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**Correspondence Memorandum**

**Date:** January 29, 2019

**To:** Group Insurance Board

**From:** Sara Brockman, Health Program Manager  
 Jessica Rossner, Data, Compliance & Measurement Lead  
 Office of Strategic Policy  
 Beth Bucaida, Contract Specialist  
 Bureau of Budget, Contract Administration and Procurement

**Subject:** Evaluation of the Request for Proposals (RFP) for Third Party Administration of Health Savings Accounts, Section 125 Cafeteria Plan and Employee Reimbursement Accounts, and Commuter Fringe Benefit Accounts (RFP# ETH0052-54)

**CONFIDENTIAL UNTIL  
 GIB VOTE ON INTENT  
 TO AWARD CONTRACT**

**Based on the recommendation of the evaluation committee, Employee Trust Funds (ETF) staff recommends the Group Insurance Board (Board) grant authority to the Secretary of ETF to issue a letter of intent to award contracts for Third Party Administration of the Health Savings Account (HSA), Section 125 Cafeteria Plan and Employee Reimbursement Account (Section 125/ERA), and Commuter Fringe Benefit Account programs (RFP# ETH0052-54) to ConnectYourCare for the period of May 1, 2019, through December 31, 2021, with the potential for two, two-year extensions, subject to successful contract negotiations.**

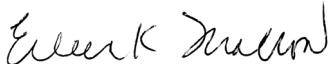
ETF staff further recommends that, in the event of failed or prolonged negotiations with ConnectYourCare, the Secretary be allowed to issue a letter of intent to award the contracts to Total Administrative Services Corporation (TASC).

To assist in the Board's evaluation of the recommendations, the top two proposers have been invited to present at the February 20, 2019, Board meeting.

Additionally, staff request Board approval to evaluate options to procure a tax benefit consultant for the Section 125 Cafeteria Plan.

**Background**

At the February 21, 2018, Board meeting, the Board exercised the final contract extension option with TASC, the Board's current administrator of Health Savings

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy  
 Electronically Signed 2/12/19

Board	Mtg Date	Item #
GIB	2.20.19	10C

Accounts (HSA), Section 125/ERA, and Commuter Fringe Benefit accounts ([Ref. GIB | 2.21.18 | 6B](#)). This contract extension will expire December 31, 2019.

At the February 2018 Board meeting, the Board also approved the development and release of a Request for Proposals (RFP) related to these programs, for services beginning January 1, 2020, with an implementation period beginning May 1, 2019 ([Ref. GIB | 2.21.18 | 6C](#)).

The [RFP](#) was released on June 29, 2018, and consisted of the following three contractual components:

- RFP# ETH0052 – HSA
- RFP# ETH0053 – Section 125/ERA
- RFP# ETH0054 – Commuter Fringe Benefit

Vendors were invited to submit proposals for one program, a combination of any programs, or all three of the components.

Questions from prospective proposers were due July 16, 2018, and ETF posted answers to submitted questions on August 15, 2018. Proposals were due on August 29, 2018. A total of 6 vendors responded with 16 individual program proposals. One vendor was disqualified by the evaluation committee for submitting a portion of their proposal after the stated deadline (see Table 1).

Table 1 lists the proposing vendors and the programs for which they submitted a proposal.

**Table 1 – Proposals Received**

Vendor Name	HSA	Section 125/ERA	Commuter Fringe Benefits
1. Associated Bank	✓	✓	✓
2. ConnectYourCare	✓	✓	✓
3. Empower	✓		
4. Optum	✓	✓	✓
5. TASC	✓	✓	✓
6. WageWorks*	✓	✓	✓
<b>Total Proposals:</b>	<b>6</b>	<b>5</b>	<b>5</b>

\*Disqualified

**Evaluation Criteria**

Each RFP program component consisted of three major written submission categories and an in-person demonstration to the evaluation committee by the semifinalists. The written submission was divided into general requirements, technical requirements, and cost, as shown in Table 2.

