



State of Wisconsin
Department of Employee Trust Funds
4822 Madison Yards Way
Madison, WI 53705-9100
P. O. Box 7931
Madison, WI 53707-7931

Contract by Authorized Board

Commodity or Service:

Third Party Administration of
Commuter Fringe Benefit Accounts

Contract No./Request for Proposal No:

ETH0054

Authorized Board: Group Insurance Board

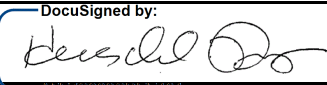
Contract Period: May 1, 2019 – December 31, 2021 with the option for renewal for two (2) additional two (2) year periods.

1. This Contract is entered into by the State of Wisconsin Department of Employee Trust Funds (Department) on behalf of the State of Wisconsin Group Insurance Board (Board), and ConnectYourCare, LLC (Contractor), whose address and principal officer appear below. The Department is the sole point of contact for this Contract.
2. Whereby the Department agrees to direct the purchase and Contractor agrees to supply the Contract requirements in accordance with the documents specified in the order of precedence below, which are hereby made a part of this Contract by reference.
3. For purposes of administering this Contract, the order of precedence is:
 - (a) This Contract;
 - (b) Exhibit A – Contract Changes dated May 1, 2019;
 - (c) RFP Appendix 9 – State of Wisconsin Commuter Fringe Benefit Program Agreement dated May 1, 2019;
 - (d) RFP Appendix 2 – Department Terms and Conditions dated May 1, 2019;
 - (e) RFP Appendix 4 – State Employer Organizational Relationship Overview dated May 1, 2019;
 - (f) ETF Request for Proposal (RFP) ETH0052-54 dated June 29, 2018;
 - (g) Contractor's RFP Form H – Cost Proposal Workbook submitted to the Department on January 23, 2019, as Contractor's Best and Final Offer (BAFO); and,
 - (h) Contractor's proposal dated August 29, 2018.

Continued on next page.

Contract Number & Service: ETH0054 Third Party Administration of Commuter Fringe Benefit Accounts

This Contract shall become effective upon the date of last signature below (the “Effective Date”).

State of Wisconsin Department of Employee Trust Funds	
Authorized Board:	State of Wisconsin Group Insurance Board
By (Name):	Herschel Day, Chair, Group Insurance Board
Signature:	<small>DocuSigned by:</small> 
Date of Signature:	<small>ASE7C939CDEE401...</small> 5/7/2019
Contact A. John Voelker, ETF Deputy Secretary, if questions arise: (608) 266-9854	

Contractor	
Legal Company Name:	ConnectYourCare, LLC
Trade Name:	ConnectYourCare, LLC
Taxpayer Identification Number:	26-1274092
Contractor Address (Street Address, City, State, Zip):	307 International Circle, Suite 200 Hunt Valley, MD 21030
Name & Title (print name and title of person authorized to legally sign for and bind Contractor):	Harrison Stone, General Counsel
Signature:	<small>DocuSigned by:</small> 
Date of Signature:	<small>F8CAF4622E3F48F...</small> 5/6/2019
Email:	harrison.stone@connectyourcare.com
Phone:	(410) 891-1033

Exhibit A
ETH0054 Contract Changes
May 1, 2019

Changes agreed to by the Department and ConnectYourCare, LLC (Contractor) during contract negotiations for Request for Proposal (RFP) ETH0054 – Third Party Administration of Commuter Fringe Benefit Accounts:

- 1) **Cost:** Contractor's RFP Form H – Cost Proposal Workbook, which the Contractor submitted to the Department with Contractor's Proposal, is hereby replaced with Contractor's Form H – Cost Proposal Workbook submitted to the Department on January 23, 2019, as Contractor's Best and Final Offer (BAFO). Since Contractor was awarded contracts for all programs under the RFP, Contractor shall apply the 8% discount that Contractor offered in Contractor's BAFO to the Per Participant Per Benefit Per Month (PPPBPM) costs therein, and reflect the final discounted cost on all invoices submitted to the Department for payment.
- 2) **Department Terms and Conditions:** RFP Exhibit 2 – Department Terms and Conditions dated March 1, 2018, is hereby deleted and replaced with the attached, revised Exhibit 2 – Department Terms and Conditions dated May 1, 2019.
- 3) **Program Agreement:** RFP Appendix 9 – State of Wisconsin Program Agreement, dated June 29, 2018, is hereby deleted and replaced with the attached, Appendix 9 – State of Wisconsin Commuter Fringe Benefit Account Program Agreement dated May 1, 2019.
- 4) **State Employer Organizational Relationship Overview:** RFP Appendix 4 – State Employer Organizational Relationship Overview is hereby deleted and replaced with the attached, revised RFP Appendix 4 – State Employer Organizational Relationship Overview dated May 1, 2019. Note: UW Hospitals and Clinics no longer participate in the Commuter Fringe Benefit Program, revised Appendix 4 reflects this change.

Appendix 9



State of Wisconsin Commuter Fringe Benefit Account Program Agreement

**Issued by the State of Wisconsin
Department of Employee Trust Funds
On behalf of the Group Insurance Board**

May 1, 2019

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000 DEFINITIONS

Unless otherwise defined herein, any term needing definition shall have the definition found in RFPs #ETH0052-54, the Department Terms and Conditions, applicable plan documents, or in applicable Wisconsin law. These terms, when used and capitalized in this AGREEMENT are defined and limited to that meaning only:

AGREEMENT means this Program Agreement.

ANNUITANT (see STATE ANNUITANT).

BENEFIT PROGRAM refers to the COMMUTER FRINGE BENEFIT Program (including parking and transit accounts).

BOARD means the State of Wisconsin Group Insurance Board.

BUSINESS DAY means each CALENDAR DAY except Saturday, Sunday, and official State of Wisconsin holidays (see also: CALENDAR DAY, DAY).

CALENDAR DAY refers to a period of twenty-four hours starting at midnight.

CALENDAR YEAR means the time period from January 1 to December 31.

COMMUTER FRINGE BENEFIT means a qualified pre-tax savings transportation benefit program, such as a parking or transit account.

CONTINUANT means any PARTICIPANT enrolled in a BENEFIT PROGRAM under the federal or STATE continuation provisions.

CONTRACT means the written agreement between ConnectYourCare, LLC (CONTRACTOR) and the BOARD, and includes: CONTRACTOR'S Proposal as accepted by the DEPARTMENT, RFPs ETH0052-54, this AGREEMENT, the Department Terms and Conditions, the CONTRACT cover, its exhibits, subsequent amendments and other documents as agreed to by the CONTRACTOR and the DEPARTMENT.

CONTRACTOR means ConnectYourCare, LLC.

CONTRIBUTION means the money deposited into a PARTICIPANT'S BENEFIT PROGRAM account.

DAY means CALENDAR DAY unless otherwise indicated.

DEBIT CARD means a payment card issued to allow a PARTICIPANT to access their BENEFIT PROGRAM funds.

DEDUCTIBLE means a predetermined amount of money that a PARTICIPANT must pay before benefits are eligible for payment by the PARTICIPANT'S insurance.

DEPARTMENT or **ETF** means the Wisconsin Department of Employee Trust Funds.

EMPLOYEE(S) means an eligible employee of the State of Wisconsin as defined under [Wis. Stat. § 40.02 \(25\) \(a\), 1., 2., 3., or \(b\), 1m., 2., 2g., or 8](#) and [Wis. Stat. § 40.02 \(40\)](#).

EMPLOYER means an eligible STATE agency as defined in [Wis. Stat. § 40.02 \(54\)](#).

HEALTH BENEFIT PROGRAM means the Group Health Insurance Program that provides group health benefits to eligible STATE EMPLOYEES, STATE ANNUITANTS, CONTINUANTS and their eligible dependents in accordance with Chapter 40, Wisconsin Statutes. The HEALTH BENEFIT PROGRAM is established, maintained and administered by the BOARD.

HIPAA means the Health Insurance Portability and Accountability Act of 1996. See Appendix 2 – Department Terms and Conditions.

INDIVIDUAL PERSONAL INFORMATION or **IPI** has the meaning ascribed to it at Wis. Admin. Code ETF § 10.70 (1). See Appendix 2 – Department Terms and Conditions.

INVENTORY INFORMATION APPROVAL SYSTEM or **IIAS** requires a merchant's inventory and point-of-sale systems to have the ability to verify that the merchandise being purchased with a BENEFIT PROGRAM DEBIT CARD is an eligible expense, as defined by the Internal Revenue Service.

IRS means Internal Revenue Service.

IT'S YOUR CHOICE OPEN ENROLLMENT or **IYC** means the enrollment period referred to in the DEPARTMENT materials as the IYC enrollment period that occurs at least annually, allowing EMPLOYEES the opportunity to enroll for coverage in benefit plans offered by the BOARD.

MERCHANT means a COMMUTER FRINGE BENEFIT provider that has a MERCHANT CATEGORY CODE and/or an INVENTORY INFORMATION APPROVAL SYSTEM and point-of-sale systems that can verify the services/merchandise being purchased with a BENEFIT PROGRAM DEBIT CARD is an eligible expense, as defined by the IRS.

MERCHANT CATEGORY CODE or **MCC** is a four-digit number credit card networks assign to every business that applies to accept credit cards. The number corresponds to the type of business or service the company offers (e.g. medical, vision, dental, etc.).

