



STATE OF WISCONSIN  
Department of Employee Trust Funds  
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SECRETARY

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Date: August 15, 2018  
To: All Potential Proposers to RFP ETH0020  
RE: **ADDENDUM No. 1**  
**Request for Proposals (RFP) ETH0052-54**  
**ETH0052 – Third Party Administration of Health Savings Accounts (HSA)**  
**ETH0053 – Third Party Administration of Section 125 Cafeteria Plan and Employee Reimbursement Accounts (ERA)**  
**ETH0054 – Third Party Administration of Commuter Fringe Benefit Accounts**

**Acknowledgement of receipt of this Addendum No. 1:**

**Proposers must acknowledge receipt of this Addendum No. 1 by providing the required information in the box below and including this Page 1 in Tab 1 of their Proposal.**

Proposer's Company Name:	
Authorized Person (Printed Name and Title):	
Authorized Person's Signature:	
	Date

**Please note the following updates to RFP ETH0052-54:**

- ADD** the following bullet to Page 15 of the RFP, Section 2.4, to the right of TAB 1, under General Information and Forms, directly after "Provide the following in the following order:"
  - **Page 1 of ADDENDUM No. 1: Completed and signed Page 1 of Addendum No. 1.**
- REVISE** RFP Appendix 9, Section 130A-1b, second sentence, as follows:
  - Billing and payment cycles for BENEFIT PROGRAM claims will occur twice monthly. ~~Billing and payment cycles for claims submitted directly by PARTICIPANTS will occur monthly. The Contractor will invoice the Department twice monthly for all claims incurred, to include debit card, direct pay, and participant reimbursement request claims.~~ Billing and payment cycles may be modified if mutually agreed upon by the CONTRACTOR and the DEPARTMENT. The CONTRACTOR will electronically send invoices, in forms satisfactory to the DEPARTMENT and CONTRACTOR, to the DEPARTMENT as follows:

3. **ADD** to the RFP the following questions regarding RFP ETH0052-54 from Proposers and answers from the Department:

**Request for Proposals (RFP) ETH0052-54**

**ETH0052 – Third Party Administration of Health Savings Accounts (HSA)**

**ETH0053 – Third Party Administration of Section 125 Cafeteria Plan and Employee Reimbursement Accounts (ERA)**

**ETH0054 – Third Party Administration of Commuter Fringe Benefit Accounts**

**Vendor Q&A**

No.	RFP Section or Appendix #	Page #	Vendor Question/ETF Answer
Q1	RFP Section 2.3 Submitting the Proposal	13	Can we place the flash drive in a smaller envelope with the RFP numbers on the envelope?
A1			Because the flash drive could get separated from the envelope, please use a permanent marker or small label to tag/label the flash drive.
Q2	RFP Section 2.4 Proposal Organization and Format	14	Format Requirements in the first bullet, "bound securely". Will you accept binders or spiral bound proposals
A2			ETF will accept binders and spiral bound proposals.
Q3	RFP Section 2.4 Proposal Organization and Format	16 and 17	Tab 3 will contain Assumption and Exceptions. The instructions indicate that "The Department may or may not consider any of the Proposer's suggested revisions. The Department reserves the right to reject any proposed assumptions or exceptions." In the event The Department rejects a proposed exception, may the Proposer withdraw their proposal at that time? The rationale is that Proposer may not wish to continue with the process if the Department is unwilling to negotiate certain provisions.
A3			Yes, see Section 2.6 of the RFP.
Q4	2.4 Proposal Organization and Format	17 and 18	<p>Tab 4 indicates that no exceptions will be allowed for several provisions. While we understand this, if the Proposer cannot meet a particular requirement, will the Department consider waiving a requirement? Specifically:</p> <p><b>Question A.</b> With regard to 6.0 of Appendix 2 - Audit Provision, if the Proposer cannot get a subcontractor to agree to an audit by the State, will the results of an audit of such subcontractor conducted by the Proposer suffice? The rationale is that Proposer utilizes certain subcontractors across its entire client base and subcontracts are already in place. While the Proposer has audit rights of the subcontractor, it may not be possible to get the subcontractor to agree to allow individual clients of Proposer the same right.</p> <p><b>Question B.</b> With regard to Section 28.0 of Appendix 2 - Confidential Information and HIPAA Business Associate Agreement, will the State agree that Contractor may have 48 hours to report a suspected breach after becoming aware of it?</p>

