

DRAFT

MINUTES OF MEETING

STATE OF WISCONSIN GROUP INSURANCE BOARD

Tuesday, February 15, 2005

Sheraton Hotel - Madison
706 John Nolen Drive
Madison, WI 53719

BOARD PRESENT: Stephen Frankel, Chair
Randy Blumer, Vice-Chair
Robert Baird
Janis Doleschal
Jane Hamblen
Esther Olson, Secretary
Jim Pankratz as designee for Karen Timberlake
David Schmiedicke
Gary Sherman

**BOARD
NOT PRESENT:** Martin Beil

**PARTICIPATING ETF
STAFF:** Eric Stanchfield, Secretary
Dave Stella, Deputy Secretary
Tom Korpady, Administrator, Division of Insurance Services
Bill Kox, Director, Health Benefits & Insurance Plans Bureau
Audrey Koehn, Director, Disability Programs Bureau
Rob Weber, Chief Legal Counsel
Jon Kranz, Director of Budget
Deborah Budzisz, Group Insurance Board Liaison

OTHERS PRESENT: Larry Bach, Blue Cross Blue Shield of Wisconsin
Tim Borchert, Office of State Employment Relations
Christopher Burke, Broadspire
Lydia Colon, Blue Cross Blue Shield of Wisconsin
Brian Eck, Gundersen Lutheran Health Plan
Colleen Evans-Carter, CompCare Blue
David Fee, Humana
Brian Fusie, Office of State Employment Relations
Charlotte Gibson, Department of Justice
David Grunke, Wisconsin Physicians Service
Lisa Halbach, Blue Cross Blue Shield of Wisconsin
Emily Halter, Group Health Cooperative South Central
Ross Hampton, WEA Insurance Trust
Paul Hanks, Office of State Employment Relations
Carrie Helms, Network Health Plan
Kathy Ikeman, Unity Health Insurance

Board	Mtg Date	Item #
GIB	4/19/2005	1

Dana Klauk, Legislative Audit Bureau
Joy Kaiser, Medical Associates Health Plan
Gloria Melvin, Blue Cross Blue Shield of Wisconsin
Paul Merline, Wisconsin Association of Health Plans
Deb Nelson, Dean Health Plan
Beca Nix, Minnesota Life Insurance Company
Sonya Olsen-Hasek, Department of Administration
Paul Ostrowski, Office of State Employment Relations
Beth Ritchie, University of Wisconsin System Administration
Chris Schmelzer, Minnesota Life Insurance Company
Ron Sebranek, Physicians Plus Insurance Corporation
Mel Sensenbrenner, State Engineers Association
Jill Thomas, Office of State Employment Relations
Allan Wearing, Blue Cross Blue Shield of Wisconsin
Mike Weber, Dean Health Plan
Tom Wendrick, Blue Cross Blue Shield of Wisconsin
Nancy Wenzel, Wisconsin Association of Health Plans
Steve Werner, Wisconsin Professional Police Association

Mr. Frankel, Chair, called the meeting to order at 8:36 a.m.

Mr. Frankel announced that Jim Pankratz would be acting as the designee of Karen Timberlake. Mr. Frankel also introduced and welcomed Representative Gary Sherman as a new member of the Board. Mr. Sherman is filling the vacant position as Governor's Appointee.

Mr. Korpady announced that Audrey Koehn has accepted a new position with the Division of Retirement Services and Joan Steele has accepted a new position with the Division of Trust Finance and Employer Services.

CONSIDERATION OF MINUTES OF NOVEMBER 16, 2004, MEETING.

MOTION: Mr. Blumer moved approval of the minutes of the November 16, 2004, meeting as submitted by the Board Liaison. Ms. Hamblen seconded the motion, which passed without objection on a voice vote.

ELECTION OF OFFICERS.

NOMINATION: Ms. Hamblen nominated Steve Frankel to serve as Chair of the Group Insurance Board. Ms. Olson seconded the nomination.

MOTION: After inviting further nominations three times, and none having been offered, the chair closed the nominations. Steve Frankel was then elected as Chair of the Group Insurance Board on a yea-or-nay voice vote. There were no nay votes and no abstentions.

