

TASC Revised Responses (9/17/17) to Wipfli Findings

1: Segregation of Duties at TASC

TASC Management Partially Agrees.

TASC can put into place customized access for the premium service specialist. TASC can remove access to claims. TASC will work with our Administration team to shift work between individuals. If job duties cannot be shifted between individuals, TASC will create a report that captures any manual adjustments done on the State of WI account that include an employee stamp of who made the adjustment. A second review of these adjustments will be put into place if the job duties cannot be shifted.

Projected date of resolution: Confirmation of shifting work between individuals will be completed by October 1, 2017. The report will be completed and process implemented no later than October 1, 2017 if the shifting of work cannot occur.

2: Billing for Claims and Adjustments

TASC Management Agrees.

TASC can put into place a process to have another TASC employee review the monthly billing to ensure it is accurate. TASC will create a report that captures manual adjustments with an employee identification stamp indicating who made the adjustment. TASC can work with WI ETF to refine the weekly invoices, however, the current invoices were customized and agreed upon by WI ETF so they must approve any change.

Projected date of resolution: Report will be created no later than October 1, 2017. A second review of the monthly billing will begin with the first monthly billing in October.

3: Claims Substantiation and Payment

TASC Management Agrees.

TASC already has processes to ensure all claims are substantiated based on the proposed 5 step regulations as requested by WI ETF. The two examples in the observation rarely occur.

In the first observation, there was a storage methodology change in how TASC stored the substantiation documents. TASC simply was unable to locate this item. The default assumption is not that there is not substantiation at pay out.

For the second observation this participant attempted to use a known method called offset. In offset participants can offset a previous expense; for this sample the incorrect process was used. Per IRS regulations, participants can provide documentation for other expenses incurred within the same plan year but not reimbursed.

4: No Review or Reporting of Manual Adjustments

TASC Management Partially Agrees.

There is currently no report that TASC can run from the system. TASC will work with our Reports team to see if we can create a special report or data pull to accomplish. Also see response to Observation #2, pertaining to a second review.

As stated above, TASC will create a report that captures manual adjustments as well as an employee identification stamp indicating who made the adjustments. A secondary review of these adjustments will also be implemented.

Projected date of resolution: The report and secondary review will begin October 1, 2017.

5: Integrity of the EV1 (WEX) System Data

TASC Management Partially Agrees. TASC disagrees with the below statement from the recommendation. SSN are being consistently used within EV1. They were not consistently being used in the previous MyTASC system. When we moved to the EV1 platform SSN is a required field in order to enroll a participant. TASC does not utilize the SSN as the employee ID as TASC also requests the employer employee ID as well.

“TASC should work with the eight payroll centers to standardize and cleanse the employee data within EV1 to ensure that social security numbers are consistently being utilized for Employee ID.”

TASC will add the SSN field to reports sent to ETF/DTF so that they can utilize this as a unique identifier. TASC will leave the SSN off the reports that are sent to payroll centers and leave the employer employee id. TASC would prefer to only provide SSN on reports on an as needed basis to lower any possible threat and maintain participant personal data. SSN field will be added to the billing detail reports no later than November 1, 2017.

TASC will commit to implementing an additional carryover audit by running an account balance report prior to the carryover being moved by the system. TASC will then run another account balance report the day the carryover is moved to the next plan year. An audit will then be conducted using the available balance from the first report and the incoming carryover amounts from the second report to ensure the correct carryover amounts are being moved from one plan year to the next plan year. This process will occur every plan year between December 31 and January 4 depending on when the holiday falls in the plan year. Audit will be completed each plan year no later than January 31 of each plan year.

Projected date of resolution: TASC will have the SSN added to the Billing Detail report by November 1, 2017. The additional carryover audit process will be implemented in full by January 31, 2018.

TASC Revised Responses (9/17/2017) to OIA Findings

Finding 1: Accuracy of Contributions Posted to Participant Accounts-

Management partially agrees with the finding.

TASC has a process in place for tracking FSA benefit contributions and resolving variances through resolution that is functioning well. This is demonstrated by no FSA exceptions in this audit. Going forward TASC agrees to mirror the controls for FSA for HSA accounts beginning in August 2017.

The reconciliation that is pulled together for the FSA benefits and Commuter benefits takes the total dollar amount from each contribution file from payroll centers for each pay period and compares it to the total dollar amount posted to participant accounts per pay period. The variances are then tracked through completion and validated. Since this was put in place at DTF's request for the FSA, we do not complete the FSA and HSA together. The payroll centers send the money to TASC for the HSA. DTF holds the funds for the FSA and are invoiced based on point of claims.

TASC is committed to developing a process to have manual adjustments reviewed by a secondary resource. We will work with our Business Intelligence Team to develop a report that will aid in the secondary review. TASC has confirmed that a report can be used to review manual claims. The report and implementation of the review of manual contributions by a second employee will occur beginning October 1, 2017.

Who: EVP Customer Service

When: Per our discussion in 9/13/2017 meeting, HSA reconciliation implemented on August 1, 2017. The report and process mentioned above will be implemented beginning October 1, 2017.

