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**Health Insurance Risk-Sharing Plan (HIRSP) Authority  
Board of Directors  
Minutes of the August 21, 2006 Meeting**

**Board Members Present:** Dennis Conta: Chairperson, Jay Fulkerson, Joe Kachelski, Wayne MacArdy, Eileen Mallow, Carol Peirick, Deborah Severson, Luann Simpson, Annette Stebbins and Dr. Michele Bachhuber (by phone)

**Board Members Absent:** Michael Gifford, Diane Greenley, Patricia Jerominski and Larry Zanoni

**Others Present:** Scott Bentley, Diane Dambach, Pam Ellefson, Teri Malsch, Paul Merline, Carrie Sather, Judy Wanless, and Nancy Wenzel

Dennis Conta called the meeting to order. Annette Stebbins made a motion, seconded by Joe Kachelski to approve the minutes of the July 17, 2006 meeting. The motion carried unanimously.

Cost containment initiatives were presented by Amie Goldman. WPS has begun collecting back payments using a collection agency for HIRSP policy holders who are delinquent. An audit on DRG payments for inpatient hospital claims by WPS will be reported at the September board meeting. WPS is in the process of a side by side comparison of their standard policy against HIRSP's standard policy. This will allow the Board to evaluate possible opportunities for improving the HIRSP policy. This will be presented to the Board at its October meeting.

Navitius is preparing to send out a second mailing to a subset of policy holders (300) and to 120 prescribers regarding their Specialty Pharmacy program. The first mailing was sent in April. This program allows HIRSP policyholders to receive certain high cost prescriptions at a reduced price (3% on average) via mail order with same day service, if needed. A list of the drugs that are covered will be included in the mailing. This is a voluntary program. The prescriber receives a list of patients who use the drugs that are covered in this program and are asked to encourage their patients to enroll in the program. Navitius will report to the board in a couple of months on how the program is doing. A meeting has been scheduled with Navitius, Amie and WPS on other cost saving ideas and Navitius will be ready to report on this at the September Board meeting.

WPS and Navitius are preparing a report on expenditures to date on policyholders that were grandfathered subsequent to application of Medicare Part D. WPS has paid from July 1, 2006 to August 17, 2006 just under \$11,000 in claims for 45 policy holders for 65 different drugs. Milliman predicted that during the period from July 1, 2006 to Dec 31, 2006 it would cost \$690,000 in claims.

Disease Management is one of the areas that HIRSP is looking at for cost savings. Currently WPS identifies individuals who could benefit from its disease management program through a variety of methods and sources, including the utilization management program, customer service referrals, provider referrals, and through its predictive modeling software, CaseAlert. The average length of time that cases are managed is six months to a year. This is a voluntary program. WPS is paid \$1.25 per member per month for those receiving disease management or care management services. Total billings for these services from January 1, 2006 to July 31, 2006 is \$451.50. The current WPS services are felt to be a good value, but there is still an opportunity to do more in these arenas. Disease Management will be on the agenda for the strategic planning committee.

From January through March, 2006 cases sent to an independent review organization (IRO) were handled by DHFS and not reported to WPS. As of March 1, 2006, WPS has been facilitating and tracking IRO activity. In that time period, there were 3 cases, 2 were overturned and 1 was upheld. Since the Authority came into existence, there have been four complaints filed with OCI. One of the four was from an insurance agent wanting the Board to consider an increase to the referral fee. The Board discussed the request and directed the Authority staff to let the agent know that the fees have been set for this year and would next be considered in the context of the annual budget process.

WPS is putting together a document summarizing all the grievances. This will be looked at for possible trends and reported back to the Board at a later board meeting.

WPS has a tool called Data Dashboard. HIRSP Authority staff will have desktop access to this tool. Sample reports were shared with the Board.

It was reported that WPS is pulling together historical mental health and AODA utilization data that will be presented to the Consumer Affairs Committee at their next meeting.

