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| ETF_logo_large | **STATE OF WISCONSIN****Department of Employee Trust Funds****A. John Voelker**SECRETARY | 4822 Madison Yards WayMadison, WI 53705-9100P. O. Box 7931Madison, WI 53707-7931http://etf.wi.gov |

Date: June 25, 2024

To: Potential Proposers to RFPs ETD0052-53

RE: Addendum No. 2 to Requests for Proposals (RFPs) ETD0052-53

* Third Party Administration of the Health Savings Account Benefit Program
* Third Party Administration of the Section 125 Cafeteria Plan, Employee Reimbursement Account and Commuter Fringe Benefit Account Programs

This Addendum will be made available on ETF’s web site at <https://etf.wi.gov/node/35441>

**Acknowledgement of receipt of this Addendum No. 2:**

**Proposers must acknowledge receipt of this Addendum by providing the required information in the table below and including this Page 1 with their Proposal cover letter.**

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| Company Name: |  |
| Authorized Person (Printed/Typed Name and Title): |  |
| Date: |  |

**1. The following questions from vendors and answers from the Department are hereby added to RFPs ETD0052-53:**

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| Q # | RFP / Appendix # and Section # | RFP Page | Vendor Question | Department Answer |
| Q1 | RFP Appendix 6 Program Agreement – RFP ETD0052 Health Savings Account Section 125E Employer Contribution | 17 | How much is the annual HSA employer contribution (i.e. $500 per individual; $1000 per family)? | Employer contributions for 2025 are: * $828 for individual HDHP coverage
* $1,650 for family HDHP coverage
 |
| Q2 | RFP Appendix 7 / Section 155E | 45 | While our core service offering does not provide non-discrimination tests, we can refer our clients to a vendor we have used that provides this service. The state would need to enter into an agreement directly with the vendor. We would provide the data we have to the vendor to perform the nondiscrimination test and we would cover the cost of the vendors services. Is this an acceptable arrangement, or would it exclude us from the RFP? | Non-discrimination testing is a required service under the RFP. The Contractor would be responsible for contracting for and managing the services provided by the Subcontractor under the Contract. |
| Q3 | RFP Appendix 6 & 7 Program Agreements | All | Is there flexibility in the requirements detailed in the scopes of service (particularly appendices 6 & 7), or are they absolute must haves as currently written? | The Department may allow for some flexibility in the requirements listed in the Program Agreements. See the assumptions and exceptions process in the RFP. |
| Q4 | RFP Appendix 1 Pro Forma Contract andRFP Appendix 2-Department Terms and Conditions (DTCs) | All | Is there flexibility in negotiating the terms of the contract? | The Department and the awarded vendor will negotiate a final contract. The Department is open to discussing contract terms during negotiations as described in RFP Sections 2.4.1 - Instructions for Submitting Assumptions and Exceptions and 2.4.2 - IMPORTANT: Supplemental Information – Department Terms and Conditions. |
| Q5 | RFP Appendix 2 DTCs Section 14 Contract Dispute Resolution | 4 | Would the State of Wisconsin be open to modifying this section? | The Department is open to discussing contract terms during negotiations as described in RFP Sections 2.4.1 - Instructions for Submitting Assumptions and Exceptions and 2.4.2 - IMPORTANT: Supplemental Information – Department Terms and Conditions.  |
| Q6 | RFP Appendix 2 DTCs Section 24Confidential Information, Privacy and HIPAA Business Associate Agreement | 8 | Bidding provider practice is to only report actual breaches and not suspected breaches, and the HIPPA regulation has a longer notice period. Is the State of Wisconsin open to modification of this section? | The Department is open to discussing contract terms during negotiations as described in RFP Sections 2.4.1 - Instructions for Submitting Assumptions and Exceptions and 2.4.2 - IMPORTANT: Supplemental Information – Department Terms and Conditions. Of note, the term “suspected breach” is not defined. |
| Q7 | RFP Appendix 2 DTCs Section 25Indemnification | 12 | Bidding provider typically uses mutual indemnification provisions limited to third-party claims with an upper cap on liability. Is the State of Wisconsin open to modification of this section? | Section 25.0 Indemnification is included within RFP Table 4. No Assumptions or Exceptions Allowed. See the language in RFP Section 2.4.2. |
| Q8 | RFP Appendix 2 DTCs Section 30 Information Security Agreement | 14 | Bidding provider maintains a robust information security program, we may require some adjustments to this section. Is the State of Wisconsin open to modification of this section? | The Department is open to discussing contract terms during negotiations as described in RFP Sections 2.4.1 - Instructions for Submitting Assumptions and Exceptions and 2.4.2 - IMPORTANT: Supplemental Information – Department Terms and Conditions. See RFP ETD0052-53 Addendum No. 1 that was sent to vendors on May 30, 2024. Addendum No. 1 is available at <https://etf.wi.gov/node/35441>. See the language in RFP Section 2.4.2. |
