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Correspondence Memorandum


Date: February 1, 2021
To: Group Insurance Board
From: Xiong Vang, HSA & ERA Accounts Program Manager
 Office of Strategic Health Policy
Subject: ConnectYourCare Contract Extension

The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) approve a two-year extension for the following ETF contracts: ETH0052 for Third-Party Administration of Health Savings Accounts (HSA), ETH0053 for Third-Party Administration of Section 125 Cafeteria Plan and Employee Reimbursement Accounts (ERA), and ETH0054 for Third-Party Administration of Commuter Fringe Benefit Accounts with ConnectYourCare (CYC), for the period January 1, 2022, through December 31, 2023.

Background

The ERA program was established by 1987 Wisconsin Act 399, as authorized under Sections 125, 105, and 129 of the Internal Revenue Code (IRC) and Wis. Stats. § 40.85-40.875. The HSA program is authorized under Section 125 and 223 of the IRC and Wis. Stat. § 40.515. The Commuter Fringe Benefit Accounts program is a qualified transportation benefit plan authorized under Section 132 of the IRC. All of the pre-tax savings benefit programs offer optional benefits that allow participants to use pre-tax dollars to pay for certain qualified expenses such as medical, pharmaceutical, vision, dental, dependent day care, transportation, and parking. By using pre-tax dollars to pay these types of expenses, employees effectively reduce their taxable gross income, which can significantly reduce their state and federal tax liabilities and increase their take-home salaries.

On May 7, 2019, the Board entered into contracts with CYC as the third-party administrator (TPA) for the HSA, Section 125 Cafeteria Plan and ERA, and commuter fringe benefit programs for the period starting on May 7, 2019, through December 31, 2021. The contracts included provisions that allow for two, two-year extensions. The request in this memo is for the first two-year extension period (extending the contract through December 31, 2023).

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy
 Electronically Signed 2/3/21

Board	Mtg Date	Item #
GIB	2.17.21	8B

CYC has been a proactive partner with ETF in finding solutions, efficiencies, and establishing communication and engagement with participating members. The overall relationship between ETF and CYC has been positive since the start of the contract. CYC was acquired by Optum Financial in November 2020. The acquisition is expected to further advance financial technology solutions to improve how members save, spend, pay, and invest for health care. Optum Financial is a part of Optum, a division of UnitedHealth Group. Since the acquisition, CYC has continued to provide exceptional service and flexibility on the benefit programs.

Members Survey Results

In November 2020, CYC surveyed participating members with pre-tax savings accounts. The survey targeted participants who made calls to CYC customer service and who utilized CYC services, such as the payment card. As shown in Attachment A, 84% of the participants feel very satisfied or somewhat satisfied with the ease of the claims process. 87% of the participants feel very satisfied or somewhat satisfied overall with CYC in 2020.

Performance Standard and Guarantees

Each quarter, CYC must meet contract performance standards and guarantees in the areas of claims processing, customer service, and other key disciplines. CYC has met most of the performance requirements and had no major issues in meeting contract obligations and ETF's expectations. The 2020 CYC Performance Standards Scorecard is provided in Attachment B.

An exception noted in the Scorecard for the first quarter for claims processing time indicates the processing time fell short to 94% (where the requirement was 99%). Each of the three quarters following the first quarter have been above the 99% standard. The early 2020 deliverables contributed to CYC falling short on processing claims timely. Since then, the CYC claims department made the adjustment by adding resources to help with processing the claims in meeting the requirements.

Participant Enrollment

ETF experienced the highest historical participant enrollment in the HSA and FSA programs in 2020. Table 1 below shows the participant enrollment rates at the end of each quarter. During the second quarter, an increase in participation occurred in the FSA and Commuter Fringe Benefit programs due to the carryover balances becoming available on April 1, 2020. With the on-going COVID-19 outbreak, ETF expects to see a decrease in participation for the dependent day care account and commuter fringe benefit account programs in 2021.

