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Correspondence Memorandum

Date: October 7, 2019
To: Group Insurance Board
From: Sara Brockman, Health Program Manager
Office of Strategic Health Policy
Subject: Information Systems Security Audit Update

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

The Legislative Audit Bureau (LAB) audit of the Group Health Insurance Program (GHIP) contained a recommendation for the Department of Employee Trust Funds (ETF) to collect all contractually required audits of information technology controls and provide the Group Insurance Board (Board) with the results of audit reviews.

As a result, ETF requested information system security audits for the prior calendar year (2018) from the one Medicare Advantage provider and ten fully-insured health plan providers contracted with the Board to offer coverage under the state GHIP to state employees, retirees and participating local government employees.

This was the first such request for participating health plans to submit information system security audit information; however, language allowing ETF to request audit attestation documentation is included in the Department Terms and Conditions (DTCs). The DTCs are a governing document that establish standard requirements and obligations for all vendors that enter into a contractual agreement with ETF. The information management security audit requirement provides annual assurance to ETF that all contracted health plans have adequate information system security policies and protocols in place.

Health plans submitted their initial responses to the information systems security audit request last May. ETF's preferred annual attestation is a SSAE No. 18 (SOC 2, Type 2) audit report, which provides assurance that a health plan has adequate information system security policies and protocol in place. However, only a small number of health plans currently conduct a SOC 2, Type 2, or are in the process of establishing an annual SOC 2, Type 2 audit.

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy

Electronically Signed 10/30/19

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ETF staff from the Bureau of Information Security Management (BISM) and the Office of Strategic Health Policy (OSHP) worked with health plans on an individual basis to identify pertinent documentation that could be an acceptable alternate submission. The available number and type of potential documentation varied from plan to plan.

Following health plan outreach, ETF added health plan-specific language to the *State of Wisconsin Health Insurance Program Agreement* (Agreement) for plan year 2020 clarifying the information system security management systems audit requirement ([Ref. GIB | 8.21.19 | 5A](#)). The newly added Agreement language clarifies health plan-specific documentation requirements, which complement the overarching DTC language and is intended to improve health plan compliance and ease of administration moving forward.

ETF completed its review of all health plan submissions. Overall, the findings were varied. Three health plans demonstrated a high level of compliance, four plans demonstrated a moderate degree of compliance that can be improved with additional documentation, while three plans submitted little to no documentation and therefore constitute an elevated risk. ETF will continue to work with the health plans to improve overall audit submission compliance in future years.

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