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Correspondence Memorandum

Date: October 18, 2024

To: Group Insurance Board

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Subject: Insurance Administration System (IAS) Implementation Update

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

Background

As first presented to the Group Insurance Board (Board) on Aug 17, 2022 ([Ref. GIB | 08.17.22 | 3](#)), the Department of Employee Trust Funds (ETF) is undergoing a multi-year, multi-part project to implement an insurance administration system (IAS). To provide transparency to the Board, ETF provides quarterly updates on the progress of the IAS implementation.

The Employee Trust Funds Board and its Budget and Operations Committee (Committee) oversee ETF’s modernization efforts and individual program implementations, such as IAS. Quarterly status reports are provided, highlighting the status of key IAS program milestones and risks. The most recent update was provided at the Committee’s September 19, 2024, meeting ([Ref. BUD | 09.19.24 | 5](#)). The program is at risk. Additional program enhancements, including increased governance oversight have been put in place.

This memo provides a summary of progress made in each distinct area of the project between August 2024 and October 2024.

Reviewed and approved by Diana Felsmann, (incoming Deputy Secretary)
 Electronically Signed 11/01/2024

Board	Mtg Date	Item #
GIB	11.13.24	17B

Reporting

The Reporting Project is focused on delivering comprehensive reporting to support users of the new IAS platform and its associated business processes. Early in the IAS program, ETF stakeholders identified over 100 reports that may be required. The reports identified were largely based on what the ETF stakeholders require today, versus the business processes that will be created to support IAS in the future.

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. The team is reviewing reporting that will be provided by IAS vendors to determine whether this reporting will meet ETF business needs and looking for opportunities to combine reporting to reduce the number of unique reports that need to be created. Finally, the team has been reviewing the original list of reports identified to determine whether these are still necessary now that stakeholders are more familiar with the future state of IAS. Several of the original reports have been descoped from the reporting project as a result.

ETF is developing several applications internally that will require new report development. In addition to the analysis described above, the Reporting Team is working closely with several IAS projects charged with developing these applications to understand reporting requirements and data design.

User Access Management

This project encompasses each of the applications needed for employers and members to access the new My Insurance Benefits. My Benefits (member portal) is planned to go live on March 1, 2025, as part of another project. The employer portal is on track to go live in June 2025 after data conversion activities and in preparation for go-live. User Acceptance Testing will occur in November, and end-to-end testing will start December 8 and last through early March.

Data Transformation

The Data Transformation Project ensures that data received from employers is translated and inputted correctly into My Insurance Benefits, and that legacy systems and new applications are integrated and updated based on the program's requirements. Since the last Board update, retiree conversion testing is complete. The team is also nearing completion of requirements gathering, development, and testing of data conversion for approximately 475 employers. This milestone is nearing completion. Upon completion of the multiple employer testing, another round of testing daily change files and scenarios for employer and retirees will begin.

The Data Transformation Project is also focused on building and developing the Employer Transaction Application (ETA), a new ETF application where employers will report demographic and insurance eligibility information required to provide their employees with benefits. The development of this application is nearly 80% complete.

Retirees and Inactive Members

ETF staff, retirees, and inactive members will ultimately utilize several custom technical and business functions integrated into overall service delivery as part of the plan to further automate Retiree and Inactive processes. This internal development and testing is a prerequisite for overall IAS program testing. The team has completed development necessary for the upcoming Daily Testing.

Despite attempts to automate processes, the current My Insurance Benefits solution has not yet delivered a product that will work for retirees without workarounds. Benefitfocus will deliver a remediation plan by the end of October, and ETF will determine at that time whether the online process will work. As a contingency for the July 1, 2025, go-live implementation, retirees may need to temporarily use paper applications and ETF staff to manually process their application. This is not ideal and deviates from ETF's modernization and CX goals. It will also substantially increase post go-live IAS optimization and stabilization scope of work.

Payroll and Medicare testing with our vendor, Benefit Focus, will continue into November in anticipation of end-to-end testing starting in December. The project and transition management teams have been working closely with internal subject matter experts on change management communications and training necessary to familiarize members with the retiree and inactive processes going forward.

Billing and Payment Application

Retesting of billing with the Universities of Wisconsin for Income Continuation Insurance (ICI) has been completed and the team is now in progress with retiree baseline testing. During retiree baseline testing the team will review the format of the invoice as well as test small samples of data for accuracy. The complexity of retiree rates has been a challenge with testing. Benefitfocus is working on a resolution for this issue. Retiree scenario testing began in early October to review more detailed life events related to retiree billing.

ETF is also developing a payment application for employers. This provides employers an application to view their invoice amounts and an option to make a payment, which connects the employer to US Bank's ePay application used by ETF.

A preliminary application validation process of the payment application started October 3, 2024. During this process, the team will validate that the application shows the payment data, the employers will have the ability to connect to ePay and make a payment, and the reconciliation file from US Bank will have accurate data.

User Acceptance Testing (UAT) will begin following the discovery process and will test the fully automated billing and payment cycle in preparation for end-to-end testing.