Table 1. 2020 Participants Enrollment

	Quarter 1 2020	Quarter 2 2020	Quarter 3 2020	Quarter 4 2020
HSA	8,881	9,385	9,808	10,011
Health Care FSA	16,637	19,267	19,334	19,276
Limited Purpose FSA	524	1,091	1,071	1,080
Dependent Day Care Account	3,799	3,856	3,914	3,927
Parking Account	1,347	1,954	1,932	1,963
Transit Account	444	723	716	718
TOTAL	31,632	36,276	36,775	36,975

Administrative Fees

Table 2 details the administrative fees for the current contract period (through December 31, 2021) and for the period of the requested contract extension (January 1, 2022 to December 1, 2023). Administrative fees are paid primarily by employers. The fees are billed per participant per benefit per month. The rates are set based on the cost proposal agreed to by ETF and CYC during contract negotiations in 2019.

Table 1. Administrative Fees with CYC (per participant per month)

	(Year 1) 2020	(Year 2) 2021	(Year 3) 2022	(Year 4) 2023
HSA	\$1.35	\$1.35	\$1.32	\$1.32
ERA				
<i>Health Care FSA</i>	\$1.61	\$1.61	\$1.58	\$1.58
<i>Limited Purpose FSA</i>	\$0.83	\$0.83	\$0.84	\$0.84
<i>Dependent Day Care Account</i>	\$1.61	\$1.61	\$1.58	\$1.58
Commuter Fringe Benefit				
<i>Parking Account</i>	\$2.30	\$2.30	\$2.33	\$2.33
<i>Transit Account</i>	\$2.30	\$2.30	\$2.33	\$2.33

Unsubstantiated Claims

Under IRS Regulations, all claims payments made from a Health Care FSA and Limited Purpose FSA require third-party validation documentation unless the transaction is auto validated, such as pharmacy prescriptions and office visit copays. Any FSA claims that are not properly validated will follow ETF's Five Step FSA Recovery Policy consistent with the memorandum issued by the IRS Office of Chief Counsel on February 12, 2014, which established acceptable correction procedures for any payments using a debit card in an FSA.

We have heard member complaints about not having enough time to substantiate their 2020 claims prior to payroll withholding. ETF is looking to reduce the obstacles in the future for those who submit their claims late in the year and are still within their 85 days

before their payment card is inactive. CYC and ETF will continue to provide members education and communications to help them understand this process for the future.

2020 Deliverables

Over the past year, CYC has provided many services to ETF and program participants. The collaboration between CYC and ETF allowed for the completion of the following deliverables:

- Adopting the ETF FSA COBRA process without cost
- Adding a chat feature for members to reach CYC customer service
- Adding a customized configuration on the payment card system to allow parking payment transactions at the City of Madison Department of Transportation
- Planning the one-time annual election change for FSA and dependent day care account participants
- Adding three client service administrators to assist with the benefit accounts
- Assisting ETF Ombuds Services in standardizing grievance processes
- Testing file interfaces with each of the nine payroll centers successfully
- Hosting virtual benefit fairs for members and stakeholders
- Providing resources and educational materials to members on a quarterly basis
- Providing training and guidance to employers upon request
- Adopting ETF's Five-Step FSA Unsubstantiated Claims Recovery Process.

Conclusion

Participant satisfaction with CYC's performance and the programs has exceeded ETF's expectations. CYC has shown its willingness to cooperate and partner with ETF and is committed to future improvement of the benefit programs. This includes meeting or exceeding performance standards, creating savings opportunities, and streamlining processes. For these reasons, ETF is recommending the Board approve a two-year extension of the CYC contract. The extension would start January 1, 2022 and run through December 31, 2023. If the Board chooses not to approve an extension of the CYC contract, ETF will need the Board's approval to begin the RFP process for an HSA, ERA, and commuter fringe benefit accounts with a contract start date of January 1, 2022.

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

Attachment A

2020 ConnectYourCare Fall Member Survey Data

CLAIMS SATISFACTION

Employer	State of Wisconsin	
Row Labels	Count of Please rate your satisfaction with the ease of the claims process.	
Dissatisfied		138
Satisfied		507
Very Dissatisfied		51
Very Satisfied		617
Grand Total		1313

Client Percent	86%
CYC Book of Business	88%

SATISFACTION WITH CSR REP KNOWLEDGE

Employer	State of Wisconsin	
Row Labels	Count of If you have spoken with a customer service representative about your account in the last 30 days, rate your level of satisfaction with the representative's knowledge of the product.	
Dissatisfied		31
N/A		999
Satisfied		135
Very Dissatisfied		10
Very Satisfied		125
(blank)		
Grand Total		1300