		<p>The rationale is that Proposer has standard data security protocols in place across its entire business, which currently require notice of a breach within 48 hours. Proposer may not be able to agree to 24 hours.</p> <p><b>Question C.</b> With regard to Section 39.0 of Appendix 2 - Assignment, if Contractor utilizes subcontractors, is that deemed a delegation of a duty if Contractor agrees to remain responsible for all acts and omissions of that subcontractor? And if yes, will the State consider either waiving this provision as it relates to certain subcontractors that are utilized across Contractor's entire client base or consider acceptance of the Proposal as approval of the subcontractors that are listed in the Proposal? The rationale is that Proposer utilizes certain subcontractors across its entire client base and subcontracts are already in place. Proposer may not be in a position to provide services if subcontractors are subject to the State's approval and such approval is denied.</p>
A4		<p><b>Answer A:</b> The Department will not accept assumptions, exceptions, or changes to the items listed in <b>RFP Table 4. No Assumptions or Exception Allowed.</b> Per RFP Table 4, no assumptions or exceptions to Appendix 2 - Section 6.0 Audit Provision, are allowed. Section 6.0 is clear: The Contractor and its authorized subcontractors are subject to audits by the State, the Legislative Audit Bureau (LAB), an independent Certified Public Accountant (CPA), or other representatives as authorized by the State. The results of an audit of a Contractor's Subcontractor(s) conducted by the Contractor may not suffice as the State, the Legislative Audit Bureau (LAB), and independent Certified Public Accountant (CPA) hired by those entities may have cause to audit the Subcontractor's books/records directly. However, should this arise the Department is willing to discuss a resolution.</p> <p><b>Answer B:</b> The department will not accept assumptions, exceptions, or changes to the items listed in <b>RFP Table 4. No Assumptions or Exception Allowed.</b> Per RFP Table 4, no assumptions or exceptions to Appendix 2 - Section 28.0 Data Security and Privacy Agreement, are allowed. It is the Department's requirement that the Contractor notify the Department within twenty-four (24) hours after Contractor becomes aware of a suspected breach, impermissible use, or impermissible disclosure of the Department's Confidential Information.</p> <p><b>Answer C:</b> The Department will not accept assumptions, exceptions, or changes to the items listed in <b>RFP Table 4. No Assumptions or Exception Allowed.</b> Per RFP Table 4, no assumptions or exceptions to Appendix 2 - Section 39.0 Assignment, are allowed. Per Section 39.0 no right or duty in whole or in part of the Contractor under the Contract may be assigned or delegated without the prior written consent of the Department. Subcontracting contracted Services is a delegation of that contractual duty. The Department requires the Contractor to provide a list of all its Subcontractors in RFP Form C – Subcontractor Information to the Department for review and approval. The Contractor is responsible for all acts and omissions of all of Contractor's Subcontractors. The Department will not unreasonably withhold its agreement to allow</p>

			Contractor's Subcontractors to perform work/provide Services under the Contract.
Q5	Appendix 2, Section 4.0	2 of 17	Section 4.0 indicates that the Department must be notified and approve of all subcontractors. Will the State waive the requirement of approval? The rationale is that Contractor utilizes subcontractors across its entire client base and subcontracts are already in place. No one client can have approval. Contractor may not be in a position to provide services if subcontractors are subject to the Department's approval and such approval is denied.
A5			The Department will not waive the requirement of Subcontractor approval. The Department will not unreasonably withhold its agreement to allow Contractor's selected Subcontractors to perform work/provide Services under the Contract. Examples of reasons why the Department would not allow a Subcontractor to provide Services include but are not limited to: Subcontractor is delinquent in paying State of Wisconsin taxes, Subcontractor becomes a State or Federal debarred contractor.
Q6	Appendix 2, Section 7.0	3 of 17	The link to the Wisconsin Human Resources Handbook Chapter 246, Securing Applicant Background Checks site is not active. Can you provide the provision?
A6			The link is: <a href="https://dpm.wi.gov/Hand%20Book%20Chapters/WHRH_Ch_246.pdf">https://dpm.wi.gov/Hand%20Book%20Chapters/WHRH_Ch_246.pdf</a>
Q7	Appendix 2, Section 7.0	3 of 17	This provision indicates that a copy of the results of the criminal background checks the Contractor conducted must be made available to the Department upon request. Will the Department accept a summary of results? The rationale is that we do not share full background check results due to privacy concerns, but will share whether or not an employee passed or not.
A7			The Department will not accept a summary of the results of background checks conducted by the Contractor. However, the Department is willing to revise Section 7.0 Criminal Background Verification and Section 27.0 Identification of Key Personnel Changes to accept an attestation from Contractor that background checks were conducted, completed and passed, as opposed to requiring Contractor to provide copies of the criminal background checks Contractor conducted.
Q8	Appendix 2, Section 12.0	4 of 17	This provision indicates the Contractor agrees that the Department shall have the right to liquidate such damages, through deduction from the Contractor's invoices, in the amount equal to the damages incurred, or by direct billing to the Contractor. Is there a process by which Contractor can contest the findings of the Department and have due process before the Department takes a deduction from the invoice? The rational is that the Contractor should not be in a position of not receiving payment without the opportunity to contest the findings and after a determination of each parties' claims.
A8			Yes. Per Section 12.0 of the Department Terms and Conditions – Liquidated Damages, the Department will notify the Contractor in writing of any claim for liquidated damages within thirty (30) calendar days after the Contractor's failure to perform in accordance with the terms and conditions of the Contract. In the event of a dispute, the Contractor may invoke the steps available in Section 13.0 of Appendix 2 - Department Terms and Conditions, Contract Dispute Resolution.