PARTICIPANT(S) means the EMPLOYEE or any of the EMPLOYEE'S QUALIFIED DEPENDENTS who have been specified by the DEPARTMENT for enrollment and are entitled to participate in the BENEFIT PROGRAM.

PAYROLL CENTER means the benefits department of a participating STATE agency that is responsible for completing business processes associated with BENEFIT PROGRAM enrollment and changes, payroll deductions, leave benefit administration, and terminations. See Appendix 4 – State Employer Organizational Relationship Overview.

PERSONALLY IDENTIFIABLE INFORMATION or **PII** has the meaning ascribed to it under Wis. Stat. § 19.62(5).

PLAN DOCUMENT means THE COMMUTER FRINGE BENEFIT Plan Document that provides a PARTICIPANT'S rights and obligations under the BENEFIT PROGRAM.

PLAN YEAR means the twelve (12) month period of coverage under the BENEFIT PROGRAM (e.g. January 1 through December 31).

PROPOSAL means the complete response of the CONTRACTOR submitted in the format specified in the RFP, which sets forth the SERVICES offered by CONTRACTOR and CONTRACTOR'S pricing for providing the SERVICES described in the RFP, the PROPOSAL and in this AGREEMENT.

PROTECTED HEALTH INFORMATION or **PHI** has the meaning ascribed to it under 45 s. CFR 160.103. See Appendix 2 – Department Terms and Conditions.

QUARTERLY/QUARTER means a period consisting of every consecutive three (3) months beginning in January.

REIMBURSEMENT REQUEST means a hard copy paper or electronic form submitted by the PARTICIPANT to the CONTRACTOR with all pertinent documentation regarding an eligible expense for monetary reimbursement from the PARTICIPANT'S pre-tax BENEFIT PROGRAM account.

RETIREE means a STATE member of the Wisconsin Retirement System who is retired and receives an annuity or lump sum benefit from the Wisconsin Retirement System.

RFP means Request for Proposal.

SECURE/SECURED/SECURELY means the confidentiality, integrity, and availability of the DEPARTMENT'S data is of the highest priority and must be protected at all times. All related hardware, software, firmware, protocols, methods, policies, procedures, standards, and guidelines that govern, store, or transport the data must be implemented in manners consistent with the DEPARTMENT'S terms and conditions and current industry standards, such as, but not limited to HIPAA, Genetic Information Nondiscrimination Act (GINA), National Institute of Standards and Technology (NIST) 800-53, and Center for Internet Security (CIS) Critical Security Controls to ensure the protection of all DEPARTMENT data.

SERVICES means all work performed, and labor, actions, recommendations, plans, research, and documentation provided by the CONTRACTOR necessary to fulfill that which the CONTRACTOR is obligated to provide under the CONTRACT.

STATE means the State of Wisconsin.

STATE ANNUITANT means any retired EMPLOYEE of the State of Wisconsin: receiving an immediate annuity under the Wisconsin Retirement System, a currently insured recipient of a long-term disability benefit under [Wis. Adm. Code § ETF 50.40](#), a currently insured recipient of a disability benefit under [Wis. Stat. § 40.65](#), or a terminated EMPLOYEE with twenty (20) years of creditable service.

SUBCONTRACTOR means a person or company hired by the CONTRACTOR to perform a specific task or provide SERVICES as part of the CONTRACT.

100 GENERAL

105 Introduction

This State of Wisconsin (STATE) Program Agreement (AGREEMENT) is for the purposes of administering the COMMUTER FRINGE BENEFIT Program (BENEFIT PROGRAM). The BENEFIT PROGRAM offers STATE EMPLOYEES the ability to elect pre-tax deductions for qualified parking and transit expenses. The BENEFIT PROGRAM is administered for the Group Insurance Board (BOARD) by the Wisconsin Department of Employee Trust Funds (DEPARTMENT).

This AGREEMENT is subject to all terms, conditions, and provisions in the CONTRACT.

By statute, the BOARD has the authority to negotiate the scope and content of the BENEFIT PROGRAM for EMPLOYEES who choose to participate. The DEPARTMENT regularly provides the most current rosters for STATE agencies. See Appendix 5 – State Employer Group Roster (ET-1404).

110 Objectives

The BOARD'S objectives of the BENEFIT PROGRAM include, but are not limited to the following:

- 1) To provide superior management and delivery of the BENEFIT PROGRAM.
- 2) To provide accurate, timely, and responsive administration of all BENEFIT PROGRAM claims.
- 3) To follow federal and STATE rules and regulations pertaining to the BENEFIT PROGRAM.
- 4) To offer high-quality, high-value SERVICES to PARTICIPANTS.
- 5) To offer effective and timely support for PARTICIPANTS.
- 6) To provide excellent PARTICIPANT and EMPLOYEE communication, engagement, and education regarding the BENEFIT PROGRAM.
- 7) To be transparent in the contracting, purchasing, and establishment of tax-savings benefits through the BENEFIT PROGRAM.

115 General Requirements

The CONTRACTOR must meet the minimum requirements of Wis. Stat. [§ 40.85 - § 40.86](#), [§40.03\(6\)\(k\)](#), [§40.515](#), and the CONTRACT. The CONTRACTOR must:

- 1) Cooperate with the DEPARTMENT to develop procedures and protocols for administering the BENEFIT PROGRAM.

- 2) Provide, in a format acceptable to the DEPARTMENT, at no additional cost and in a timely manner, all data and written or recorded material pertaining to this AGREEMENT.
- 3) Provide the specified level of SERVICES as indicated in this AGREEMENT to PARTICIPANTS.
- 4) Assist the DEPARTMENT with the administration of this AGREEMENT, including PARTICIPANT enrollment, record keeping, and general operations.
- 5) Have a mechanism for accurately maintaining records for a minimum of seven (7) years on each PARTICIPANT.
- 6) Have a mechanism, as approved by the DEPARTMENT, for handling complaints and grievances made by PARTICIPANTS.
 - a) This includes a formal grievance procedure, which at a minimum complies with federal and STATE law, whereby the PARTICIPANT is provided the opportunity to present a complaint to the CONTRACTOR and the CONTRACTOR will consider the complaint and advise the PARTICIPANT of its final decision. PARTICIPANTS must be advised of the grievance process when a REIMBURSEMENT REQUEST is denied or if the PARTICIPANT expresses, in writing, dissatisfaction with the administration or claims practices or provision of SERVICES by the CONTRACTOR. In all final grievance decision letters, the CONTRACTOR shall cite the specific IRS regulation or contractual provision(s) upon which the CONTRACTOR bases its decision and relies on to support its decision.
 - b) When necessary, the BOARD intends to take a proactive approach in resolving complaints. The CONTRACTOR must cooperate fully with the efforts of the DEPARTMENT in resolving complaints. Adverse decisions are subject to review by the BOARD for contractual compliance if the PARTICIPANT is not satisfied with the CONTRACTOR'S action on the matter.
 - c) The CONTRACTOR must retain records of grievances and submit an annual summary to the DEPARTMENT of the number, types of grievances received, and the resolution or outcome. The annual summary report will contain data and be in a format established by the DEPARTMENT.
- 7) Submit to the DEPARTMENT or its designee, statistical report(s) showing aggregate financial and utilization data that includes claims and enrollment information annually as required by the DEPARTMENT. Annual reports are due to the DEPARTMENT within thirty (30) DAYS following the end of the calendar year.
- 8) Comply with all STATE and federal rules and regulations pertaining to the BENEFIT PROGRAM.
- 9) Provide the DEPARTMENT with approved materials for PARTICIPANTS as required under this AGREEMENT.

10) Provide notification of all significant events:

- a) The CONTRACTOR shall notify the DEPARTMENT Program Manager in writing of any "Significant Event" within ten (10) CALENDAR DAYS after the CONTRACTOR becomes aware of it. (In the event of CONTRACTOR insolvency, the DEPARTMENT Program Manager must be notified immediately.) As used in this provision, a "Significant Event" is any occurrence or anticipated occurrence that might reasonably be expected to have a material effect upon the CONTRACTOR'S ability to meet its obligations under the CONTRACT, including, but not limited to, any of the following: disposal of major assets; loss of fifteen (15%) percent or more of the CONTRACTOR'S participation; termination or modification of any contract or subcontract if such termination or modification will have a material effect on the CONTRACTOR'S obligations under this AGREEMENT; the imposition of, or notice of the intent to impose, a receivership, conservatorship or special regulatory monitoring; the withdrawal of, or notice of intent to withdraw, or dissolution of existing relationship, STATE licensing or certification, or any other status under STATE or federal law; default on a loan or other financial obligations; strikes, slow-downs or substantial impairment of the CONTRACTOR'S facilities or of other facilities used by the CONTRACTOR in the performance of the SERVICES.
- b) In addition, any change in the ownership of or controlling interest in the CONTRACTOR, or any merger with another entity or the CONTRACTOR'S acquisition of another organization is a "significant event." A change in ownership or controlling interest means any change in ownership that results in a change to or acquisition of majority (fifty-one percent (51%)) interest in the CONTRACTOR or any transfer of ten percent (10%) or more of the indicia of ownership, including but not limited to shares of stock. The CONTRACTOR agrees to provide to the DEPARTMENT Program Manager at least sixty (60) DAYS advance written notice of any such event. The DEPARTMENT may accept a shorter period of notice when it determines the circumstances so justify.
- c) The BOARD requires the information concerning any change in ownership or controlling interest, any merger or any acquisition of another entity in order to fulfill the BOARD'S responsibility to assess the effects of the pending action upon the best interests of the BENEFIT PROGRAM and its PARTICIPANTS. The DEPARTMENT and the BOARD agree to keep the information disclosed as required under paragraph (b) above, confidential under [Wis. Stat. § 19.36 \(5\)](#) of the Wisconsin Public Records Law until the earliest of one of the dates noted below unless the CONTRACTOR waives confidentiality or a court orders the DEPARTMENT or BOARD to disclose the information or the DEPARTMENT or BOARD determines that under the particular circumstances, any harm to the public interest that would result from permitting inspection is outweighed by the public interest in immediate inspection of the records.

