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## **Correspondence Memorandum**

**Date:** February 14, 2024

**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.

### **New Timeline**

ETF has moved the timeframe for My Insurance Benefits, the ETF-branded name for the customer-facing insurance administration system, to go live in 2025. ETF and its vendor partner, Benefitfocus, are firmly committed to the new timeframe. The extended implementation time will allow the project team to provide a solution for a better customer experience. ETF and the project team are resilient and will continue to work at the current pace to complete the remaining tasks, including ensuring all stakeholders are ready to work in the future state.

Since the project started, the project team has completed substantial work, including creating a working insurance eligibility and enrollment system for active employees. Eligibility and enrollment for retirees needs further refinement, as well as non-eligibility and enrollment functionality to integrate within the new system. The full scope includes readiness of 17 third party administrators (TPAs), coordination with over 900 employers, and in-house built solutions, such as an Employer Transaction Application, Employer and Member Portals, Employer Payment Application, Retiree Administration System, and Employer Premium Rate Split Reports (Employer vs Member share).

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy  
 Electronically Signed 02/15/2024

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Enhancements to ETF's data and integration platform also is in scope to convert and maintain data across the various applications, employers, and TPAs.

To fully meet the needs of members, staff, and employers, the new timeline will:

- Provide a solution to increase adoption by end users in the way members interact with their ETF-administered insurance benefits.
- Address the complexity of ETF's benefit programs.
- Minimize risks.

In determining the new timeline, ETF and Benefitfocus project managers reviewed anticipated durations of work for all remaining tasks. The team reviewed ETF's business calendar to avoid the busiest times of year for ETF and employers, such as open enrollment and annual reconciliation of WRS accounts. The team also considered feedback from large employers such as the Department of Administration (DOA), the University of Wisconsin System (UW), and the University of Wisconsin Hospitals and Clinics (UWHC).

There are many tasks to complete to prepare the large volume of stakeholders and customers and ensure ETF is operationally ready to work in the new system. Some specific technical tasks that remain that are critical include:

- Collecting, validating, and converting local employer data, and timely delivery of data to the eligibility and enrollment system.
- Technical system development for multiple in-house built solutions.
- Report development through the data and integration platform.
- Configuration for unique policies including dual employment, split contracts, and Medicare.
- Important enhancements to the vendor's product (Benefitplace), including one that will allow ETF staff to efficiently move between employers to view member and employer benefit information.
- Creation and successful delivery of training for staff and employer HR administrators.

The timeline change will require ETF to perform 2025 open enrollment activities within our current insurance administration processes and ETF's legacy system, MEBS, and third-party administrators. The timeline change will delay a few benefit administration streamlining efforts affecting the Life Insurance and Wellness and Disease Management programs.

The remaining sections provide detail of the progress made since the last quarterly update to the Board.

## **Employer Implementations (Active Employees)**

### University of Wisconsin

The ETF and Benefitfocus teams have been working with UW to ensure that all ETF-supported benefit requirements are correctly captured, configured, and tested within the My Insurance Benefits system. The teams completed the testing of payroll deductions and file transfers. The ETF, UW, and Benefitfocus teams have been using this time to refine and reiterate conversion and daily test files.

### Department of Administration, Non-STAR Agencies, and University of Wisconsin Hospitals and Clinics

In January, the project team completed configuration testing of enrollment and eligibility options defined in the discovery sessions. Shortly thereafter, the project team began testing for payroll file exchanges. Each of these employers are fully engaged with the ETF team in developing the necessary files for sharing employer/employee information.

### Local Employers

The project team is working with local employers to collect four data elements needed to successfully build an employer within the system. The following provides additional detail on each of the four data elements, the purpose, and the status of the collection efforts.

#### Employee Conversion Data

- Purpose: required data element needed for employers and employees to exist in the new system, so that enrollment information can be sent to insurance vendors when My Insurance Benefits goes live.
- Status: data collection began in December 2023, and ETF is collecting this information in “waves” from employers, with different groups of employers targeted each month. To date, ETF has collected employee conversion data from approximately 35% of local employers (327 of 926). ETF will begin collection efforts with additional waves in February, March, and April 2024.

#### Intake/Configuration Data

- Purpose: required to set up and configure the employer in My Insurance Benefits.
- Status: data collection began in the spring of 2023. To date, ETF has collected intake/configuration data from approximately 99.6% of local employers (923 of 926).

#### Security Access Agreement

- Purpose: required to set up Human Resources Administrative access to My Insurance Benefits for employers and for ETF to establish a secure file transfer protocol with employers so they can submit and validate conversion data.

- Status: data collection began in September 2023. To date, ETF has collected security access agreements from approximately 91.9% of local employers (851 of 926).

