



**STATE OF WISCONSIN**  
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 SECRETARY

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**Correspondence Memorandum**

**Date:** February 22, 2019  
**To:** Employee Trust Funds Board  
**From:** Eileen Mallow, Director  
 Office of Strategic Health Policy  
**Subject:** LAB Audit of Group Insurance Programs Administration and Oversight

**This memo is for informational purposes only. No Board action is required.**

The Wisconsin Legislative Audit Bureau (LAB) released the report of its program audit of the Administration and Oversight of Group Insurance Programs on February 15, 2019. The audit examined the Group Health Insurance Program (GHIP), Income Continuation Insurance (ICI) program, Long-term Disability program and Group Life programs with a focus on reserve policy for each program and oversight of the programs by both ETF staff and appropriate public boards.


Overall, employers and local units of government report they are satisfied or very satisfied with the Group Health Insurance Program. The audit report identifies opportunities for ETF to improve in the areas of information sharing with its Boards; documenting approvals by Boards for contract changes; establishing clear and measurable program goals; and documenting reserve calculations for the GHIP. Improved oversight of the Income Continuation Insurance Program, which was transferred to the ETF Board in 2016, is also recommended.

ETF presented at the Joint Legislative Committee on Audit hearing on February 28, 2019 and responded to questions from committee members. ETF committed to reviewing each recommendation for possible adoption by the agency and report back to the Committee by November 2019. A number of the recommendations have already been implemented.

Over the next several meetings ETF will report to the Board its progress toward evaluating and implementing the findings contained in the audit.

The full audit report, including ETF's response, can be found at:  
<http://legis.wisconsin.gov/lab/media/2826/19-2full.pdf>.

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

Reviewed and approved by John Voelker, Deputy Secretary  
  
 Electronically Signed 3/7/19

Board	Mtg Date	Item #
ETF	3.21.19	5B