The DEPARTMENT also agrees to notify the CONTRACTOR of a request to disclose the information as a public record prior to making such disclosure, so as to permit the CONTRACTOR to defend the confidentiality of the information. Information disclosed by a CONTRACTOR concerning any change in ownership or controlling interest, any merger

or any acquisition of another entity will be disclosed by the DEPARTMENT as a public record beginning on the earliest of the following dates:

- i) The date the pending change in ownership or controlling interest, any merger or any acquisition of another entity becomes public knowledge, as evidenced by public discussion of the action including but not limited to newspaper accounts.
 - ii) The date such action becomes effective.
 - iii) Sixty (60) DAYS after the DEPARTMENT receives the information.
- d) The BOARD shall reserve the right to institute action as it deems necessary to protect the interests of the PARTICIPANTS of the BENEFIT PROGRAM as the result of a "Significant Event."
- 11) Agree to utilize identification numbers (Social Security Number or employee identification number) as directed by the DEPARTMENT to administer the BENEFIT PROGRAM. Social Security numbers may be incorporated into the PARTICIPANT'S data file and may be used for identification purposes only and not disclosed or used for any other purpose. The CONTRACTOR must always keep a record of Social Security numbers for providing data and other reports to the DEPARTMENT or its authorized vendors and track the unique employee identification number that is assigned by the DEPARTMENT and/or PAYROLL CENTER. Any costs incurred by the DEPARTMENT because of CONTRACTOR'S failure to comply with this requirement shall be paid by the CONTRACTOR.
- 12) Provide SERVICES and benefits to PARTICIPANTS deemed eligible and enrolled in the BENEFIT PROGRAM.
- 13) Have legal, compliance, and technical staff available to the DEPARTMENT for consultation as needed for program administration, and for assistance with any appeal and grievance processes. The CONTRACTOR shall monitor the development of and provide notification, information to the DEPARTMENT in a timely manner concerning STATE or federal regulations or legislation that may affect the BENEFIT PROGRAM.
- 14) Shall not use or disclose names, addresses, or other data for any purpose other than specifically provided for in the CONTRACT.
- 15) Comply with all applicable requirements and provisions of the [Americans with Disabilities Act \(ADA\) of 1990](#). CONTRACTOR shall provide evidence of compliance with the ADA to the DEPARTMENT upon the DEPARTMENT'S request.
- 16) Notify the DEPARTMENT of any changes to the CONTRACTOR'S administrative and/or operative systems.

- 17) The DEPARTMENT and the CONTRACTOR shall meet on a QUARTERLY basis to discuss the BENEFIT PROGRAM, the CONTRACTOR'S performance, issues experienced, any recommended BENEFIT PROGRAM process changes or improvements, etc.

120 Board Authority

- 1) [Wis. Stat. § 40.85 and § 40.03 \(6\)\(k\)](#), provides authority for the BOARD to select and contract with a provider(s) authorized to transact business in the STATE for the purpose of providing BENEFIT PROGRAM services to be used by STATE agencies.
- 2) The BOARD shall establish enrollment periods, known as the IT'S YOUR CHOICE OPEN ENROLLMENT period, which shall permit eligible EMPLOYEES to enroll in the BENEFIT PROGRAM offered by the BOARD. Unless otherwise provided by the BOARD, the IT'S YOUR CHOICE OPEN ENROLLMENT period shall be held once annually in the fall of each year with coverage effective the following January 1.
- 3) The BOARD reserves the right to change the IT'S YOUR CHOICE OPEN ENROLLMENT period, or to change the PLAN YEAR to a fiscal year or to some other schedule that it deems appropriate.
- 4) In cases where data submitted by the CONTRACTOR is deemed to be inadequate by the BOARD, DEPARTMENT, or the BOARD'S consulting actuary, the BOARD may take any action up to and including limiting new enrollment into the BENEFIT PROGRAM administered by the CONTRACTOR.
- 5) In the event a CONTRACTOR becomes, or is at risk for becoming insolvent, experiences a "significant event", or if the BOARD so directs due to a "significant event" as described in [Section 115](#), the BOARD may do any of the following, including any combination of the following:
 - a) Terminate the CONTRACT upon any notice it deems appropriate, including no notice.
 - b) Authorize a special enrollment period and require that each PARTICIPANT enrolled in a BENEFIT PROGRAM administered by the CONTRACTOR change to another BENEFIT PROGRAM provider.
 - c) Authorize a special enrollment period so that a PARTICIPANT enrolled in a BENEFIT PROGRAM administered by the CONTRACTOR may voluntarily change to another provider.
 - d) Close the BENEFIT PROGRAMS administered by the CONTRACTOR to any new enrollments for the remainder of the CONTRACT period.
 - e) Require that prior to making a BENEFIT PROGRAM selection, prospective PARTICIPANTS be given a written notice describing the BOARD'S concerns.

- f) Take no action.
- 6) The BOARD may forfeit a PARTICIPANT'S rights to the BENEFIT PROGRAM if a PARTICIPANT fraudulently or inappropriately assigns or transfers rights to an ineligible individual(s) or aids any other person in obtaining benefits to which they are not entitled, or otherwise fraudulently attempts to obtain benefits. The DEPARTMENT may at any time request such documentation as it deems necessary to substantiate PARTICIPANT or QUALIFIED DEPENDENT eligibility. Failure to provide such documentation upon request shall result in the suspension of benefits.
- 7) The BOARD may initiate disenrollment efforts in situations where a PARTICIPANT has committed acts of physical or verbal abuse. The PARTICIPANT'S disenrollment is effective the first of the month following completion of the grievance process and approval of the BOARD. The BOARD may limit re-enrollment options in the BENEFIT PROGRAM.
- 8) The BOARD shall determine all policy for the BENEFIT PROGRAM. In the event that the CONTRACTOR requests, in writing, that the BOARD issue program policy determinations or operating guidelines required for proper performance of the CONTRACT, the DEPARTMENT shall acknowledge receipt of the request in writing and respond to the request within a mutually agreed upon time frame.

125 Eligibility

125A General

The DEPARTMENT is solely responsible for determining eligible EMPLOYEES. For **COMMUTER FRINGE BENEFIT** 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 and UW Hospitals and Clinics. 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 BENEFIT PROGRAM 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 BENEFIT PROGRAM, but retain unused amounts in their accounts as of that date, subject to the COMMUTER FRINGE BENEFIT Program PLAN DOCUMENT. UW Hospitals and Clinics are excluded from participating in the BENEFIT PROGRAM as of October 31, 2018 and are no longer eligible to make CONTRIBUTIONS to the BENEFIT PROGRAM.

125B Dependent Coverage Eligibility

For **COMMUTER FRINGE BENEFIT** purposes, a PARTICIPANT'S dependent(s) is not eligible for benefits.

125C Change in Status

The DEPARTMENT will be solely responsible for determining an eligible election change. PARTICIPANTS may revoke or change an election at any time during the PLAN YEAR without a qualifying event, as set forth in the PLAN DOCUMENT. To make an election change, a

PARTICIPANT must complete a Change of Election form and submit it to his/her PAYROLL CENTER. The change of election will be effective on the first of the month following the coverage period in which the election change was made.

125D CONTRIBUTIONS

An EMPLOYEE'S BENEFIT PROGRAM CONTRIBUTION(S) will be arranged through deductions from salary.

130 Administrative Fee and Financial Administration

130A Financial Provisions

1) Claims Invoicing:

The BOARD assumes all financial responsibility for claims submitted by/for PARTICIPANTS to the CONTRACTOR, whether by MERCHANTS or PARTICIPANTS.

a) Advance Funding.

The DEPARTMENT will provide the CONTRACTOR with advance funding in the amount of one million six hundred thousand dollars (\$1,600,000) ("Advance Funding") in total for all BENEFIT PROGRAMS managed by the CONTRACTOR. The DEPARTMENT will provide the Advance Funding to the CONTRACTOR by check or Automated Clearing House (ACH) Electronic Funds Transfer (EFT) prior to the start of the PLAN YEAR, and CONTRACTOR will use such funds to pay claims.