Client Percent	86%
CYC Book of Business	87%

SATISFACTION WITH CSR EXPERIENCE

Employer	State of Wisconsin	
Row Labels	Count of If you have spoken with a customer service representative about your account in the last 30 days, please rate your overall level of satisfaction with the experience.	
Dissatisfied		40
N/A		988
Satisfied		123
Very Dissatisfied		13
Very Satisfied		109
(blank)		
Grand Total		1273

Client Percent	81%
CYC Book of Business	84%

OVERALL SATISFACTION

Employer	State of Wisconsin	
Row Labels	Count of When it comes to your account, what is your overall satisfaction with ConnectYourCare in 2020?	
Dissatisfied		127
Satisfied		556
Very Dissatisfied		38
Very Satisfied		592
Grand Total		1313

Client Percent	1148
CYC Book of Business	87%
	89%



2020 CYC Performance Standards Scorecard



Performance Standards	Description	Quarter 1 2020	Quarter 2 2020	Quarter 3 2020	Quarter 4 2020
Claims Process					
Processing Accuracy	At least ninety-nine percent (99%) level of processing accuracy. Processing accuracy means all claims are processed correctly in every respect, financial and technical (e.g., according to federal and STATE regulations, proper substantiation, coverage period, system, procedural, etc.), divided by total claims processed.	99.31% Pass	99.29% Pass	99.36% Pass	99.18% Pass
Financial Accuracy	At least ninety-nine (99%) percent level of financial accuracy. Financial accuracy means the claim dollars paid in the correct amount divided by the total claim dollars paid.	99.70% Pass	99.73% Pass	99.71% Pass	99.41% Pass
Claims Processing Time	At least ninety-nine percent (99%) of all claims received must be processed within three (3) BUSINESS DAYS of receipt of all necessary information.	94.76% Not Pass	99.66% Pass	100.00% Pass	99.14% Pass
Claims Processing System Availability	At least ninety-nine percent (99%) of the time the claims processing system is available for adjudication of DEBIT CARD claims and online claims submitted by PARTICIPANTS and MERCHANTS. This includes downtime for system maintenance.	100.00% Pass	100.00% Pass	100.00% Pass	99.89% Pass
Participant Reimbursement	At least ninety-nine percent (99%) of PARTICIPANT reimbursement will be released via check or direct deposit within two (2) BUSINESS DAYS from the claims processing date.	99.33% Pass	99.67% Pass	100.00% Pass	100.00% Pass



2020 CYC Performance Standards Scorecard



Performance Standards	Description	Quarter 1 2020	Quarter 2 2020	Quarter 3 2020	Quarter 4 2020
Customer Service					
Answer Timeliness Service-Level Agreement (SLA)	At least eighty-five percent (85%) of calls received by the CONTRACTOR'S customer service (during operating hours) during the measurement period were answered by a live voice within thirty (30) seconds.	89.27% Pass	86.47% Pass	84.80% Pass	92.15% Pass
Call Abandonment Rate	Less than five percent (5%) of calls abandoned, measured by the number of total calls that are not answered by customer service (caller hangs up before answer) divided by the number of total calls received.	1.18% Pass	0.90% Pass	0.67% Pass	1.19% Pass
Call Resolution Turn-Around-Time (TAT)	At least ninety percent (90%) of customer service calls that require follow-up or research will be resolved within two (2) BUSINESS DAYS of initial call. Measured by the number of issues initiated by a call and resolved (completed without need for referral or follow-up action) within two (2) BUSINESS DAYS, divided by the total number of issues initiated by a call.	94.93% Pass	94.10% Pass	96.20% Pass	91.10% Pass
Electronic Written Inquiry Response	At least ninety-eight percent (98%) of customer service issues submitted by email, website, and mail are responded to within two (2) BUSINESS DAYS.	100.00% Pass	100.00% Pass	100.00% Pass	100.00% Pass
Data Management					
Notification of Data Breach	The CONTRACTOR shall notify the DEPARTMENT Program Manager and Privacy Officer within one (1) BUSINESS DAY of discovering that the PHI and/or PII of one (1) or more PARTICIPANTS may have been breached or has been breached. The CONTRACTOR shall provide the DEPARTMENT with the information required in the Department Terms and Conditions related to all such suspected or actual breaches.	N/A	N/A	N/A	N/A