#### Rate Configuration Reports

- Purpose: for health insurance premiums to appear correctly within My Insurance Benefits, ETF needed to collect the employer contribution from each local employer as this amount varies from employer to employer. This information then allows ETF and Benefitfocus to develop “rate configuration reports,” which is a unique Excel file for each employer that itemizes each possible premium value for all benefits based on that employer’s benefit selection, employer contribution, and a series of other variables. These reports are then added into Benefitplace, which allows My Insurance Benefits to present the correct benefits and premiums to end users.
- Status: ETF completed collection of employer contribution data from all local employers in December after five months of work. To date, approximately 89.6% of the rate configuration reports have been successfully loaded into Benefitplace (830 of 926).

ETF is continuing to actively follow up with employers to obtain this information. With the extended IAS date to go live, employers will have ample time to submit the required information. If information is not provided timely, however, their access to benefits will terminate.

#### Retirees and Inactives

ETF defines “Inactives” as former employees of a Wisconsin Retirement System employer who are “banking” their sick leave hours for future use for sick leave conversion once they begin receiving a retirement benefit. ETF is considered the employer for retirees and Inactives. In January, the project team completed configuration testing of enrollment and eligibility options defined in the discovery sessions. The project team also began testing for payroll file exchanges in January and held additional discovery sessions for managing special cases of retirees who have multiple life insurance benefits.

Through this process it became apparent the extent ETF needs to build out internal systems and update existing systems to interact with the new system and to process the payroll withholding information generated from the new system. The project team has been documenting requirements and working with ETF’s software development team to implement the changes.

## Technical Work

### Billing

ETF and Benefitfocus have been working diligently in testing a billing solution supported by a Benefitfocus subservice organization, Certifi. We have completed testing with UW and select Local employers. Testing started with DOA/UWHC/Non-STAR groups in late January and is expected to complete in mid-to late-April 2024. Retirees' billing is more complex and requires additional time to map out the requirements due to premiums paid through annuity adjustments, sick leave credit offsets, or direct payments by retirees to health plans and other third-party vendors.

### Payment Application

In the August 16, 2023 ([Ref. GIB | 11.15.23 | 15A](#)) memo to the Board, ETF explained that the IAS Project and business leaders were evaluating potential risks with a new payment application by US Bank, the state's contracted bank. We determined the risks with continuing the build of this software were best mitigated by ending work and utilizing the current system. Since that decision, DOA has assisted ETF with user set up and the IAS team is working on the environment build and integration with the payment application.

### Member and Employer Portals

ETF is in the process of creating secure and easy gateways to access My Insurance Benefits 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 member portal approved vendor, Socure, will provide identity proofing services. The processes to support members that are unable to pass identity proofing through Socure are being defined. An ETF resource is being allocated who has knowledge and expertise within social engineering and fraud prevention to support and execute these processes.

### Training

In the last quarter, the ETF and Benefitfocus teams continued collaboration with further development of the training plan by breaking down the course content and key topics for each session and developing training course descriptions. The team drafted the HR Administrator manual, as well as a number of course scripts. The team also tracks project updates and decisions when necessary for inclusion in training.

ETF developed an estimated timeline for all tasks related to training on the new system. Most ETF staff will need overview training with additional job-focused training required for approximately 170 staff. The team anticipates hundreds of employer administrators will participate in training. Given the number of affected staff, training delivery is expected to span several months.

### Testing

The Benefitfocus and ETF project teams continue testing the system configuration and business requirements. The testing strategy is an ongoing process and feedback from each iteration is used to improve the process from test planning through test execution. The system user acceptance testing for DOA, UWHC, and Non-Star Agencies and Retirees began at the end of September and was completed in December 2023.

The testing efforts for 2024 include employer payroll and deduction processing and integrations, open enrollment simulation, mobile device, and our Medicare solution for the retiree member populations. After the user acceptance testing cycles are completed, we will be executing a comprehensive end to end testing series that covers all touchpoints with internal and external systems, vendors, and employers, as well as related processes.

### **Operational Readiness**

ETF transition managers recently developed an operational readiness checklist and presentation. This presentation was delivered to agency leaders, managers, the IAS project business team, and roll out has begun with several of the larger employers.

The project's transition managers are also involved in activities across the department to ensure ETF is ready to do business in the future state of the My Insurance Benefits platform. They have begun efforts to ensure ETF's employer manuals and forms are updated to reflect ETF's future state and delivered communications to staff about system functionality and project activities.