- i. The amount of the Advance Funding may be reviewed by the DEPARTMENT and the CONTRACTOR and adjusted as necessary.
 - ii. In the event of CONTRACT termination, the DEPARTMENT will off-set any Advance Funding provided to the CONTRACTOR by deducting any claims or administrative fees owed to the CONTRACTOR. The DEPARTMENT will invoice the CONTRACTOR for any remaining Advance Funding owed to the DEPARTMENT if the full amount has not been off-set by the DEPARTMENT. The CONTRACTOR will pay such remaining amount to the DEPARTMENT by check or ACH.
- b) Invoicing and Payment. Billing and payment cycles for BENEFIT PROGRAM claims will occur on a weekly basis. Billing and payment cycles may be modified if mutually agreed upon by the DEPARTMENT and the CONTRACTOR. The CONTRACTOR will invoice the DEPARTMENT on a weekly basis for BENEFIT PROGRAM claims. The CONTRACTOR will electronically send claims invoices to the DEPARTMENT via a method and in a format mutually agreed upon by the DEPARTMENT and CONTRACTOR.
- c) Payment. The DEPARTMENT will initiate ACH EFT transfers to the CONTRACTOR for properly submitted claims invoices within five (5) BUSINESS DAYS of the DEPARTMENT'S receipt of such invoices. The number of DAYS may increase if the DEPARTMENT justifiably disputes an invoice.

2) Administrative Fees, Other Fee Invoicing and Payments:

- a) As payment in full for the SERVICES described in this AGREEMENT (except as expressly set forth otherwise herein), the BOARD agrees to pay a per-participant-per-benefit-per-month (PPPBPM) administrative fee.
- b) Payments to the CONTRACTOR shall be made monthly, based on the number of active PARTICIPANT BENEFIT PROGRAM accounts in the CONTRACTOR'S processing system on the tenth (10th) of the month.
 - (1) Administrative Fees. Encompasses administrative fees for SERVICES provided from CALENDAR DAY one (1) through the last CALENDAR DAY of the month. The CONTRACTOR will electronically send an administrative fee invoice to the DEPARTMENT via a method and in a format mutually agreed upon by the DEPARTMENT and the CONTRACTOR within ten (10) BUSINESS DAYS following the end of the month for which the invoice applies. The DEPARTMENT will pay the CONTRACTOR the administrative fees within five (5) BUSINESS DAYS of receipt of CONTRACTOR'S properly submitted invoice. The number of DAYS may increase if the DEPARTMENT justifiably disputes an invoice.
 - (2) Other Fees. For any fees other than the administrative fees, the CONTRACTOR will invoice the DEPARTMENT monthly. The CONTRACTOR will electronically send an invoice to the DEPARTMENT via a method and in a format mutually agreed upon by the DEPARTMENT and CONTRACTOR within ten (10) BUSINESS DAYS following the end of the month for which the invoice applies. The DEPARTMENT will pay CONTRACTOR for such other fees within five (5) BUSINESS DAYS of receipt of CONTRACTOR'S properly submitted invoice. The number of DAYS may increase if the DEPARTMENT justifiably disputes an invoice.
- c) The PPPBPM administrative fee may be adjusted after the initial term of the CONTRACT. Cost increases for any CONTRACT term shall be negotiated in good faith and mutually agreed upon by the DEPARTMENT and CONTRACTOR. CONTRACTOR must justify any request for an administrative fee increase in writing to the DEPARTMENT.
- d) In the event the BOARD determines that additional services, not originally contemplated in this AGREEMENT, are necessary to realize the BOARD'S purposes and are in the best interests of the individuals covered by the BENEFIT PROGRAM, the DEPARTMENT may first approach the CONTRACTOR about providing those services. If the DEPARTMENT and CONTRACTOR agree, the DEPARTMENT and the CONTRACTOR shall negotiate in good faith in an attempt to establish fair and reasonable additional compensation for the CONTRACTOR to perform the additional services. If unable to reach an agreement, the DEPARTMENT may seek services elsewhere.

3) **Banking**

- a) The CONTRACTOR shall perform a monthly bank reconciliation and provide a reconciliation report to the DEPARTMENT within twenty (20) CALENDAR DAYS following the last day of each month.

- b) The CONTRACTOR shall submit a claims invoice reconciliation report each month for the prior month. The report will reconcile the weekly claims invoice into a monthly report that will match the claims data reported each month to the DEPARTMENT. The weekly claims invoice must show claims by the benefit period in which they were incurred.
- c) No such amounts that are rightfully transferred to the CONTRACTOR shall be considered BENEFIT PROGRAM assets. Amounts incorrectly transferred to the CONTRACTOR by the DEPARTMENT on behalf of the BOARD remain assets of the Public Employee Trust Fund for which the BOARD is trustee.

130B Prohibited Fees

- 1) The CONTRACTOR is prohibited from including in its administrative fee the cost to handle any claims paid outside of IRS regulations or CONTRACT provisions unless expressly authorized by the DEPARTMENT.
- 2) The CONTRACTOR is prohibited from billing fees that are not pre-approved by the BOARD, including, but not limited to travel and meal expenses.
- 3) The CONTRACTOR must include all fees in its administrative fee quoted to the DEPARTMENT, including but not limited to the cost to provide the following SERVICES:
 - a) *On-site personnel.* At the DEPARTMENT'S request, the CONTRACTOR shall provide on-site support and administrative SERVICES by providing personnel to work at the DEPARTMENT'S Madison, Wisconsin office to perform tasks associated with the administration of the CONTRACT.
 - b) *Expert Services.* At the request of the BOARD or DEPARTMENT, the CONTRACTOR shall make available to the DEPARTMENT qualified compliance consultants to assist the DEPARTMENT in its reviews of program design, plan compliance, and claims administration.
 - c) *Mailing & Postage.* The CONTRACTOR will pay for all mailing, postage and handling costs for the distribution of materials as required by Section 135 Participant Materials and Marketing, or by other express provisions in this AGREEMENT.
- 4) The CONTRACTOR is prohibited from charging the DEPARTMENT additional fees for the items and SERVICES included in the CONTRACTOR'S Best and Final Offer approved by the DEPARTMENT.

130C Recovery of Overpayments

- 1) Overpayments:
 - a) If it is determined that any payment has been made under the BENEFIT PROGRAM and this AGREEMENT to an ineligible person, or if it is determined that more or less than the correct amount has been paid by the CONTRACTOR, the CONTRACTOR shall make a diligent attempt to recover the payment or shall adjust the overpayment.

The CONTRACTOR shall not be required to initiate court proceedings to obtain any such recovery.

- b) If any overpayments made for ineligible persons were the result of fraud or criminal acts or omissions on the part of the CONTRACTOR or any of its directors, officers, and employees, the CONTRACTOR shall reimburse the DEPARTMENT for the amount of such excess payments.
 - c) Overpayments resulting from negligence of the CONTRACTOR or any of its directors, officers and employees and which are caused by a systemic problem due to the CONTRACTOR'S design and/or operation of its claims processing system, including maintenance or card vendor arrangements, which are determined by the CONTRACTOR to be uncollectible, despite diligent efforts by the CONTRACTOR to recover the overpayments, shall be recoverable from the CONTRACTOR by the DEPARTMENT provided that the determination of the amount due shall be based on actual verified overpayments.
 - d) Any overpayment caused by the CONTRACTOR'S error shall be the responsibility of the CONTRACTOR, not to be charged to the DEPARTMENT, regardless of whether any such overpayment can be recovered by the CONTRACTOR. The DEPARTMENT shall provide reasonable cooperation to the CONTRACTOR in its recovery efforts.
 - e) The CONTRACTOR and the DEPARTMENT shall agree upon reasonable procedures to be used by the CONTRACTOR to recover or collect overpayments.
- 2) The BOARD shall hold the CONTRACTOR and its directors, officers, and employees harmless from any liability for any overpayments and/or underpayments made to any ineligible former PARTICIPANT when payments result from a failure of the BOARD, the DEPARTMENT or any other STATE department or agency to make a timely report to the CONTRACTOR of any PARTICIPANT'S loss of eligibility.
- 3) The BOARD reserves the right to institute litigation for the purpose of recovering any overpayment. The BOARD reserves the right to join in any litigation instituted by the CONTRACTOR for the purpose of recovering any overpayment, which is the responsibility of the CONTRACTOR.

130D Amounts Owed by Contractor

Funds owed to the BOARD must be paid within thirty (30) CALENDAR DAYS from notification of penalties or monies owed. The CONTRACTOR has thirty (30) CALENDAR DAYS to document any dispute of amounts owed. After thirty (30) DAYS, the DEPARTMENT may collect owed funds by deducting the amounts from the payments made to the CONTRACTOR, and the CONTRACTOR may be subject to further penalties.

130E Automated Clearinghouse (ACH)

The CONTRACTOR shall support an ACH mechanism that allows for the DEPARTMENT to submit payments.

135 Participant Materials and Marketing

135A Informational / Marketing Materials

- 1) All materials and communications shall be pre-approved by the DEPARTMENT prior to distribution to PARTICIPANTS, potential PARTICIPANTS, and EMPLOYERS of the BENEFIT PROGRAM. This includes written and electronic communication, such as marketing, informational letters, statement of reimbursement, BENEFIT PROGRAM guides, denial letters, and informational notifications.
- 2) The CONTRACTOR must ensure that its marketing and communication materials are culturally sensitive and professional in content, appearance, and design. At the request of the DEPARTMENT, the CONTRACTOR must replace images or artwork on the dedicated website, web-portal, or promotional materials within seven (7) BUSINESS DAYS of the CONTRACTOR'S receipt of the DEPARTMENT'S request. The DEPARTMENT reserves the right to require removal of any objectionable content sooner.
- 3) The CONTRACTOR'S costs for developing and distributing communications to PARTICIPANTS in order to correct an error in previous CONTRACTOR communication(s) that was the result of a CONTRACTOR error will be at the cost of the CONTRACTOR.
- 4) The DEPARTMENT reserves the right to require the CONTRACTOR to provide notification to PARTICIPANTS as directed.

