STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: May 28, 2024

To: Budget and Operations Committee

From: Michelle Baxter, Director
Office of Enterprise Initiatives

Subject: ETF Modernization Projects Update

This memo is for informational purposes only. No Committee action is required.

Below is the Department of Employee Trust Funds' (ETF's) modernization project update for the period ending May 31, 2024. This provides the Committee with an overview of the project highlights, health, major milestones, and key issues and risks.

Executive Summary
The Insurance Administration System (IAS) Implementation project's overall health is on target after replanning efforts were completed and new critical program dates set. The implementation has been refined into two readiness phases – System Readiness and Program Readiness – with a go-live date of July 2025. ETF and its vendor partner, Benefitfocus, are firmly committed to the new timeframe. The extended implementation time will allow the project team to provide a solution for a better customer experience. ETF and the project team are resilient and will continue to work at the current pace to complete the remaining tasks, including ensuring all stakeholders are ready to work in the future state. Please reference the "Insurance Administration System (IAS) Update" April 26, 2024, memo (Ref. GIB | 05.23.24 | 10F) for additional details.

The Office of Internal Audit (OIA) is conducting an independent review on the IAS to provide feedback on program management and to verify that key program outcomes are achieved. OIA will provide a quarterly progress report to the Committee.

The Pensions Administration System Search and Selection Project overall health is on target. The initial project schedule has been established, project kickoff scheduled, and discovery sessions started. The focus is to define system requirements, develop an RFP, review, and evaluate proposals and select a vendor.

Board	Mtg Date	Item #
BUD	06.20.24	5

Reviewed and approved by John Voelker, Secretary
Electronically Signed 06/06/2024

IAS Implementation

Highlights

- Program restructuring and replanning efforts near completion.

- UW completed payroll testing.

- Department of Administration, Non-STAR Agencies, and University of Wisconsin Hospitals and Clinics will begin payroll testing in the upcoming month.

- Implemented a secure data transfer process for local employers incorporating Multi-Factor Authentication (MFA).

- Collected security access agreements from approximately 98% (910 of 930) of local employers required to set up access to My Insurance Benefits.

- Collected data elements needed to successfully build an employer within the system from approximately 97% of local employers.

- Started collecting employee conversion data from local employers. ETF has collected approximately 55% (514 of 930) of the data from local employers.

- Solution identified for manual billing adjustments.

- Work continues to build out operational readiness plan and go-live checklist.

Health

Overall Health	Schedule	Scope	Budget	Transition Management
On Target	On Target	On Target	At Risk	On Target

IAS Program Projects

Project	Start Date	End Date	% Duration Complete
BenefitsPlace Core System (non-Medicare)	8/9/2021	6/30/2022	100%
BenefitsPlace (Medicare, Aggregate, and Other Enhancements)	8/9/2021	11/30/2024	26%
Content Management – Retiree	7/2/2024	7/16/2024	0%
Employers			
University of Wisconsin	8/22/2022	5/2/2025	66%
DOA STAR / Non-STAR	7/10/2023	5/2/2025	49%
UWHC	7/10/2023	5/2/2025	49%
Locals	1/25/2023	5/2/2025	59%
Retirees and Inactive Members	3/1/2023	5/2/2025	57%
Vendor Integrations	9/9/2021	2/28/2025	78%

Project	Start Date	End Date	% Duration Complete
Data Transformation			
Legacy Retrofit and Employer Transaction Application	9/1/2021	11/29/2024	50%
Daily Transactions Testing	9/1/2021	11/1/2024	81%
Data Conversion Testing	9/1/2021	11/29/2024	60%
Billing and Payment	12/22/2022	11/30/2024	65%
User Access Management (Portals and ID Proofing)	5/3/2023	10/31/2024	70%
COBRA	1/1/2024	5/1/2025	30%
End to End Testing	2/1/2025	5/1/2025	0%
Cutover Activities	5/7/2025	6/30/2025	0%
Reporting	9/9/2021	12/30/2025	15%
Stabilization	7/2/2025	6/30/2026	0%

