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

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To: Group Insurance Board (GIB)

From: Michelle Baxter, Director
Office of Enterprise Initiatives (OEI)

Bonnie Cyganek, Customer Experience and Business Initiatives Manager
Division of Benefits Administration

Brian Stamm, Deputy Director
Office of Strategic Health Policy (OSHP)

Subject: Insurance Administration System (IAS) Update

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

Background
As presented to the GIB on Aug. 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 GIB, 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.

With the recent resetting of the IAS program management implementation for July 2025, additional governance oversight has been implemented. There are several groups overseeing IAS program implementation progress. Within ETF, a program management team comprised of OEI program and project staff and key ETF leaders, oversee progress, and address escalated issues and risks and make key escalated decisions. ETF's Strategic Council — representing the most senior leaders in the organization — receives regular updates by OEI and findings and recommendations by Office of Internal Audit (OIA). OIA has recently taken on an independent IAS program management review role.

The Employee Trust Fund Board (ETF Board) and its Budget and Operations Committee oversee ETF's modernization efforts and individual program implementations, such as IAS. Quarterly status reports are provided, highlighting the

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status of key IAS program milestones and risks. OEI presented an "ETF Modernization Projects Update" (Ref. BUD | 06.20.24 | 5) and "ETF Transformation Update" (Ref. BUD | 06.20.24 | 6) to the Budget and Operations Committee at the June 20, 2024, meeting. Additionally, OIA reports on any audit findings and recommendations to the Audit Committee of the ETF Board. OIA's first report to both the Audit Committee and the Budget and Operations Committee is scheduled for the September 2024 ETF Board meeting.

Reporting
The Reporting team is focused on delivering comprehensive reporting to support the new IAS platform and its associated business processes. ETF stakeholders have identified over 100 reports that may be required. To address this, the Reporting team has been carefully gathering technical specifications for these reports to determine where data from the new IAS platform will replace current data sources and identify potential gaps.

Analysts are working to reduce scope by leveraging existing reports from the IAS vendor's (Benefitfocus) product, Benefitplace, where possible. The Reporting team is retrofitting some existing reports to ensure continuity in operations. These coordination efforts aim to reduce the overall workload and enhance efficiency.

Report development has been prioritized by collaborating with stakeholders and project leads to determine the essential reports needed for end-to-end testing, go-live, and post-go-live. Build activities have commenced, starting with gathering data in ETF's Data Lake. Report development, including regular check-ins with stakeholders, will kick off in early August.

Meanwhile, the first dashboard of the new Data Quality Framework has been drafted, working closely with data stewards. The initial pilot concentrates on member demographic data and will expand to other business subject areas in the coming weeks. The goal is to identify any discrepancies and build confidence in the data from the new systems.

User Access Management
This project encompasses each of the applications needed for employers and members to access the new benefits application. ETF's new systems allow both members and employers to create an account, validate that the account belongs to an actual employer or member, and grant the permissions needed for employer or member access.

The member portal is planned for completion before the go-live date for the benefits application. Most of the work is scheduled for completion this calendar year, well before the application is ready for release. The program team is currently reviewing if historical Wisconsin Retirement System (WRS) Statement of Benefits can be included in the scope and schedule for early go-live to drive members toward the new portal and to prove members' identity and setup their accounts prior to go live date.

The Employer Portal is scheduled to go live along with IAS Go-Live.

Data Transformation
The Data Transformation project ensures that data received from employers is translated and inputted correctly into Benefitplace, and that legacy systems and new applications are integrated and updated based on the program's requirements. The team has been focused on finalizing retiree conversion requirements, locating the retiree data that will need to be converted to IAS for go-live, and working with development staff to automate the conversion. After retiree conversion requirements gathering, development and testing will switch back to testing the conversion of multiple employers simultaneously.

Retirees and Inactive Members
Several key capabilities for retirees and inactive members are being tested with Benefitfocus to ensure confidence in the member experiences. retirees and inactive members also employ several custom technical and business functions integrated into the overall service delivery for members. Internal development for these functions continues in preparation for overall IAS program testing, which is anticipated to start in late 2024. The project team has been working closely with internal subject matter experts on change management communications and training necessary to familiarize members with the improved services going forward.

Billing
Re-testing is currently taking place on Universities of Wisconsin (UW) Income Continuation Insurance (ICI) to ensure all ICI rates have been tested. A third daily file testing round is expected in August to validate any business process changes or errors discovered since the last round of daily file testing. A process used to manually apply miscellaneous charges and credits as needed is set for testing from July 30 to Aug. 16.

Payment Application
Backend development and testing for the Payment Application user interface is taking place. User acceptance testing on the Payment Application is slated for late September/October, depending on the ability to process a full payment file through the system.