Employers

This branch of the IAS program focuses specifically on helping employers prepare to use the new system.

State Employers

Since the last update to the Board, Department of Administration (DOA) and Non-STAR Agencies have been heavily involved in testing a variety of critical functions. There will be some retesting of items that were identified as issues in previous testing efforts but have subsequently been fixed, as well as finishing remaining testing in progress.

In addition to testing, DOA has been coordinating with ETF and Benefitfocus to work on communication and training planning, preparing for end-to-end testing all while handling actual open enrollment activities.

Local Employers and Data Collection

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 Program is fluid. Currently, there are 930 local employers in scope who are impacted by the IAS Program. The Program team is working with local employers to collect six data elements needed to build an employer within the system. Below are updates on collection efforts for each of the six data elements. In general, data collection efforts with remaining local employers will continue through the end of 2024 for the initial data and through April 2025 for refreshed data. An escalation process is in place for non-responding employers. The process followed and a list of any non-responding employers will be shared with the Board in Q1 2025.

- Employee Conversion Data: Initial employee conversion data has been collected from approximately 89% of local employers (829 of 930).
- Intake and Configuration Data: Intake and configuration data has been collected from approximately 97% of local employers (902 of 930).
- ICI Enrollment Data: ICI data has been collected from approximately 83% of local employers (283 of 343).
- Accident (Supplemental Benefit) Enrollment: Data has been collected from approximately 63% of local employers (96 of 111).
- Security Access Agreement: Security access agreements have been collected from approximately 99% of local employers (925 of 930).

End-to-End Testing

The End-to-End Testing Team organized business processes into a series of 65 lifecycle tests. Those tests were sequenced and slotted into specific test dates and times. In October, the tests will be presented to our largest employers for feedback. After incorporating their feedback, the test plans will be finalized. Those same employers will assist ETF in the test effort by inputting actual data and validated future-

state processes. End-to-end testing begins in December and continues through early March.

Content Management

The Content Management Team is focused on enhancing the Benefitplace platform's customizable text and event-based messaging. The team is reviewing the user experience within different sponsors, and the Benefitplace product team will enhance and implement critical functionality prior to go live. One recent accomplishment relates to a gap that was identified in targeted messaging. Benefitfocus has agreed to closing that gap with an enhancement that will improve targeted messaging functionality and improve the user experience.

Vendor Integrations

Vendor Integration projects create the connection needed between third-party vendors and Benefitfocus, allowing IAS to work properly when launched. Depending on the type of interaction with ETF and Benefitfocus, some vendors require more than one implementation project. ETF and Benefitfocus began 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” and two are “at risk,”; no projects are “off track.”

COBRA

The COBRA Project aims to implement a comprehensive solution to meet all federal and state continuation coverage laws for state and local employees becoming inactive. This stand-alone platform, provided by Voya, will handle all COBRA administration functions, eliminating the need for employer or ETF intervention. Weekly COBRA Discovery meetings are ongoing, and the team is reviewing and finalizing edits to the COBRA notices and letters, with official sign-off now targeted for mid-October. The data file development has been completed, and all COBRA discovery meetings with Voya and Benefitfocus will be finalized by mid-October. The team is preparing a draft data conversion file to be delivered to Voya by the end of November, ensuring readiness for end-to-end testing.

Cutover

This project addresses all the technical components and timing to shut down legacy systems while activating the new insurance administration system. Communication to employers and vendors is also included. The Cutover Project is currently gathering all the details needed for a step-by-step process leading to the go-live date.

Training

The IAS Training group has been organizing, socializing, and preparing throughout the summer in preparation for the content development phase, which kicked off October 1, 2024. The team has developed training milestones to align with project dates and a work breakdown structure to achieve our timeline. The most significant watch item for

the IAS training group is our natural dependency on all other projects completing their work on time.

Communications

IAS Program communications provide awareness, encourage desire, build knowledge, ensure ability, and reinforce adoption of the changes program stakeholders will experience. Awareness and desire-building communications and resources are underway for three of our major stakeholder groups: ETF staff, employers, and vendors to ensure they are prepared for program readiness and implementation in 2025. Communications to members, retirees, and inactive members will begin in early 2025.

The IAS Program sends frequent communications to ETF staff and employers with updates and information about the program. They also prepare communications for vendors and members. In September, the IAS Program delivered a comprehensive transition plan to ETF's joint internal manager-, supervisor-, and team-lead groups to provide guidance and resources to agency leaders who will prepare their teams for the transition this spring.

Operational Readiness

ETF is working with Benefitfocus, key employers and others to document operational readiness milestones and those in the program or business who will own and deliver those milestones. This includes readiness activities such as documenting new processes and procedures, updating forms, brochures, and manuals, and establishing support plans for all stakeholders.

Delegation of Authority

At the October 2024 Board meeting, the Board approved delegating limited authority to the ETF secretary to make program changes needed due to IAS implementation ([Ref. GIB | 10.03.24 | 4](#)). The Board asked ETF to include the use of this delegated authority as a standing agenda item at their Board meetings. As of the publication of this memo, ETF has not used the authority delegated by the Board.

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