| Q9 | RFP Section 1.5 HSA Benefit Program | 6 | What is the total dollar amount of invested balances? | $31.1 million as of January 31, 2024.  |
| Q10 | RFP Section 1.10 Benefit Program Administration | 9 | Are the 9 different Payroll Centers paying the admin fees for their applicable agencies via separate bills?  | The Contractor sends a total invoice for the Contractor's administrative fees to the Department for payment. The Department then pays the Contractor for the administrative fees. The Department handles reimbursement between the Department and the 9 different Payroll Centers.  |
| Q11 | RFP Section 1.6 ERA Benefit Program | 6 | LPFSA participation decreased significantly in 2024 – is there a reason for that? | The 2024 participation number in the RFP is based on January 2024 enrollments only and does not include carryover accounts for FSA programs. Participants with carryover balances from 2023 without a 2024 enrollment election were not enrolled into an FSA in 2024 until April 15, 2024. Based on the May 2024 invoice, a total of 1,012 active members have an LPFSA and 17,559 active members have an FSA.  |
| Q12 | RFP Section 7.9.8.h. *The debit card suspension/reinstatement process, including when, how and the nature of communications that are sent to participants on this matter.* | 55 | When talking about debit card suspension, are you wanting to suspend the entire debit card or just the ‘purse’ for the account that has unsubstantiated documents? (e.g. if the LPFSA claim is unsubstantiated and needs to be suspended, do you leave the HSA ‘purse’ open for debit card swipes?) | Suspension will occur on the ‘purse’ for the account that has unsubstantiated claims. The HSA 'purse’ will remain open for debit card swipes.  |
| Q13 | RFP Appendix 11Enrollment and Contribution File Specifications | 12 | 12 #5, it states that we can establish a file format in conjunction with the Department, and there is an Appendix 11 file layout provided. Is this a sample file format, or is that the file format the Department needs to use? Are we able to suggest another file format or suggest adjustments that would allow us to better automate the files with our system? | The provided sample file format is the file specification that the Department uses. The Department is open to improvements of the file specifications with the Contractor. However, the data field requirements in the sample file layout are required from the Contractor. |
| Q14 | RFP Appendix 2 DTCs Section 40.0Antitrust Assignment | 19 | Could you please explain what this provision is trying to accomplish? | The intent is to ensure that the Department is not responsible for overcharges in the event of Contractor antitrust violations. |
| Q15 | RFP Appendix 2 DTCs Section 7.0 Criminal Background Verification | 3 | Can you please confirm if this is only if we are on your premises? | Section 7 applies to all persons “that will perform Services under the Contract…” not just those persons who may be on Department premises.  |
| Q16 | RFP Appendix 2 DTCs Section 24.0(d) Use and disclosure of confidential information: Contractor shall: (5) “Not use or disclose Confidential Information in an Artificial Intelligence model unless approved by the Department in writing;” | 9 | Are you speaking of just generative AI? | The Department is particularly interested in understanding the use of generative AI in Section 125 Cafeteria Plan and Pre-Tax Benefit program administration. |
| Q17 | RFP Appendix 2 DTCs Section 24.0(e) Requirement to keep confidential information within the United StatesRFP FORM B - Mandatory Proposer Qualifications:  *4.1 If awarded a Contract, the Services provided by the Proposer to the Department under the Contract will be performed within the United States.**4.2 If Proposer’s system is hosted in the cloud, Proposer agrees all data provided to the Proposer (Contractor) by the State, Department, Participants, Department-contracted third-parties for Contract purposes will be stored in the contiguous United States.* | 9 | We currently utilize offshore vendors and we can onshore for an additional cost. Please explain the process in obtaining written consent to offshore. | Section 24.0(e) states: *The Contractor’s transmission, transportation or storage of Confidential Information outside the contiguous United States, or access of Confidential Information from outside the contiguous United States, is prohibited except on prior written authorization by the Department.*In your Proposal, describe which services you intend to provide under the Contract(s) that would be offshored. List the possible Confidential Data that would be transmitted, transported, or stored outside the contiguous U.S. Also, in your cost proposal (in the Clarifications sections of each tab) describe the cost differential of having the services you listed provided within the contiguous U.S. (instead of utilizing offshore vendors). RFP Section 4 states: *If the Proposer cannot agree to each item listed in Form B, the Proposer must so specify and provide the reason for the disagreement in the Assumptions and Exceptions section of their Proposal (see instructions in Section 2.4.1 above).*  |
