

# Pre-Tax Savings Programs Audit Update and Contract Extension Negotiation Status

Item 5 – Group Insurance Board

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# Informational Item Only

- No Board action is required

# Pre-Tax Savings Account Programs Audit Findings

Reporting

ERA and CB  
Claims  
Substantiation

Contribution  
Limits and HSA  
Eligibility

Quarterly  
Performance  
Standards  
Reporting

Performance  
Standards  
Penalties

Secure File  
Transfer  
Protocol Access

# Audit Action Items Update

Findings	Action(s) to Be Taken	Completed	In-Progress
(1) Reporting	4	3	1
(2) ERA and CB Claims Substantiation	5	5	0
(3) Contribution Limits and HSA Eligibility	3	1	2
(4) Quarterly Performance Standards Reporting	3	1	2
(5) Performance Standards Penalties	1	0	1
(6) Secure File Transfer Protocol Access	4	4	0
<b>TOTAL</b>	<b>20</b>	<b>14</b>	<b>6</b>

# Plan Finalization Report and Business Debt Report

## Audit Finding #1

- Reporting

## Controls

- A secondary review of the reports was completed by Optum's internal staff
- Preliminary discrepancies were resolved with the employers prior to distributing the reports
- Optum added communications to their call center to improve ETF's member experience

# Claims Substantiation

## Audit Finding #2

- ERA and CB Claims Substantiation

## Controls

- Optum reviewed its internal training for claims adjudicators for processing and auditing claims based on potential risks
- Claims are being evaluated, approved, and processed correctly and in compliance with IRS regulations
- Training curriculum includes related examples

# Conclusion

- Audit continues to be on track
- Remaining six action items expected to be completed by the end of the 2023 plan year

# Contract Extension Status

Board approved the final two-year extension of Optum's contract for the 2024-2025 plan years

ETF and Optum are in the process of amending the contracts to include audit recommendations

Delay in Optum's response time to the audits and disagreements over contract amendment terms

ETF expects to have the contract amendments signed before the end of August 2023 (dependent on ongoing negotiations)



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**Questions?**

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# Thank you

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