Q9	Appendix 2, Section 20.0	6 of 17	This provision provides that the Contractor shall maintain errors and omissions insurance including coverage for network and privacy risks, breach of privacy and wrongful disclosure of information in an amount acceptable to the Department with a minimum of \$1,000,000 per claim and \$5,000,000 aggregate. Will the Department consider a limit in the aggregate only if that limit is set at a higher limit? The rationale is that Contractor's policy for E&O may only have an aggregate limit only, and it may not be possible to obtain a rider for a per claim limit for an individual client; the entire policy may need to be rewritten.
A9			It is not clear what the referenced policy actually provides. However, the Department, at this time, will not consider a limit in the aggregate only, even if it is set at a higher limit.
Q10	Appendix 2, Section 23.2	9 of 17	This provision provides that in the event of an indemnity claim, Contractor will also be responsible to pay for the Department's staff attorneys and/or attorneys from the Wisconsin Attorney General's Office. Will the Department consider waiving this? The rationale is that this is highly unusual and typically the internal operating costs of the indemnitee are not included as they are basically overhead costs. In addition, our insurance policy would likely not cover these costs.
A10			The Department will not accept assumptions, exceptions, or changes to the items listed in <b>RFP Table 4. No Assumptions or Exceptions Allowed.</b> Per RFP Table 4, no assumptions or exceptions to Appendix 2 – Section 23.0, are allowed. Therefore, the Department will not consider waiving this provision.
Q11	Appendix 2, Section 23.2	9 of 17	Subsection (c) of this provision seems to provide that Contractor shall be responsible for any claims or losses caused by the Services provided regardless of whether Contractor did anything wrong or not. Will the Department consider qualifying this provision to include only losses caused by Contractor's negligence, intentional wrongful acts or omissions, failure to comply with the provisions of the contract or failure to comply with all laws? The rationale is that this should not be a "strict liability" provision. The risk of using the Services should fall on the Department. Contractor should only be responsible if it did something wrong.
A11			The Department will not accept assumptions, exceptions, or changes to the items listed in <b>RFP Table 4. No Assumptions or Exceptions Allowed.</b> Per RFP Table 4, no assumptions or exceptions to Appendix 2 – Section 23.0, are allowed. Therefore, no, the Department will not consider qualifying this provision.
Q12	Appendix 2, Section 23.5	10 of 17	This provision provides that in carrying out any provision of the Contract or in exercising any power or authority granted to the Contractor thereby, there shall be no liability upon the Department, it being understood that in such matters the Department acts as an agent of the State. Please clarify what this means. Who do you see being liable for losses or damages suffered by third parties (typically employees) in connection with using the Services where Contractor has complied in all respects to the terms of the contract and law and has not acted negligently?
A12			The Department is an agency of the state of Wisconsin. Any action regarding liability for services provided under the Contract would involve Contractor and the State of Wisconsin. Issues regarding contract compliance and negligence would be addressed in dispute resolution, litigation or other action.

