TASC Contract Extension & Contract Amendment

Item 6B – Group Insurance Board

Jessica Rossner, Program Manager

Sara Brockman, Health Program Manager

Office of Strategic Health Policy

etf

Overview

- Administered by Total Administrative Services Corporation (TASC)

- Authorized under Internal Revenue Code (IRC) Section 125, IRC Section 132 and Wis. Stats. § 40.85-40.875

- Pre-tax savings:

  - Employees: Contributions exempt from federal, state and Federal Insurance Contributions Act (FICA) taxes

  - State of Wisconsin: Participant contribution not subject to employer portion of the FICA tax

etf

ERA Programs

Health Care FSA
Set aside tax-free dollars each year for eligible health care expenses not covered by insurance.

Limited Purpose FSA
If an employee is enrolled in a HDHP and participants in an HSA, they can set aside additional money tax-free for certain dental, vision and post-deductible medical expenses.

Dependent Day Care FSA
Pre-tax dollars may be used for day care or elder care expenses for eligible dependents allowing the employee (or their spouse) to work, look for work, or attend school full time.

etf

Commuter Benefits

Parking Account
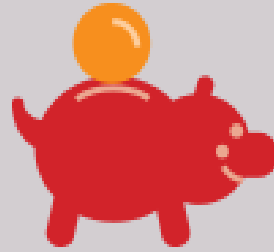Allows an employee to pay for eligible work-related parking expenses with pre-tax dollars.

Transit Account
Pre-tax dollars can be used to pay for eligible transit expenses related to an employee's commute to work.
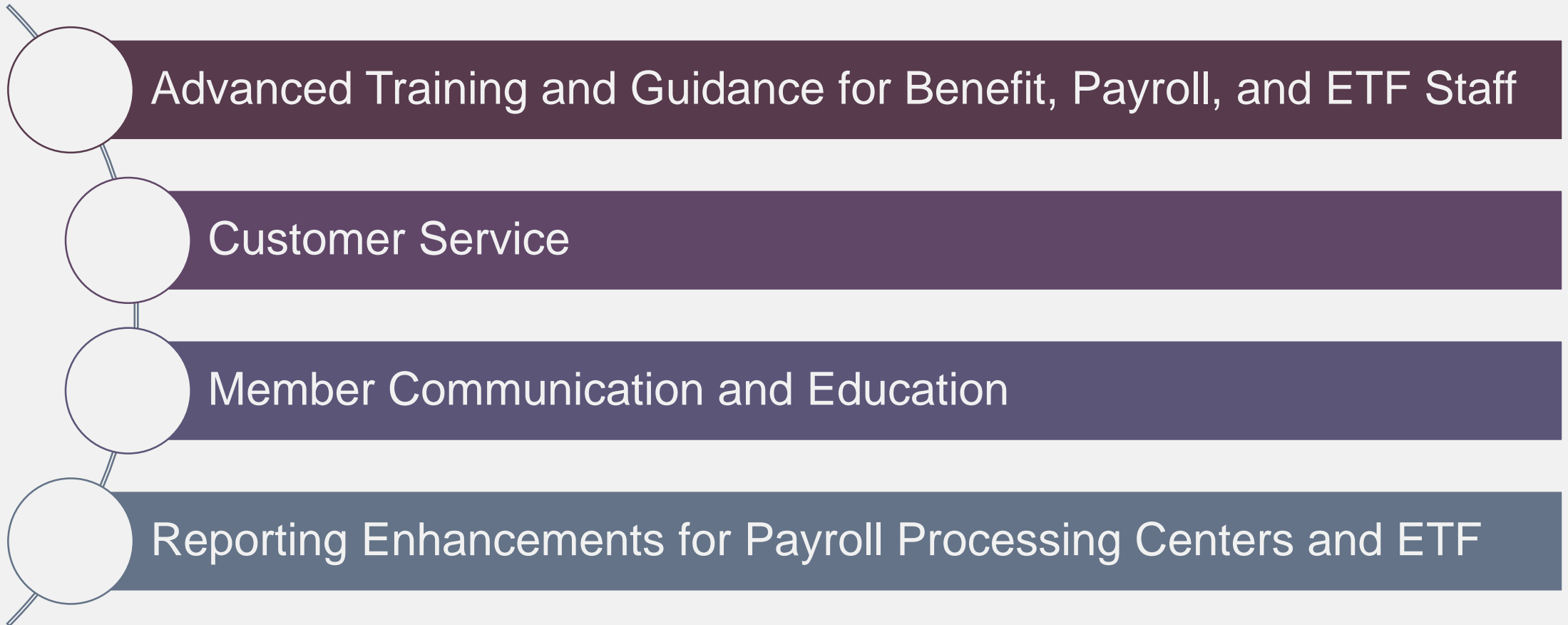
Health Savings Account