| Q18 | RFP Appendix 2 DTCs Section 27.0Right to Publish or Disclose | 13 | Please provide clarification.  | Contractors may not release any information which pertains to work or activities covered by the Contract without prior written approval of the Department. Contractors must also comply with and are liable for violations of Wis. Stat. s. 40.07. |
| Q19 | RFP Appendix 6 – Program Agreement – RFP ETD0052 Health Savings Account Program Section 135B 2. Administrative Fee Invoicing | 21 | Please clarify when the Department want to receive invoices; it states first of the month, however, there is a SLA that states by the 15th of the month. | Contractors must provide administrative fee invoices to the Department by the 15th of each month. Administrative fee invoices are based on the number of active participants in the benefit program within the Contractor’s processing system on the 1st of the month for the month being invoiced. |
| Q20 | RFP Appendix 6 – Program Agreement - RFP ETD0052Health Savings Account Program Section 135B.7Amounts owed by Contractor | 21 | Performance Guarantees – can we report on quarterly performance and payout annually? | No, the Department will review the Contractor’s quarterly performance reports and invoice the Contractor for penalty fees on a quarterly basis (if penalty fees are due for the quarter). |
| Q21 | RFP Appendix 6 – Program Agreement – RFP ETD0052Health Savings Account Program Section 135C.1Payroll deductions for HSA Contributions | 21 | Do you have a separate HSA custodian? | No, the Department does not have a separate HSA custodian. However, the RFP allows for a single Contractor for both Contracts or a different Contractor for each Contract.  |
| Q22. | RFP Appendix 6 – Program Agreement - RFP ETD0052Health Savings Account Program Section 150F.4 Delays in submitting data | 21 | Who is your current data warehouse vendor? | Merative, formerly IBM Watson Health; https://www.merative.com/ |
| Q23 | RFP Appendix 6 – Program Agreement - RFP ETD0052Health Savings Account Program Section 155G.4 Implementation Requirements | 21 | Please explain what a Fraud and Abuse Review Plan is? | A Fraud and Abuse Review Plan specifies how the Contractor investigates/prevents fraud and abuse by members utilizing a benefit account. The Contractor’s Fraud and Abuse Review Plan must outline how the Contractor will: monitor benefit accounts for potential fraud (fraudulent enrollment or use of account or a non-authorized party’s use of account) and provide a copy of the Contractor’s Fraud and Abuse Review Plan (action plan/procedure document) when a potential fraud case is identified, to include the notification flow and timing of notice to the Department to determine a course of action, debit card deactivation process, and how the Contractor will notify the member of fraud or abuse and subsequent course of action.  |
| Q24 | RFP Appendix 6 – Program Agreement - RFP ETD0052Health Savings Account Program Section 180 | 21 | Please elaborate on your custom reporting requirements. | Reporting requirements are specified in the Program Agreements. Any additional custom reporting fields that are needed will be requested by the Department at least 45 days in advance of the required implementation date. The requirement for ad hoc reporting is stated in Appendix 6 Section 180.10.  |
| Q25 | RFP Appendix 6 – Program Agreement - RFP ETD0052Health Savings Account Program Section 205B.1  | 21 | Do the separate payroll centers have separate banking arrangements for funding or do they all flow from one centralized bank? | Payroll Centers have separate banking arrangements for HSA funding.  |
| Q26 |  |  | Are you able to provide your current pricing for these services? | Administrative fees are based on a per-participant-per-benefit-per-month (PPPBPM) fee. The current pricing for services is as follows.* HSA: $1.22
* Health Care LFSA: $1.47
* Limited Purpose FSA: $0.80
* Dependent Day Care Account: $1.24
* Parking Account: $2.23
* Transit Account: $2.23
 |
| Q27 |  |  | Are there any other pain points/drivers for this change? | The Department is unclear as to what the question refers to.  |
| Q28 |  |  | Are there employees who reside outside of the United States? | Yes, there are employees and retirees who participate in the Department’s pre-tax programs that reside outside of the U.S. |
| Q29 |  |  | Does each entity prefer/need to have their own reporting and administrative invoicing produced? | Administrative invoicing will be done by the Department only (i.e., Contractors will not receive invoices from Payroll Centers or agencies/departments). A detailed invoice will reflect the Payroll Center’s participation of members in each of the benefit programs.  |
| Q30 | RFP | Pgs 3 & 6 | Please provide clarity regarding the benefits eligible count of 678,000, and those offered HSA/FSA/Commuter listed at 95,000. Are the remaining benefits eligible population retirees? | 678,000 is the number of current and former State and local government employees and their eligible family members that participate in the Wisconsin Retirement System (WRS). These employees and retirees represent more than 1,500 state and local employers. Currently, local employers do not participate in the pre-tax Benefit Programs. In the future, the Department may offer these pre-tax Benefit Programs to local government employer groups. See <https://etf.wi.gov/resource/our-wisconsin-retirement-system-strong-wisconsin>. Under the pre-tax Benefit Programs, which are only available to State Employees, 95,000 Employees are eligible to participate.  |