Q13	Appendix 2, Section 28	11- 16 of 17	If upon closer review Contractor is unable to meet all the requirements set forth in this Data Security and Privacy Agreement, will the Department consider any revisions/exceptions, or will the Proposal simply be deemed non-responsive if exceptions are taken to this section?
A13			As stated in the Answer to Question 4B, the Department will not accept assumptions, exceptions, or changes to the items listed in <b>RFP Table 4. No Assumptions or Exception Allowed.</b> Per RFP Table 4, no assumptions or exceptions to Appendix 2 - Section 28.0 Data Security and Privacy Agreement, are allowed. The evaluation committee reviews all submitted assumptions and exceptions and makes the determination to accept or reject any such assumptions/exceptions, and determines whether a proposal will be considered non-responsive.
Q14	Appendix 2, #21	6	Is the Department willing to modify the last paragraph of Appendix 2, #21 regarding ownership of materials to allow the Contractor to remain in compliance with IRC §6039D(b) and Treas. Reg. §31.6001-1? Or is the language contained within #22(t) and #28 intended to overrule #21?
A14			It is not clear how Appendix 2, Section 21 would cause Proposer to not be in compliance with IRS § 6039D(b) and Treas. Reg. § 31.6001-1. At this time, the Department can state that if, during the period of a Contract with Proposer (Contractor), there is a concern that Appendix 2, Section 21 is in conflict with any other section of Appendix 2 or in conflict with any federal regulations, Contractor can utilize Section 13.0 of Appendix 2 - Department Terms and Conditions, Contract Dispute Resolution and work with the Department to resolve the matter.  To the extent this question refers to the filing of IRS form 5500, please note that the Department, as a governmental plan, is not required to file that form.
Q15	Appendix 6, 1.1	1	Would ETF consider providing HSA enrollment online only?
A15			No, ETF will not consider providing HSA enrollment online only. The majority of the benefit eligible employees enroll through their Payroll Center's payroll benefit system.
Q16	Appendix 6, 1.1	1	How many paper applications were processed in 2017?
A16			The majority of the employees that are HSA benefit eligible enroll through their Payroll Center's payroll benefit system. For 2017, there were a total of 355 paper enrollment applications.
Q17	Appendix 6, 1.2	1	Please explain what "interest income on the withheld contributions and an annual charge to state agencies" means. From what funds is the interest income earned? What is the current contractor's annual charge to state agencies?
A17			The administrative expenses incurred by the HSA program are funded by three sources: account forfeitures, interest income, and fees contributed by each state agency. Wis. Stat. §40.875(1)(a) authorizes the Department of Employee Trust Funds (ETF) to determine the fee amount that is equal to each state agency's share of the program costs. State agencies contribute a monthly fee for each health insurance contract that has an employer-paid share reported to ETF. The state agency contributed monthly fee is separated out to pay the administrative fees of all the various benefit options, to include the HSA.

			Any remaining funds are placed into a reserve account. The reserve account may earn interest and interest earned on the reserve account may be used to pay for future administrative fees/expenses.
Q18	Appendix 6, 1.5	3	In 2017, how many HSA enrollments were completed online, by phone or by paper?
A18			For 2017, there were a total of 365 Participant enrollments through the current contractor by phone, paper, or online account portal. All other enrollments occurred through the Payroll Center's payroll benefit system and were sent to the contractor by file submission.
Q19	Appendix 6, 1.8	4	When employees make reimbursement requests is the current contractor verifying if it is an eligible expense? Is the reimbursement sent by check or ACH from the HSA to employee's checking account? How many reimbursements were requested in 2017?
A19			Yes, the current contractor verifies any reimbursement request is for an eligible expense. The reimbursement is issued by check or ACH. We are unable to provide the total count of HSA reimbursements for the 2017 plan year.
Q20	Appendix 6, 1.16	7	Can you explain the current processes for providing internal audits of the HSA program?
A20			The Contractor will conduct regular self-audits to guarantee contract compliance, plan compliance, and customer satisfaction. In addition, the Contractor will conduct a third-party SOC 1 Type 2 audit. The Department will conduct an independent audit every two years and follow-up audits related to any audit findings. The Legislative Audit Bureau (LAB) will conduct an audit on an annual basis. Any audit findings will require immediate remedy by the Contractor.
Q21	Appendix 6, 1.4	2	Total HSA assets on deposit.
A21			In 2017, there was a total of \$9.8 million dollars deposited into Participant HSAs.
Q22	Appendix 6, 1.5	3	Will the eligibility file include all benefits eligible employees or only those who have elected the HDHP?
A22			Currently, the eligibility file includes all High Deductible Health Plan and Health Savings Account benefit eligible employees.
Q23	Appendix 6, 1.5	2	What are the total HSA plan funds under management today or as of your last report received for the plan?
A23			The total HSA funds under management are \$4,500,000.00.
Q24	Appendix 6, 1.5	2	What is the average account balance for each HSA account today or as of your last report received for the plan?
A24			The average Participant account balance is \$2,180.00.
Q25	Appendix 6, 1.5	2	Approximately what % of the 5,296 participants enrolled today have funds invested in the investment offerings?
A25			Approximately six percent (6%) of Participants have funds invested in the investment offerings.
Q26	Appendix 6, 1.12	6	How many health fairs and open enrollment meetings are held annually and at how many different locations? Are these meetings on successive business days?