**Table 2 – Evaluation Criteria**

RFP Section	Description	Total Points	%	
6	General Questionnaire	300	30%	
7	Technical Questionnaire <ul style="list-style-type: none"> <li>• Main Questionnaire – 400 points</li> <li>• Supplement – 100 points</li> </ul>	500	50%	
8	Cost Proposal	200	20%	
<b>Total</b>		<b>1,000</b>	<b>100%</b>	
Top Proposers Only		Description	Total Points	%
		Proposer Demonstrations	500	-

All vendors were required to respond to the general questionnaire and the main technical questionnaire. To streamline the submission process for vendors and eliminate duplicative scoring, all vendors completed the general and main technical questionnaire once, regardless of the number of programs for which they provided proposals. The evaluation committee scored the general and main technical questionnaire once per vendor and those scores were applied to all the RFP programs for which the vendor submitted a proposal. See Table 3 for an illustration of the proposal scoring components.

Vendors were also required to complete a program-specific, technical questionnaire supplement for each program for which they submitted a proposal. Supplemental questionnaire scores were applied to the pertinent RFP program. Table 3 provides an overview of proposal scoring components.

**Table 3 – Proposal Scoring Overview**

RFP Scoring Components	HSA	Section 125/ERA	Commuter Fringe Benefits
General Questionnaire	300*	300*	300*
Technical Questionnaire – Main	400*	400*	400*
Technical Questionnaire – HSA Supplement	100		
Technical Questionnaire – Section 125/ERA Supplement		100	
Technical Questionnaire – Commuter Fringe Benefit Supplement			100
Cost Proposal	200	200	200
Proposer Demonstrations	500*	500*	500*
<b>Total Possible Points</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>

\*Scored once per vendor, score applied to all RFP programs for which the vendor submitted a proposal

**Proposal Evaluation and Scoring**

The five-member evaluation committee consisted of three ETF staff members, one DOA staff member, and one Board member. The initial scoring was based on general and

technical (non-cost) criteria, with vendor presentations and cost proposals being scored later. The top two highest scoring proposals for each RFP program component were from the same vendors (ConnectYourCare and TASC) and were well ahead of the lowest scoring proposals for each program. The lowest scoring proposals were eliminated from further consideration.

The evaluation committee completed reference calls for the two highest scoring vendors. The evaluation committee performed three reference checks for ConnectYourCare. The references were all positive and stated ConnectYourCare either met or exceeded expectations. No performance issues with ConnectYourCare were cited by the references. These references also demonstrated a high degree of comparable employer size, employer organization hierarchical complexity, and number of pre-tax benefit programs offered.

Four reference checks were completed for TASC. The provided references did not demonstrate organizational size, complexity, or benefit offerings that were comparable to the State of Wisconsin. In one instance, the reference was not applicable as they do not receive comparable pre-tax benefit services from TASC. While mostly positive, the references did cite issues with TASC's account management and call center representative competencies. However, the references indicated these issues were resolved through partnership with TASC.

The two highest scoring vendors, ConnectYourCare and TASC, were invited to give in-person presentations to the evaluation committee. Vendor demonstrations took place on December 20, 2018. The committee asked each vendor to present on the same list of topics. Presentations emphasized participant experience and administrative functionality, including an overview of marketing and training materials, participant and administrator portals, and debit card functionality. Each vendor was also asked to demonstrate their ability to support a client with a high degree of hierarchical complexity, including multiple payroll centers under a single central administrator, with multiple employment classifications and varied payroll cycles.

The evaluation committee scored the vendor presentations using a pre-determined scoring rubric for each presentation topic. The maximum number of points each vendor could receive for their presentation was 500 points.

### **Summary of RFP Evaluation**

TASC was the highest scoring vendor for the HSA program component of the RFP. ConnectYourCare was the highest scoring vendor for the Section 125/ERA and Commuter Fringe Benefit program components of the RFP.

Based on the overall strengths of each vendor's proposals and vendor demonstration, the evaluation committee unanimously determined the proposals submitted by ConnectYourCare best meet the administrative and participant needs of all three program components. Furthermore, ConnectYourCare was able to infer and articulate

the needs of ETF staff, administrators, and participants, presenting a robust and intuitive suite of solutions that are detailed in the Key Considerations section beginning on page 12 of this memo.

Table 4 displays the rankings of the vendors based on total awarded points. The total possible points for each RFP component was 1,500 points.

**Table 4 – Total Score Ranking by Program**

<b>HSA (RFP# ETH0052)</b>	
1) TASC	1,075
2) ConnectYourCare	1,072
<b>Section 125/ERA (RFP# ETH0053)</b>	
1) ConnectYourCare	1,124
2) TASC	1,033
<b>Commuter Fringe Benefit (RFP# ETH0054)</b>	
1) ConnectYourCare	1,095
2) TASC	1,055

HSA Evaluation

Table 5 displays the component scores for the HSA program (RFP# ETH0052).