| Q31 |  |  | Are retirees offered HSA and FSA benefits if on the group health plans still? | Retirees are not eligible for FSAs. Retirees enrolled in the State HDHP are required to maintain an HSA with the Contractor.  |
| Q32 |  |  | Please provide clarity between the State Groups and the Employer Groups. | The Department offers benefits to State and Local Groups. Employer Groups in the RFP refers to the State Groups or the 9 Payroll Centers that are eligible for the pre-tax Benefit Programs.  |
| Q33 |  |  | Would the Department anticipate future sales opportunities for green space when bringing on more State/Employer groups under the umbrella, or expanding benefit offerings? | The Department is exploring expansion of the pre-tax Benefit Programs to local Employers sometime in the future. If the Department does expand these programs, the earliest this change would take place would be the 2027 plan year.  |
| Q34 |  |  | Is the current incumbent Optum? | Yes. |
| Q35 |  |  | When is the last time a vendor change was made? | 2019. |
| Q36 |  |  | Have HSAs specifically been moved from one vendor to another previously? | Yes.  |
| Q37 |  |  | If HSAs have previously been moved, what was the process and how was the overall experience? | The Contractor will provide an HSA e-consent agreement to members who wish to transfer their funds from the prior vendor to the new Contractor. The last transfer of HSA assets went smoothly.  |
| Q38 |  |  | Are there particular areas the Department is seeking to improve in regard to the experience with these products? | See RFP Section 1.3 Introduction regarding what the Board is looking for the Contractor(s) to do. |
| Q39 |  |  | What is going particularly well with the experience for these products today? | Members like the HSA product with the option to invest once they reach $1,000. The ability to provide substantiation or documentation for reimbursements through the mobile application is a preferred member experience. Customer service support via chat and a live customer service representative are member-preferred.  |
| Q40 |  |  | Have all renewals with the incumbent been utilized? | The current contract for the services described in RFP ETD0052-53 including renewals expires on December 31, 2025.  |
| Q41 |  | Pg 5 | Please confirm our understanding of an HSA-auto-enroll process taking place today, when it states “The HDHP requires dual enrollment with the State sponsored HSA benefit option, and vice versa.” In other words, if an employee is enrolled in the HDHP, are they automatically also enrolled in a HSA? | Currently, there is no HSA auto-enrollment available due to Payroll Center system limitations. However, the Department, Payroll Centers, and the current contractor conduct regular audits to ensure all members enrolled in the GHIP HDHP are also enrolled in the HSA. The Department anticipates that its future insurance administration system will include HSA auto-enrollment alongside HDHP enrollment. |
| Q42 |  |  | What can be attributed to the reason there are less HSA enrollments in 2024 than there are in 2023? | RFP Section 1.5: The 2024 participation number listed is based on January 2024 enrollments only, whereas, the prior years listed include the number of participants enrolled in an HSA throughout the year.  |
| Q43 |  |  | Is there an employer HSA contribution today and if so, what is it? How long has the HSA employer contribution been in place? | See the response to Q1 above.The HSA employer contribution has been offered since 2015.  |
| Q44 |  |  | What are the HSA assets under management, broken out between funds in cash and funds in investment? This is an important detail to understand when determining a financial offer. | As of June 2024: Cash: $45.7 million dollarsInvestments: $30.7 million dollars |
| Q45 |  |  | How many FSA participants are enrolled in BOTH a HCFSA/DCA or LPFSA/DCA? We ask because we only charge one fee for a member enrolled in two FSA accounts. | Unique members that enrolled in both accounts as of June 2024: HCFSA/DCA: 1,516LPFSA/DCA: 133 |
| Q46 |  |  | What can be attributed to the decrease in FSA participation from January 2024 from December 2023? | December 2023 enrollment includes all enrollments throughout the entire year, including participant accounts with carryover balances from 2022 without a 2023 enrollment election. January 2024 enrollment only includes enrollment for January 2024 and does not include participant accounts with carryover balances from 2023 without a 2024 enrollment election. Participants with a carryover balance and no active election are not enrolled until after the runout period.  |
| Q47 |  |  | What can be attributed to the decrease in Commuter enrollments from January 2024 from December 2023, when commuter benefits are a month to month benefit? | The 2024 participation number in the RFP is based on January 2024 enrollments only and does not include carryover accounts for Commuter programs. Carryover balances without an enrollment election were made available to members by April 15, 2024. Based on the May 2024 invoice, 691 participated in the Transit Account and 2,291 participated in the Parking Account. The State Employers’ hybrid work model has attributed to the decrease in Commuter enrollments. State Employers continue to provide a hybrid model that allows employees to work from home and travel less frequently to work.  |
