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Correspondence Memorandum

Date: July 25, 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 | 08.17.22 | 3](#)), the Department of 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 advancement since the previous update through the writing of this memo.

Employer Implementations

University of Wisconsin

The ETF and Benefitfocus teams have been working with the University of Wisconsin (UW) to ensure that all ETF-supported benefit requirements are correctly captured, configured within the Benefitplace system, and fully tested. The teams have also been configuring and testing payroll deductions. The payroll testing is expected to be completed by the end of August. As of writing this memo, the testing is considered on track per the project plan.

Local Employers

The team focused on local employer configuration continued testing with 13 Local Employer participants who volunteered for focus group testing. Enrollment testing, consisting of receiving enrollment files from each employer, was successful and accepted by ETF. At the time of writing this memo, the employers in the focus group are testing ETF's integration of the Employer Transaction Application (ETA), testing demographic changes, and adding new members. The ETA is the platform that will allow employers to provide demographic and eligibility data to ETF. ETF's ETA team will

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Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
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then send those changes on a file to Benefitfocus, and the local employers will log into Benefitplace and confirm their changes. This will mimic the cadence and workflow of how employers will do this process in the future.

ETF will continue to document the processes for collecting configuration information from over 900 local employers. This is one of the largest risks to the project, as ETF will need to distribute, collect, validate, and possibly request additional information from numerous local employers.

Retirees and Inactives

The project team completed discovery sessions for Retirees and Inactive employees in July. For this group of participants, ETF is considered “the employer”. ETF defines “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 included understanding eligibility rules, payroll integration, and the connection to Medicare benefits, eligibility, enrollment, and maintenance. Benefitplace is configuring a test system; testing will begin in September. The Retirees and Inactives portion of the overall IAS project is scheduled to continue into the first quarter of 2024 and is currently on track per the project plan.

Department of Administration (DOA), Non-STAR Agencies, and University of Wisconsin Hospitals and Clinics (UWHC)

Discovery sessions for these employer groups began in mid-July. Discovery topics included understanding eligibility rules and payroll integration. In preparation for this work, ETF scheduled multiple working sessions with DOA, the non-STAR agencies, and UWHC to discuss various technical solution requirements. Each of these employers are fully engaged with the ETF team in developing the necessary files for sharing the employer/employee information.

ETF has organized an optimal approach to discovery sessions among all the employer groups within this phase to meet their unique needs. ETF wants to provide each of the 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 and configure systems that support processing insurance data related to the IAS. The team successfully generated all required local employer enrollments via a conversion file with a load success rate of 99%. The team’s primary focus is supporting daily demographic and eligibility file testing.

The technical team continued building out additional capabilities for local employers within the new ETA which will be used by all employers to provide demographic and eligibility data to ETF. Data quality controls are also being built within the ETA to ensure

only accurate information is being transmitted to Benefitplace. The ETA is scheduled to be completed by the end of 2023 and is currently on track per the project plan.

The primary risk from a technical work perspective is the complexity of the changes required to existing ETF systems that manage retiree data related to providing insurance benefits. Discovery and analysis are underway but could lead to additional work beyond anticipated scope.

Billing

In the August 17, 2022 ([Ref. GIB | 08.17.22 | 3](#)) memo to the Board, ETF explained that the team working on developing the billing platform had identified multiple problems with the Benefitfocus/Certifi billing solution. These problems presented a high risk to the IAS project, and the IAS workgroup at ETF began discussing enacting the previously developed contingency plan of developing our own in-house billing solution at ETF. The problems with the Benefitfocus/Certifi billing solution have not been resolved; ETF has begun development of an internal billing solution following the contingency plan in parallel to the development of the Benefitfocus/Certifi solution. At the time of writing this memo, ETF is following the contingency plan and can still meet the deadline of having a fully functioning and well-tested billing platform prior to the go-live date for IAS.

