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Correspondence Memorandum

Date: October 20, 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, and tested within the Benefitplace system. The teams recently completed the testing of payroll deductions and file transfers. UW has announced a revised timeline to its Administrative Transformation Project (ATP), which moves the Workday implementation from July of 2024 to July of 2025. This timeline change will not impact the IAS deployment timeline.

Local Employers

The local employer team has focused on collecting the contribution rate information for our local employers who offer health insurance benefits. To date, we have collected over 94% (408 of 433) of this population's rate information. For those employers that offer only life insurance benefits, they will be responsible for communicating their contributions to their employees. Benefitfocus has completed the initial "shell" build of all local employers and continues to build out their specific configuration information. ETF

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 Electronically Signed 10/26/2023

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has completed populating all rate contribution reports for local employers without medical benefits (over 400 employers).

The IAS project team requires information from all employers to configure that employer within Benefitplace. This information is categorized into the following components:

- Intake/Configuration Data
 - Required to set up and configure the employer in IAS.
 - Data collection began in the spring of 2023. To date, only 3 of the 900+ employers have not responded.
- Security Access Agreement
 - Required to set up HR Admin access to IAS for employers and for ETF to establish a Secure File Transfer Protocol with employers so they can submit conversion data.
 - Data collection began in September of 2023. To date, roughly half of employers have not responded.
- Employee Conversion Data Template
 - Required to populate employee and dependent conversion data in IAS.
 - Data collection is starting in November for all employers that have completed the previous two components.

This information is critical because without it employers will not exist in Benefitplace, therefore no enrollment information can be sent to insurance vendors. Essentially, if employers do not provide this information to ETF, their employees will not have insurance coverage at go-live.

ETF has been contacting local employers requesting this information for months through increasingly aggressive email and phone campaigns. If by the February Group Insurance Board meeting there are still employers who have not submitted the required information, ETF will be forced to notify employees of those employers that their benefits will be terminated with at least 60 days' notice prior to the go-live date for IAS. This is a situation that ETF wants to avoid at all costs and is doing everything in our power to prevent that from happening.

Retirees and Inactives

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. In September, the project team began testing the configuration of enrollment and eligibility options defined in the discovery sessions, which completed in July. The testing will progress through the end of the year and is on track.

ETF internal systems will need to be created and existing systems updated to interact with Benefitplace and to process the payroll withholding information provided by Benefitplace. The project team has been documenting requirements and working with ETF's software development team to implement the changes.

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

Discovery sessions for these employers completed in August. Discovery topics included understanding eligibility rules and payroll integration. In September, the employers began testing the configuration of enrollment and eligibility options defined in those discovery sessions. This testing is expected to run through December of 2023. Each of these employers are fully engaged with the ETF team in developing the necessary files for sharing employer/employee information.

Technical Work

Billing

In the August 16, 2023 ([Ref. GIB | 08.16.23 | 9A](#)) 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. Benefitfocus, along with the ETF testing team, has been working diligently to resolve these outstanding issues. Because of the progress made in fixing issues and passing test cases, work on an internal billing solution was stopped and work continues with the implementation of the Benefitfocus/Certifi billing solution.

Payment Application

ETF and DOA created a test environment with US Bank for accepting payments from employers for invoices. US Bank contracts with Alacriti for its eBill system, and the IAS Project team has been building the payment application to work with Alacriti. However, there is some potential risk with the new system that is being further evaluated. The IAS Project and business leaders are meeting to discuss the feasibility of using the current ePay system, owned by US Bank, rather than continuing the build and integrate with eBill. The decision will be made and communicated before the end of October. Our goal is to move forward in a way that least jeopardizes the payment application efforts and IAS targeted go live date.

Member and Employer Portals

ETF is in the process of creating secure and easy gateways to access Benefitplace and other applications by way of portals on the ETF website. These portals will be secured with multi-factor authentication and identity proofing processes to ensure the users accessing the applications have been verified and their connections are secure. The employer portal has gone through user acceptance testing internally and was successfully tested by DOA in September. The project's focus has now turned to the member portal development and implementing the approved vendor solution for identity proofing, Socure. A component of this effort will be to determine how ETF will manage members who cannot prove themselves through the Socure process and creating a secure alternative for identity verification.

Training

Benefitfocus and ETF increased the cadence of their training discussions to weekly to meet the training needs of stakeholders. This group creates the training plans and all related deliverables. The current focus for the training team is on preparing the Benefitplace User Guide and establishing training objectives. The high-level timeline for end-user training starts in late Q1/early Q2 2024. 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. System user acceptance testing for DOA, UWHC, Non-Star Agencies and Retirees began at the end of September and will continue through the end of the year. The focus on the agencies user acceptance testing is on entering new enrollments, qualifying life events and job changes.