A26			See the Sample 2018 Plan Year Open Enrollment Benefit Fair Schedule at <a href="https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html">https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html</a> .
Q27	Appendix 6, 1.12	6	How many Open Enrollment fairs were conducted in 2017? How many fairs were supported by TASC?
A27			See the Sample 2018 Plan Year Open Enrollment Benefit Fair Schedule at <a href="https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html">https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html</a> .
Q28	Appendix 6, 1.16	7	What is the frequency of the independent audit that the Department will schedule on a periodic basis?
A28			The Department will have audits conducted by an independent auditor every two years and may conduct follow-up audits on any findings as determined by the Department.
Q29	Appendix 7, 1.1	1	How are materials distributed? Can you quantify the number and types of paper materials; or provide examples?
A29			Materials are distributed to Participants by email, mail, in person at benefit fairs, and are available online. Please refer to <a href="https://partners.tasconline.com/ETFEmployee">https://partners.tasconline.com/ETFEmployee</a> for examples.
Q30	Appendix 7, 1.2	2	How are forfeitures handled? What is the account balance?
A30			At the close of the plan year, any unused funds not able to be rolled over to the next plan year are forfeited back to the plan. The forfeiture funds are used to offset administrative expenses. The Department will not discuss the account balance at this time.
Q31	Appendix 7, 1.5	2	What do you feel has contributed to the steady increase in participation?
A31			The Department, Payroll Centers, and the current contractor made additional education and outreach efforts to employees on the High Deductible Health Plan and Health Savings Account benefit plan.
Q32	Appendix 7, 1.5	3	Can you provide the numbers of online, paper and telephone enrollments for the most recent open enrollment period? Is the telephone enrollment process automated, or handled by representatives?
A32			The majority of the Payroll Centers do not utilize the contractor's system for enrollment purposes. Most enrollment is completed directly through the Payroll Center's payroll benefit system with submission of enrollment file to the contractor. For the Payroll Centers that utilize the contractor for enrollment purposes, there were a total of 700 paper and phone enrollments and 2,200 account portal enrollments. Telephone enrollments were handled by contractor representatives.
Q33	Appendix 7, 1.5	4	Is the debit card process fully compliant with IRS regulations for both health care and dependent care? Are there any dollar thresholds in use? Please provide a detailed description of all auto-substantiation parameters in use. What is the current auto-substantiation percentage?
A33			The Contractor is required to provide a debit card and debit card processes that are compliant with IRS regulations. The current contractor utilizes smart card technology to include Merchant Category Codes (MCC), Inventory Information Approval System (IIAS), copay matching, substantiated reoccurring reimbursement,