| Q48 |  |  | What are today’s fees for all products?  | See the response to Q26.  |
| Q49 |  |  | Is there a bundled fee? For example, one fee for someone enrolled in HSA, LPFSA, DCA, and Commuter is only charged one administrative fee? | The Administrative fees are based on a per-participant-per-benefit-per-month (PPPBPM) fee, not a bundled fee.  |
| Q50 |  |  | Is the service experience 24/7 today? | Yes.  |
| Q51 | RFP Form B item 4.1: If awarded a Contract, the Services provided by the Proposer to the Department under the Contract will be performed within the United States. | Page 1 | Please confirm we are interpreting correctly that the Department has an onshore service only requirement. | See the response to Q17.  |
| Q52 | Form B – 4.9 | Pg 2 | Please clarify who the Department will utilize for their Benefits Administrative platform. We read “My Insurance Benefits” who is supported by Oracle/PeopleSoft, however within Form B we understand the Department is implementing BenefitFocus. Please confirm the integration would then occur with BenefitFocus, and if any integration would be needed with Oracle/Peoplesoft. | RFP Section 1.11.2 states: “When the Department’s IAS is implemented, Employees and Retirees will enroll for benefits using the IAS, via **My Insurance Benefits** during the Open Enrollment Period. Enrollment files will be transmitted between the Department’s IAS vendor and the Contractor. Even after the IAS is implemented, the Contractor must be able to provide, accept, and process paper enrollments.” **My Insurance Benefits** refers to the State’s gateway for benefits enrollment, not a third-party system. The Department will use the benefits administration system from Benefitfocus, therefore, integration would occur with Benefitfocus.  |
| Q53 |  |  | Would BenefitFocus also be who we receive payroll/contribution data from? Or, who would the payroll provider be? | The Payroll Centers will provide the contribution data file for all pre-tax Benefit Programs. Census and enrollment data files will be provided by Benefitfocus.  |
| Q54 |  |  | Who are the Department’s medical, dental, and vision carriers? | See <https://etf.wi.gov/insurance/health-plan-and-vendor-contact-information> for the Department’s medical, dental, and vision carriers. |
| Q55 |  |  | Are there any anticipated marketings or changes with the medical carrier(s) or file vendors? | We are unsure what information the vendor is trying to ascertain with this question. State of Wisconsin Group Health Insurance Program (GHIP) health plan contracts (except Medicare plans) are for a term of one year. Health plans may apply on an annual basis to become part of the GHIP; and health plans may choose to not renew a contract. The Department currently has active RFPs for Medicare Advantage, Medicare Plus, and Pharmacy, with planned contract start dates of 1/1/2026; these contracts will be for terms longer than one year. |
| Q56 |  |  | Are there files between the carriers and the incumbent today to support FSA auto-claim-adjudication today? | No, there are no claim files exchanged between the health carriers and the current FSA administrator.The Department does not allow the carriers to provide data for FSA auto claim-adjudication.  |
| Q57 |  |  | Are there files between the carriers and the incumbent today to support HSA auto-claim-filing into the participant’s dashboard? | No, there are no claim files exchanged between the health carriers and the current HSA administrator.The Department does not allow the carriers to provide data for HSA auto claim-adjudication.  |
| Q58 |  |  | How are claims and contributions funded today? ACH, a reserve account of funds held by the incumbent, etc. What is the timing of funding? | The Department provides advance funding through ACH to the incumbent for claims to be paid out. The advance funding is provided before the start of the plan year. See RFP Appendix 7 Section 135A. |
| Q59 | RFP | Pg 9 | For Open Enrollment, how many days and locations are OE sessions held (on average)? | For 2024 Open Enrollment: there were 15 onsite locations across Wisconsin that requested the vendor to attend; and the Department requested 3 virtual benefit fairs for members. Onsite or virtual benefit fairs can be requested at any time during the open enrollment period (with 30 day advanced notice).  |
| Q60 | RFP | Pg 9 | Would OE materials need to be shipped to a single location to then be dispersed? | Open enrollment materials must be shipped to areas across Wisconsin upon Employer request.  |
| Q61 |  |  | Does the Department have a cobranded debit card and online portal experience today? | Yes, the debit card and microsite is co-branded. The online portal is not co-branded.  |
| Q62 |  |  | Does the microsite support a SSO into the participant portal? | The microsite supports SSO. However, the Department does not use SSO with its microsite.  |
| Q63 |  |  | Is the microsite password protected or SSO’d to from an internal source (ben admin platform, for example)? | The microsite password is protected through two-way multi-factor authentication but not SSO.  |
