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**Health Insurance Risk-Sharing Plan (HIRSP) Authority  
Board of Directors  
Minutes of the October 16, 2006 Meeting**

**Board Members Present:** Dennis Conta, Michael Gifford, Pat Jerominski, Joe Kachelski, Eileen Mallow, Carol Peirick, Deborah Severson, Luann Simpson, Annette Stebbins, Larry Zaroni,

**Board Members Absent:** Jay Fulkerson, Michelle Bachhuber M.D., Wayne MacArdy and Dianne Greenley

**Others Present:** Scott Bentley, Barry Curci, Pam Ellefson, Jackie Ferris, Amie Goldman, Teri Malsch, Chris Mead, Paul Merline, Carrie Sather, Judy Wanless, Josh Weisbrod and Nancy Wenzel

**I. Approval of Minutes**

Dennis Conta opened the meeting and asked for the minutes to be approved. Annette Stebbins made a motion to approve the minutes of September 18, 2006 board meeting and Larry Zaroni seconded the motion. The motion was approved unanimously.

**II. Review of Mission Statement**

Dennis presented a draft mission statement: "The mission of HIRSP Authority is to provide access to high quality, affordable healthcare for all eligible Wisconsin residents." This mission statement is supported by five guiding principles which support the mission. Deborah Severson made a motion to accept the mission statement and guidelines and it was seconded by Joe Kachelski. The motion was approved unanimously.

**III. Policyholder Profiling**

Josh Weisbrod discussed the policyholder profiling that he, WPS and Navitius will be doing. Josh had requested from WPS the following information for subgroups of policy holders: age, gender, geographic location, per-member per-month costs, type of service, length of time on HIRSP, primary diagnosis and co-morbidity data.. This information will help the Authority in its efforts to build and maintain a comprehensive policyholder profile, as well as assist in HIRSP strategic planning efforts in the future.

In the meantime Josh presented some comparisons between HIRSP and the commercial population in the United States. He also reported that the upcoming analysis would target three populations:

1. Policyholders with claims totally over \$100,000 dollars in a 12 month period
2. Policyholders between \$10,000 and \$50,000
3. And the top 5%

Joe suggested we check to see if a policyholder who did not meet their deductible in the year of analysis had met their deductible in previous years. Other suggestions were to look at movement of individuals between plans, profile disenrollees and determine if we had significant numbers of policyholders with third party premium payors.

Eileen mentioned that OCI collects HEDIS data that may be of interest for benchmarking.

#### **IV. Pharmacy Payment Rate Analysis**

Carrie Sather– of Navitus presented an analysis of pharmacy payment rates. Under Act 74, HIRSP is no longer required to pay the same rate as Medicaid for prescription drugs. Navitus was asked to do an analysis of what the potential savings would be if we used the fee schedule that they use for commercial clients.

In general, the commercial dispensing fee is \$2.38 less per prescription less than Medicaid and per prescription rate discount rate from the average wholesale price (AWP) is 15% rather than 13% under Medicaid.

For the six month analysis, using current HIRSP rates the total drug claim cost was \$25.5. Using the Navitus commercial fee schedule, the same claims would have cost \$24.7 million. The estimated \$1.7 million estimated annual savings would be broken out to \$425,279 for policyholders and \$1.3 million plan savings. The primary source of the savings is the reduced dispensing fee.

Navitus said that there would not be any impact on other drug services and no effect on rebates with a change in the fee schedule. Navitus thought a 1/1/07 effective date for a change would provide sufficient time for system changes and notification of pharmacies and policyholders.

Larry suggested Navitus analyze the potential benefit of switching to a 3-tier drug program for consideration by the Strategic Planning Committee. A motion was made by Joe Kachelski and seconded by Carol Peirick that HIRSP would discontinue using the Medicaid rate for prescription drug payments and use the Navitus commercial rate. The motion was approved unanimously with Annette Stebbins abstaining.

#### **V. WPS Quarterly Performance**

Amie Goldman reported that WPS met and in some instances exceeded their required performance levels for third quarter 2006. This is the first quarter since inception of the contract that WPS has met all targets.

#### **VI. Complaints, ROI and Grievance Reporting**

Amie presented the monthly report on grievances, complaints and independent reviews. There were 14 for the month of September, nine never made it to committee, one was approved and four were denied. The approved grievance related to language in the policy that was deemed to be vague. WPS was directed to redraft language for the new policy effective January 2007. There were two complaints both relating to misinformation from an agent and two cases that were reviewed by an independent review organization (IRO) in July and August. The IRO upheld the denial in both instances.

## **VII. Strategic Planning Discussion**

Dennis presented the agenda for the Strategic Planning Committee on October 31, 2007 at WHA. He noted that Barbara Brett from Colorado's high risk pool will present on the model they use for disease management at this meeting. WPS will also discuss how their disease management capabilities can be used to develop a stronger program for HIRSP. Board members were invited to bring topics that they would like to discuss at future meetings.

## **VIII. Committee Reports**

Joe presented the Finance and Audit Committee report. Highlights included:

- HIRSP received a \$4.4 million federal grant
- The policyholder surplus is growing and will be monitored
- Different investment policies are being explored
- Changing the fiscal year to a calendar year is being considered

Mike Gifford reported that the first Legislative Committee meeting will be held on November 13<sup>th</sup> at the Wisconsin Hospital Association and the second meeting will be held on December 11<sup>th</sup>.

Annette reported that the Grievance Committee health care professional slot had been filled by an occupational therapist.

It was reported that the Consumer Committee is continuing to gather data for the mental health assessment due to the Legislature Dec 1<sup>st</sup>.

## **IX. Other Business**

Amie announced that space has been booked at the Hilton Hotel for the 2007 Board Meetings and that the move date for the office space has been pushed back until the middle of December.

**Meeting Adjourned at 2:00 PM**