Finding 2: Reconciliation between Contributions Withheld, Reported and Paid-

Management partially agrees with the finding.

TASC has a process in place for tracking FSA benefit contributions and resolving variances through resolution that is functioning well. This is demonstrated by no FSA exceptions in this audit. Please note that not all State of Wisconsin payroll centers send contribution files, and therefore would not be subject to this process. Going forward TASC agrees to mirror the controls for FSA for HSA accounts beginning in August 2017.

There is a process in place to make any contribution corrections via the file for payroll centers that send files. However, there are some cases where that cannot be done. For example, if a file is uploaded and participant contributions error out these would then be sent as a discrepancy to the payroll center and would need to be corrected via manual adjustment in EV1. Once a file is uploaded, any discrepancies cannot be loaded via file upload and must be done manually. In most of these cases, we have received the correct amount on the file but they just errored out upon import and then have to be manually entered.

As mentioned above, this review will occur within the manual adjustment review from finding 1. TASC will have this processes implemented October 1, 2017.

Who: EVP Customer Service

When: The review of manual adjustments will be implemented by TASC October, 1 2017.

Finding 3: Compliance with Program Contribution Limits-

Management agrees with the finding.

In order for TASC to implement a solution for this finding we need to work in conjunction with our vendor, WEX Health Systems. TASC commits to brainstorming an appropriate solution with WEX with the goal to implement as soon as feasible. TASC will hold this brainstorming session prior to October 15, 2017 and action will be taken according to findings from this session. If a preventative measure cannot be implemented, TASC will implement an annual review of contributions compared to annual elections for uniform coverage benefit accounts. This review will be completed in November of every plan year if the WEX vendor is unable to build this recommendation/control into their system. TASC will run a report and review annual election versus year to date contributions for each participant. If TASC finds that there are participants that are on track to over contribute or under contribute for the plan year, TASC will notify the payroll centers and request the payroll centers to make corrections via payroll contribution files prior to the last day of the plan year.

Who: EVP Customer Service

When: The brainstorming session with WEX will occur prior to October 15, 2017. The annual review process will be implemented no later than September 30, 2017. The annual review will occur in November of every plan year if the WEX vendor is unable to build the recommendation/control into their system.

Finding 4: ETF's Review of the Annual Plan Finalization Report-

TASC believes this finding is related to ETF process and controls, and accordingly will not provide a response as it doesn't apply to TASC.

Finding 5: Administrative Billing for Terminated Participants-

Management partially agrees with the finding.

TASC has confirmed that the report used to invoice administration fees for all benefits only includes active participants on the day that the report is run. This report excludes participants that have been terminated. However, because DTF requested that TASC bill 45 days in advance, there will always be some participants that terminate after TASC has billed ETF. There will also be new hire participants that will become active that TASC would not bill ETF for. TASC will commit to implementing a process to true up both the terminated participants as well as the active participants.

Because TASC has confirmed that this report only pulls active participants, TASC would be able to add the employment status to the billing detail. Termination dates would not be needed as there would not be any terminated participants on this report.

TASC has already begun this process and has met with all payroll centers except for one payroll center. TASC will continue to work with the payroll centers to ensure they are reporting terminations timely and are reporting them accurately.

Who: EVP Customer Service

When:

TASC will implement a termination true up process for participants billed to ETF that may terminate and a credit may be due. TASC will also implement a process to true up participants that become active and DTF should be billed. This process will be completed for both ERA and HSA benefits. These processes will be implemented no later than January 1, 2018 and will be a monthly process going forward (looking back and trueing up the previous month).

TASC will add the employment status to the billing detail report provided to DTF with the administration invoicing beginning with the December 2017 invoice.

TASC has already begun this process of working with the payroll centers and will continue to work with the payroll centers to ensure timely and accurately reported terminations. Initial meetings scheduled with the payroll centers and completed by September 30, 2017.

Observation 1: Consistency of Data from Payroll Centers-

Management agrees with the observation.

It would be beneficial to streamline the types of files and the format of the files for all payroll centers. Currently TASC administers mapping differently for each payroll center. TASC can evaluate the current file state and work with the payroll centers to update files. However, the completion of this would be determined by the payroll centers and the resources they have to make the changes. As a next step TASC will review the current state of the files and work with the payroll centers to make changes.

Who: EVP Customer Service

When: Implementation dependent on payroll center availability

Observation 2: Process to Transfer Participants between Payroll Centers-

Management agrees with the observation.

Recommendation one, update to the transfer form, can be added to provide clarity to the payroll centers. Recommendation two, update the administration guide to include more detailed transfer process to ensure timely completion and submission of the form. Recommendation three, payroll

center training that emphasizes importance of completing transfer forms, is part of TASC current training structure. TASC will commit to meeting with the payroll centers in late October/early November to train them on how the form should be filled out, when the form needs to be received, and answer any specific questions related to participant transfers.

Who: EVP Customer Service

When: Updated transfer form will be completed no later than October, 1 2017. Updated transfer process added to the administration guide will be completed no later than December 1, 2017. Payroll center training for transfer process will be completed late October, early November, 2017.