| Q64 | RFP | Pg 91.10 | Please clarify what is sought in regard to “vendor is responsible for enrollment services.” Would the enrollments be managed on the Ben Admin platform with a file established with the selected vendor to gather enrollments, or is the Department seeking the selected vendor to offer an enrollment solution where participants enroll directly with the HSA/FSA/Commuter administrator? | The Contractor must be able to receive enrollment files from third-party benefit administrators and/or Payroll Centers to upload enrollment into the Contractor’s system. If Benefitfocus is not implemented by mid-2025, the Contractor must be able to provide an enrollment system for the benefits being offered and enroll participants directly. The Contractor must also be able to accept enrollment files from Payroll Centers that have their own enrollment system, and a paper enrollment application process for the Payroll Centers that do not have an enrollment system. 2 of the 9 Payroll Centers do not have a benefit enrollment system and may require paper enrollment and/or Contractor’s enrollment system.  |
| Q65 |  |  | Is there one master account the Department operates as? Is there one master agreement from the Department with the provider? | The Department holds the master account and will access all Payroll Center and member account information.Each of the 9 Payroll Centers must be limited to reporting and information for their population of enrollments only. |
| Q66 |  |  | Are there divisional needs, including claim/contribution-funding from various accounts or admin fee payment from various accounts? | The Department only needs to see administrative fee invoices or reports at the Payroll Center level.Payroll Centers may need to see reports at the division level, e.g., reporting by Universities of Wisconsin campus or specific state agencies.  |
| Q67 |  |  | Is the Department responsible for paying the administrative fees, or each individual state/employer group? | See response to Q10.  |
| Q68 |  |  | Is the HR team centralized for all groups, or would there be HR contacts/teams at each group that the provider would work directly with? | Each of the 9 Payroll Centers has their own HR and Benefits Administration staff that support the programs. The Contractor(s) will work directly with all of these staff and Department staff. See Appendix 3 – State Employer Organizational Relationship Overview. |
| Q69 |  |  | Would the Department be willing to complete our NDA, in order to receive the Soc2 report? If so, what would be the best way to get the NDA to the Department for review and execution? | Yes, the Department is open to completing an NDA in order to receive the Proposer’s SOC 2 Type 2 report. This would be necessary only if a Proposer is selected as a finalist, and the Proposer does not find FORM G – Designation of Confidential and Proprietary Information to be sufficient. If FORM G does not meet your needs, the Department has an NDA for the purpose of receiving vendor SOC 2 reports; state in your Proposal your desire to receive a copy of this NDA. |
| Q70 |  |  | Are there any non-negotiable items from a contracting perspective, for example, flexibility on indemnification being subject to a cap? | See RFP Section 2.4.2.  |
| Q71 |  |  | Is the Department open to utilizing the provider’s service agreement as the foundation of the contract, with mutual redlining completed to reach agreeable terms? | No. See RFP Sections 2.4.1 and 9.1.  |
| Q72 | RFP | Pg 4 | Please provide clarity regarding advanced compliance and tax code guidance; (pg 4 of RFP). Generally these aspects are managed by a benefits attorney or tax advisor, beyond our standard compliance support.  | The Contractor must be able to provide advanced compliance and tax code guidance to the Department related to program administration. Throughout the RFP and Program Agreements there is additional information on what compliance and tax code guidance is required. |
| Q73 |  |  | We saw the Department offers wellness benefits. Would there be interest to see a Lifestyle Spending Account quote, to represent the power of consolidation for convenience? We offer a post-tax benefit that would align with the current offer of the Departments. | As stated in FORM H – Cost Proposal Workbook “Proposers may enter additional costs for proposed Additional Services (per Section 8 of the RFP) only in the "Additional Services" section located near the bottom of Tabs 2 and 3.” |
| Q74 |  |  | Does the VEBA allow for debit card usage for the 'Retiree HRA'? | The Department does not offer a VEBA or HRA.  |
| Q75 |  |  | How does the VEBA HRA work? Can you provide plan design information? | The Department does not offer a VEBA or HRA. |
| Q76 |  |  | Does the VEBA offer investment options, and if so, could the line up be provided? | The Department does not offer a VEBA or HRA. |
| Q77 |  |  | When was the VEBA trust established? | The Department does not offer a VEBA or HRA. |
| Q78 |  |  | What are the VEBA assets under management, broken out between funds in cash and funds in investments? | The Department does not offer a VEBA or HRA. |
| Q79 |  |  | Who manages the trust/record keeping/fiduciary for the VEBA? | The Department does not offer a VEBA or HRA. |