Health Savings Account (HSA)
An individually-owned, tax-advantage account an employee enrolled in through the It's Your Choice High Deductible Health Plan can be used to pay for current and future eligible health care expenses.
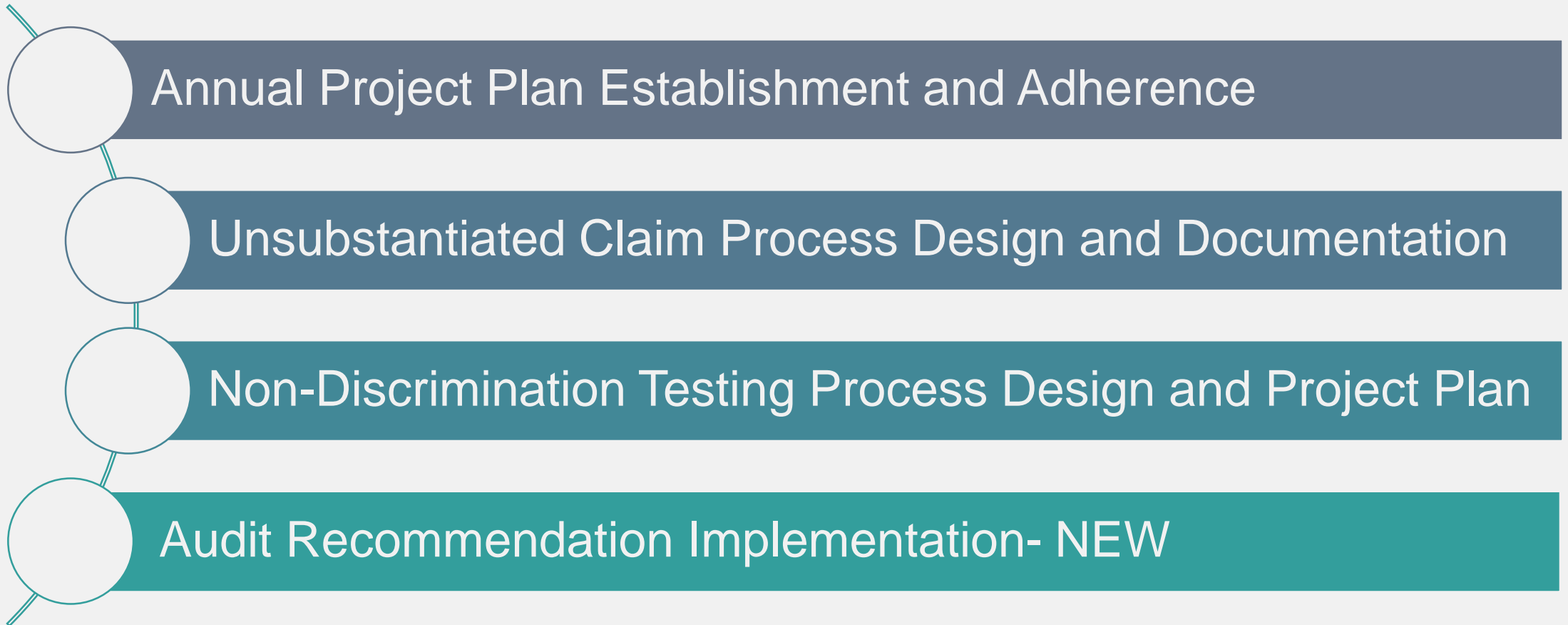
Contract Terms

Contract Terms	ERA and Commuter Benefits	HSA and LPFSA
Original Contract Term	October 1, 2014 - December 31, 2016	September 1, 2014 - December 31, 2016
First Extension *(Approved March 24, 2016)*	January 1, 2017 – December 31, 2017	January 1, 2017 – December 31, 2017
Second Extension *(Approved March 23, 2017)*	January 1, 2018 – December 31, 2018	January 1, 2018 – December 31, 2018
Third Extension *(Requested February 21, 2018)*	***January 1, 2019 – December 31, 2019***	***January 1, 2019 – December 31, 2019***

Performance Enhancements - 2017

Advanced Training and Guidance for Benefit, Payroll, and ETF Staff

Customer Service

Member Communication and Education

Reporting Enhancements for Payroll Processing Centers and ETF

etf

Performance Enhancements - 2018

Annual Project Plan Establishment and Adherence

Unsubstantiated Claim Process Design and Documentation

Non-Discrimination Testing Process Design and Project Plan

Audit Recommendation Implementation- NEW

Performance Enhancements - 2019

Contract Retirement and Transfer of Administration Expectations

ETF Office of Internal Audit (OIA) Third Party Audit Recommendation Implementation

Wipfli Third Party Audit Recommendation Implementation

etf

Rate Adjustment

- If the contract extension is approved, TASC has proposed a 3% per-participant-per-month (PPPM) rate increase for plan year 2019

Program	2015 & 2016 Rate	2016 & 2015 Rate Increase	2016 Rate	2017 Rate Increase	2017 Rate	2018 Rate Increase	Potential 2018 Rate
ERA	$3.00 PPPM	0%	$3.00 PPPM	2%	$3.06 PPPM	Up to 3%	$3.15 PPPM
Commuter Benefits	$0.00 PPPM	0%	$0.00 PPPM	0%	$0.00 PPPM	0%	$0.00 PPPM
HSA	$3.00 PPPM	0%	$3.00 PPPM	2%	$3.06 PPPM	Up to 3%	$3.15 PPPM
LPFSA	$3.00 PPPM	0%	$3.00 PPPM	2%	$3.06 PPPM	Up to 3%	$3.15 PPPM

etf

Contract Extension

- One-year extension of administrative services contracts with TASC for:

  - Employee Reimbursement Accounts (ERA) and Commuter Benefits

  - Health Savings Account (HSA) and Limited Purpose Flexible Spending Accounts (LPFSA)

- 2019 plan year – January 1, 2019 through December 31, 2019

- Third and final contract extension

Board Request

2018 Contract Amendment
Request the Board to approve amending the 2018 contract to include the additional enhanced performance standards and guarantees.

2019 Contract Extension
Request Board to approve the third and final contract extension for 2019 Plan Year with proposed enhanced performance standards and guarantees.

etf

Questions?

Thank you

etf