STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: April 21, 2023

To: Group Insurance Board

From: Alene Kleczek, Director, Employer Services Bureau
Michelle Baxter, Director, Office of Enterprise Initiatives
Brian Stamm, Deputy Director, Office of Strategic Health Policy

Subject: Insurance Administration System (IAS) Update

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

Background
As presented to the Group Insurance Board (Board) on August 17, 2022 (Ref. GIB | 08.17.2022 | 3), the Employee Trust Funds (ETF) is undergoing a multi-year project to transform our insurance administration system (IAS). To provide transparency to the Board, ETF provides quarterly updates on the progress of the IAS project. The following describes advancements since the previous update through the writing of this memo.

Employer Implementations

<u>University of Wisconsin</u>
The ETF and Benefitfocus teams have been working with the University of Wisconsin (UW) to ensure that all ETF-supported benefit requirements are captured, configured within the Benefitplace system correctly, and fully tested. At this time, all configurations for UW have been tested and most issues discovered during testing have been addressed. ETF anticipates completing testing by May 5, 2023. As of writing this memo, the testing is considered on track per the project plan.

In addition to partnering with ETF for the IAS project, the UW is also in the midst of implementing a software package for Human Resources management known as "Workday" as part of its Administrative Transformation Project (ATP). UW will replace its implementation of PeopleSoft, where UW employees enroll for ETF-managed benefits. The ETF IAS project will move the benefits enrollment function into Benefitplace, which means that the ETF IAS project team and the UW ATP project team need to work hand in hand for both projects to be successful. The delivery date for both projects is the summer of 2024. The ETF IAS project team and the UW ATP project team met for the first of a series of planned "Go/No-Go" meetings in which both teams reviewed progress

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
Electronically Signed 04/26/2023

Board	Mtg Date	Item #
GIB	05.17.23	8A

on the projects and discussed any concerns about moving forward. Both teams agreed that the projects were advancing as expected and will keep moving forward until the next "Go/No-Go" meeting planned for mid-summer of 2023.

For Benefitplace to work appropriately on the go-live date, data from legacy systems need to be converted into the new system. This process is accomplished by developing, testing, and eventually loading what is known as a "conversion file" into Benefitplace. ETF and Benefitfocus have been working with the UW team to design a conversion file. UW has provided several iterations of an initial conversion file for ETF testing to date, and we expect several more iterations in the next quarter to refine the conversion information for eventual use in Benefitplace.

Local Employers
ETF continued to work internally with our ETF subject matter experts (SMEs) through Local Employer enrollment testing. On April 17, ETF began testing sessions with a group of 13 Local Employers with varying program options. They will be running through the same test scripts as our ETF SMEs and be able to provide feedback from a Local Employer perspective. ETF held an additional local forum focusing on changes that will impact our Local Employers with a substantially larger audience than our initial forum.

The "IAS for Local Employers" page launched on the ETF website in April; employers can access the ETF homepage and can find information on previous local forums (including forum recordings), pertinent timelines, and specific information we are looking to share with our local population. The team is using several methods of communication, including forums, employer webpage, and targeted surveys, to mitigate the known risk of collecting data from over 900 Local Employers that ETF works with today. The IAS project team is in daily communication with ETF's case managers to ensure we are collecting data and updating our list of local employers who are newly enrolling in plans or leaving plans.

State statutes allow for more flexibility in benefits administration for Local Employers compared to State Employers. While this flexibility adds value to participating Local Employers, it also creates significant variability for configuration designs, which makes programming the designs challenging. For example, for something as the employer/employee premium contribution split, ETF has identified well over 100 unique designs, each of which will need to be manually configured and tested. Unfortunately, no automated method of bi-directional data sharing between Local Employers and ETF exists, therefore ETF must manually collect information from over 900 Local Employers via surveys, emails, and phone calls. This process is time-consuming and puts the ability to provide some Benefitplace services ETF has shared with Local Employers at risk for the go-live date. Risks, such as this and others identified in this memo, are prioritized and actively managed. Through the IAS project governance structure, risks can be escalated whereby ETF leadership decides to accept such risk or to defer or modify the requirement within the solution.