**Table 5 – HSA RFP Component Scores**

<b>HSA Score Component</b>	<b>ConnectYourCare</b>	<b>TASC</b>
General & Technical Questionnaires	584	582
Vendor Presentation	354	293
Cost	134	200
<b>Total</b>	<b>1,072</b>	<b>1,075</b>

While TASC has the higher overall RFP component score for the HSA program, this is solely due to cost. ConnectYourCare had the higher scores for the questionnaires and vendor presentation, reflecting what the evaluation committee considered to be the preferable bid. ConnectYourCare’s proposed additional cost is justified by their advanced technological offerings and participant-friendly user experience.

In addition, the State of Wisconsin Investment Board (SWIB) reviewed the HSA investment options offered by ConnectYourCare and TASC. This review was not scored. SWIB found both vendors’ submissions to be complete and forthcoming and had no material concerns upon completion of their review. While both vendors offer a variety of investment options for participants to choose from, TASC’s offerings are more limited than ConnectYourCare’s. SWIB also indicated that ConnectYourCare has experienced higher interest earnings and historical rates of return.

Section 125/ERA Evaluation

Table 6 displays the component scores for the Section 125/ERA program (RFP# ETH0053). The ERA program includes the Health Care Flexible Spending Account (FSA), Limited Purpose FSA, and Dependent Day Care FSA.

**Table 6 – Section 125/ERA RFP Component Scores**

<b>Section 125/ERA Score Component</b>	<b>ConnectYourCare</b>	<b>TASC</b>
General & Technical Questionnaires	570	573
Vendor Presentation	354	293
Cost	200	167
<b>Total</b>	<b>1,124</b>	<b>1,033</b>

ETF had not previously contracted for the Section 125 Cafeteria Plan. An ideal Cafeteria Plan third-party administrator would:

- Conduct non-discrimination testing on an annual basis
- Provide expert guidance regarding ETF's Section 125 Cafeteria Plan Document and Summary Plan Description (SPD)
- Establish accurate and current plan documentation to avoid compliance issues and any possible adverse tax consequences
- Provide guidance on IRS regulations and changes

ConnectYourCare and TASC are both qualified to provide annual non-discrimination testing as required by the IRS. Non-discrimination rules are designed to ensure plans do not discriminate in favor of highly compensated employees.

ConnectYourCare has more experience performing non-discrimination testing for large organizations with complex reporting structures and presented solutions that have worked for other large clients.

ConnectYourCare and TASC can both provide basic plan documents, specific to the program components on which they bid (HSA, Health Care FSA, etc.), rather than provide a comprehensive Section 125 Cafeteria Plan Document and SPD. These basic plan documents do not completely meet ETF's needs.

In addition to the basic plan documents that could be provided by ConnectYourCare or TASC, outside of the current RFP, ETF intends to meet internally to explore whether a separate vendor might have the expertise to customize ETF's Plan Documents and Summary Plan Descriptions, ensuring that they remain up-to-date with the latest benefit design changes, and state and federal requirements.

Staff will provide an update to the Board at the May GIB meeting.

Commuter Fringe Benefit Evaluation

Table 7 displays the component scores for the Commuter Fringe Benefit program (RFP# ETH0054). The Commuter Fringe Benefit program includes parking and transit accounts.

**Table 7 – Commuter Fringe Benefit RFP Component Scores**

<b>Commuter Fringe Benefit Score Component</b>	<b>ConnectYourCare</b>	<b>TASC</b>
General & Technical Questionnaires	576	562
Vendor Presentation	354	293
Cost	165	200
<b>Total</b>	<b>1,095</b>	<b>1,055</b>

ConnectYourCare’s Commuter Fringe Benefit services cost slightly more than TASC’s (see Table 8). The additional cost is justified by ConnectYourCare’s more intuitive and participant-friendly transit portal. The transit portal allows participants to order transit vouchers directly on a recurring or as-needed basis and to pay for parking directly, as well as the ability to add parking vendors upon request.

Cost Proposal Evaluation

ConnectYourCare and TASC both submitted competitive initial cost proposals. As the top scoring vendors, ConnectYourCare and TASC were offered the opportunity to submit a best and final offer (BAFO). Both ConnectYourCare and TASC submitted a BAFO to the procurement lead in January 2019. The BAFOs are very competitive and propose lower overall annual administrative costs than the current plan year (2019).