2020 CYC Performance Standards Scorecard



Performance Standards	Description	Quarter 1 2020	Quarter 2 2020	Quarter 3 2020	Quarter 4 2020
Enrollment					
Eligibility File	The CONTRACTOR must accept an eligibility file update on a schedule agreed upon by the DEPARTMENT, PAYROLL CENTER, and the CONTRACTOR and accurately process the enrollment file additions, changes, and deletions within two (2) BUSINESS DAYS of the file receipt. Delays in processing the eligibility file must be communicated to the DEPARTMENT Program Manager or designee within one (1) BUSINESS DAY.	100.00% Pass	100.00% Pass	100.00% Pass	100.00% Pass
Enrollment File	The CONTRACTOR must accept an enrollment file update on a schedule agreed upon by the DEPARTMENT, PAYROLL CENTER, and the CONTRACTOR and accurately process the enrollment file additions, changes, and deletions within two (2) BUSINESS DAYS of the file receipt. Delays in processing the enrollment file must be communicated to the DEPARTMENT Program Manager or designee within one (1) BUSINESS DAY.	100.00% Pass	100.00% Pass	100.00% Pass	100.00% Pass
Eligibility Discrepancies	The CONTRACTOR must resolve all eligibility discrepancies (any difference of values between the DEPARTMENT'S and the PAYROLL CENTER'S database and the CONTRACTOR'S database) as identified within one (1) BUSINESS DAY of notification by the DEPARTMENT, PAYROLL CENTER, or identification by the CONTRACTOR.	100.00% Pass	100.00% Pass	100.00% Pass	100.00% Pass
Enrollment Discrepancies	The CONTRACTOR must resolve all enrollment discrepancies (any difference of values between the DEPARTMENT'S and the PAYROLL CENTER'S database and the CONTRACTOR'S database) as identified within one (1) BUSINESS DAY of notification by the DEPARTMENT, PAYROLL CENTER, or identification by the CONTRACTOR.	100.00% Pass	100.00% Pass	100.00% Pass	100.00% Pass



2020 CYC Performance Standards Scorecard



Performance Standards	Description	Quarter 1 2020	Quarter 2 2020	Quarter 3 2020	Quarter 4 2020
Enrollment					
DEBIT CARDS	The CONTRACTOR shall mail DEBIT CARDS within five (5) BUSINESS DAYS of the generation date of the enrollment file containing the addition or enrollment change, except as noted.	100.00% Pass	100.00% Pass	100.00% Pass	100.00% Pass
DEBIT CARDS for elections made during the IT'S YOUR CHOICE OPEN ENROLLMENT Period	The CONTRACTOR shall mail DEBIT CARDS by December 15 for enrollment additions or changes effective the following January 1 calendar year, as submitted on enrollment files generated from the IT'S YOUR CHOICE OPEN ENROLLMENT period.	N/A	N/A	N/A	100.00% Pass
ENROLLMENT SYSTEM	The CONTACTOR will provide an internet enrollment system that functions smoothly, timely, and is accessible ninety-nine percent (99%) of each DAY during the annual IYC enrollment period.	N/A	N/A	N/A	100.00% Pass
Other Performance Standards					
Audit	The CONTRACTOR shall address any areas of improvement as identified in any audit in the timeframe as determined by the DEPARTMENT.	100.00% Pass	100.00% Pass	N/A	N/A
Major System Changes and Conversions	The CONTRACTOR shall verify and commit that during the length of the CONTRACT, it shall not undertake a major system change or conversion for, or related to, the system used to deliver SERVICES for the benefit program without specific prior written notice of at least one hundred eighty (180) DAYS to the DEPARTMENT.	N/A	N/A	N/A	N/A



2020 CYC Performance Standards Scorecard



Performance Standards	Description	Quarter 1 2020	Quarter 2 2020	Quarter 3 2020	Quarter 4 2020
Other Performance Standards					
Web-Portal Availability	The CONTRACTOR'S web-portal must be available at least ninety-nine percent (99%) of the time, including scheduled maintenance. In the event of downtime, the Contractor shall immediately notify the DEPARTMENT Program Manager of the expected duration of the downtime, post a notice on the website and web-portal (if possible) and provide a 24-hour "hotline" number.	Pass	Pass	Pass	Pass
Non-Disclosure	The CONTRACTOR shall not use or disclose names, addresses, or other data for any purpose other than specifically provided for in the CONTRACT.	N/A	N/A	N/A	N/A