Retirees and Inactives

The project team began discovery sessions for Retirees and Inactive employees in March. ETF defined "Inactives" as former employees of a Wisconsin Retirement System (WRS) employer who are still eligible for benefits once they begin receiving a retirement benefit. Discovery topics have included understanding eligibility rules, payroll integration, and the connection to Medicare benefits, eligibility, enrollment, and maintenance. The discovery sessions will extend into June, after which Benefitplace will be configured, and testing will begin. The Retirees and Inactives portion of the overall IAS project is scheduled to continue until October 2023 and is currently on track per the project plan.

Throughout the UW and Local Employers discovery and configuration sessions, multiple tasks and discussions were deferred to the Retirees and Inactives portion of the project plan due to the connection to retirement. Those topics are being addressed but are adding a burden to the section of the project. Additionally, the Voluntary Data Sharing Agreement (VDSA) process, which connects ETF to the Centers for Medicare and Medicaid Services for data sharing, needs to be replaced with a new process prior to IAS to go live. A technical plan for building the new VDSA process has been created, but we will need time to develop and test the new program.

Department of Administration (DOA), Non-STAR Agencies, University of Wisconsin Hospitals and Clinics (UWHC)
Discovery sessions for these employer groups are on track to begin in Q2 2023. In preparation for that work, ETF has scheduled multiple working sessions with both UWHC and DOA to discuss various technical solution requirements. UWHC and DOA are fully engaged with the ETF team in developing the necessary files for sharing the employer/employee information. The ETF employer liaison continues to coordinate question-and-answer exchanges with the DOA and UWHC teams, to familiarize teams with the new IAS platform.

ETF is organizing an optimal approach to discovery sessions among all the employer groups within this final phase. ETF wants to provide each of the three employers ample time to provide their input to the configuration while being cognizant of scheduling and timeline management.

Technical Work
ETF's internal technical team continues to build various systems to support processing insurance data related to IAS. The team gathered eligibility and enrollment information from UW, ETF's systems, and vendors to develop the first data conversion file and provided it to Benefitfocus in early March. Data was tested in March, and based on the testing results, an updated data set was provided to Benefitfocus. Additionally, a finalized security model for the use of the Benefitplace system by the employer's human resources staff was decided on and delivered to Benefitfocus.

The technical team also began building out additional capabilities for Local employers within the new Employer Transaction Application (ETA) that will be used by all employers to provide demographic and eligibility data to ETF. The ETA is scheduled to

be completed by the end of 2023 and is currently on track with the project plan. Finally, the technical team began discovery and design work to determine how to modify ETF's systems for the changes needed as part of IAS for Retirees and Inactives.

In addition, we are building portals that will allow members and employers to log in and see the systems and services ETF makes available to them, including the new applications they will use associated with IAS.

The primary risk from a technical work perspective is related to resources, including that some people working on IAS have now been diverted to work on 2023 Wisconsin Act 4, also known as the "jailer bill." Another risk is that the complexity of the changes required to existing ETF systems that manage retiree data is still being discovered and could lead to additional work beyond what was already expected.

Billing
In late 2022, ETF and the Benefitfocus team conducted several discovery sessions to lay out the requirements to configure the Benefitplace billing solution. Benefitfocus established a partnership with Certifi to integrate its billing platform with Benefitplace to provide a seamless enrollment and billing solution. The results of the discovery effort will soon be realized, as the Benefitfocus team plans to unveil their Benefitplace/Certifi billing solution in May 2023. While this delivery is on schedule, ETF has identified Benefitfocus' delivery of a fully functional billing solution as a critical risk for the project. The ETF team is evaluating various strategies to address this risk, should the Certifi solution not deliver as expected. To set expectations and minimize risk, the ETF team developed a list of required billing-related deliverables and timelines and is working with the Benefitfocus team to finalize them. After completion of the billing deliverables outlined, ETF expects to decide on whether to move forward with Benefitfocus' billing solution this summer or consider and implement an alternative solution.