| Q80 |  |  | Who manages the administration of the funded HRA? | The Department does not offer an HRA.  |
| Q81 |  |  | Are you looking for trust administration and fund management (RIA/fiduciary/record keeping) and HRA administration? | The Department is looking for a third-party administrator to offer the pre-tax savings account programs to State of Wisconsin members. The Department does not offer a VEBA or HRA. |
| Q82 |  |  | If so, can you please describe the VEBA in place today? | The Department does not offer a VEBA or HRA. |
| Q83 |  |  | Is it a post-retirement VEBA? | The Department does not offer a VEBA or HRA. |
| Q84 |  |  | Are there claim active and non-claim active participants? | To be eligible to participate in the pre-tax programs, the member must be an active member (employed in a qualifying position) to participate.As a COBRA benefit, terminated employees can continue their FSA through the end of the plan year and submit claims for reimbursements. Terminated employees with a Dependent Day Care Account can submit eligible claims through the end of the plan year for reimbursements. Retirees enrolled in the State HDHP are required to maintain an HSA with the Contractor. |
| Q85 |  |  | If so, can you please break out active and post-employment accounts? | Approximately 300 members who are retired maintain the State HDHP and HSA coverage.Less than 100 members continue their FSA coverage through COBRA.  |
| Q86 |  |  | Who manages the administration of the funded HRA? | The Department does not offer an HRA. |
| Q87 |  |  | In regard to working in partnership with the Department to champion member communication, engagement, and education. – what does the Department envision? What works well today? | The Department is looking for new ways to communicate and outreach to members that would help them better understand the pre-tax Benefit Programs. Current communication involves direct email messaging, online enrollment brochures, and resources on the microsite. Quarterly engagement notification about the pre-tax Benefit Programs works well today.  |
| Q88 |  |  | What are the expectations around NDT, would the data be provided to the selected vendor in the proper format?  | Throughout the RFP and ERA Commuter Program Agreement there is additional information on non-discrimination testing expectations/requirements. The Contractor will be responsible for non-discrimination testing and will work with the Payroll Centers and/or Department for the data that is needed to perform this service. Payroll Centers utilize a standard file format for non-discrimination testing data submissions to the contractor.  |
| Q89 |  |  | Do we have permission to utilize the Department’s logo for the purpose of a finalist presentation to demonstrate cobranding abilities? | No, the Department will not allow co-branding for the purposes of a finalist presentation. The Department allows co-branding with contracted vendors only.  |
| Q90 |  |  | Who would be responsible for the overall implementation, a centralized team at the Department, or contacts from each individual state/employer group? | The Contractor is responsible for the overall implementation.The Department will have a centralized team working with the Contractor’s implementation team. There may be additional staff at the Payroll Centers who assist with file testing during implementation.  |
| Q91 |  |  | Are the state/employer groups set up under the master account? Does the Department have data-access to all entities, or must data be designated only to specific contacts for each state/employer group? | See the response to Q65. |
| Q92 |  |  | How often do employees move between agencies/groups? | The Department does not track this information. |
| Q93 |  |  | What are the payroll schedules? How many are there? | There are 9 different Payroll Centers and each of them may have a different pay schedule and/or date. Payroll Center schedules are either bi-weekly or monthly. See Appendix 6, Section 120D.3. See Appendix 7, Section 125F.3.  |
| Q94 |  |  | Does each entity have a separate Tax ID? | Yes, each Payroll Center has a different Tax ID.  |
| Q95 |  |  | Does each entity pay their own invoice, or does the Department manage payment for all entities under the umbrella? | The Department manages the administrative fees for all Benefit Programs and claims payments for FSA, DCAP, LPFSA, and Commuter Benefit Programs for the Payroll Centers.  |
| Q96 |  |  | Could a census be provided of a break out of benefits eligible for each state/employer group included under the Department? | A census file will be provided after a Contract(s) is executed.  |
| Q97 |  |  | Must all entities under the Department move forward with the selected provider, or do they have an option to deviate and utilize a separate vendor? | All State Payroll Centers and the Employers under them are required to use the pre-tax Benefit Programs offered by the Contractor(s) that has contracted with the Department (there is no option to deviate and utilize a separate vendor).  |
| Q98 |  |  | Is there consistency in the FSA plan designs across all entities? | Yes, the FSA plan design is the same for all State employers. |
| Q99 |  |  | Is there consistency in the renewal/start dates across all entities? | Yes, the Department’s policy, eligibility, enrollment, termination, and COBRA apply the same across all State employers.  |