135B It's Your Choice Open Enrollment Materials

The CONTRACTOR will be required to prepare informational materials in a form and content acceptable to the BOARD, as determined by the DEPARTMENT, and clearly indicate any changes from the previous year's materials when submitting draft materials to the DEPARTMENT for review and approval.

- 1) The CONTRACTOR shall issue no less than two (2) electronic enrollment reminder communications to PARTICIPANTS enrolled in CONTRACTOR'S BENEFIT plan(s) prior to the IT'S YOUR CHOICE OPEN ENROLLMENT period and include any specific language directed by the DEPARTMENT summarizing any benefit or other BENEFIT PROGRAM changes. The CONTRACTOR shall send a confirmation to the DEPARTMENT Program Manager indicating the date(s) these re-enrollment reminder communications were issued.
- 2) The CONTRACTOR shall issue annual enrollment materials for PARTICIPANTS prior to the IT'S YOUR CHOICE OPEN ENROLLMENT period and include any specific language directed by the DEPARTMENT summarizing the benefits offered by the BENEFIT PROGRAM. Printed annual enrollment materials will be created and distributed at benefit fairs at no additional costs to the PARTICIPANTS or the DEPARTMENT.
- 3) The CONTRACTOR shall issue a welcome package of informational materials to PARTICIPANTS prior to the IT'S YOUR CHOICE OPEN ENROLLMENT period and

include any specific language directed by the DEPARTMENT summarizing the benefits offered by the BENEFIT PROGRAM. Welcome package materials will be created and made available to PARTICIPANTS at no additional cost to the DEPARTMENT or PARTICIPANTS on the microsite described in Section 135D. The CONTRACTOR will mail printed welcome package materials upon the request of a PARTICIPANT. The CONTRACTOR is responsible for updating welcome package materials annually, prior to each IT'S YOUR CHOICE OPEN ENROLLMENT period.

- 4) The CONTRACTOR shall submit the following information to the DEPARTMENT, in the format as determined by the DEPARTMENT, for inclusion in the communications from the DEPARTMENT for the IT'S YOUR CHOICE OPEN ENROLLMENT period:
 - a) CONTRACTOR information, including address, toll-free customer service telephone number, and website address.
 - b) CONTRACTOR'S content for the BENEFIT PROGRAM related information web page(s) and materials, including available features.
 - c) Information for PARTICIPANTS to access the CONTRACTOR'S web portal, including instructions on how PARTICIPANTS can access the MERCHANT directory.
- 5) The CONTRACTOR shall submit all informational materials intended for distribution to PARTICIPANTS during the IT'S YOUR CHOICE OPEN ENROLLMENT period to the DEPARTMENT for review and approval.
- 6) The CONTRACTOR shall submit three (3) hard copies of all IT'S YOUR CHOICE OPEN ENROLLMENT materials in final format to the DEPARTMENT at least two (2) weeks prior to the start of the IT'S YOUR CHOICE OPEN ENROLLMENT period.

135C Required Participant Outreach

The CONTRACTOR will be required to prepare informational materials in a form and content acceptable to the BOARD, as determined by the DEPARTMENT throughout the PLAN YEAR (January 1 through December 31), and clearly indicate any changes from the previous year's materials when submitting draft materials to the DEPARTMENT for review and approval.

- i) In the event that the IRS makes a change to the BENEFIT PROGRAM CONTRIBUTION limits, the CONTRACTOR will be required to send notification a minimum of thirty (30) CALENDAR DAYS prior to the change to all PARTICIPANTS who are affected by the change. The notification must include an overview of the change and PARTICIPANT impact, and any PARTICIPANT action required for resolution. The notification shall also detail any required action steps required of the CONTRACTOR, PAYROLL CENTER, and/or EMPLOYER for resolution, as well as the contact information for the CONTRACTOR'S customer service.

135D Microsite

By September 15, 2019, the CONTRACTOR will develop, and have ready for use, a fully functional microsite, customized for the DEPARTMENT, including a portal access link for PARTICIPANTS and ADMINISTRATORS. The microsite will include DEPARTMENT-specific BENEFIT PROGRAM materials, educational videos, CONTRIBUTION calculators, a log-in to the secure PARTICIPANT and ADMINISTRATOR portals. All materials posted on the microsite shall be reviewed and approved by the DEPARTMENT'S Program Manager prior to the CONTRACTOR making such materials available to the PARTICIPANTS. The CONTRACTOR will, by September 15 of each subsequent year of the CONTRACT term, update the microsite as necessary and directed by the DEPARTMENT.

140 Information Systems

- 1) The CONTRACTOR'S systems must have the capability of adapting to any future changes that become necessary as a result of modifications to the BENEFIT PROGRAMS and its requirements. The CONTRACTOR'S systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes, as requirements may change.
- 2) If the CONTRACTOR has plans to migrate to a different data or web platform, the DEPARTMENT must be notified no less than six (6) months in advance of the migration.
- 3) The CONTRACTOR must transmit data SECURELY using current industry standard SECURE transmission protocols, e.g., sFTP/SSH or SSL/TLS. This may require software on desktops or an automated system that collects files from the CONTRACTOR'S repository and SECURELY transmits data.
- 4) The CONTRACTOR'S data centers, network, web-portal and personal computers (PCs) must be protected by an up-to-date firewall. PCs and applications must be updated with the latest security fixes and continually maintained and up-to-date. Servers must be SECURED with only authorized staff allowed access to servers. Data that is at rest must be encrypted using strong industry standard encryption. The CONTRACTOR must have a password policy with a complex password scheme. See Appendix 2 – Department Terms and Conditions. CONTRACTOR shall follow the requirements of the Information Security Agreement in the Department Terms and Conditions.

An audit program must be in place to ensure above practices are being followed. The CONTRACTOR'S staff must be trained and follow SECURE computing best practices. Wireless networks must be protected using strong encryption and password policies. Connectivity to all networks, wired or wireless, must be protected from unwanted/unknown connections. Any SUBCONTRACTORS must agree to and abide by all the network and data security requirements in the Department Terms and Conditions.

- 5) All data backups must be handled or transmitted SECURELY. Offsite storage must be audited for compliance (i.e. physical security, all used tapes are accounted for). A business recovery plan must be documented and tested annually, at a minimum, by the CONTRACTOR, and

submitted to the DEPARTMENT within sixty (60) DAYS following the end of each calendar year.

- 6) The CONTRACTOR must be able to confirm that emails sent to program PARTICIPANTS and/or EMPLOYERS have been successfully transmitted and will track failed emails and initiate requests to be whitelisted for EMPLOYER groups that may be blocking the CONTRACTOR'S email communication. The CONTRACTOR must deliver failed messages to PARTICIPANTS in another format, within ten (10) BUSINESS DAYS (e.g. hard copy mail, phone call) if the email transmission is not successful.
- 7) Upon request by the DEPARTMENT, the CONTRACTOR must be able to generate and provide a listing of all individuals that were electronically sent a particular document or communication by the CONTRACTOR or the CONTRACTOR'S SUBCONTRACTOR, the date and time that the document or communication was generated, and the date and time that it was sent to particular individuals. The CONTRACTOR must also provide a listing of those who were sent the communication piece in another format as required by 6), above.
- 8) The CONTRACTOR shall verify and commit that during the length of the CONTRACT, it shall not undertake a major system change or conversion for, or related to, the system used to deliver SERVICES for the BENEFIT PROGRAM without specific prior written notice of at least one hundred eighty (180) DAYS to the DEPARTMENT. Examples of a major system change include a new platform for enrollment, REIMBURSEMENT REQUEST payment, data submission system, or DEBIT CARD processing. This does not apply to any program fixes, modifications and enhancements.

145 Data Requirements

145A Data Integration and Technical Requirements

The CONTRACTOR agrees to utilize identification numbers (Social Security Number or employee identification number) as directed by the DEPARTMENT. Social Security numbers are to be incorporated into the BENEFIT PROGRAM data file(s) and may be used for identification purposes only and not disclosed or used for any other purpose. CONTRACTOR must always keep a record of Social Security numbers for providing data and other reports to the DEPARTMENT or its authorized vendors and track the unique employee identification number that is assigned by the DEPARTMENT and/or PAYROLL CENTER. Further, the CONTRACTOR must supply identification number values on any communication or data transmission that refers to individual PARTICIPANTS, including but not limited to BENEFIT PROGRAM file transfers, reports, data extracts, and invoices. Given the ubiquitous and central nature of the identification number in the DEPARTMENT'S and PAYROLL CENTER systems, it is strongly preferred that the identification number is stored in the CONTRACTOR'S system directly, thereby facilitating ad hoc queries, data integrity, and referential integrity within the CONTRACTOR'S system. Any costs incurred by the DEPARTMENT because of CONTRACTOR'S failure to comply with this requirement shall be paid by the CONTRACTOR.