Table 8 details the vendor costs for annual program administration and participant-based fees. Administrative costs are paid primarily by employers.

**Table 8 – Cost Per Participant Per Benefit Per Month**

<b>Program Component</b>	<b>ConnectYourCare</b>	<b>TASC</b>
<b>HSA</b>	\$1.33*	\$0.93
<b>ERA</b>		
<i>Health Care FSA</i>	\$1.61	\$1.90
<i>Limited Purpose FSA</i>	\$0.83	\$1.90
<i>Dependent Day Care FSA</i>	\$1.61	\$1.90
<b>Commuter Fringe Benefit</b>		
<i>Parking</i>	\$2.30	\$1.90
<i>Transit</i>	\$2.30	\$1.90
<b>Total</b>	<b>\$9.98*</b>	<b>\$10.43</b>

\*Add \$1.35 maintenance fee per retiree per month charged by ConnectYourCare: \$1,620 per year for 100 retirees with HSA accounts

As Table 8 shows, ConnectYourCare’s overall cost proposal is more competitive than TASC’s. TASC is known for their low administrative fees, which is reflected in their submission for this RFP, with lower costs proposed for the HSA and Commuter Fringe Benefit programs. However, ConnectYourCare is offering a higher level of technological sophistication, seamless customer service, and account management support at a lower overall rate per participant per benefit per month (PPPBPM) than TASC. ConnectYourCare’s proposed overall rate of \$9.98 PPPBPM is lower than TASC’s proposed overall rate of \$10.43 PPPBPM, as well as the current rate of \$16.86 PPPBPM paid to TASC for the current plan year (2019), as demonstrated in Table 9. Table 9 shows the difference in cost between the current plan year (2019) and the proposed PPPBPM fees submitted by ConnectYourCare and TASC for plan year 2020.

**Table 9 – Savings Per Participant Per Benefit Per Month**

<b>9A. ConnectYourCare PPPBPM</b>	<b>TASC – Plan Year 2019 (Current)</b>	<b>ConnectYourCare</b>	<b>PPPBPM Savings</b>
HSA	\$2.81	\$1.33	(\$1.48)
Section 125/ERA	\$8.43	\$4.05	(\$4.38)
Commuter Fringe Benefit	\$5.62	\$4.60	(\$1.02)
<b>9A. Total:</b>	<b>\$16.86</b>	<b>\$9.98</b>	<b>(\$6.88)</b>
<b>9B. TASC PPPBPM</b>	<b>TASC – Plan Year 2019 (Current)</b>	<b>TASC</b>	<b>PPPBPM Savings</b>
HSA	\$2.81	\$0.93	(\$1.88)
Section 125/ERA	\$8.43	\$5.70	(\$2.73)
Commuter Fringe Benefit	\$5.62	\$3.80	(\$1.82)
<b>9B. Total:</b>	<b>\$16.86</b>	<b>\$10.43</b>	<b>(\$6.43)</b>

Vendors were provided estimated enrollment figures for plan year 2020 to assist with the preparation of their cost proposal. These projected enrollment figures are used in Tables 10 and 11 below to illustrate the potential savings offered by ConnectYourCare and TASC. These projections are for evaluation purposes only, as program cost is dependent upon actual annual enrollment.

**Table 10 – Projected Total Annual Cost**

<b>Annual PPPBPM Per Program Component</b>	<b>TASC – Plan Year 2019 (Current)</b>	<b>ConnectYourCare</b>	<b>TASC</b>
HSA	\$228,554	\$108,177	\$75,642
ERA	\$918,397	\$519,348	\$620,981
Commuter Fringe Benefit	\$78,837	\$64,529	\$53,307
<b>Estimated Annual Total:</b>	<b>\$1,222,789*</b>	<b>\$693,674*</b>	<b>\$749,930*</b>

\* The projected annual total costs are provided for evaluation purposes only



As shown in Table 10, ConnectYourCare’s proposed PPPBPM results in a lower total annual cost than TASC. Using the projected 2020 enrollment figures from the cost proposal:

- ConnectYourCare’s annual cost would be \$56,256 less than TASC’s proposed fees for plan year 2020
- ConnectYourCare’s annual cost would be \$529,115 less than TASC’s current PPPBPM fees for plan year 2019

Table 11 provides program-specific enrollment projections and PPPBPM detail on a monthly and annual basis.