Administrative Fees

As part of the overall premium paid by subscribers, ETF charges fees for administering the health insurance program, maintaining the data warehouse, and covering costs for the Well Wisconsin program. These fees are discussed and voted on annually by the Board during the August Board meeting when the future year's insurance premiums are decided. These fees are readily available to the general public but are not itemized in the overall benefit selection process during open enrollment. Due to the structure of Benefitplace and ETF's need to isolate specific parts of the overall premium throughout the employer billing process, ETF will need to display the itemized fees during the benefits enrollment process within Benefitplace in the future. Subscribers will automatically have the fees attached to their shopping cart within Benefitplace and there will not be a way to opt-out of the fees. This level of transparency in the premiums is likely to produce a significant number of questions from members. ETF already has a team working on a communication plan and educational materials to help answer member questions without the need for contacting ETF or employers.

Payment Application

ETF and DOA are working with US Bank to create a test environment for accepting payments from employers for invoices. The work needed to build the test environment has been approved by DOA and is expected to be ready for ETF's use by the beginning of August. The data model build for ingesting and testing the invoice data is ready for testing. Once ETF has testable invoice data, ETF will begin integration testing between the billing application and the US Bank eBill platform.

Member and Employer Portals

ETF will create the portals that members and employers will use to access Benefitplace, including identity proofing and multi-factor authentication (MFA) processes. Work is being conducted to identify the best methods to integrate MFA with the employer portal to secure the employer login process. This will help keep the data for members and employers confidential and secure. DOA expects to begin testing the employer portal in late September after ETF has completed initial internal testing. The member portal is on track to be completed prior to the end of the calendar year.

Training

Benefitfocus has procured a training lead resource who is leading the IAS training group in collaboration with ETF. The training group is responsible for training deadlines, milestones, and deliverables for the overall project and all stakeholders, including ETF staff, employers, members, retirees and vendors. ETF and Benefitfocus have established a high-level timeline, with end-user training starting in late Q1/early Q2 2024. Benefitfocus continues delivering materials for ETF review and approval on a rolling basis. At this point, training deliverables remain on track for the summer 2024 go-live date.

Testing

The Benefitfocus and ETF project teams continue testing the Benefitplace configuration and business requirements. The testing strategy is iterative in that it is an ongoing process and feedback from each iteration is used to improve the process from test planning through test execution. Testing for Retirees and Inactives will start in September.

In July, a subset of 13 local employers varying in size and makeup began daily file testing via the ETA. The employers log into the application to confirm changes they make within the ETA, effectively testing the feedback loop for ETF's employers.

Operational Readiness

Operational Readiness discussions with the Benefitfocus team began in June. This activity will prepare everyone involved in the IAS project for Go-Live in June 2024. A major focus of the Operational Readiness activity is training planning and execution for internal ETF support teams, employer HR administrators, vendor support groups, members, and retirees. Also included in this readiness effort will be a full end-to-end test of the processes, planning and execution of ETF, employer, and vendor data conversion, ETF procedural manual updates, and Go-Live check-list finalization. These Operational Readiness sessions with the Benefitfocus team will continue until a complete and comprehensive readiness plan is documented.

Vendor Integrations

ETF and Benefitfocus started implementation projects with all 17 identified vendors. Implementation projects create the connection needed between third-party vendors and Benefitfocus, which allows the IAS to work properly when launched. Depending on the

type of interaction with ETF and Benefitfocus, some vendors require more than one implementation project.