			etc. Currently, ninety percent (90%) of debit card transactions auto-substantiate.
Q34	Appendix 7, 1.6	4	Please describe the types of enrollment and other program materials required or in use now. How are materials distributed? Can you quantify the number of materials distributed?
A34			Refer to: <a href="https://partners.tasconline.com/ETFEmployee">https://partners.tasconline.com/ETFEmployee</a> for types of enrollment and program materials.
Q35	Appendix 7, 1.10	5	This section indicates that “multiple” notices are sent at various times. How many notices does this include? Are plan participants required to have email to receive notices?
A35			See Annual Communication Overview document at <a href="https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html">https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html</a> for additional details. Participants are not required to have an email to receive notice.
Q36	Appendix 7, 1.13	7	For the most recent plan year, how many FSA participants had taxable income as a result of unsubstantiated card transactions? Or how many were subject to steps #3 and #5?
A36			In 2017, there were 1,385 Participants that were subject to steps three and five of the unsubstantiated claims process.
Q37	Appendix 7, 1.15	8	How many fairs are held and at what locations? Can you provide a sample schedule from the most recent open enrollment period?
A37			See the sample 2018 Plan Year Open Enrollment Benefit Fair Schedule at <a href="https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html">https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html</a> .
Q38	Appendix 7, 1.16	8	Can you clarify if the local office is a requirement? What types of duties and functions are performed from this office; describe “troubleshooting.” How would having a local office improve service?
A38			The Contractor is required to have a local office. A local office provides the Department and Payroll Centers with direct customer service to aid in troubleshooting issues related to technical, process, compliance, and program support.
Q39	Appendix 7, 1.19	9	The current third party administrator maintains a bank account on the Department's behalf from which claims are paid for the ERA program. Are participant checks and direct deposits transacted from this account or is it an account that holds payroll contributions from which the third party then pulls funds for reimbursements paid from the third party administrator's bank account?
A39			The Contractor will maintain a separate account owned by the Contractor that holds funds to reimburse Participant claims. The Contractor will accurately invoice the Department twice monthly for claims incurred. The Department will pay the Contractor for the incurred claims.
Q40	Appendix 8, 1.1	1	How many parking facilities receive direct payments? Is this at the participant level; or plan level? Does the parking facility provide a file to the administrator for processing?
A40			We are unable to provide the total count of parking facilities that receive direct payments. Direct payment is set up at the Participant level. The parking facilities do not provide a file to the Contractor.
Q41	Appendix 10, 1.3.5	5	It is not clear if the on-site support is required, can you confirm? How would on-site improve services?

A41			On-site support staff will be required during implementation, for projects related to system changes/upgrades, large project work, and times mutually agreed upon by the Department and the Contractor.
Q42	Appendix 11, 1.1.9	3	Is IVR required? Can you provide any statistics on the IVR usage?
A42			An IVR system is not required. Statistics on IVR usage are not available.
Q43	Appendix 11, 1.2.4	5	To confirm, this information should be on the flash drive only and no paper copies?
A43			Per RFP Section 2.4: Only provide promotional materials if they are relevant to a specific requirement of the RFP. If provided, all materials must be included with the response to the relevant requirement and clearly identified as "promotional materials." Electronic access to such materials is preferred, which includes flash drives and web links.
Q44	Appendix 11, 1.3.2	8	Please provide details regarding the number of events, duration of events, locations, etc. Can you also provide a sample schedule from the most recent open enrollment period?
A44			See the sample 2018 Plan Year Open Enrollment Benefit Fair Schedule at <a href="https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html">https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html</a> .
Q45	Appendix 11, 1.3.5	9	Can you provide samples of the items currently in use?
A45			Please refer to <a href="https://partners.tasconline.com/ETFEmployee">https://partners.tasconline.com/ETFEmployee</a> for samples.
Q46	Appendix 11, 1.4.8	12	Since IRS rules are very specific regarding auto-substantiation, what options are in use today?
A46			The current Contractor uses smart card technology to include Merchant Category Codes (MCC), Inventory Information Approval System (IIAS), copay matching, substantiated reoccurring reimbursement, etc.
Q47	Appendix 11, 1.6.11-12	8	Is testing performed per payroll center; or on the plan as a whole? How are the meetings conducted; in person, webinar, other?
A47			Testing files are submitted by each individual Payroll Center to the Contractor. The Contractor will combine all testing files and test the plan as a whole. Initial meetings are conducted in person. If the Department and Contractor mutually agree, follow-up testing meetings may be conducted via webinar.
Q48	Appendix 11B, 1.5	5	Is the Plan Documentation request for customized documents for each individual payroll reporting agency or a single document that would encompass all agencies?
A48			The Department is the administrator of the benefit programs, therefore plan documentation will be customized for the Department.
Q49	Appendix 11C, 1.1.4	2	Describe your organization's experience with participants mistakenly enrolling in the parking account when their employer already deducts their parking expenses via pre-tax payroll deduction. We do not understand this question – please explain how this might happen? Is there more than 1 commuter benefits program for which an employee can participate?
A49			There are several Employers under the multiple Payroll Centers. Some Employers have the ability to offer parking that is deducted