**Table 11 – Program Cost Detail Example**

<b>11A. TASC - Plan Year 2019 (Current)</b>	<b>Projected Enrollment*</b>	<b>PPPBPM</b>	<b>Monthly PPPBPM</b>	<b>Annual PPPBPM</b>
<b>HSA</b>	6,778	\$2.81	\$19,046	\$228,554
<b>ERA</b>				
<i>Health Care FSA</i>	23,019	\$2.81	\$64,683	\$776,200
<i>Limited Purpose FSA</i>	732	\$2.81	\$2,057	\$24,683
<i>Dependent Day Care FSA</i>	3,485	\$2.81	\$9,793	\$117,514
<b>Commuter Fringe Benefit</b>				
<i>Parking</i>	1,756	\$2.81	\$4,934	\$59,212
<i>Transit</i>	582	\$2.81	\$1,635	\$19,625
<b>11A. Total</b>			<b>\$102,149*</b>	<b>\$1,225,789*</b>

<b>11B. ConnectYourCare</b>	<b>Projected Enrollment*</b>	<b>PPPBPM</b>	<b>Monthly PPPBPM</b>	<b>Annual PPPBPM</b>
<b>HSA</b>	6,778	\$1.33	\$9,015	\$108,177
<i>Retiree Maintenance</i>	100	\$1.35	\$135	\$1,620
<b>ERA</b>				
<i>Health Care FSA</i>	23,019	\$1.61	\$37,061	\$444,727
<i>Limited Purpose FSA</i>	732	\$0.83	\$608	\$7,291
<i>Dependent Day Care FSA</i>	3,485	\$1.61	\$5,611	\$67,330
<b>Commuter Fringe Benefit</b>				
<i>Parking</i>	1,756	\$2.30	\$4,039	\$48,466
<i>Transit</i>	582	\$2.30	\$1,339	\$16,063
<b>11B. Total</b>			<b>\$57,806*</b>	<b>\$693,674*</b>

<b>11C. TASC</b>	<b>Projected Enrollment*</b>	<b>PPPBPM</b>	<b>Monthly PPPBPM</b>	<b>Annual PPPBPM</b>
<b>HSA</b>	6,778	\$0.93	\$6,304	\$75,642
<b>ERA</b>				
<i>Health Care FSA</i>	23,019	\$1.90	\$43,736	\$524,833
<i>Limited Purpose FSA</i>	732	\$1.90	\$1,391	\$16,690
<i>Dependent Day Care FSA</i>	3,485	\$1.90	\$6,622	\$79,458
<b>Commuter Fringe Benefit</b>				
<i>Parking</i>	1,756	\$1.90	\$3,336	\$40,037
<i>Transit</i>	582	\$1.90	\$1,106	\$13,270
<b>11C. Total</b>			<b>\$62,494*</b>	<b>\$749,930*</b>

\* The projected number of participants and projected costs are provided for evaluation purposes only

### Key Considerations

Lessons learned from program implementations and performance enhancements with the current vendor (TASC) were instrumental in the development of RFP criteria. Staff identified 10 key considerations that vendors were required to address as part of the RFP process ([Ref. GIB | 2.21.18 | 6C](#)). Through review of vendor proposals, the evaluation committee determined that ConnectYourCare provides better service solutions for most of the RFP considerations, as outlined in Table 12.

**Table 12 – RFP Considerations**

<b>RFP Considerations</b>	<b>ConnectYourCare</b>	<b>TASC</b>
Cost	✓	✓
Marketing Materials	✓	✓
Payroll Center and Benefit Staff Support	✓	✓
Performance Standards and Guarantees	✓	✓
Debit Card Functionality	✓	
Educational Materials	✓	
Non-Discrimination Testing	✓	
Project Management	✓	
Standard Business Practices	✓	
Section 125 Plan Documentation	✗	✗
Section 125 Tax Benefit Guidance	✗	✗

✓ - Meets or exceeds expectations

✗ - More development needed

ConnectYourCare offers a more comprehensive package of standard business practices than TASC, including:

- 24/7/365 customer service support serviced by two national call centers
- Professionally designed client microsite at launch
- Continually evolving library of customizable educational and marketing materials
- Participant-specific communication campaigns personalized to user type
- Detailed analytic reporting
- Proactive account management focused on customized system and training solutions