NOMINATION: Ms. Olson nominated Randy Blumer to serve as Vice-Chair of the Group Insurance Board. Mr. Pankratz seconded the nomination.

MOTION: After inviting further nominations three times, and none having been offered, the chair closed the nominations. Randy Blumer was then elected as Vice-Chair of the Group Insurance Board on a yea-or-nay voice vote. There were no nay votes and no abstentions.

NOMINATION: Mr. Blumer nominated Esther Olson to serve as Secretary of the Group Insurance Board. Ms. Doleschal seconded the nomination.

MOTION: After inviting further nominations three times, and none having been offered, the chair closed the nominations. Esther Olson was then elected as Secretary of the Group Insurance Board on a yea-or-nay voice vote. There were no nay votes and no abstentions.

ADMINISTRATIVE RULE/SCOPE STATEMENTS

Final Rule Language – Acceptance of Documents via Facsimile. Mr. Weber presented to the Group Insurance Board (Board) the Final Draft Report for submission to the Legislature. The new fax and e-mail rule is intended to generally treat documents received by fax or e-mail as if they were received by other, non-electronic means — such as by mail or hand-delivery. The rule also makes a change in current practice with respect to these electronic documents. The date of receipt will be the actual date the electronic document arrives on the Department's e-mail or fax server, even if that is after regular office hours, on weekends or holidays. Non-electronic documents may only be received during regular business hours.

MOTION: Ms. Doleschal moved to approve the recommended the Department's final draft report on Clearinghouse Rule #04-104 for submission to the Legislature and promulgation. Mr. Baird seconded the motion, which passed without objection on a voice vote.

INCOME CONTINUATION INSURANCE (ICI) PROGRAM/LONG-TERM DISABILITY INSURANCE (LTDI)

Ms. Koehn made a brief statement to the Board to express her appreciation for their support and cooperation during her tenure Bureau Director of the Disability Programs Bureau.

Fifth Amendment. Ms. Koehn reviewed the revisions to the State and Local ICI plans premium tables noting that the last sentence of the first paragraph, which reads, "earning between \$4,000.00 and \$5,400.00 per month," should be "earning between \$4,000.00 and \$5,333.33 per month." The Department recommended that the Board approve the revisions to the State and Local ICI plans premium tables and the associated plan language with an effective date of April 1, 2005.

MOTION: Mr. Baird moved to approve the revisions to the State and Local ICI plans premium tables and the associated plan language with an effective date of April 1, 2005. Ms. Doleschal seconded the motion, which passed without objection on a voice vote.

Mr. Blumer expressed, on behalf of the Board, appreciation to Ms. Koehn for her hard work.

ICI and LTDI Program Statistics Annual Update. Christopher Burke, Senior Account Executive for Broadspire, presented the 2005 ICI and LTDI program update to the Group Insurance Board (Board).

HEALTH INSURANCE

Guidelines/Uniform Benefits Timeline & Discussion. Mr. Kox reminded the Board that in the past, a staff discussion group has developed recommendations for changes to the GUIDELINES and Uniform Benefits for the next contract year and Board members or their designated staff have participated. Mr. Kox presented to the Board the anticipated timeline for the 2006 contract and briefly summarized several issues that may be reviewed during the discussion process. Board members were invited to contact the Department by Friday, February 18, 2005, if interested in participating in the discussion group.

Request for Proposals Update. Mr. Korpady announced that the Department has received six proposals. The six proposals were received from CBCA Administrators, Inc., Humana, Blue Cross Blue Shield, Wisconsin Physicians Service, UnitedHealthcare, and Wausau Benefits. The review of the proposals is expected to be completed and a recommendation brought to the April meeting.

Mr. Korpady reminded the Board bidders are strictly prohibited from contacting members of the Board during the bid process. Secretary Stanchfield further asked the Board to contact the Department immediately if any of the named companies attempts to contact them.

MISCELLANEOUS

Administrative Rule Update. Rob Weber provided the Board with a written report on the status of pending administrative rules. The report will be updated and provided at all future Board meetings for the Board's information.

