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Correspondence Memorandum

Date: October 29, 2025

To: Group Insurance Board

From: Stacey Novogoratz, Program Management Section Chief
Office of Strategic Health Policy

Subject: Wellness Program Audit

This memo is for informational purposes. No Board action is requested.

Background

The Wisconsin Department of Employee Trust Funds (ETF) Office of Internal Audit (OIA) audited WebMD's administration of wellness incentive processing and payments, quarterly performance reporting, and billing activity for the period January 1, 2022, through December 31, 2024, under the contracts for Well-Being Services, Mental Health Services, and Chronic Condition Management Services. OIA's final report, which includes WebMD's response, is attached for reference.

Wellness Incentive Processing and Payments

OIA reviewed data files provided by WebMD and conducted a remote review of WebMD's systems, as necessary, for incentive testing. OIA reviewed a random sample of 25 incentives paid from each year in the review period (75 total) and reviewed the full population each year for duplicate incentive payments. OIA used a combination of whole population and targeted testing to review required activities completed, eligibility based on activity completion, and timeliness. Additionally, OIA compared incentive award files provided by WebMD and ETF. With only a few exceptions, OIA found that the procedures and controls in place to process incentives were adequate to ensure incentives were paid correctly to eligible individuals.

OIA found three individuals in 2022 who did not show up as having earned the incentive, despite being eligible and data showing they completed all required activities. OIA recommends WebMD research why these three individuals did not receive the incentive. In their response, WebMD notes that they have identified the root cause and will provide a root cause analysis report to ETF.

OIA also identified discrepancies between the incentive files provided by WebMD and ETF in each of the three years and were not able to reconcile the differences. These

Reviewed and approved by Renee Walk, Director, Office of Strategic Health Policy
Electronically Signed 10/20/2025

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discrepancies accounted for less than 0.1 percent of the total incentives awarded for each year. OIA recommends researching the discrepancies between the WebMD and ETF incentive files provided for the audit. WebMD notes that they have begun this research and will provide results to ETF.

Quarterly Performance Reporting
OIA recalculated and traced a selection of quarterly performance standards reported, including customer service performance and customer survey results, for supporting documentation. With only a few exceptions, the performance standards tested by OIA materially recalculated and traced to provided support.

OIA found that the reporting template used by WebMD indicated that the performance standard threshold was 95 percent for the Screening Coordination Survey when it should have been 90 percent. There was no impact on the performance standard being met, as WebMD achieved the 95-percent threshold level. OIA recommended that the reporting template be updated to be 90 percent, and WebMD notes that they have already made this change.

OIA also found that, for all of 2023 and the first three quarters of 2024, the results of the Health Assessment and Portal satisfaction surveys that were calculated cumulatively should have been calculated quarterly. OIA recommends that the performance standards be recalculated quarterly, and any necessary penalties should be assessed for performance standards not met. Any quarters missing the 90-percent or better performance standard after recalculation may be subject to a $2,500 penalty per survey. WebMD notes that this recalculation is in progress.

Billing Activity
OIA reviewed monthly invoices from WebMD for correct calculations and contract pricing, as well as traced supporting documentation back to four months per year of invoices. Invoiced amounts appeared reasonable based on the support provided and the terms of the contract.

Conclusion
The audit findings presented some areas for improvement and further research. ETF will work with WebMD to address OIA's recommendations. WebMD was cooperative throughout the audit process. ETF does not believe any of the findings are an obstacle to continuing to work with WebMD.

Staff will be at the Board meeting to answer questions.

Attachment A: [OIA Third-Party Administrator Contract Compliance Audit: WebMD – Well Wisconsin Program January 1, 2022 – December 31, 2024]