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Correspondence Memorandum

Date: January 7, 2020

To: Group Insurance Board

From: Xiong Vang, HSA & ERA Accounts Program Manager
 Office of Strategic Health Policy

Subject: ConnectYourCare Transition

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

Background

ConnectYourCare (CYC) officially went live effective January 1, 2020 as the third-party administrator of the Health Savings Accounts (HSA), Employee Reimbursement Accounts (ERA) and Commuter Fringe Benefit Accounts. CYC will administer these benefit programs for the period of the contract start date through December 31, 2021, with the potential for two, two-year extensions through December 31, 2025, subject to contract negotiations between CYC and ETF. These benefit programs are authorized under Internal Revenue Code (IRC) Section 125, IRC Section 132 and Wis. Stats. § 40.85-40.875, and offer pre-tax savings accounts for medical, dental, vision, dependent day care, transit and parking expenses.

Overview of Implementation

After contracts were signed on May 7, 2019, a dedicated team from CYC was assigned to implementation and assist through the transition period. Communication was handled strategically in several ways through third-party administrator notification, marketing materials, ETF E-Mail Updates, ALEX, payroll centers, and the CYC dedicated website. Many staff across ETF offices and divisions, and payroll centers contributed to the successful launch of CYC. There were four phases to the implementation plan.

- **Phase One: Initiation** – negotiation of contracts agreement and identify stakeholders;
- **Phase Two: Planning** – conduct kickoff meeting, develop project schedule, collect data interface requirements;
- **Phase Three: Execution** – plan design setup, communication, launch of plan design; and
- **Phase Four: Closing** – employer sign-off, lessons learned, and transition to ongoing CYC support team.

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

Electronically Signed 1/13/20

Board	Mtg Date	Item #
GIB	2.5.20	6E

Since the last Group Insurance Board (Board) meeting in November 5, 2019, the following Implementation Requirements Timeline status has been delivered by CYC ([Ref. GIB | 11.13.19 | 10C](#)):

- Eligibility File
- Enrollment File
- Debit Cards (or payment cards)
- Welcome Packet
- Claims Administrative Services
- Administration Web-Portal
- Participant Web-Portal

Open enrollment files between the payroll centers and CYC were tested successfully. This allowed participants to receive their payment cards for the HSA, Health Care Flexible Spending Accounts (FSA), Limited Purpose FSA, and Parking Account. The Welcome Packet was sent electronically and mailed to participants who enrolled in the benefit accounts. CYC continues to provide weekly claims invoicing to the Division of Trust Finance (DTF) and reimbursements to the claim expenses are fully operational. The administration and participant web portals were accessible at the start of the plan year without any technical issues.

2020 Open Enrollment Results

ETF completed a quality assurance check on the residual changes of the enrollment elections to ensure there were no major discontinuities of coverage to the benefit programs and that enrollments were properly carried over for each benefit type and payroll center. ETF confirmed that enrollment elections have been carried over properly. Overall projected contributions to these benefit programs for 2020 plan year is expected to be more than \$67.6 million. Table 1 provides the statistics for 2020 open enrollment results.

Table 1 –Enrollment Effective January 1, 2020

Benefit Type	Number of Participants	Projected Contributions
Health Care FSA	16,360	\$22,427,726.99
Limited Purpose FSA	522	\$516,372.23
Dependent Day Care Account	3,699	\$15,495,234.89
Parking Account	1,306	\$1,724,618.38
Transit Account	437	\$266,974.54
Health Savings Account	8,934	\$27,231,472.92
Totals	31,258	\$67,662,399.95

The projected HSA contribution include the employee and employer contributions. A member who enrolls in the State High Deductible Health Plan (HDHP) is eligible to receive the HSA employer contributions based on their HDHP coverage level. An individual HDHP is eligible to receive up to \$750 in employer contributions and a family HDHP is eligible to receive up to \$1,500. HSA employer contributions is set by the

Division of Personnel Management (DPM). HSA contributions are distributed evenly over 24 pay periods for participants who are paid biweekly and over 12 pay periods for participants paid monthly. The breakdown of the employee and employer contributions is reflected in Table 2.

Table 2 – 2020 HSA Breakdown Contributions

HSA Projected Contributions	Projected Contributions
Projected Employee Contributions	\$16,950,472.92
Projected Employer Contributions	\$10,281,000.00
Totals	\$27,231,472.92

Conclusion of Transition

ETF is expecting to conclude the execution and closing phases of implementation in the second quarter of the 2020 plan year. The upcoming deliverables will be on the HSA transfer of assets and Flexible Spending Accounts (FSA) carryover balances migrating to CYC. Members who completed the HSA e-consent agreement will have their HSA funds transfer and available before the end of February 2020. 2019 FSAs carryover balance under \$500, parking account, and transit account balances will be available to eligible members by May 1, 2020.

Training has been provided to payroll centers and ETF staff on how to use the administration web portal. CYC has two dedicated client service managers and one account executive to support the life of the contracts. The future of the benefit programs consists of educating members, improvements to customer service, a series of communications, and enhancement to the administrative work.

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