The CONTRACTOR must follow the DEPARTMENT'S SECURE file transfer protocols (sFTP) using the DEPARTMENT'S sFTP site to submit and retrieve files from the DEPARTMENT or

provide another acceptable means for SECURE electronic exchanging of files with the DEPARTMENT, as approved by the DEPARTMENT.

145B Department's Benefit Administration System Requirements

The DEPARTMENT is currently in the process of consolidating multiple legacy information technology systems to a single benefit administration system for all DEPARTMENT benefit offerings. This new system will become the system of record for enrollment and demographic information. The upgrade to this new system may impact the formatting or data fields required for transmitting enrollment files and may also impact the way in which enrollment data is communicated to the CONTRACTOR. The CONTRACTOR must make any necessary updates to its system to accommodate changes to administer the BENEFIT PROGRAMS.

145C Payroll Center Administration System Requirements

Each PAYROLL CENTER has its own payroll administration system. Over the course of the CONTRACT, a PAYROLL CENTER may launch a new payroll administration system or upgrade to its current payroll administration system. The CONTRACTOR will be required to participate in the preparation and testing of files as part of the project to implement a new or upgrade a current payroll administration system. PAYROLL CENTERS are currently the system of record for enrollment, demographic, and CONTRIBUTION information for the BENEFIT PROGRAM.

Each PAYROLL CENTER is considered a separate employer and it is commonplace for EMPLOYEES to transfer employment between PAYROLL CENTERS. The CONTRACTOR is required to seamlessly transfer the PARTICIPANT'S BENEFIT PROGRAMS enrollment information and elections from one PAYROLL CENTER to another PAYROLL CENTER.

145D File Requirements

The CONTRACTOR'S system(s) must be able to accept BENEFIT PROGRAM data file submissions on a mutually agreed upon frequency and accurately process eligibility, enrollment, changes, deletions, and CONTRIBUTIONS within two (2) BUSINESS DAYS of the file receipt.

The CONTRACTOR must resolve all discrepancies (any difference of values between the DEPARTMENT'S and PAYROLL CENTER'S database and the CONTRACTOR'S database) as identified within one (1) BUSINESS DAY of notification by the DEPARTMENT or identification by the CONTRACTOR.

The CONTRACTOR shall conduct an enrollment and CONTRIBUTION verification audit of enrollment and CONTRIBUTION data at the frequency directed by the DEPARTMENT. The CONTRACTOR will take the CONTRACTOR'S data, compare that data with the DEPARTMENT'S and PAYROLL CENTER'S data, and generate an exception report. The CONTRACTOR will be responsible for resolving differences between the DEPARTMENT'S and PAYROLL CENTER'S data and the CONTRACTOR'S data, updating the CONTRACTOR'S data, and informing the DEPARTMENT and PAYROLL CENTER, as appropriate.

The CONTRACTOR shall maintain an exception report spreadsheet that includes the error details and final resolution, and submit it to the DEPARTMENT, at the frequency directed by the DEPARTMENT.

- a) Delays in processing file submissions must be communicated to the DEPARTMENT Program Manager or designee within one (1) BUSINESS DAY.

145E Data Requests

The CONTRACTOR shall provide and receive all reasonable requests for data and other information as needed in a file format as identified by the DEPARTMENT. The CONTRACTOR will place no restraints on the use of the data; provided that the DEPARTMENT shall not disclose to third parties any data received from CONTRACTOR that constitutes a trade secret as defined under Wisconsin law.

145F Data Warehouse Requirements

The DEPARTMENT has established a data warehouse. In the event the DEPARTMENT does incorporate the BENEFIT PROGRAM into the DEPARTMENT'S data warehouse:

The CONTRACTOR is expected to fully incorporate available BENEFIT PROGRAMS data into data reporting as required by the DEPARTMENT, using the file and data specifications provided by the DEPARTMENT.

The CONTRACTOR shall provide and receive all reasonable requests for data and other information as needed in a file format as identified by the DEPARTMENT. The CONTRACTOR will place no restraints on the use of the data.

The CONTRACTOR will provide the DEPARTMENT with an electronic file in the DEPARTMENT specified standard format for the BENEFIT PROGRAM on a timeline specified by the DEPARTMENT.

The CONTRACTOR agrees to assign ID numbers according to the system established by the DEPARTMENT. Social security numbers shall be incorporated into the PARTICIPANT'S data file and may be used for identification purposes only and not disclosed and used for any other purpose.

Delays in submitting program data to the DEPARTMENT'S data warehouse must be communicated via email to the DEPARTMENT Program Manager or designee within one (1) BUSINESS DAY of the scheduled transfer.

All file formats are subject to change, as determined by the DEPARTMENT, to better serve the needs of the BENEFIT PROGRAM.

The CONTRACTOR data provided to STATE program vendors must be accurate, complete and timely. The CONTRACTOR must not place restrictions on the use of the data provided to the STATE program vendors.

Data provided to the DEPARTMENT by the CONTRACTOR will be de-identified, unless authorized by the PARTICIPANT for the purpose of appeal, issue resolution, or fraud investigation.

150 Miscellaneous General Requirements

150A Account Management and Staffing

The CONTRACTOR shall designate three (3) dedicated Account Managers (one (1) Account Executive and two (2) Client Services Managers), and one (1) backup account support staff person assigned to the DEPARTMENT for the life of the CONTRACT. For clarity, one (1) Account Manager/Client Services Manager shall service the HSA Program Agreement, and one (1) Account Manager/Client Services Manager shall service the other Program Agreements between the CONTRACTOR and the DEPARTMENT. The Account Managers/Client Services Managers will work directly with the Account Executive, who is responsible for the success of the relationship between the DEPARTMENT and the CONTRACTOR. Such persons will be accountable for and have the authority to:

- 1) Manage the entire range of SERVICES specified in the CONTRACT;
- 2) Respond to DEPARTMENT and PAYROLL CENTER requests and inquiries;
- 3) Provide daily operational support to the DEPARTMENT and PAYROLL CENTERS;
- 4) Implement the DEPARTMENT changes to BENEFIT PROGRAM plan design and procedures; and,
- 5) Resolve general administrative problems identified by the DEPARTMENT.

The Account Manager or backup must be available for consultation with the DEPARTMENT during the hours of 8:00 a.m. to 4:30 p.m. CST/CDT, Monday through Friday, except DEPARTMENT-observed holidays, as required to fulfill the scope of SERVICES specified in the CONTRACT. The Account Manager or backup must provide an initial response to DEPARTMENT requests and inquiries within one (1) BUSINESS DAY of CONTRACTOR'S receipt of such request or inquiry. The CONTRACTOR shall resolve DEPARTMENT issues within five (5) BUSINESS DAYS of receipt, unless otherwise approved by the DEPARTMENT.

The CONTRACTOR must have a designated Information Technology contact and a backup Information Technology contact who will have overall responsibility for the information technology aspects of the CONTRACT. The Information Technology contact shall be available for consultation with the DEPARTMENT during the hours of 8:00 a.m. to 4:30 p.m. CST/CDT, Monday through Friday, except DEPARTMENT-observed holidays, as required to fulfill the scope of SERVICES specified in the CONTRACT.

The CONTRACTOR shall provide and maintain key, qualified staff at a level that enables the CONTRACTOR to fulfil the requirements of the CONTRACT. The CONTRACTOR shall ensure that all persons, including independent contractors, SUBCONTRACTORS and consultants assigned to perform the SERVICES under the CONTRACT, have the experience and credentials necessary to perform the work required. The CONTRACTOR shall provide the DEPARTMENT with contact information for the key staff, which the DEPARTMENT will share with the PAYROLL CENTERS and EMPLOYERS.

The CONTRACTOR shall notify the DEPARTMENT of an Account Manager change within one (1) BUSINESS DAY, and of a backup or key staff change within three (3) BUSINESS DAYS. The DEPARTMENT reserves the right to deny the CONTRACTOR'S designees.

The CONTRACTOR must provide a central point of contact for employer issues related to the BENEFIT PROGRAM. The CONTRACTOR must acknowledge receipt of the inquiry from the PAYROLL CENTER'S and/or EMPLOYER'S benefit/payroll staff within two (2) BUSINESS DAYS of the inquiry and actively communicate on issue resolution status with the PAYROLL CENTERS and/or EMPLOYER(S).

The CONTRACTOR shall provide onsite staff attendance at the annual IYC EMPLOYER Kick-Off Meeting and other EMPLOYER sponsored meetings, such as health fairs, throughout the STATE for the annual IT'S YOUR CHOICE OPEN ENROLLMENT period at no additional cost to the DEPARTMENT except what has been submitted in CONTRACTOR'S Best and Final Offer and approved by the DEPARTMENT.

The CONTRACTOR will ensure that staff providing SERVICES under the CONTRACT have received comprehensive orientation and ongoing training, understand applicable requirements of the CONTRACT, and are knowledgeable about the BENEFIT PROGRAM. The CONTRACTOR'S Account Manager will provide proactive recommendations for BENEFIT PROGRAM enhancements, such as processing, development, configuration, compliance, enrollment, operational activities, etc.