The project team in partnership with all our health plan vendors are regularly exchanging files with existing employer data we have received and performing use case scenario, data sync testing, and validation on new additions and changes to member records. This ensures that the data we extract from Benefitplace and send to vendors can be loaded and validated accurately.

Operational Readiness

Operational Readiness planning with Benefitfocus continues with a goal of identifying all areas of each organization impacted by the implementation of the IAS platform and get them prepared to support the new IAS system once we are live in June 2024. This includes preparing our internal ETF support teams to be ready to do things like:

- Onboard our current and new members/retirees with sign-on credentials
- Provide support for members/retirees having issues with navigating through the new system
- Prepare to support and maintain the technical aspect of the system with regular maintenance planning and implementations with Benefitfocus
- Plan for all future Open Enrollment testing.

Operational Readiness also includes training all employer HR administrators and preparing them to support their employees during the transition, as well as help them navigate the new IAS/Benefitplace platform. Our Program providers (Vendors) will also be part of this readiness plan. They will need to be prepared to accept the data from the new platform and populate their systems with the enrollment and billing data at initial go-live (data conversion) and then on a regular basis. Finally, we will have a team dedicated to supporting the ETF Benefitplace platform. Preparing that team is a large part of the Operational Readiness activity.

In parallel to the Operational Readiness planning, we continue to develop our Benefitplace Open Enrollment test, scheduled for late January 2024 and our End-to-End collaborative test scheduled to occur in February/March 2024. Both are expected to have results that will provide supporting information to the Operational Readiness plan.

Medicare Policy Changes

Medicare Advantage Retroactive Effective Dates

Medicare only allows prospective enrollments into Medicare Advantage plans. The Centers for Medicare & Medicaid Services (CMS) determines the effective date of the enrollment based on the *signature date* on the application the member submits to enroll in a Medicare Advantage plan. ETF uses the received date in place of the signature date. For example, if an application is received on Oct. 18, the member would be enrolled in Medicare Advantage coverage starting on Nov. 1.

ETF allows members to submit an application to change their coverage due to gaining Medicare within 30 days of when their Medicare coverage starts. These changes are effective on the date their Medicare starts, which could be retroactive. For example, the member gains Medicare on Oct. 1 and ETF receives their application to enroll in Medicare Advantage on Oct. 5. ETF processes the change, so their Medicare Advantage coverage starts on Oct. 1.

Benefitfocus recommended, and ETF agreed, to switch to prospective effective dates based on the received/signature date for any plan changes related to Medicare. For example, if the member gains Medicare on Oct. 1 and submits a change to enroll in Medicare Advantage on Oct. 5, their new coverage would be effective on Nov. 1.

ETF will keep the application submission dates the same (within 30 days of gaining Medicare) and just change the effective date to the first of the month following receipt of the application. To be consistent within Benefitplace, this change will need to affect all Medicare options that a member could enroll in. For example, it would affect someone who would be changing to Medicare Plus as well.

This doesn't affect retirees who are already covered by a Medicare plan, just members who are newly enrolling in Medicare coverage.

Medicare and High Deductible Health Plans (HDHP)

Currently, state retiree subscribers who are under age 65 can enroll in an HDHP contract. They also need to enroll in a Health Savings Account (HSA) due to the requirements in Wisconsin Statute § 40.515. This statute requires all members enrolled in the state HDHP coverage to have an HSA through ETF as well.

Once the subscriber turns 65 and/or gains Medicare, they are no longer eligible for the HDHP coverage because they are no longer be eligible for the HSA. At this point, ETF

staff move members from an HDHP contract to the appropriate type of Medicare contract.

If a spouse or dependent on a state HDHP contract gains Medicare, this doesn't cause any issues with the HSA requirement since that only affects the subscriber. ETF would update the contract to a HDHP Medicare Family Some contract.

ETF currently has 11 members with coverage split between an HDHP plan for the subscriber and Medicare coverage for the spouse/dependent. In this unique situation, both the subscriber and spouse/dependent have coverage through the same health plan, but Benefitfocus's system cannot handle this situation.

To resolve this issue, Benefitfocus recommended, and ETF agreed, to moving the members to a non-HDHP contract when anyone on the contract gains Medicare coverage. This will make rates easier as ETF won't need to create HDHP Medicare Family Some rates. However, this does mean that the affected members will be paying higher premiums for the non-HDHP coverage.