Training
Benefitfocus and ETF project teams established a training group comprised of a program manager, transition managers, and other project leaders. The training group establishes deadlines, milestones, and deliverables for the overall project and stakeholders, including ETF staff, employers, members, retirees, vendors, etc.

This group has experienced a few false starts in training discovery but has since procured a lead resource from Benefitfocus. The current timeline is not at risk; however, Benefitfocus and ETF should finalize a training strategy and high-level timeline by the end of June to ensure deliverables stay on track for the summer 2024 go-live date.

Vendor Integrations
ETF and Benefitfocus have begun implementation projects with 14 of 18 identified vendors at the time of writing this memo. By the time of the Board meeting in May, an additional two vendors will begin their implementation projects. Implementation projects create the connection needed between third-party vendors and Benefitfocus, which will allow for the new IAS to work properly when launched. Depending on the type of

interaction with ETF and Benefitfocus, some vendors require more than one implementation project.
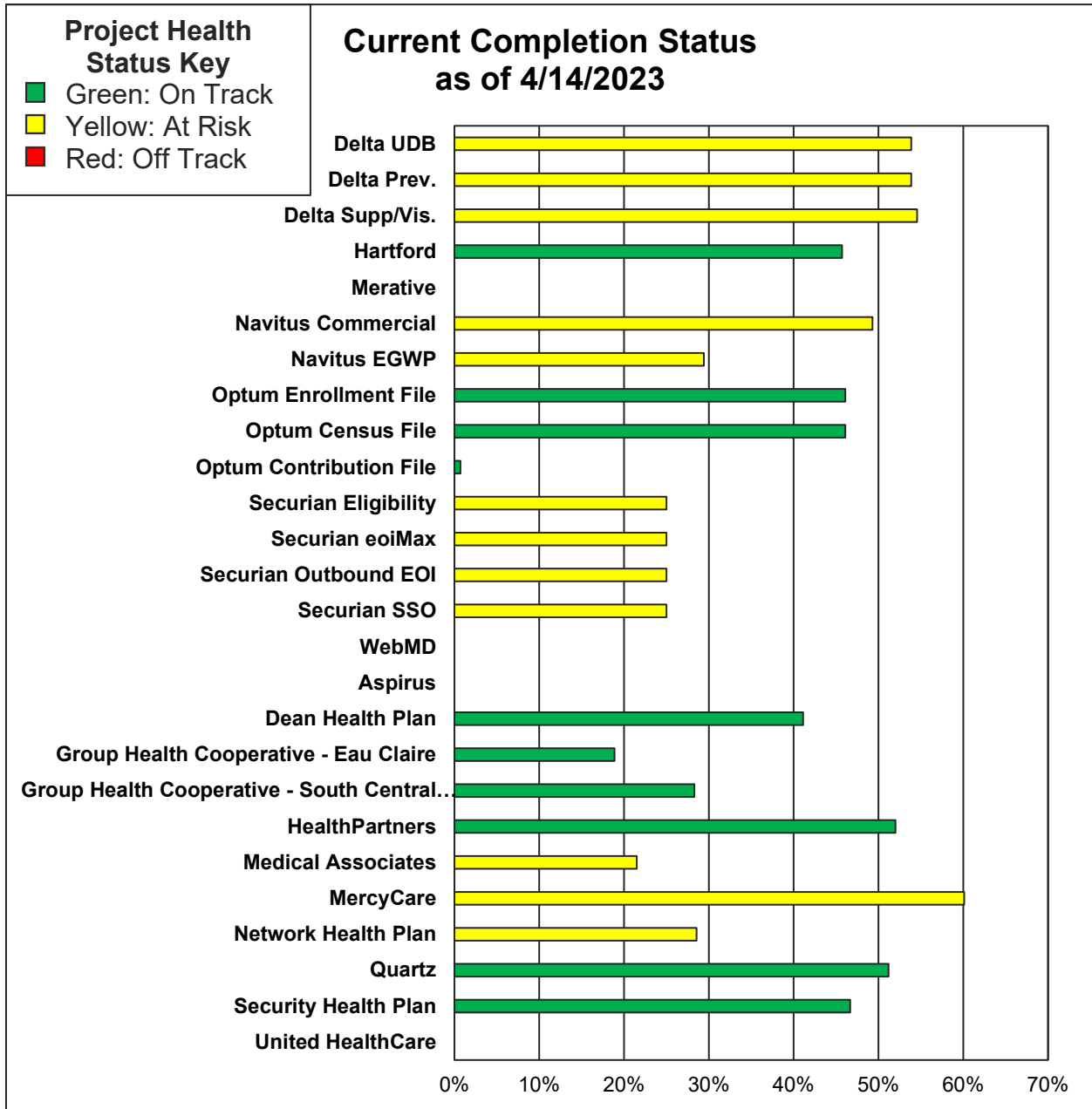
In total, ETF and Benefitfocus have begun 22 of 26 identified implementation projects. Each project is continuously tracked in terms of the overall health of the project. Of the 22 active projects, 10 are currently "On Track," 12 are "At Risk," and none "Off Track." The risk being measured is the likelihood of the project taking more time to complete than what has been allotted in the project timeline. If a project were to take significantly more time than is allotted, then the overall go-live date for IAS could be in jeopardy. To mitigate that risk, ETF has built a healthy amount of time into the project plans to allow for a buffer, meets on a weekly basis with each vendor to make progress on the project plan, and continues to adjust the project plan based on efficiencies identified from other vendor interactions.

