



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: January 22, 2024

To: Group Insurance Board

From: Xiong Vang, HSA and ERA Accounts Program Manager
 Office of Strategic Health Policy

Subject: Pre-tax Savings Account Program Audit Update

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

Audit Update

The Department of Employee Trust Funds (ETF) and Optum Financial (Optum) have concluded the 2020-2021 audit deliverables for the Pre-Tax Savings Account Programs.

The last audit deliverable was completed by Optum on December 15, 2023. A total of 20 action items were recommended in the audit to improve internal controls and reporting. The following actions were taken during the 2022 and 2023 plan year. See Attachment A for more details.

A summary of audit deliverables is listed below.

Internal Controls

- Optum added oversight controls for auditing claims, including a random size sample of 25 claims each month.
- Optum took additional steps to coach claims adjudicators and implemented a daily claims adjudication monitoring process.
- Optum added monitoring of user access to the Secure File Transfer Protocol (SFTP) for ETF and the payroll centers on a monthly basis, ensuring termination of administrative users is timely. This includes file error reports to be removed from the SFTP every two weeks.
- Optum changed the Projected Contributions Report review from annually to quarterly and will work with payroll centers to resolve contribution discrepancies.
- ETF and Optum updated the performance standards and penalties as written in the contract to align with how the standards are reported and measured.

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
 Electronically Signed 02/01/2024

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- ETF and Optum increased the frequency of the enrollment eligibility evaluation of members in the High Deductible Health Plan and Health Savings Account from annual to quarterly.
- Optum reran Projected Contributions reports each quarter to confirm all discrepancies have been resolved by the payroll centers in 2023.

Reporting

- ETF developed a pre-tax management plan to define Optum's responsibilities and their respective due dates to ensure timely delivery includes the Plan Finalization and Unsubstantiated Claims Business Debt reports.
- Optum added a secondary independent audit of the Plan Finalization Report and Unsubstantiated Claim Business Debt Report before they are distributed to ETF.
- Optum added requirements to document all procedures related to Unsubstantiated Claim Business Debt and Plan Finalization reporting.

Optum's Account Executive Relations Director ensured the audit deliverables have been thoroughly implemented. Optum has been cooperative with ETF regarding the audit deliverables and has made appropriate improvements to the programs. This memo concludes the 2020-2021 audit for the Pre-Tax Savings Account Programs.

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

Attachment A: [Follow-up Report on TPA Contract Compliance Audit of Optum Financial for the ERA, HSA, and CB Programs 1.22.2024](#)