The CONTRACTOR must participate in meetings as requested by the DEPARTMENT. This may include QUARTERLY coordination meetings with other stakeholders of the BENEFIT PROGRAM. Meetings may be in person or by teleconference/webinar, as determined by the DEPARTMENT.

The CONTRACTOR must not modify any of the SERVICES or BENEFIT PROGRAM content without the prior written approval of the DEPARTMENT Program Manager.

The CONTRACTOR will provide an on-site staff person at the DEPARTMENT'S location a minimum of (24) hours per week during the DEPARTMENT'S normal business hours 8:00 a.m. – 4:30 p.m. CST/CDT, Monday through Friday, except DEPARTMENT-observed holidays. The CONTRACTOR may be requested to provide on-site support staff for up to forty (40) hours per week during the implementation period, and during any annual IYC enrollment period moving forward at no additional cost to the DEPARTMENT except what has been submitted in CONTRACTOR'S Best and Final Offer and approved by the DEPARTMENT.

150B IT'S YOUR CHOICE OPEN ENROLLMENT

The CONTRACTOR will conduct an initial IYC enrollment planning meeting with the DEPARTMENT by July 15 each year. The CONTRACTOR, along with the DEPARTMENT, will meet with each of the PAYROLL CENTERS prior to each of the Employer Kick-Off Meetings.

During IYC enrollment, the CONTRACTOR will attend all or most of the STATE IYC enrollment benefit fairs. The frequency, dates, and times of the STATE IYC enrollment benefit fairs will be determined by the DEPARTMENT and STATE agencies and the DEPARTMENT will communicate such information to the CONTRACTOR.

The CONTRACTOR will provide a BENEFIT PROGRAM Administrator Guide, updated as needed to include any federal and STATE law regulation changes as they occur. The CONTRACTOR and the DEPARTMENT will identify any process or guideline gaps that need to be developed and

documented in the BENEFIT PROGRAM Administrator Guide for consistency, efficiency, and for administrator reference. The CONTRACTOR will develop efficient administrative processes and guidelines that will be thoroughly documented in the BENEFIT PROGRAM Administrator Guide once completed. The CONTRACTOR will revise the BENEFIT PROGRAM Administrator Guide with any BENEFIT PROGRAM changes, process changes, or additions annually.

The CONTRACTOR will validate against the DEPARTMENT'S PLAN DOCUMENT and SPD that the BENEFIT PROGRAM Administrator Guide language is correct. The CONTRACTOR'S Compliance Department will review the BENEFIT PROGRAM Administrator Guide to ensure compliance with federal and STATE laws and regulations. All revisions must be approved by the DEPARTMENT prior to distribution. All notable changes will be communicated by the CONTRACTOR to the CONTRACTOR'S staff, DEPARTMENT staff, and all applicable PAYROLL CENTER staff.

The CONTRACTOR will provide an internet enrollment system that functions smoothly, timely, and is accessible ninety-nine percent (99%) of each DAY during the annual IYC open enrollment period. The CONTRACTOR will provide a paper enrollment option during IYC open enrollment periods to any PAYROLL CENTER that does not have an internet enrollment system.

Prior to each IYC enrollment period, the CONTRACTOR will provide the DEPARTMENT with supportive documentation and two levels of review confirming the CONTRACTOR'S program administration software system was set-up accurately according to the DEPARTMENT'S BENEFIT PLAN design and federal and STATE laws and regulations. The two levels of review will be as agreed upon by the DEPARTMENT and the CONTRACTOR.

The CONTRACTOR will conduct a BENEFIT PROGRAM audit prior to the start of each PLAN YEAR (in November or December) and after the start of each PLAN YEAR (in January) to validate PARTICIPANTS are properly enrolled and not enrolled in any other pre-tax savings program that may disqualify them from participating in the BENEFIT PROGRAM. Each PLAN YEAR, the CONTRACTOR will provide BENEFIT PROGRAM discrepancy audit results to the appropriate PAYROLL CENTERS on a date mutually agreed upon by the CONTRACTOR and the DEPARTMENT. The PAYROLL CENTERS will be required to respond to the CONTRACTOR within ten (10) BUSINESS DAYS noting any corrections. Within five BUSINESS DAYS of the CONTRACTOR'S receipt of the PAYROLL CENTERS' responses, the CONTRACTOR will process any noted corrections.

The DEPARTMENT may request the CONTRACTOR to conduct a BENEFIT PROGRAM audit on an as needed basis.

150C Reporting Requirements and Deliverables

The CONTRACTOR is required to submit reports to the DEPARTMENT to allow the DEPARTMENT to adequately monitor the BENEFIT PROGRAM.

- 1) The CONTRACTOR must submit all reports and deliverables, and comply with all material requirements set forth in the CONTRACT.
- 2) Each report submitted by the CONTRACTOR to the DEPARTMENT must:
 - a) Be verified by the CONTRACTOR for accuracy and completeness prior to submission;

- b) Be delivered on or before scheduled due dates;
 - c) Be submitted as directed by the DEPARTMENT;
 - d) Fully disclose all required information in a manner that is responsive and with no material omission; and
 - e) Be accompanied by a brief narrative that describes the content of the report and highlights significant findings of the report.
- 3) The DEPARTMENT requirements regarding the frequency of report submissions may change during the term of the CONTRACT. The CONTRACTOR must comply with such changes within forty-five (45) CALENDAR DAYS.
- 4) The CONTRACTOR must notify the DEPARTMENT regarding any significant changes in its ability to collect information relative to required data or reports.
- 5) The CONTRACTOR must fully support the BOARD and the DEPARTMENT in responding timely to informational requests made by the STATE Legislature.
- 6) The CONTRACTOR will provide the following reports to the DEPARTMENT:
- a) QUARTERLY enrollment statistics on the BENEFIT PROGRAM that include total participation, total election amount, total estimated tax savings for PARTICIPANTS, total estimated tax savings for each PAYROLL CENTER, etc.
 - b) Monthly PAYROLL CENTER discrepancy reports. CONTRACTOR will send discrepancy reports to the PAYROLL CENTERS to review and correct. If a PAYROLL CENTER does not provide the CONTRACTOR with a discrepancy report within ten (10) BUSINESS DAYS of CONTRACTOR'S request, the CONTRACTOR will contact the PAYROLL CENTER to resolve the matter timely and notify the DEPARTMENT. The monthly discrepancy report will include the name of the PAYROLL CENTER, payroll file date, discrepancy report issue date, total number of discrepancies, and resolution date. CONTRACTOR will provide the monthly discrepancy reports to the DEPARTMENT no later than twenty (20) DAYS following the first of each month.
 - c) A preliminary, materially correct BENEFIT PLAN finalization report for each PLAN YEAR by April 30 each year; and, a final, audited BENEFIT PLAN finalization report for each PLAN YEAR by May 31 each year. The BENEFIT PLAN finalization report will include the following fields: EMPLOYER name, PLAN YEAR, applicable BENEFIT PLAN, EMPLOYEE ID, EMPLOYEE status, first name, last name, election, CONTRIBUTION amount, cash balance and any additional fields agreed upon by the DEPARTMENT and the CONTRACTOR.
 - d) An annual report of the prior PLAN YEAR'S performance by April 30 each year. The annual report will include: BENEFIT PROGRAM participation statistics, estimated

PARTICIPANT tax savings, estimated EMPLOYER tax savings, customer service activity, summary of customer survey results, benefit utilization, quality improvement efforts, program carryovers, audit recommendations, suggested future enhancements, and BENEFIT PROGRAM design change recommendations.

- e) An annual PARTICIPANT satisfaction survey report. The CONTRACTOR and the DEPARTMENT will develop a mutually agreed upon annual PARTICIPANT satisfaction survey, which the CONTRACTOR will send to PARTICIPANTS by January 31 each year. CONTRACTOR will share the results of the survey with the DEPARTMENT no later than March 1 each year. If the PARTICIPANT satisfaction survey results reflect opportunities for improvement, the CONTRACTOR will provide the DEPARTMENT with recommendations for an improvement plan and an action plan timeline.
- f) A QUARTERLY report addressing the CONTRACTOR'S performance under each Performance Standard listed in Section 315, due within thirty (30) DAYS following the end of each QUARTER.
- g) An annual report summarizing the CONTRACTOR'S performance under the Performance Standards listed in Section 315, due within forty-five (45) DAYS of the end of each PLAN YEAR.
- h) A QUARTERLY claims summary report within fifteen (15) DAYS of the end of each QUARTER. The claim summary report will include claim trending and claim categorization information.
- i) A PARTICIPANT forfeitures report for the prior PLAN YEAR. The CONTRACTOR will provide PARTICIPANT forfeitures reports for the prior PLAN YEAR through the end of the runout period (March 31) as follows: a preliminary, materially correct PARTICIPANT forfeitures report by April 30 and an audited PARTICIPANT forfeitures report by May 31.
- j) A monthly BENEFIT PROGRAM CONTRIBUTIONS report in a format mutually agreed upon by the CONTRACTOR and the DEPARTMENT. The report will include, at a minimum, the name of the PARTICIPANT, the PAYROLL CENTER associated with the PARTICIPANT, total CONTRIBUTIONS made by the EMPLOYER and the PARTICIPANT that month, total CONTRIBUTIONS made by the EMPLOYER and the PARTICIPANT year to date. The monthly CONTRIBUTIONS report will be due within ten (10) DAYS following the end of each month.