ConnectYourCare offers a proprietary system platform and owns the supporting bank, allowing for continual innovation and service-focused improvements. The benefits of a proprietary system platform and supporting bank is exemplified by the differences between ConnectYourCare and TASC regarding Limited Purpose FSA debit card functionality. Participants taking part in a Limited Purpose FSA may only use their Limited Purpose FSA funds for eligible vision and dental expenses prior to meeting their annual deductible. Once they meet their annual deductible, they can use their Limited Purpose FSA funds to pay for eligible medical expenses in addition to vision and dental expenses. Limited Purpose FSAs are paired with an HSA and are intended to help participants maximize their HSA savings.

TASC requires participants who want to use Limited Purpose FSA funds for post-deductible medical expenses to pay out-of-pocket and submit a manual request for reimbursement. A copy of an explanation of benefits (EOB) showing the participant has met their deductible must be submitted with each request for reimbursement. Participants cannot use their TASC debit card to pay for post-deductible medical expenses. Should a participant use their TASC debit card to pay for an eligible medical expense, funds will be withdrawn from their HSA. No system solution exists to recognize when a deductible has been met and prioritize the utilization of Limited Purpose FSA funds to preserve the HSA balance.

ConnectYourCare allows participants who have met their annual deductible to self-certify via the participant portal. After uploading an EOB showing the participant has met their deductible, the ConnectYourCare compliance team reviews the EOB and updates the participant's account settings behind the scenes. This process allows for a seamless user experience, as the ConnectYourCare debit card is programmed to deduct post-deductible medical expenses from the Limited Purpose FSA first. HSA funds will only be used if necessary, allowing for greater future savings and possible interest and investment earning potential.

Additional notable strengths and weaknesses of the top two vendors are outlined below:

## **ConnectYourCare**

### Strengths

- *Organic Growth:* ConnectYourCare specializes in large clients (including several other state governments, Amazon, IBM, and CVS) and has grown organically. They have not historically grown by purchasing other companies. Frequent mergers and acquisitions by pre-tax benefit vendors can lead to inconsistent customer service and administrative issues, which ETF has experienced in the past.
- *Technological Innovation:* ConnectYourCare has made a substantial technological investment, resulting in a modern, user-friendly interface both online and via the mobile application. This proprietary system is overseen by an in-house systems architect, allowing for greater customization and expedited solution implementation.
- *Participant Experience:* ConnectYourCare's leadership listens to participant calls each Friday to identify areas of improvement. ConnectYourCare's standard business practices address participant issues in a variety of ways, including focused trainings, updates to their proprietary software system, and changes to their proprietary banking software. One notable example of improved participant experience is the recently redesigned participant portal, which is expertly designed with white space for increased comprehension, and helpful left tab navigation for different accounts and embedded resources links.
- *Proactive Organizational Philosophy:* ConnectYourCare employs a Centers of Excellence operational model, which includes consistent monitoring of operational outcomes and performance measurement. Program analytics and opportunities for improvement will be reviewed with ETF during quarterly onsite meetings.

### Weaknesses

- *Dependent Day Care FSA Debit Card:* 2019 is the first year ConnectYourCare has offered debit card functionality for the Dependent Day Care FSA. While it is anticipated that any issues with Dependent Day Care FSA functionality will be resolved by January 1, 2020, ETF staff will closely monitor debit card performance with ConnectYourCare to ensure a smooth transition.
- *Limited Local Presence:* The proposed account team is located primarily in Illinois, with call centers on each coast. ConnectYourCare will hire a local Madison-based Client Service Manager, at no additional cost, for key project support. They will work in conjunction with the remote Senior Account Executive and Client Service Manager, to ensure ongoing project support and high-level issue resolution. Furthermore, a dedicated implementation manager will travel to Madison as needed for onsite staff and payroll center support, at no additional cost, to ensure key deliverables are met for a successful transition.

## **TASC**

### Strengths

- *Proven Partner:* TASC has consistently demonstrated a willingness to partner with ETF to improve performance and resolve issues. TASC has also been receptive to ETF requests, from small scale marketing improvements to large additional mailings or program changes, without additional cost.
- *Local Organization:* TASC is a Madison-based organization with a significant local presence and involvement in the community. TASC is always willing to meet in person upon ETF's request. They have also provided on-site staff at no additional cost for key project support.

