

Pre-Tax Savings Account Programs Audit

Item 12 – Group Insurance Board

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Office of Strategic Health Policy



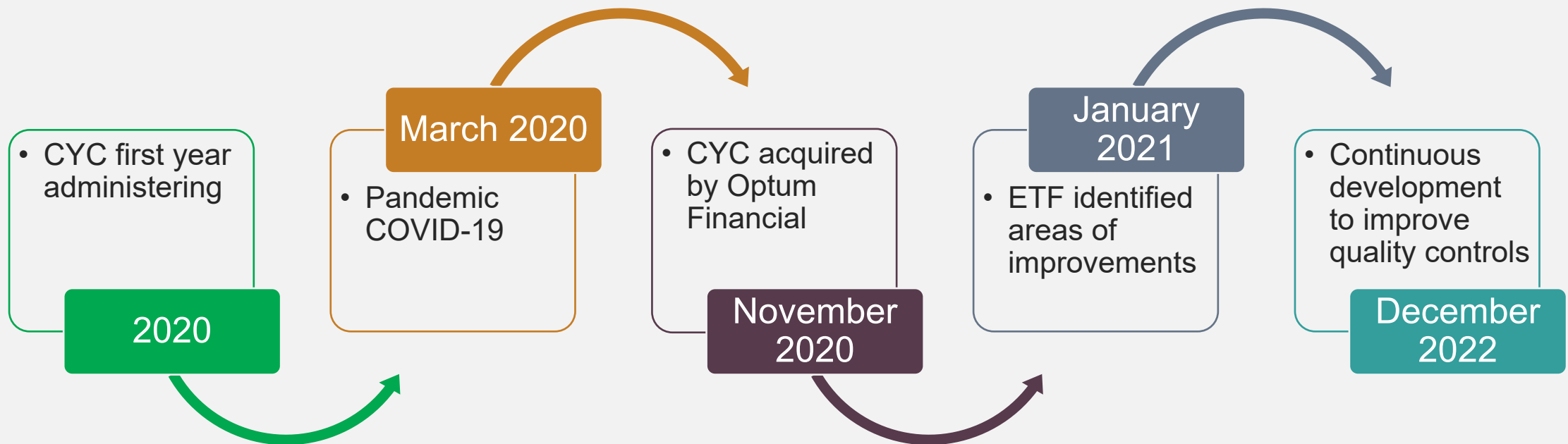
Informational Item Only

- No Board action is required

Contract Terms

Contract Terms	HSA, Section 125/ERA, Commuter Benefits
Original Contract Term	<ul style="list-style-type: none">May 7, 2019 – December 31, 2021
First Extension <i>(Approved February 17, 2021)</i>	<ul style="list-style-type: none">January 1, 2022 – December 31, 2023
Second Extension <i>(Approved May 18, 2022)</i> <i>Final Contract</i>	<ul style="list-style-type: none">January 1, 2024 – December 31, 2025

Optum's Partnership



Audit Background

ETF insourced audit of the pre-tax savings account program to ETF's Office of Internal Audit (OIA)

Audit period included plan years 2020 and 2021 for the Pre-Tax Savings Account Programs

Audit evaluated the design and operating effectiveness of internal controls

Audit conducted in accordance with International Standards for the Professional Practice of Internal Auditing

Audit Areas

Pass	
Enrollment and Contribution Files	Paid Claims Billing
Claims Denial	Administrative Fee Billings

Audit Findings

Found exceptions		
Reporting	Ineligible Claims	Contribution Limits and Eligibility
Performance Standard Reporting	Performance Standard Penalties	Secure File Transfer Protocol Access

Reporting

Audit Scope

- Plan Finalization Report and Unsubstantiated Claims Business Debt Report

Finding

- Did not have adequate controls to prevent and detect errors on final reports submitted to ETF

Recommend

- Optum develop, document, and implement procedures to adequately compile and review reports

Ineligible Claims

Audit Scope

- Employee Reimbursement Account (ERA) and Commuter Benefits (CB) Claims Substantiation

Finding

- 160 claims tested; identified 7 claims in plan year 2020 and 6 claims in plan year 2021 ineligible for reimbursements

Recommend

- Optum improve controls, such as performing audits of claims based on risk, and document claim substantiation requirements

Contribution Limits and Eligibility

Audit Scope

- Contribution Limits and HSA Eligibility

Finding

- 12 FSA (2020) and 4 FSA (2021) had contributions exceeding the IRS contribution limit
- 127 HSA sample size; 1 HSA (2020) not enrolled in HDHP

Recommend

- Optum properly follow-up with employers timely to resolve program discrepancies in contribution limits and eligibility

Performance Standard Reporting

Audit Scope

- Quarterly Performance Standards Reporting (QPSR)

Finding

- No data supporting documentation for QPSR in 2020
- 5 of 20 performance standards did not meet reporting requirements

Recommend

- Optum document procedures to compile the QPSR, implement a review process, and ensure records are maintained
- ETF clarify definitions in the contracts with Optum

Performance Standard Penalties

Audit Scope

- Performance Standards Penalties

Finding

- 9 of 20 performance standards were calculated by averaging all three months

Recommend

- ETF evaluate performance standards penalties in the contracts and add clarification to the language

Secure File Transfer Protocol Access

Audit Scope

Secure File
Transfer Protocol
Access (SFTP)

Finding

Controls were not
in place to
appropriately
restrict and
monitor access

Recommend

Optum
implement
controls to
appropriately
restrict and
monitor access

Audit Recommendation Action Plan – Status

Pre-tax
Management
Plan

Claims
Requirement
(2023)

Optum
Oversight of
Claims

Coach
Claims
Processor

Quarterly
Review on
Contributions

Monthly
Review to
SFTP

File Errors
Removal

Reporting
Oversight

Next Step



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Questions?

Thank you



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