Amie gave a summary on her meeting with 12 of the 14 Board members. The conversations were organized around four topics:

- Orientation needs
- Priorities for the Board and /or Authority
- Reporting
- Communication and process

HIRSP renewed its membership in the National Association of State Comprehensive Health Insurance Plans (NASCHIP). Amie plans to attend their annual conference in October. The NASCHIP directory, which includes high level summary information of all the state plans will be available and distributed to the Board in October.

Amie reported that the Legislative Council has convened a special committee to examine the applicability of open record and open meeting laws for quasi-governmental agencies. Amie also



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reported that she will be presenting to the Select Senate Committee on Healthcare Reform that is co-chaired by Senators Roessler and Darling on Monday August 28<sup>th</sup> .

It was noted that the Legislative Audit Bureau fiscal year 2005 financial audit of HIRSP was issued and copies were sent out to the Board members. The Audit Bureau will present the audit to the Board at its September meeting.

The application for the CMS Grant is complete. The Authority is still awaiting word from CMS regarding the ability to receive grant funds and be qualified as a State Pharmacy Assistance Program for Medicare.

Gregory Scallon of DeWitt Ross and Steven S.C. confirmed that HIRSP Authority is not required to take into account the requirements of Sarbanes-Oxley Act of 2002 in forming the committees of the Board.

Amie presented to the Executive committee a staffing plan which they adopted. It was determined that the Authority would need four employees, a CEO (Amie Goldman), executive assistant (Jackie Ferris), operations manager (open), and accounting and finance manager (open). The two open positions have been posted on the CareerBuilder web site. Members of the executive committee will do the second interviews on the candidates. For this round of interviews, Joe will do the second interview for the finance candidates and Dennis will interview the operation manager candidates.

The Board discussed the various options for providing benefits to Authority staff. The possibility of accessing benefits through the Wisconsin Retirement System (WRS) as a public employer was deemed to be the best option for the Authority. Benefits through the WRS system are better and less expensive than those that the Authority could access in the small group market. It was noted in the discussion that the eligibility of the Authority for the WRS is a question that cannot be answered until the Board adopts a motion to seek acceptance in the system. The motion will then be referred to Wisconsin Department of Employee Trust Funds (ETF). ETF will then notify the Authority regarding its eligibility. If eligible, participation in the WRS would be effective on January 1, 2007. In the interim, the Authority will pay the cost of COBRA coverage for any employees requiring health insurance coverage. A Simple IRA and a 457(b) plan will be established to provide a retirement benefit for eligible employees. Once the retirement plans are established, a catch up contribution for the employer match will be made. Wayne MacArdy made a motion and Annette Stebbins seconded the motion to adopt the benefit resolution. The motion carried unanimously.

A draft non-discrimination policy was presented to the Board. A motion was made by Jay Fulkerson and seconded by Annette Stebbins to adopt the policy. The motion carried unanimously.



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A policy for reimbursable expenses adopted by the Finance and Audit Committee was presented to the Board.

Dennis discussed the development of the mission statement. Amie will present a first draft that she and Dennis have been putting together at the September Board meeting. The board was asked to share any thoughts regarding the mission statement with Amie before September 8<sup>th</sup>.

Actuarial Statement of Opinion as of June 30, 2006 was presented to the Board by Joe. The Finance and Audit committee approved the statement at August meeting. Annette Stebbins made a motion seconded by Carol Peirick that the Actuarial Statement of Opinion be adopted. The motion carried unanimously.

Joe also indicated that the Finance and Audit Committee would be exploring the option of moving to a calendar year fiscal year and presented the minutes from the August meeting.

Annette reported that the composition of the Grievance Committee would include 7 members, one each; practicing physician (open), insurance lawyer (Lori Bochnaik), health care insurance administrator (Beth Ritchie), health care professional (open), representative from OCI (Eileen Mallow), policy holder (Annette Stebbins) and public or small business consumer (Deborah Severson). In the event of a tie vote, the CEO vote would be the tie breaker. Starting August 14<sup>th</sup>, grievances will be sent to the HIRSP Authority and then to WPS for review.

Amie and Dennis were applauded by Annette and Board for their great work.

Meeting was adjourned at 2:20 PM.