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Correspondence Memorandum

Date: October 10, 2022

To: Group Insurance Board

From: Molly Dunks, Disease Management & Wellness Program Manager
 Office of Strategic Health Policy

Subject: Well Wisconsin Audit Findings

This memo is for informational purposes. No Board action is requested.

Background

The Wisconsin Department of Employee Trust Funds (ETF) contracted with Segal to conduct an audit of WebMD's administration of wellness incentive processing and payments, performance guarantee calculations, and billing activity for January 1, 2020, through December 31, 2021. Segal's final report, which includes WebMD's response, is attached for reference.

Wellness Incentive Processing and Payments

Segal audited the accuracy of a random sample of 200 incentive payments from January 1, 2020, through December 31, 2021 (100 from each calendar year). Further, Segal audited a targeted sample of 50 payments (25 from each calendar year) to explore potential payment duplication or discrepancy. There were no findings in the random sample and 14 findings (3 resulting from WebMD errors) in the targeted sample. The three WebMD errors resulted in retirees not paying their personal portion of the Federal Insurance Contributions Act. No corrective action is needed because the impact is minimal and amending tax filings would create hardships. ETF is updating internal processes to ensure all members are included for tax reporting. The remaining 11 findings in the targeted sample were due to delays in updating eligibility information provided to WebMD. In each of the cases, the employer reported the termination or retirement after the fact. ETF encourages employers to make changes to enrollment timely and has provided further education to employers identified in this audit.

Segal indicated that they could not measure the turnaround time for incentive payments. Some payment dates appeared to occur prior to activity completion in 2020 due to system changes that reset the incentive issue dates. Upon further review WebMD was able to provide the date information. Lastly, due to the implementation of the new WebMD ONE system in 2021, the first file sent to the gift card administrator did not occur until February 22, 2021. Therefore, the payment dates between January 1 to

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
 Electronically Signed 10/25/2022

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February 22, 2021, do not match. WebMD agrees with Segal's recommendation to document the last date of wellness activities and the date of payment/denial to calculate turnaround time in the future.

Performance Guarantee Calculations

Segal reviewed performance metrics reported by WebMD against raw data presented by WebMD. There were no substantial deviations identified. However, with the transition from StayWell to WebMD, Segal recommends WebMD review some minor discrepancies within the calculations and that ETF continue to monitor performance guarantee calculations in the future.

Billing Activity

Segal reviewed billing activity from the months of July, October, and November 2020 and May, June, October, and November 2021 to ensure accurate participant counts were utilized for billing purposes. Segal identified four areas of attention:

1. There was a discrepancy of 31 payments totaling \$4,500.76 between ETF's balance forward file and the raw data from the incentive file for 2020. 23 payments were due to payments being carried over from calendar year 2019 activity and 8 payments were manually added due to appeals. Segal notes that the incentive file, for record-keeping purposes, should include all incentives paid within the calendar year. WebMD agrees to provide a file for all incentives issued within the calendar year in future audits.
2. There was an underpayment of \$260 by ETF to WebMD due to an incorrect calculation for two screening event cancellations in 2020. WebMD agreed this was their error and will invoice ETF for the outstanding \$260.
3. Segal identified 2021 flu vaccine charges of \$33 per unit, rather than the \$32 per unit as stated in the contract. However, ETF had agreed to this amount via email since the contract also stated vaccine pricing is subject to change due to fluctuating market pricing.
4. Segal identified that a \$15 charge is billed for initial physician form submissions and again if a second form is submitted for reprocessing due to a participant error in their initial submission. Segal suggests revisiting this contract term. ETF staff believe this is a fair charge since WebMD (or their subcontractor) must complete processing a participant's form regardless of whether it is the participant's first or second time submitting it. WebMD and ETF review the form submission instructions annually to ensure they are thorough and easy to understand.

Conclusion

The audit findings presented some areas for improvement. WebMD was cooperative throughout the audit process. ETF does not believe any of the findings are an obstacle to continuing to work with WebMD.

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

Attachment A: [Segal Consulting's Final Audit Report](#)