Top 5 Risks

#	Risk Description Summary of the Risk	Impact Rate 1 (low) to 5 (high)	Probability Rate 1 (low) to 5 (high)	Priority (IMPACT x PROB.)	Mitigation Notes What can be done to lower or eliminate the impact or probability	Trend
1	Resource: Departure of key resources may disrupt project continuity and productivity.	5	5	25	Developing a comprehensive onboarding program to quickly bring new hires and newly assigned business leaders up to speed.	↓
2	Retiree: Require enhancements not being completed as planned.	5	5	25	Meeting monthly with Benefit Focus product team for regular updates. Currently on track. Note: These enhancements are required for go-live.	→
3	Reporting required to perform business operations not fully identified and planned.	5	3	15	Prioritization of reporting needs and additional evaluation of existing reports is underway.	→

#	Risk Description Summary of the Risk	Impact Rate 1 (low) to 5 (high)	Probability Rate 1 (low) to 5 (high)	Priority (IMPACT x PROB.)	Mitigation Notes What can be done to lower or eliminate the impact or probability	Trend
4	Local Employers: Enrollment data collection from over 900 local employers.	3	4	12	Updated process for collection to increase security and ease of use. Escalating as needed. Note: Not receiving this and other data may result in the need to remove employers from participation.	→
5	Operational Readiness: High level of process changes and acceptance of such changes for ETF, Employers, and Vendors.	5	2	10	Added additional transition managers and divided assignments to ensure acceptance.	→

PAS Search and Selection

<u>Highlights</u>

- Completed search and selection Project Charter.
- Developed initial schedule.
- Completed Product Owner recruitment.
- Held project kickoff.
- Began discovery sessions to identify business rules and requirements.

<u>Health</u>

Overall Health	Schedule	Scope	Budget	Transition Management
On Target	On Target	On Target	On Target	On Target

Project Milestones

Milestone	Start Date	End Date	% Duration Complete
Initiation	3/18/2024	5/3/2024	100%
System Requirements	4/8/2024	8/30/2024	35%
Develop, Write and Publish RFP	8/19/2024	9/27/2024	0%
Vendor Selection (includes contract negotiations)	10/15/2024	5/16/2025	0%

Top 5 Risks

#	Risk Description Summary of the Risk	Impact Rate 1 (low) to 5 (high)	Probability Rate 1 (low) to 5 (high)	Priority (IMPACT x PROB.)	Mitigation Notes What can be done to lower or eliminate the impact or probability	Trend
1	Resource: Insufficient resources may lead to delays.	5	5	25	Focus on resource allocation – assigning individuals not assigned to IAS. Also, completing pre-work in advance to limit the resource time needed.	→
2	Resource: Overburdening staff who are already assigned to other projects.	5	3	15	Focus on resource allocation – assigning individuals not assigned to IAS.	→
3	Vendor: Limited vendors to meet solution requirements. May influence vendor availability and potential delay in implementation timeline.	3	3	9	Will need to consider vendor availability during the selection process and to assess a realistic start date of the implementation project.	→

#	Risk Description Summary of the Risk	Impact Rate 1 (low) to 5 (high)	Probability Rate 1 (low) to 5 (high)	Priority (IMPACT x PROB.)	Mitigation Notes What can be done to lower or eliminate the impact or probability	Trend
4	Budget: No or delayed budget approval may delay the start of the implementation.	4	4	16	Developing budget request with the assistance of ETF's Strategic Partner, Linea and targeting to have initial responses to the RFP by the finalization of ETF's biennial budget request.	➡
5	Budget: No or delayed budget approval may result in preferred vendors becoming unavailable.	5	4	20	Will need to work with selected vendor to determine start date and may need to delay if vendor is not available or select a different vendor.	➡

Status Key:

Status	Description
Completed	Completed
On Target	On track to meet expected end date
At Risk	At risk of not meeting expected end date. Requires attention.
Late	Past expected end date. Requires immediate attention and mitigation

Risk Key:

PROBABILITY					
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5

IMPACT

Staff will be at the Committee meeting to answer any questions.