| Q100 |  |  | How does reporting work today? Is one report pulled for all entities? | The Department can pull reporting for all entities in a single report. Payroll Centers pull reporting for their Employee population only.  |
| Q101 |  |  | Do all 1,500 groups need to be set up separately, or is there another means of breaking out divisions under the Department? | Currently, only the 9 State Payroll Centers need to be set up. See the response to Q33.  |
| Q102 | Terms and Conditions | Page 12 | Is the Department willing for indemnification to be subject to a mutually agreeable cap? We cannot quote on an uncapped liability basis. | See the response to Q7. |
| Q103 | RFP Section 7 | 36-65 | The subcontractor for our technology platform will require an NDA before they provide the requested information. Will the State of Wisconsin Employee Trust Funds agree to execute an NDA? If so, will the State of Wisconsin Employee Trust Funds execute the agreement electronically, or will a paper agreement be required? If a paper agreement is required, are wet ink signatures also required, or are copied sufficient? To whom should the NDA be sent? Please provide name, title, address, and email address (if electronic)? | RFP Section 7 is the Technical Questionnaire. The Department has provided FORM G - Designation of Confidential and Proprietary Information for the same purposes that an NDA serves. If FORM G does not meet your needs, the Department has a NDA; send a request to ETFsmbProcurement@etf.wi.gov or state in your Proposal your desire to receive a copy of this NDA. The Department utilizes DocuSign for signing documents.  |
| Q104 |  |  | How are FSA claims funded today?  Do you allow for ACH pull for claims funding, or do you currently use a replenishment account?   | See the response to Q58. The Department does not allow ACH pull. |
| Q105 |  |  | What is the frequency of FSA claims funding? | The Department will provide advance FSA claims funding as a one-time payment during the implementation period and prior to the start of each plan year. The Contractor will invoice the Department on a weekly basis for claims paid out. The Department normally will pay the claims invoice within five (5) business days from the Department’s receipt of a properly submitted invoice. See Section 125, ERA, and Commuter Program Agreement: Section 135C Fees, Invoicing, and Payments. |
| Q106 |  |  | Who are your medical, dental, and vision carriers?  Do you currently integrate claims data with your FSA program? | See <https://etf.wi.gov/insurance/health-plan-and-vendor-contact-information> for the Department’s medical, dental, and vision carriers. No, the Department does not integrate claims data with the FSA program.  |
| Q107 |  |  | What are the total HSA plan assets – including a breakdown between cash vs investment balances? | See response to Q44. |
| Q108 |  |  | Are any other coverages going out to bid this year for 1/1/26? | The Department has active RFPs out for Third Party Administration of Medicare Advantage and Medicare Plus Benefit Plans and Third Party Administration of Pharmacy Benefits Program. See <https://etf.wi.gov/procurement> for these RFPs.  |
| Q109 |  |  | Is FDIC insurance a requirement for the HSA funds, or will you accept alternative options from vendors? | The Department is open to discussing contract terms during negotiations as described in RFP Sections 2.4.1 - Instructions for Submitting Assumptions and Exceptions and 2.4.2 - IMPORTANT: Supplemental Information – Department Terms and Conditions. Also see the language in RFP Section 7.12.2. |
| Q110 |  |  | What is the current investment threshold for HSA investing? | $1,000. |
| Q111 |  |  | Please provide the current fees by product. | See the response to Q26 above.  |
| Q112 |  |  | What is the average annual spending per account for each of the current products? | The average annual spending per Participant account: * HCFSA: $983.84
* LPFSA: $345.85
* DCA: $2,983.95
* HSA: $1,942.79
* Commuter: $213.40
 |
| Q113 |  |  | What is the average annual employer contributions per account or each of the current products? | The average annual contributions, which include employee and employer contributions, are: * HSA: $1,959
* Heath Care FSA: $1,095
* Limited Purpose FSA: $462
* Dependent Day Care Account: $4,010
* Parking Account: $333
* Transit Account: $90

The only product that has an employer contribution is the HSA. See the response to Q1.  |
| Q114 |  |  | What is the current number of employees participating across all products? (When there is more than one product offered, the total number of participating employees is typically less than the total number of accounts, because there are usually some employees enrolled in more than one product.) | Based on the May 2024 Participant Account Report, there are 5,489 unique employees enrolled in 2 or more of products (HSA, ERA, and Commuter Fringe Benefit Accounts).  |
| Q115 | RFP Section 1.5 HSA Benefit Program | 7 | In addition to the detail provided, please include the total HSA total cash balance and investment balance. | See response to Q44.  |

You can find the RFP and its attachments on ETF’s web site at <https://etf.wi.gov/node/35441>.