There are varying levels of data expertise across vendors that make it challenging to establish a common approach to data validation and transfers. This variation creates a minor schedule risk that requires ETF and Benefitfocus to work with certain vendors more closely to finalize their transfer and validation processes. To mitigate that risk, certain vendors are meeting with ETF and Benefitfocus more often than others to provide the attention that is needed.

The graph on the next page shows a snapshot of the current project completion status and the overall project health for each vendor project. Those with no activity mean that vendor implementation has not started with that project. Each project is specific to the implementation requirements according to the business interaction being addressed; therefore, individual projects are not necessarily comparable. The completion rate and health status are subject to change based on updates to the project plans, resource availability, and tasks accomplished as well as other factors such as scope and transition management activities.

In the graph below, a few items require additional explanation.
- Merative as a vendor is inherently different from all other vendors because the transaction is entirely dependent on a single file. ETF delivered a final future state file requirements document to Benefitfocus at the end of March. Once that file template is designed and tested, the progress on this project will go from 0% completion to 100% completion.
- Both the Navitus EGWP and United HealthCare projects were on hold until progress could be made on the Retiree and Inactives work, which is why there appears to be no progress. Now that work has begun on the Retiree and Inactives section, work can progress with these two projects.
- The WebMD project is on hold until after the completion of the contract negotiations with WebMD for the Wellness, Disease Management, and Mental Health programs.
- The four projects for Securian have estimated completion rates because project plans including task start and end dates have not been finalized.

Current Completion Status as of 4/14/2023

Project Health Status Key
- 🟩 Green: On Track
- 🟨 Yellow: At Risk
- 🟥 Red: Off Track

Project	Completion %	Status
Delta UDB	~54%	Yellow
Delta Prev.	~54%	Yellow
Delta Supp/Vis.	~55%	Yellow
Hartford	~46%	Green
Merative	0%	—
Navitus Commercial	~49%	Yellow
Navitus EGWP	~29%	Yellow
Optum Enrollment File	~46%	Green
Optum Census File	~46%	Green
Optum Contribution File	~1%	Green
Securian Eligibility	~25%	Yellow
Securian eoiMax	~25%	Yellow
Securian Outbound EOI	~25%	Yellow
Securian SSO	~25%	Yellow
WebMD	0%	—
Aspirus	0%	—
Dean Health Plan	~41%	Green
Group Health Cooperative - Eau Claire	~19%	Green
Group Health Cooperative - South Central…	~28%	Green
HealthPartners	~52%	Green
Medical Associates	~22%	Yellow
MercyCare	~60%	Yellow
Network Health Plan	~29%	Yellow
Quartz	~51%	Green
Security Health Plan	~47%	Green
United HealthCare	0%	—

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