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## *Correspondence Memorandum*

**Date:** March 4, 2024

**To:** Budget and Operations Committee  
 Employee Trust Funds Board

**From:** Michelle Baxter, Director  
 Office of Enterprise Initiatives

**Subject:** ETF Modernization Projects Update – Insurance Administration System Implementation

**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 February 29, 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 continues to be at risk and the current timeframe has been moved to go live in 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” February 21, 2024, memo ([Ref. GIB | 02.21.24 | 6](#)) for additional details.

The initially-scoped Data Management (DM) Program under ETF’s Modernization program has closed; remaining work associated with master data management, data integration, and reporting has transitioned to the IAS project. Other data management enhancements will be an ongoing effort under the oversight of the Bureau of Data Management and/or incorporated into the Pension Administration System (PAS) project.

New to this report is the PAS Search and Selection effort. ETF has contracted with Linea Solutions to serve as ETF’s strategic partner. The initial focus will be to define system requirements, RFP development, proposal review and vendor selection.

Reviewed and approved by John Voelker, Secretary  
 Electronically Signed 03/13/2024

| Board | Mtg Date | Item # |
|-------|----------|--------|
| BUD   | 03.28.24 | 6      |
| ETF   | 03.28.24 | 6A     |

## IAS Implementation

### Highlights

- Some previously reported risks have been realized and are unable to be mitigated within the original go-live date of June 2024. Project restructuring and replanning efforts are underway.
- UW completed the testing of payroll deductions and file transfers.
- Department of Administration, Non-STAR Agencies, and University of Wisconsin Hospitals and Clinics completed configuration testing of enrollment and eligibility options defined in the discovery sessions.
- Collected security access agreements from approximately 91.9% 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 99.6% of local employers.
- Started collecting employee conversion data from local employers. To date, ETF has collected approximately 35% of local employers.
- Employer portal testing and member portal requirements development are underway.
- Work continues to build out operational readiness plan and go-live checklist.

### Health

| Overall Health | Schedule | Scope     | Budget  | Transition Management |
|----------------|----------|-----------|---------|-----------------------|
| Late           | Late     | On Target | At Risk | At Risk               |

### Project Milestones

| Milestone   | Start Date               | End Date                            | Status                 |
|---|--------------------------|-------------------------------------|------------------------|
| Phase 0 – Benefitplace core system  | 08/09/2021               | 03/31/2022                          | Completed<br>6/30/2022 |
| Phase 1 – UW Benefitplace   | 08/15/2022               | 05/18/2023                          | Completed              |
| Phase 2 – Locals Benefitplace   | 12/01/2022               | 06/16/2023                          | Completed              |
| Phase 3 - Retirees Benefitplace   | 03/01/2023               | <del>11/03/2023</del><br>02/16/2024 | At Risk                |
| Phase 4 – DOA (Star and Non-Star), UWHC Benefitplace  | 05/01/2023<br>07/16/2023 | 01/12/2024                          | On Target              |
| Billing and Payment Application   | 12/22/2022               | <del>08/29/2024</del>               | At Risk                |
| Member and Employer Portals and Identity Proofing   | 05/03/2023               | <del>08/30/2024</del>               | On Target              |
| Internal technical work (Employer Transaction Application (ETA), Master Data Management (MDM), Data Conversion) | 09/01/2021               | 12/30/2024                          | At Risk                |

| Milestone                                    | Start Date | End Date   | Status      |
|--|------------|------------|-------------|
| Vendor Integrations, Reporting and Analytics | 09/09/2021 | 12/12/2024 | At Risk     |
| Operational Readiness                        | 08/09/2021 | 06/01/2024 | At Risk     |
| Deployment                                   | 01/01/2024 | 06/30/2024 | Not Started |
| Project Closure                              | 06/01/2024 | 03/31/2025 | Not Started |

Top Risk / Issues

| # | Risk / Issue Description  | Severity     | Status  |
|---|---|--------------|---|
| 1 | Internal development and data conversion complexity.  | High         | Project replanning.   |
| 2 | Retiree workstream – Payroll, data conversion and user acceptance testing timeline.                                   | High         | Project replanning.   |
| 3 | Reporting required to perform business operations (to help mitigate this risk the team is prioritizing reports).      | High         | Project replanning.   |
| 4 | Local Employers – Collection of information from over 900 local employers to allow for configuration is required.     | Moderate     | Monitoring responses and trying to streamline requests.       |
| 5 | Operational Readiness – High level of process changes and acceptance of such changes for ETF, Employers, and Vendors. | High         | Project replanning.   |
| 6 | Resources – Maintenance of current system, operational capacity, and competing initiatives.                           | High         | Project replanning and resourcing.                            |
| 7 | Timeline – Third-party administrators (TPAs) and employer ability to meet defined timelines.                          | Low/Moderate | Project replanning.   |
| 8 | Benefit Focus product development of required functionality (i.e., aggregate role, Medicare).                         | High         | Monitoring. Monthly product meetings to review complete plan. |

**PAS Search and Selection**

Highlights

- Completed contract negotiations with strategic partner, Linea Solutions.
- Preplanning underway for activities needed to gather system requirements, RFP Development, proposal review and vendor selection.
- Recruiting for a Product Owner and other key resources (IAS Lesson Learned).

Health

|                       |                 |              |               |                              |
|-----------------------|-----------------|--------------|---------------|------------------------------|
| <b>Overall Health</b> | <b>Schedule</b> | <b>Scope</b> | <b>Budget</b> | <b>Transition Management</b> |
| TBD                   | TBD             | TBD          | TBD           | TBD                          |

Project Milestones

| <b>Milestone</b>                        | <b>Start Date</b> | <b>End Date</b> | <b>Status</b> |
|---|-------------------|-----------------|---------------|
| Initiation                              | TBD               | TBD             |               |
| Operational Needs Assessment            | TBD               | TBD             |               |
| Requirements                            | TBD               | TBD             |               |
| RFP Development                         | TBD               | TBD             |               |
| Procurement (includes proof of concept) | TBD               | TBD             |               |
| Contract Negotiations                   | TBD               | TBD             |               |
| Search and Selection Completed          | TBD               | TBD             |               |

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