$26.30	\$37.23	42%	\$1,312
P16	33	2,510	\$192,619	\$76.74	\$61.85	-19%	(\$37,366)
P17	1	390	\$5,642	\$14.47	\$20.71	43%	\$2,433
P18	1	1	\$48,014	\$48,013.67	\$107,343.07	124%	\$59,329
P20	1	40	\$114	\$2.86	\$9.53	233%	\$267
P21	40	8,600	\$2,730	\$0.32	\$0.48	51%	\$1,391
P23	12	1,440	\$34,397	\$23.89	\$37.23	56%	\$19,217
P24	61	244	\$98	\$0.40	\$27.78	6791%	\$6,680
Aggregate	790		\$1,402,002				\$713,710

- There is considerable savings to the GHIP for 13 of the 16 specialty drugs under the clear bagging program, paying more for 3
- Aggregate estimated reduction of \$713K in net payments compared to the average costs under medical benefits
 - represents a 51% of the \$1.4M net payments
 - and a saving of about 34% of the average cost under medical benefits of \$2.1M

Conclusion

- The viability of the bariatric surgery benefit change will be continuously monitored relative to overall member health outcomes and GHIP expenditures, and the Board will be provided updates.
- Expanding the clear bagging program will be part of new Pharmacy Administration contract when it begins January 1, 2026.



Questions?

Thank you



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ETF E-mail Updates



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

Local Program Analysis and Options

Item 16 - Group Insurance Board

Luis Caracas, Health Plan Policy Advisor

Office of Strategic Health Policy



Informational item only

- No Board action is required.

Local Group Health Insurance Program (GHIP)

- Rates have been increasing at a faster rate than the state GHIP.
- Local GHIP has a smaller reserve fund.
- There are currently four program options.
- ETF received input via employers and a recent Request for Information (RFI).
- ETF is exploring additional options with Segal.

Local Employer Feedback

Key reasons to participate in GHIP:

- Quality of benefits
- Lower premium rates

Interest in the following changes:

- Specific provider networks
- High Deductible Health Plan (HDHP) option

Request for Information

Current GHIP health plans and non-participating national carriers

Access Plan/SMP and Local GHIP

Four responses received

Local Options Continuum

Tiering Option

Concept: Switch Locals from 88%/105% Tables for rates to being Tiered like the State GHIP

Pros

- ✓ More stable enrollment of members
- ✓ Health plans may pay less in premiums

Cons

- ✓ Employers may pay more in premiums

PO4/P14 Option

Concept: *To promote this Program Option to Locals as a cost management alternative*

Pros

- ✓ Employers would pay less in premiums

Cons

- ✓ Employers responsible for contracting with HRA vendor

Regional Option

Concept: Create 3-6 regions across the State for Health Plans to bid on to better manage costs

Pros

- ✓ Align with Medicaid's provider network
- ✓ Potential for more competition in certain counties

Cons

- ✓ Possibility will not bid on some regions

HDHP + One Program Option

Concept: Offer the HDHP program option along with another option

Pros

- ✓ Plan structure similar to State offering
- ✓ Expanding available program options
- ✓ Potential for cost saving as employees move to HDHP

Cons

- ✓ Long-term option as IAS may not be ready in the next few years

Two Local Program Options

Concept: Consolidate the number of Local Program Options available from 4 down to 2

Pros

- ✓ Simplifies options available

Cons

- ✓ Employers/employees may not want to change benefit offering and may leave the GHIP

Sole Vendor Option

Concept: *Create one population bundle for service by one Health Plan*

Pros

- ✓ Health plans can offer only State and not Local coverage
- ✓ Simplify administration of GHIP for ETF and employers

Cons

- ✓ End of competitive model
- ✓ Premium increases harder to control

Next Steps

- Further analysis will be completed, and a recommendation will be provided to the Board at a future meeting.

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Questions?

Thank you



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Operational Updates

Items 17A–17I – Memos Only



Tentative First Quarter 2025 Agendas

Item 18 – Memo Only

Renee Walk, Director

Office of Strategic Health Policy



Adjournment



Item 19 – No Memo