			on a pre-tax basis directly from an Employee's paycheck and some Employers do not have this ability. Since the Commuter Fringe Benefit program is offered to all Payroll Centers, there are times an Employee will participate in the Employer pre-tax parking program and the Commuter Fringe Benefit program through the Contractor. In this instance, the Participant's enrollment in the Commuter Fringe Benefit program was made in error by the Participant.
Q50	Appendix 8, 1.10	4	Two options for reimbursement are listed: debit cards and reimbursement requests. Does the current third party administrator send transit vouchers or fare media to the participant or is the program a pure reimbursement program today using either a claim or debit card to obtain benefits?
A50			The current Contractor does not send transit vouchers or fare media to participants. Participants are able to use debit card at point-of-purchase or submit a claim via mobile application, online account, or paper reimbursement request form.
Q51	Appendix 9, 125	19	For <b>COMMUTER FRINGE BENEFIT</b> purposes, eligible EMPLOYEES include STATE EMPLOYEES, including limited term EMPLOYEES who are eligible to participate, with the exception of EMPLOYEES of the University of Wisconsin System. EMPLOYEES of all campuses of the University of Wisconsin System are excluded from participation as of May 31, 2018, with the exception of EMPLOYEES of all campuses of the University of Wisconsin System who are participants in the Plan on May 31, 2018. EMPLOYEES of all campuses of the University of Wisconsin System who are participants in the plan on May 31, 2018, are no longer eligible to contribute to the plan, but retain unused amounts in their accounts as of that date, subject to the COMMUTER FRINGE BENEFIT program plan document. Will any unused funds be transferred over to the new third party administrator for participants of record on May 31, 2018?
A51			Any unused Commuter Fringe Benefit funds will be transferred over to the Contractor, to include funds from Participants from the University of Wisconsin System.
Q52	Appendix 9, 130	21	Claims Reimbursement. Cycle I: Encompasses claims processed CALENDAR DAY one (1) through CALENDAR DAY fifteen (15). The CONTRACTOR will electronically send an invoice to the DEPARTMENT two (2) BUSINESS DAYS after the end of the cycle. Cycle II: Encompasses claims processed CALENDAR DAY sixteen (16) through the last CALENDAR DAY of the month. The CONTRACTOR will electronically send an invoice to the DEPARTMENT two (2) BUSINESS DAYS after the end of the cycle. May the Contractor reimburse claims daily to the participants and invoice the Department weekly instead of every 15 days or twice monthly?
A52			The Department would expect the Contractor to reimburse claims to Participants on a daily basis. The Department may consider invoicing on a weekly basis instead of every 15 days or a twice-monthly basis.
Q53	Appendix 9, 130A-1b	21	"Billing and payment cycles for claims submitted directly by PARTICIPANTS will occur monthly." Please explain what you mean by this.
A53			There is an error in Appendix 9, Section 130A-1b, second sentence. The correction is as follows:

			b) Billing and payment cycles for BENEFIT PROGRAM claims will occur twice monthly. <del>Billing and payment cycles for claims submitted directly by PARTICIPANTS will occur monthly. The Contractor will invoice the Department twice monthly for all claims incurred, to include debit card, direct pay, and participant reimbursement request claims.</del> Billing and payment cycles may be modified if mutually agreed upon by the CONTRACTOR and the DEPARTMENT. The CONTRACTOR will electronically send invoices, in forms satisfactory to the DEPARTMENT and CONTRACTOR, to the DEPARTMENT as follows:
Q54	Appendix 9, 145B	29	Will the consolidation of the legacy system coincide with the new benefit contract(s)?
A54			No, the consolidation of the legacy system will not coincide with the new benefit contract(s).
Q55	Appendix 9, 145B	29	What are the file format types you currently use with your multiple payroll systems?
A55			Currently the Contractor, Payroll Centers, and the Department use txt, Excel, and CSV file formats. File formats vary by Payroll Center.
Q56	Appendix 9, 145B	29	What file format types are you considering with the payroll systems consolidation?
A56			The file format is unknown at this time.
Q57	Appendix 9, 205B	42	Does the existing program offer a "stacked" card for participants (IE HSA/HRA/FSA/Commuter/Dependent Care accounts on a single debit card)?
A57			The existing program offers stacked cards for Participants.
Q58	Appendix 9, 205B	42	Will the State require a "stacked" debit card for participants (IE HSA/HRA/FSA/Commuter/Dependent Care accounts on a single debit card)?
A58			Since many Participants enroll in multiple benefit programs, stacked debit cards are preferred.
Q59	Appendix 9, 205B	42	Can we limit the number of replacement cards that are provided at no cost, especially if the employee has asked for multiple replacements throughout the year?
A59			Debit Cards are issued to new Participants each year. Participants that continue enrollment year after year will continue to use the same debit card, unless they are expired or reissued. Last year, the current Contractor reissued 2,600 replacement cards at no cost. Only a few Participants were issued a replacement card multiple times. The Department would <b>NOT</b> limit the number of replacement cards that are provided to Participants at no cost.
Q60	Appendix 9, 205B	43	Is the contractor expected to monitor HSA debit cards for payment in excess of the participant's annual election?
A60			It is the Contractor's, the Payroll Center's, and the Participant's responsibility to monitor that the annual HSA contributions do not exceed the annual HSA contribution limit. It is the Contractor's and the Participant's responsibility to ensure that funds are not spent in excess of a Participant's HSA available balance.
Q61	Appendix 9, 230C	45	What does the Department mean by "HEALTH SAVINGS ACCOUNT claims" on page 46 of Appendix 9 230C?