Employers

Department of Administration (DOA), Non-STAR Agencies
DOA will be deep into testing over the next several months, focusing on various areas. Currently, DOA is underway with Change Reason Profile (CRP) and agency testing (using Life Event-based scenarios). This testing is expected to last through early August. Following CRP and agency testing, DOA will prepare for Open Enrollment (OE) testing, which is slated to kick off in August. Following OE testing, interbilling unit and end-to-end testing will begin. In addition to testing, DOA continues to work on identifying

and finalizing business processes and providing feedback in the communication and training process for the rollout to all impacted stakeholders.

UW Hospitals and Clinics (UWHC)
The project team has been testing payroll file exchanges. UWHC is fully engaged with the ETF team in developing the necessary files for sharing employer/employee information.

Universities of Wisconsin (UW)
The ETF and UW teams meet regularly to address issues identified by the UW team as they continue testing the Benefitplace environment. Additionally, the ETF Cutover project team will provide details on how the IAS go-live will impact the UW Team to support their plans for the UW's Workday implementation.

Local Employers
Since local employers can join and/or withdraw from participation in ETF-administered insurance benefits at multiple times each year, the total number of local employers in scope for the IAS project is fluid. Currently, there are 930 local employers with whom ETF is working in relation to the new IAS.

Local Employers and Data Collection
The project team is working with local employers to collect six data elements needed to successfully build an employer within the system. These six data elements include:

1. Employee Conversion Data.

2. Intake/Configuration Data.

3. ICI Enrollment Data.

4. Accident (Supplemental Benefit) Enrollment Data.

5. Security Access Agreement.

6. Rate Configuration Reports.

Below are additional details on each of the six data elements, their purpose, and the status of the collection efforts.

Employee Conversion Data
Employee Conversion Data is required for employers and employees to exist in the new system so enrollment information can be sent to insurance vendors when IAS goes live. Data collection began in December 2023, and ETF is collecting this information in "waves" from employers. To date, initial employee conversion data has been collected from approximately 83% of local employers (708 of 930). Collection efforts with the remaining waves will continue through August 2024.

Intake/Configuration Data

Intake/Configuration Data is required to set up and configure the employer in IAS. Data collection began in the spring of 2023. To date, intake/configuration data has been collected from approximately 97% of local employers (902 of 930).

<u>ICI Enrollment Data</u>
ICI Enrollment Data is required to populate employee ICI enrollment data in IAS. Data collection is scheduled to begin in August 2024. Currently, there are 333 employers from whom ICI enrollment data will need to be collected.

<u>Accident (Supplemental Benefit) Enrollment Data</u>
Accident (Supplemental Benefit) Enrollment Data is required to populate employee supplemental accident coverage enrollment data in My Insurance Benefits. Data collection is scheduled to begin in August 2024. Currently, there are 91 employers from whom supplemental accident enrollment data will need to be collected.

<u>Security Access Agreement</u>
Security Access Agreement is required to set up Human Resources Administrative access to IAS for employers and for ETF to establish a secure file transfer protocol with employers so they can submit and validate conversion data. Data collection began in September 2023. To date, security access agreements have been collected from approximately 98% of local employers (915 of 930).

<u>Rate Configuration Reports</u>
For health insurance premiums to appear correctly within IAS, ETF needed to collect the employer contribution from each local employer as this amount varies. This information allows ETF and Benefitfocus to develop "rate configuration reports," a unique Excel file for each employer that itemizes each possible premium value for all benefits based on the employer's benefit selection, employer contribution, and other variables. Collection of 2024 employer contribution data from all local employers was completed in December after five months of work. Efforts to collect 2025 employer contribution data have started, with employers expected to confirm the rates by the end of July 2024.

End-to-End Testing
The IAS End-to-End Project Team is assembling the test plan and will submit that proposal to our stakeholders on July 31, 2024, for review and approval. Within that plan, the team is assembling business processes, scenarios and tests, and component-level diagrams. In addition, the plan will include a narrative describing how the tests will be staged, executed, and reported. The IAS project plan calls for testing to begin in December and complete at the end of February 2025. The End-to-End Project is on-time and on-track to complete testing within the allotted time.