Budget Update. Mr. Kranz provided the Board with a verbal update on the Department of Employee Trust Funds 2005-2007 Biennial Budget Request and Governor's Recommendations. A summary of the Department's 2005-2007 Biennial Budget Request was handed out at the meeting.

Correspondence and Complaint Summary. An informational summary containing a listing of issues raised by participants relating to insurance benefits under the authority of the Board was provided to the Board.

Dual-Choice Enrollment Statistics. Mr. Korpady reviewed a memorandum regarding the 2004 dual-choice enrollment period. The memo highlighted major shifts in enrollment by health plan resulting from the 2005 dual-choice enrollment period. Approximately 5,397 applications were submitted during the dual-choice enrollment period. Active State Employees accounted for about 58 percent (3,147) of the applications.

Local Employers Joining or Leaving the Wisconsin Group Life, Health and ICI Programs as of 12/31/2004. The Department provided the Board with an update of local government employers that have either joined or terminated participation in the Wisconsin Public Employers' Group Health (WPEG) Insurance Program and the ICI plan during the prior calendar year.

Pending Appeals Status Report. The Group Insurance Board currently has 23 appeals pending.

CONSIDERATION OF ELIGIBILITY FOR PHARMACY BENEFITS PURCHASING POOL

Mr. Korpady presented a memorandum to the Board regarding the Badger Rx Gold Value Card Program. The plan will offer a "managed pharmacy benefit" program to individuals in the state of Wisconsin. Participants receive prescription drugs at negotiated group prices, have access to the State's formulary, have the benefit of the Navitus system that warns of drug interactions, and will receive informational material from Navitus.

The department recommended the Board approve a motion to establish the condition that any Wisconsin resident that lacks adequate insurance coverage for prescription drugs is eligible to join the new Badger Rx Gold Value Card Program, as required in s.40.53 (3), Wis. Stats. The Board discussed the removing the condition that participants must lack adequate insurance coverage. Mr. Korpady explained that the goal is to reach the uninsured, but this will not be a means-tested program. Mr. Korpady stated that there is no risk of having too many individuals participate.

MOTION: Ms. Olson moved to approve the establishment of a program for Wisconsin citizens for prescription drug benefits. Mr. Blumer seconded the motion, which passed without objection on a voice vote.

MOTION TO CONVENE IN CLOSED SESSION

Mr. Frankel announced that the Group Insurance Board would convene in closed session pursuant to the exemptions contained in Wis. Stat. § 19.85 (1) (a) for quasi-judicial deliberations or to confer with legal counsel.

Mr. Fusie, Ms. Thomas, Mr. Borchert, Ms. Gibson and Ms. Budzisz were invited to remain during all portions of the closed session.

MOTION: Mr. Blumer moved to convene in closed session pursuant to the exemptions contained in Wis. Stats. § 19.85 (1) (a) for quasi-judicial deliberations or to confer with legal counsel. Mr. Baird seconded the motion, which passed without objection on the following roll call vote:

Members Voting Aye: Baird, Blumer, Doleschal, Hamblen, Olson, Pankratz, Schmiedicke, Sherman and Frankel.

Members Voting Nay: None.

The Group Insurance Board convened in closed session at 10:29 a.m. and reconvened in open session at 11:19 a.m.

ANNOUNCEMENT OF ACTION TAKEN ON BUSINESS DELIBERATED DURING CLOSED SESSION

Mr. Frankel announced that the Board took the following action during the closed session:

- Conferred with legal counsel on the Uniform Benefits Language. A motion was made by the Board asking their legal counsel to compose a memorandum to Bill Kox re forming a committee to look at Uniform Benefits language.

Appeals

2004-001-GIB. The Board upheld hearing examiner's decision.

2003-118-GIB. Accepted a decision consistent with the hearing examiner.

ADJOURNMENT

MOTION: Ms. Doleschal moved adjournment. Ms. Olson seconded the motion, which passed without objection on a voice vote.

The Group Insurance Board adjourned at 11:22 a.m.

Dated Approved: _____

Secretary: _____

Esther Olson