A61			An HSA claim is when a Participant requests payment from the Contractor for reimbursement of an eligible expense or distribution of the Participant's HSA funds. An HSA payment may also be known as a reimbursement request or a distribution request.
Q62	Appendix 9, 305.1	58	Does the department provide prefunding to the administrator? What is the current amount of prefunding?
A62			The Department did provide prefunding to the current Contractor. The Department and the Contractor will discuss prefunding and agree on an amount during contract negotiations. The Department will not discuss the current prefunding amounts at this time.
Q63	Appendix 9, 305.7	59	Can you provide a sample of the report requested?
A63			See Customer Service Inquiry Report at <a href="https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html">https://etfonline.wi.gov/etf/internet/RFP/HSA-ERA-Fringe/index.html</a> . This sample document provides an example of what the current Contractor provides to the Department.
Q64	Appendix 9	All Pages	Will the Department consider exceptions/revisions/redlines to the State of Wisconsin Program Agreement? The rationale is that Contractor may not be able or may be unwilling to meet each requirement and upon further review may wish to take some exceptions.
A64			Yes.
Q65	Form H - Cost Proposal Workbook	Multiple	Regarding PPPBPM, can the State provide addition detail of the "Per Benefit" breakout? For example, typical benefit types would be premium reduction benefit, medical spending, dependent care, parking, transportation, and HSA (6 benefit accounts), but the cost workbook appears to combine certain benefits accounts as one. Any additional clarification on how the State would like to see the breakout would be beneficial.
A65			<p>The Department is seeking Per Participant Per Benefit Per Month (PPPBPM) data for individual benefit programs in the following tabs and rows of the Cost Proposal Workbook:</p> <ul style="list-style-type: none"> <li>• HSA PPPBPM – Tab 2, Row 54, Item H-14</li> <li>• Health Care FSA PPPBPM – Tab 3, Row 59, Item CE-17</li> <li>• Limited Purpose FSA PPPBPM – Tab 3, Row 65, Item CE-18</li> <li>• Dependent Day Care FSA PPPBPM – Tab 3, Row 71, Item CE-19</li> <li>• Parking Account PPPBPM – Tab 4, Row 53, Item F-14</li> <li>• Transit Account PPPBPM – Tab 4, Row 59, Item F-15</li> </ul> <p>Total PPPBPM amounts are tabulated on an annual basis for the following tabs and rows of the Cost Proposal Workbook:</p> <ul style="list-style-type: none"> <li>• Total ERA Fee – Tab 3, Row 75, Item CE-20</li> <li>• Total Commuter Fringe Benefit Fee – Tab 4, Row 63, Item F-16</li> </ul> <p>Proposers may choose to provide Administrative Fee Detail information where indicated in Tabs 2, 3, and 4. It is not necessary to indicate all administrative items that are included in the proposed PPPBPM, but proposers may do so if desired. Any administrative items that would require an additional PPPBPM fee should be included.</p> <p>Proposers who submit Proposals for all three programs within this RFP may enter a proposed annual discount by percentage on Tab 5. The total annual PPPBPM amounts entered in Tabs 2, 3, and 4 will automatically tabulate on Tab 5 in the section titled Proposed</p>

			PPPBPM Administrative Fee Discount by Percentage (Line 29) and the discount will be applied only if the Department contracts with the Proposer for all three RFPs.
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END

This Addendum will be available on ETF's Extranet at <http://etfextranet.it.state.wi.us/etf/internet/RFP/rfp.html>.