### Weaknesses

- *Lack of Innovation:* While TASC scored well on the RFP, due to their understanding of the State-sponsored programs and ETF's administrative preferences, they did not present any innovative solutions for known pain points. TASC did make verbal mention during the vendor demonstration for possible program enhancements, such as the development of a collateral library and system platform improvements, but these items were not formally included in the demonstration, RFP submission, or cost proposal, nor was any substantive detail provided. The evaluation committee felt that TASC's proposal sought to maintain the current program, rather than propose opportunities for substantial program growth, improved participant experience, or increased administrative effectiveness.
- *Technology Platform:* The system platform currently used to administer the ETF programs is not proprietary to TASC and is serviced by a third-party vendor with limited customization or technological support capabilities. A limited number of TASC's clients use this platform. TASC does have a proprietary system, MyTASC, which is expected to be updated in the near future. However, TASC did not formally propose any technological improvements, and the MyTASC system was not mentioned in the RFP for ETF consideration.
- *Participant Experience:* While TASC has worked diligently to improve the participant experience, they did not propose any technological, training, educational or marketing materials, or customer service enhancements to help address residual participant pain points, as identified in the Key Considerations (see page 12). TASC did explore enhanced debit card functionality for the parking and transit programs as part of the RFP process, but did not give concrete examples of improvements as part of their proposal or vendor demonstration.

## **Implementation Overview**

The transition of these programs to a new administrator will require a coordinated implementation effort between ETF staff, payroll center staff, and both the incoming and outgoing vendors.

ConnectYourCare provided a comprehensive implementation plan as part of the RFP, which meets the needs of ETF and payroll center stakeholders. The implementation will be led by a dedicated implementation manager, who has prior experience with complex transitions and other state programs.

Staff are prepared to partner with the ConnectYourCare implementation manager and account management team to ensure timely completion of key deliverables, including:

- Customer service preparation
- Debit card configuration and verification
- Open enrollment preparation and support
- Participant and administrator portal launch and training
- Participant engagement and education
- Payroll center outreach and training
- Quality assurance testing
- System configuration and verification

If the Board approves the recommendation to select ConnectYourCare as the new vendor for all three programs, staff will execute the transition plan included in the current TASC contract. The plan outlines outgoing vendor responsibilities to ensure a smooth transfer of administrative duties. Staff will continue to work closely with TASC to ensure all transition deliverables are met.

To limit potential participant disruption, ETF staff have prepared a comprehensive communication plan. ETF will collaborate with ConnectYourCare to develop additional communications and trainings for both the payroll centers and to educate participants about what to expect, how to use and set up new participant portal accounts, how to use new debit cards, and where to find resources and additional training.

Staff will provide implementation updates to the Board at future meetings.

### **Summary**

The evaluation team acknowledges that both ConnectYourCare and TASC are capable of administering the HSA, Section 125/ERA, and Commuter Fringe Benefit programs. However, the evaluation committee unanimously recommends ConnectYourCare as the vendor best suited to partner with ETF to administer these programs. This recommendation is based on the overall evaluation of the vendors' proposals and demonstrations.

This unanimous recommendation reflects the strength of ConnectYourCare's proposals, which include the following key differentiators:

- Improved administrative efficiencies
- Increased debit card functionality
- Lower overall program costs than the current vendor
- Participant-focused services and solutions

- Proactive client performance management
- Proprietary system platform and supporting bank
- Technological sophistication

While TASC did earn the highest score for the HSA component of the RFP, the evaluation committee does not recommend awarding the programs to multiple vendors. Offering ConnectYourCare as the single program administrator is in the best interest of the participants and administrators for the following reasons:

- Streamlined user experience
- Uniform technological offerings and benefits for all programs
- Increased ease of payroll center administrative oversight
- Increased ease of ETF contract and administrative oversight

The evaluation committee recommends TASC as an alternate if negotiations with ConnectYourCare are not successful.

### **Contract Negotiations**

Contract negotiations will begin as soon as possible following the Board's approval of the evaluation committee's recommendation and expiration of the appeals period following the issuance of the intent to award three contracts to ConnectYourCare.

The two top-scoring vendors will attend the Board meeting to demonstrate their program management and partnership capabilities, and to answer questions.

Staff and participants of the evaluation committee will be available at the Board meeting to answer any questions.