The State HI Employer Manual (ET-1118), Local HI Employer Manual (ET-1144), and online frequently asked questions for the HDHP program and Medicare program will be updated to reflect these changes.

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 26 identified implementation projects. Each project is continuously tracked in terms of the overall health of the project. Of the 26 active projects, 14 are currently "On Track," 10 are "At Risk," and 2 are "Off Track." The increase in "At Risk" and "Off Track" compared to the previous update is largely due to the influence of open enrollment with the vendors. The fourth quarter is the busiest time of the year for insurance, so the IAS team needed to stretch due dates to accommodate for vendor availability. 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

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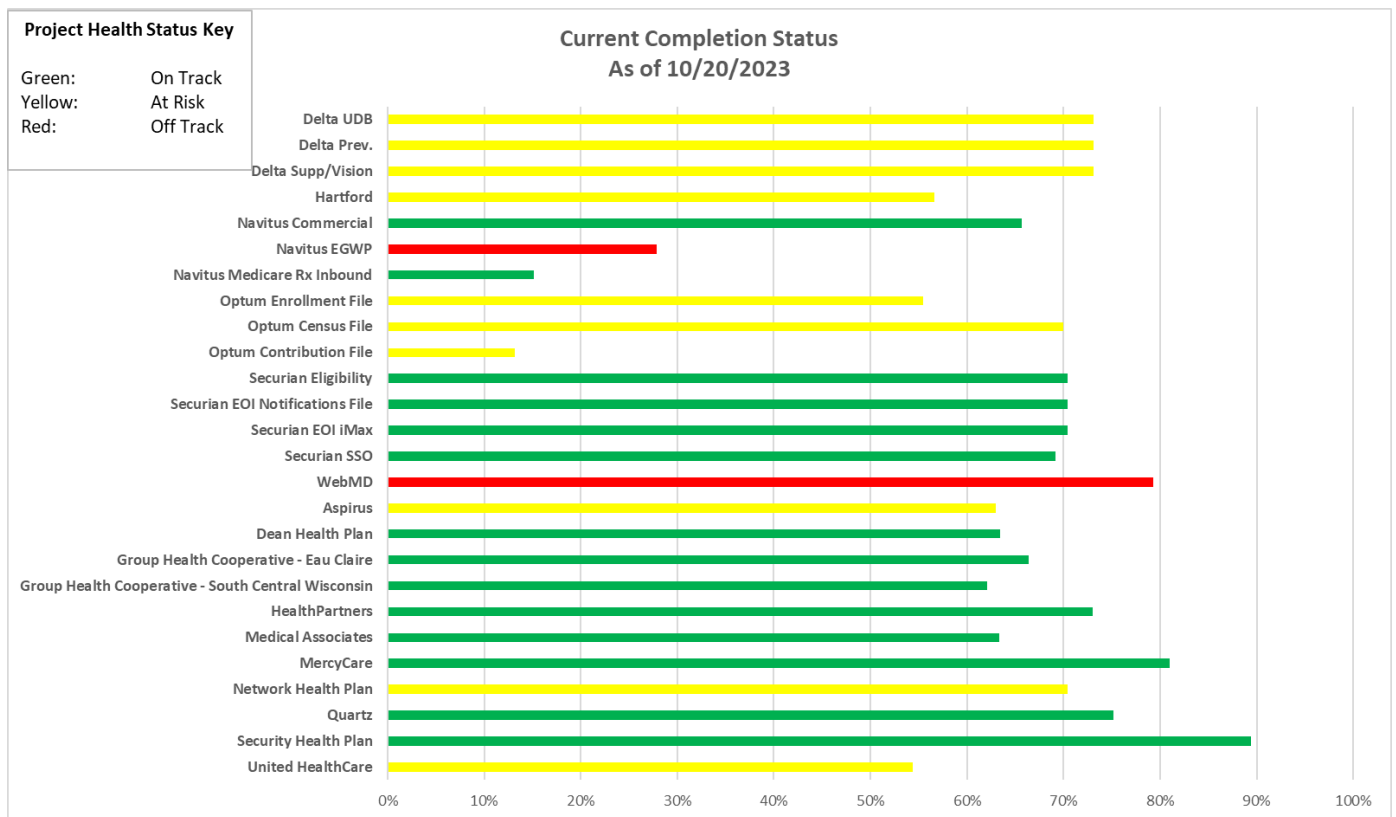
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result of the overall project schedule and not a reflection of a problem with the project itself. Each project is specific to the implementation requirements according to the business interaction being addressed; individual projects are not necessarily 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.

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 they appear to be behind.
- 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.