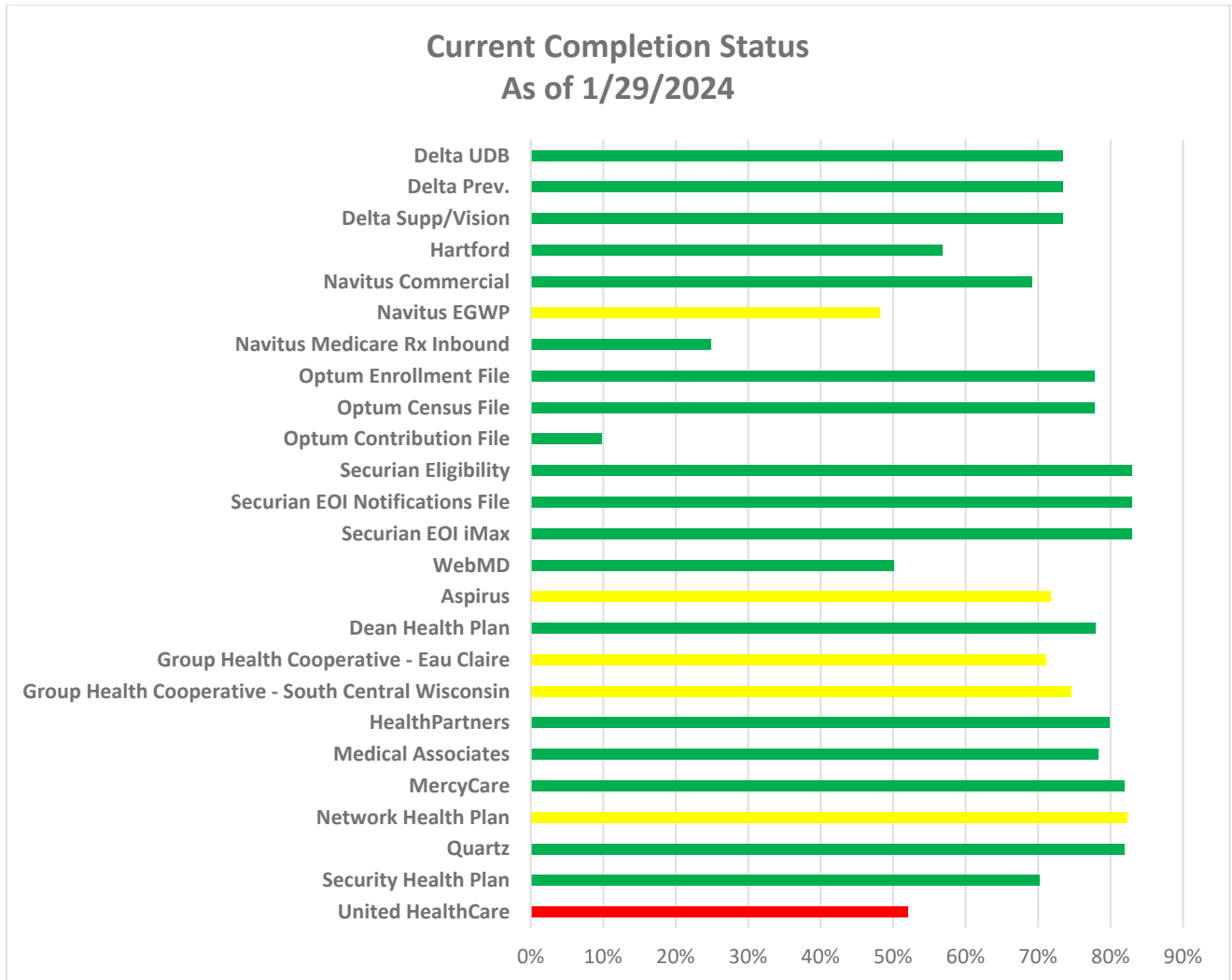
The Office of Communications announced to staff that the branded name of the insurance administration system will be My Insurance Benefits. The brand name has been in development since 2022, and it meets the requirement of being simple, easy to use, easy to remember, and clearly tells users what they can expect.

### **Vendor Integrations**

ETF and Benefitfocus teams manage 25 projects with 17 vendors. Implementation projects create the connection needed between third-party vendors and My Insurance Benefits system. The vendor integrations portion of the project is moving forward with the originally scheduled due date for completing all work. Each project is continuously tracked in terms of the overall health of the project. Of the 25 active projects, 19 are currently "On Track," 5 are "At Risk," and 1 is "Off Track." The identified risk is the likelihood of the specific vendor project taking more time to complete than allocated in the project timeline.

Upon completion of scheduled tasks on the vendor integration project plan, ETF will place the integrations on hold until closer to the new go live date. The additional time due to the delay in IAS go live will allow for greater focus on preparing vendors for the pre-go-live period, the initial data conversion, and training.

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 IAS project activities and not a reflection of a problem with the vendor.



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