

Wisconsin Coalition of Annuitants

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Minutes of Meeting August 21, 2017

The meeting was held at the Wisconsin Education Association Council, Media Room, 33 Nob Hill, Madison, and was called to order by the Chair James Palmer at 9:30 a.m.

DIRECTORS & ALTERNATES PRESENT: R. Beglinger, WFT-R; J. Blank, BLUE-R; B. Brooks, CWCR; S. Drew, SWIB; B. Fendel, AFSCME; E. Frank, DNR; J. Grosklaus, West Allis; S. Haase, UWRA; B. Holmes, ESP; C. Howard, WEAC-R; A. Knop, WEAC-R; R. Kratz, DOC; K. Kreul, WFT-R; J. Lawton, ACE; J. Maydak, West Allis; J. Miller, DNR; J. Munro, WARSDA; J. Palmer, WPPA; B. Schaefer, SEA; T. Speranza, RPFFW; J. Stangl, DCAREA; S. Sweet, BARTA; J. Vreeland, Wauwatosa; A. Wallace, UWRA; C. Welch, BAREA, D. Wilcenski, WREA.

GUESTS: R. Conlin, A. Fendel, J. Forester, T. Hunter, M. Lampkins, C. Preisler.

EXCUSED: J. Egan, B. Fendel, E. Frank, S. Sweet.

MINUTES of the June meeting were approved as mailed.

New Director: Introduction of Sandi Haase the new Executive Director of the University of Wisconsin Retirement Association. Sandi will be replacing Ann Wallace.

GUEST: Tarna Hunter, Director of Strategic Engagement and Government Relations, ETF.

Ms. Hunter was accompanied by **Bob Conlin, Secretary, ETF** and **Mark Lampkins, Director, Office of Communications, ETF.**

Ms. Hunter began with a summary of legislation stating that there has not been any specific actions taken on any bills relating to ETF.

The ETF budget request has been approved by the Joint Committee on Finance, JCF, adding two positions and a two percent wage adjustment. JCF budget changes eliminated the domestic partnership program with some exceptions. The shared services of Human Resources with DOA has been removed by JCF and will remain within ETF. JCF also rejected the self-insurance program and directed the Group Insurance Board to find \$63.9 million from specific GPR sources. The JCF increased legislative input over the group health insurance program by adding four members appointed by the legislative leadership, with senate confirmation of group insurance board appointees. Require the group insurance board to submit a plan by March 1, 2018 for a 21 day passive review and by April 1st each year proposed health insurance benefit changes. JCF has also requested the legislative audit committee to direct the legislative audit bureau to conduct an audit of the states group health insurance programs and reserves. The JCF recommendations/changes to the budget will now go to the governor.

A question on the five tier health insurance program structure was directed to Mr. Conlin, who indicated we are not going to have a five tier plan. Presently we have a three tier plan that operates almost as a one tier plan and negotiations will emphasize the one tier structure. It is anticipated that premium cost will be 2 to 3%. The negotiations resulted in about 8 plans no longer participating and three plans merging into Quartz.

Mr. Lampkins provided a handout compiled August 18 listing the health plans for 2018, mergers and terminations. There will be ten plans for 2018. The September newsletter will have additional details and will be received by retirees the first week in September. Mr. Conlin indicated that as always there will only be a couple counties that will not have a tier one plan available, but will have a specially designed tier one plan. WEA Trust will be expanding and picking up some of the areas that do not have the options. What is the RESERVE? There are three self-insured programs. Standard plan, dental plan and pharmacy plan. Claims are paid directly by ETF. Because of the claims fluctuating from one year to the next, the GIB has a policy of having a reserve of approximately 25% of average annual claims. The reserve last year was not reduced in anticipation of self-insurance.

Mr. Lampkins stated the health insurance open enrollment will be October 2 through October 27. There will be detailed information in the next newsletter, read it carefully. The health plans will be notifying their participants of changes including termination. ETF will also have special mailings.

A Medicare program survey will be conducted in conjunction with the Medicare Advantage RFP, scheduled for September. The RFP will be broad enough to identify multiple benefit packages.

The selected vender for Medicare Advantage will be presented to the GIB at their February 2018 meeting.

In November 2015 Segal issued a report indicating that Medicare Advantage offers two positives for retirees. Affordable options combining Medicare A&B and supplemental plans into one plan and pharmacy coverage of the so-called “donut hole”. The survey is to identify the health insurance feature that retirees value and what additional benefit packages retirees would consider with lower premiums. Presently ETF is drafting the survey. The RFP is in development and will be released in September. ETF will be inviting a representative from the WCOA to serve on the evaluation committee. ETF will request three names from WCOA and will select one to be our representative. The September newsletter will also have information on the survey.

GUEST: Chris Preisler, Communications Specialist, SWIB.

The monthly report with returns has been revised and is now titled Summary of Returns: Return (%). As of July 31, 2017 the core trust fund return is 9.60% with a benchmark of 9.36%. Variable fund is 13.34% with a benchmark of 13.25%. Total funds under management are \$96.4 billion core fund and \$7.6 billion variable fund.

The September newsletter is expected to have some projected returns.

SWIB has received several inquiries on investment with FoxConn. SWIB will review any requests for state investments in a uniform way and there will be no special interest given.

SWIB is expected to have a new executive director on board prior to the end of the year. Lori Wersal, CFO, has retired and her replacement is Mike Bress. He was chief financial officer for Employee Benefits Corporation, a health care benefits company in Middleton, Wis. The bulk of his career has been in the banking/financial services industry both as a consultant with Accenture and as a financial leader at Capital One. Mike has an undergraduate degree in economics from the University of Pennsylvania and an MBA focused on corporate finance and strategy from Georgetown University.

Two of the three SWIB board members have been confirmed and the third one, because of a scheduling conflict couldn't make the first hearing, will appear before the legislative committee on August 30.

CORRESPONDENCE - None

OLD BUSINESS - None

NEW BUSINESS - Annual Conference 2018.

John has had contact with American Family and will follow on confirming a date in May 2018.

TREASURER'S REPORT - Check book balance \$9196.45. No activity. Report accepted as presented.

NEXT MEETING: September 18, 2017, 9:30 a.m. Wisconsin Education Association Council, Media Room, 33 Nob Hill, Madison, WI.

The meeting adjourned by 10:45 a.m.

Respectfully submitted – Dick Kratz