Content Management
The Content Management team is focused on enhancing the Benefitplace platform's customizable text and event-based messaging. Significant progress has been made, including the review of all employer sponsor groups. Templates for post-go-live event-based messages are ready, and ongoing support is provided for various employer sponsor projects, such as the new document center.
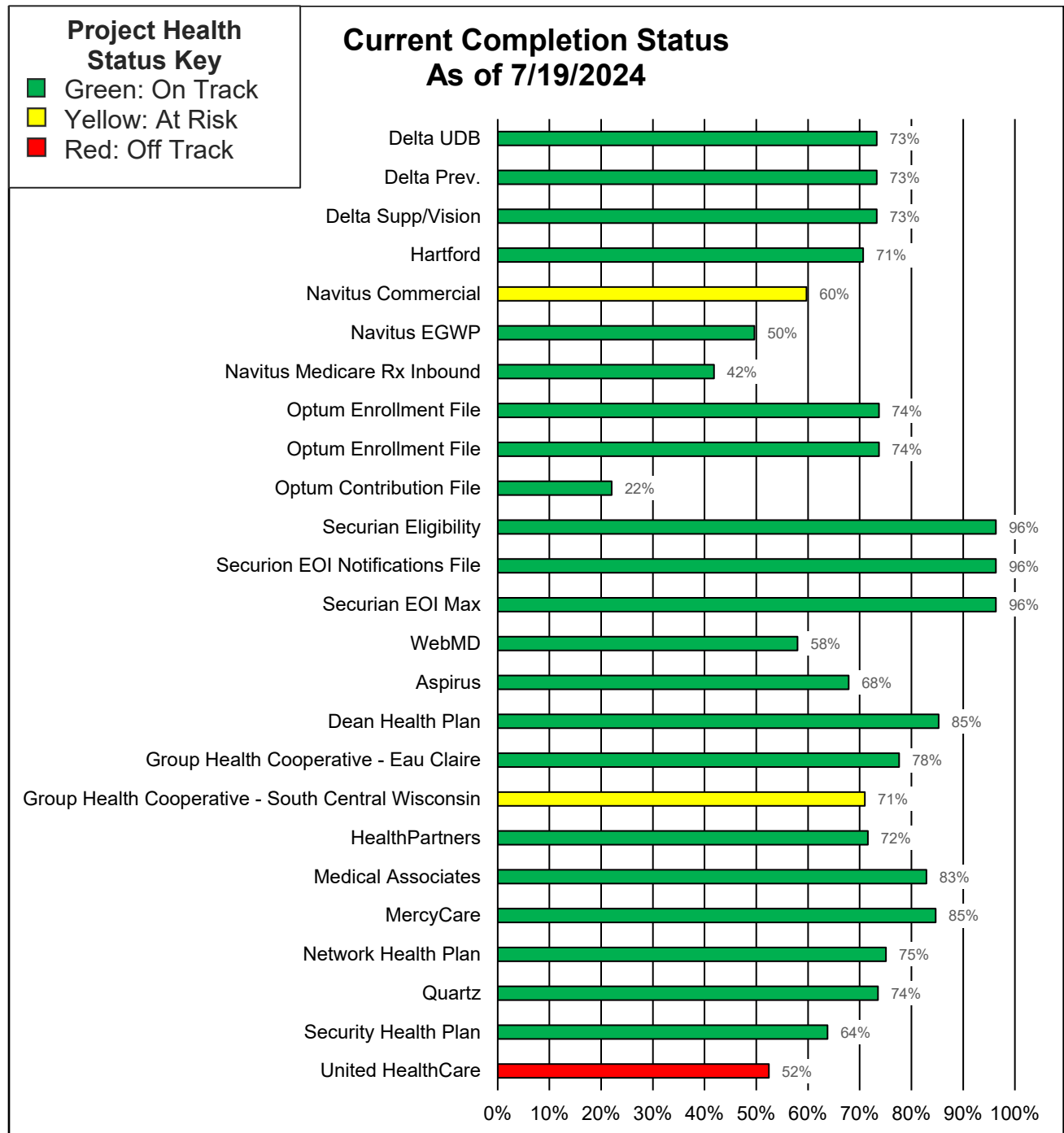
Currently, the review of the retiree journey is delayed pending Medicare updates testing. Key milestones and governance documents are being finalized to ensure a seamless transition post-go-live.

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, allowing 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, 22 are currently "on track," two are "at risk," and one 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. If a project was 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 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, and 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.

Project Health Status Key

- 🟩 Green: On Track
- 🟨 Yellow: At Risk
- 🟥 Red: Off Track

Current Completion Status
As of 7/19/2024

Project	Completion
Delta UDB	73%
Delta Prev.	73%
Delta Supp/Vision	73%
Hartford	71%
Navitus Commercial	60%
Navitus EGWP	50%
Navitus Medicare Rx Inbound	42%
Optum Enrollment File	74%
Optum Enrollment File	74%
Optum Contribution File	22%
Securian Eligibility	96%
Securion EOI Notifications File	96%
Securian EOI Max	96%
WebMD	58%
Aspirus	68%
Dean Health Plan	85%
Group Health Cooperative - Eau Claire	78%
Group Health Cooperative - South Central Wisconsin	71%
HealthPartners	72%
Medical Associates	83%
MercyCare	85%
Network Health Plan	75%
Quartz	74%
Security Health Plan	64%
United HealthCare	52%

COBRA

The COBRA project aims to implement a comprehensive COBRA solution to meet all federal and state continuation coverage laws for ETF members. This standalone platform, provided by Voya, will handle all COBRA administration functions, eliminating the need for employer or ETF intervention. The project includes converting existing

COBRA members and processes to the new system, ensuring a smooth transition and ongoing support for members.

Currently, the project is in the Discovery Phase, with ETF subject matter experts reviewing COBRA notices for content updates. Key milestones have been identified, with critical dates set for development, testing, and go-live preparations. Efforts are focused on finalizing the project charter and defining test scenarios for end-to-end testing. Despite some delays, the project is progressing toward a scheduled go-live date of July 1, 2025.

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