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Correspondence Memorandum

Date: November 4, 2020

To: Group Insurance Board

From: Greg Beach, Chief Information Security Officer
 Doug Michelz, Information Risk Management Program Coordinator
 Bureau of Information Security Management

Douglas Wendt, Supplemental Program Manager & Health Policy Advisor
 Office of Strategic Health Policy

Subject: Information Systems Security Audit Review Recommendation commencing
 in 2023 Plan Year

The Department of Employee Trust Funds (ETF) requests that the Board restate its commitment to the current contractual requirement for all participating health plans to submit a SOC 2, Type 2 or comparable third-party attestation for contracts effective 1/1/23. Continued applicability and relevance will be reviewed with the Board annually.

The Timeline is as follows:


- Health plans are required to have a SOC II Type II or comparable third-party attestation completed in calendar year 2022
- The 2022 SOC II Type II or comparable third-party attestation must be submitted to ETF by March 1, 2023
- Health plans that do not meet the requirement by March 1, 2023 will be unable to participate in the Group Health Insurance Program (GHIP) for the 2024 plan year
- This requirement will continue on an annual basis

Background

The Legislative Audit Bureau (LAB), in the Administration and Oversight of Group Insurance Programs Report (19-2) February 2019, recommended ETF collect all contractually required audits of information technology controls and provide the Group Insurance Board (Board) with the results of audit reviews.

Health plans are continuing their efforts towards compliance with this requirement. ETF requested information system security audits for calendar year 2018 and again for 2019

Reviewed and approved by Steve Mueller, Director, Division of Management Services



Electronically Signed 11/11/20

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GIB	11.18.20	16B

from the 10 fully insured health plan providers contracted with the Group Insurance Board (Board) to offer State of Wisconsin Group Health Insurance Program (GHIP) coverage to employees and retirees of state agencies, University of Wisconsin System, University of Wisconsin Hospitals & Clinics Authority, and participating local government employees.

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 for submission. As a result of these outreach efforts, the Board approved health plan-specific language to the *State of Wisconsin Health Insurance Program Agreement* (Agreement) for plan year 2020. This will improve health plan compliance and ease of administration for the information system security management systems audit requirement moving forward ([Ref. GIB | 8.21.19 | 5A](#)).

Summary of Health Plan Submissions

ETF's preferred annual attestation is a SSAE No. 18 (SOC 2, Type 2) audit report, or comparable third-party attestation, which provides assurance that a health plan has adequate information system security policies and protocols in place.

Over the previous two calendar years, the submissions and findings were varied. Some health plans demonstrated a high level of compliance with the audit provision, as outlined in the Department Terms and Conditions, while others submitted alternative information risk management documentation and therefore constituted a moderate risk.

Additional discussions were conducted with the moderate risk level health plans to improve their compliance with the information system security audit requirement. The submission of third-party attestation of their respective information risk management programs would likely result in a higher level of compliance with this requirement.

ETF will continue to work with all contracted health plans to improve overall audit submission compliance in future plan years.

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