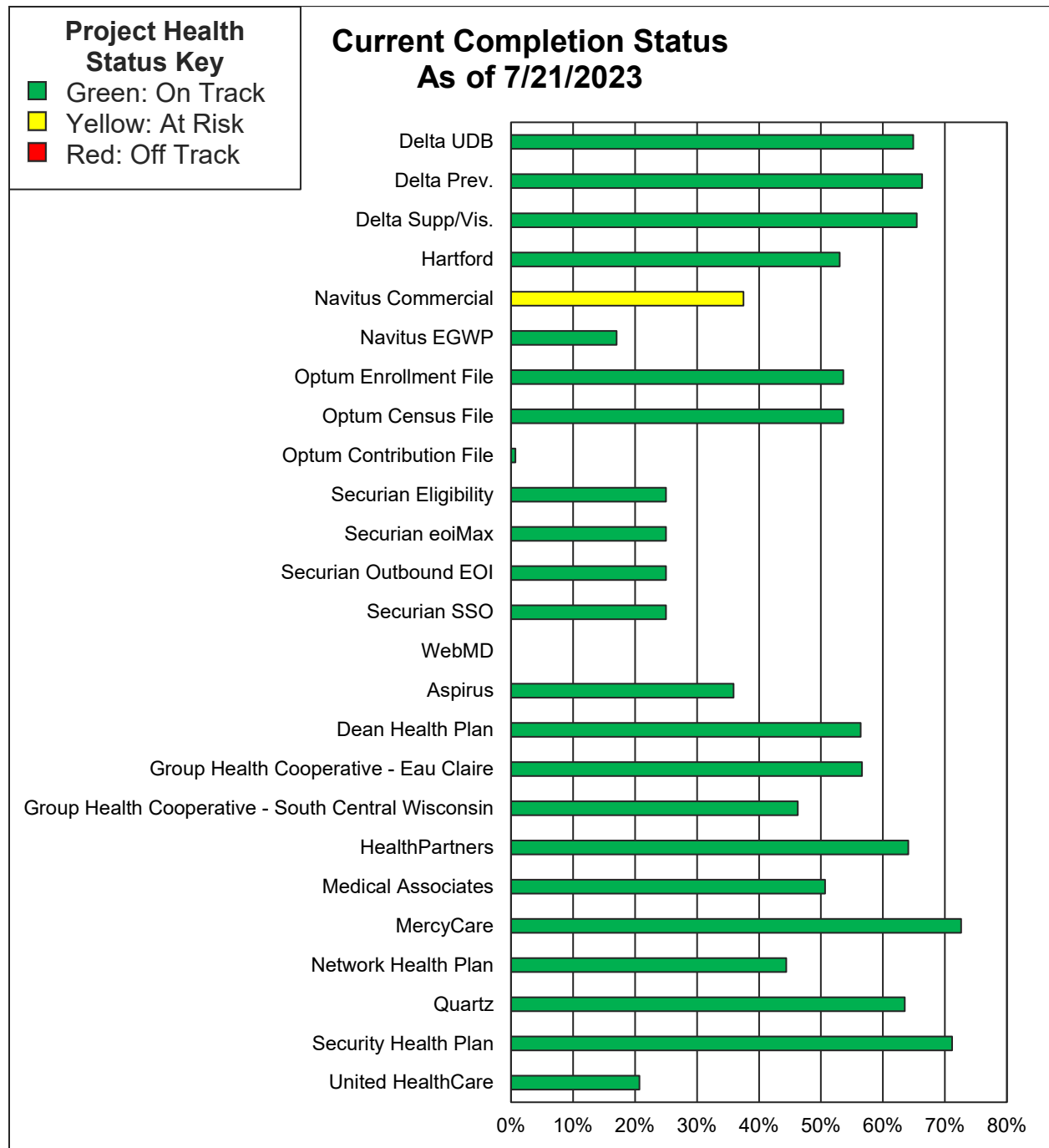
In total, ETF and Benefitfocus have begun all 25 identified implementation projects. Each project is continuously tracked in terms of the overall health of the project. Of the 25 active projects, 23 are currently "On Track," 1 is "At Risk," 0 is "Off Track," and 1 is beginning the week of writing this memo. The identified risk is the likelihood of the specific vendor project taking more time to complete than allocated 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 time into the project plans to allow for a buffer, meets on a weekly basis with each vendor to review progress on the project plan, and continues to adjust the project plan based on efficiencies identified from other vendor interactions.

The graph below shows a snapshot of the current status and overall project health for each vendor project. Some projects appear to have little activity; however, this is a result of the overall project schedule and not a reflection of a problem with the project itself. Each project is specific to the implementation requirements according to the business interaction being addressed; 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.

Merative is no longer tracked as a separate vendor because the data file requirements needed by Merative are wrapped into a larger file transmission coming from Benefitfocus to ETF. ETF is tracking progress of this file transmission through a different workstream and is no longer tracking Merative as a vendor integration.

In the graph below, a few items require additional explanation.

- 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 little progress.
- The WebMD project was on hold until the end of contract negotiations with WebMD for the Wellness, Disease Management, and Mental Health programs. Discovery meetings for this implementation project began at the end of July.



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