Note: Reports should remain static, for example: if a report is run/received for January it should be the same whether the DEPARTMENT receives it in February or December. Any changes should be reflected and noted on the following month's report. PARTICIPANT information should also remain relevant to that benefit month. For example, if a PARTICIPANT works at the Department of Revenue in January, and transfers to the Department of Corrections in May, any January reporting pulled after May should still reflect the Department of Revenue as the PARTICIPANT'S EMPLOYER for the month of January.

The DEPARTMENT reserves the right to refine reporting requirements as appropriate and necessary. The DEPARTMENT will inform CONTRACTOR, in writing, for every report or data element change needed. The DEPARTMENT and CONTRACTOR will meet to discuss the DEPARTMENT'S reporting requirements and CONTRACTOR'S current capacity to meet those requirements, and mutually agree upon how the reports and data elements can be refined. The DEPARTMENT retains ownership of all reports produced by the CONTRACTOR for the DEPARTMENT in the CONTRACTOR'S performance of the SERVICES.

150D CONTRACTOR Invoicing

- 1) All CONTRACTOR invoices must meet the DEPARTMENT'S requirements for DEPARTMENT reporting purposes. CONTRACTOR invoices will include: BENEFIT PROGRAM name, invoice number, invoice date, payment due date, service period, and total amount due. Invoice requirements will be determined by the DEPARTMENT and mutually agreed upon by the DEPARTMENT and CONTRACTOR.

- 2) With each invoice, the CONTRACTOR will submit supporting documentation to support the invoice total. Such supporting documentation will include, at a minimum: the names of the PARTICIPANTS the DEPARTMENT is being billed for, the administrative fee per PARTICIPANT per benefit per month, total amount due, PAYROLL CENTER associated with the PARTICIPANT, pay cycle/pay period, and PARTICIPANT'S EMPLOYEE ID. Supporting documentation will be submitted to the DEPARTMENT via a method and in a format mutually agreed upon by the CONTRACTOR and the DEPARTMENT.

150E Performance Standards and Penalties

The CONTRACTOR must guarantee performance sufficient to fulfill the needs of the CONTRACT. The CONTRACTOR must meet all performance standards listed in [Section 315](#). After the CONTRACT start date, if additional resources are needed, the CONTRACTOR will bear all costs necessary to satisfy the requirements of the CONTRACT.

The DEPARTMENT will provide written notification of each failure to meet a performance standard listed in [Section 315](#) to the CONTRACTOR prior to assessing penalties. Upon notification by the DEPARTMENT, the CONTRACTOR will have five (5) BUSINESS DAYS to cure the failure, or if agreed to by the DEPARTMENT, to provide an action plan of how the failure will be cured. Additional DAYS can be approved by the DEPARTMENT Program Manager if deemed necessary. If the failure is not resolved within this warning/cure period, penalties may be imposed retroactively to the date of failure to perform. The imposition of penalties is not in lieu of any other remedy available to the DEPARTMENT/BOARD.

If the DEPARTMENT elects to not exercise a penalty clause in a particular instance, this decision shall not be construed as an acceptance of the CONTRACTOR'S performance. The DEPARTMENT retains the right to pursue future assessment of that performance requirement and associated penalties.

The DEPARTMENT shall be the sole determinant as to whether or not the CONTRACTOR meets a performance standard.

The CONTRACTOR will provide the DEPARTMENT with QUARTERLY and annual performance standard reports as required in Sections 150C and 300.

150F BENEFIT PROGRAM Documentation

The CONTRACTOR shall provide a compliant and comprehensive BENEFIT PROGRAM PLAN DOCUMENT to the DEPARTMENT prior to the start of each PLAN YEAR and prior to the effective date of any applicable BENEFIT PROGRAM change that would necessitate a PLAN DOCUMENT amendment or edited restatement. The PLAN DOCUMENT must meet all pertinent federal and STATE requirements.

The CONTRACTOR shall work in conjunction with the DEPARTMENT and PAYROLL CENTERS to complete any necessary PLAN DOCUMENT amendment(s) or edited restatement(s) at least annually. The CONTRACTOR shall complete any necessary amendment(s) or edited restatement(s) by the due date(s) specified by the DEPARTMENT or its designee. The CONTRACTOR will maintain and revise the BENEFIT PROGRAM PLAN DOCUMENT as necessary to comply with any changes in federal or STATE laws or regulations and incorporate any BENEFIT PROGRAM changes within thirty (30) DAYS of changes in federal or STATE laws or regulations and the BENEFIT PROGRAM design.

The DEPARTMENT may request revisions to the PLAN DOCUMENT at any time and the CONTRACTOR will incorporate the revisions within thirty (30) DAYS of the DEPARTMENT'S request. CONTRACTOR will publish and load the revised, final versions of the PLAN DOCUMENT to the CONTRACTOR'S PARTICIPANT and administrator portal within fifteen (15) DAYS of the DEPARTMENT'S approval of the final document revisions. The CONTRACTOR agrees that the DEPARTMENT owns the PLAN DOCUMENT.

150G Audit and Other Services

- 1) **Records**. The CONTRACTOR shall maintain books, records, documents and other evidence pertaining to the SERVICES to the extent and in such detail as shall properly reflect all performance of the CONTRACTOR'S duties under the CONTRACT.
- 2) **Cooperation with Auditors**. The CONTRACTOR will, in conjunction with BOARD-designated personnel, participate in and cooperate fully with audits of the CONTRACTOR'S SERVICES under this AGREEMENT as required under federal or STATE law, and with other audits or reviews of the CONTRACTOR'S SERVICES under this AGREEMENT determined by the BOARD to be necessary and appropriate. This may include an audit on behalf of the STATE Legislature by the STATE'S Legislative Audit Bureau. See Appendix 2 – Department Terms and Conditions.
- 3) **Annual Audits**.
 - a) The CONTRACTOR is required to submit to annual audits of its SERVICES, operations, and compliance under this AGREEMENT according to audit guidelines established by the BOARD. The audits will be completed by the firm contracted by the BOARD to complete third-party contract audits of the BENEFIT PROGRAM, and will be paid for by the BOARD. The audits by the third-party contractor will be based upon BOARD specifications and will evaluate claims and CONTRIBUTIONS processed by the CONTRACTOR. The audit firm will deliver to both the CONTRACTOR and to the BOARD a report of findings and recommendations within the guidelines established by the BOARD.

- b) The report will be prepared in accordance with generally accepted auditing standards, and will include the following matters and other matters as agreed to by the BOARD and the CONTRACTOR: comprehensive compliance audit of the program; evaluation of internal control; risk assessment of the administration of the BENEFIT PROGRAM; analyses of data, billing, etc. to ascertain compliance with CONTRACT provisions and accepted accounting principles, good business practice, etc.; and substantive tests to evaluate the accuracy of recording and processing transactions and the effectiveness, efficiency, and economy of transaction processing.
- c) The audits by the third-party contractor of the BOARD will also audit the flow and proper use of the BOARD's funds through the CONTRACTOR'S claims processing system; review the content of, and audit cash flows pertaining to all contracts between the CONTRACTOR and MERCHANTS, and review the content of, and audit cash flows between the CONTRACTOR and DEPARTMENT and/or PAYROLL CENTERS.
- d) The CONTRACTOR shall have an annual SOC 1 audit conducted by an independent CPA firm at the CONTRACTOR'S expense that is in accordance with the Statement of Standard for Attestation Engagements (SSAE) 18 and provide a copy of the CPA's report to the DEPARTMENT within sixty (60) DAYS of CONTRACTOR'S receipt of the report from the CPA firm.

4) **Carryover and CONTRIBUTION Audit.**

- a) CONTRIBUTIONS to the BENEFIT PROGRAM in PARTICIPANT accounts can be carried over and have no carryover limitations from year to year. The DEPARTMENT owns the BENEFIT PROGRAM CONTRIBUTIONS. All carryover balances shall be compliant with IRS Regulations.
- b) The CONTRACTOR will conduct an annual election CONTRIBUTION audit to ensure PARTICIPANTS are on target to meet their annual election amount and the PARTICIPANT will not exceed their annual election amount. If the CONTRACTOR identifies any discrepancies, the CONTRACTOR will send a discrepancy report to the appropriate PAYROLL CENTER(S) for review and resolution. The CONTRACTOR will work with the PAYROLL CENTER to resolve the discrepancies prior to the end of the PLAN YEAR.

- 5) **Internal Controls Review.** The CONTRACTOR will cooperate with an independent third-party auditor's study, evaluation, and testing of the effectiveness of the CONTRACTOR'S internal controls over its performance of SERVICES at least once per year. The study and evaluation shall be at the BOARD's expense.

150H Fraud and Abuse

1) **PARTICIPANT Fraud**

- a) Policy on PARTICIPANT Fraud

No person other than a PARTICIPANT is entitled to benefits under this AGREEMENT. The PARTICIPANT or any of his or her QUALIFIED DEPENDENTS are not authorized by this AGREEMENT to assign or transfer their rights under this AGREEMENT, aid any other person in obtaining benefits to which they are entitled or knowingly present or cause a false or fraudulent claim. The PARTICIPANT'S rights to coverage under the BENEFIT PROGRAM are forfeited if a PARTICIPANT assigns or transfers such rights, or aids any other person in obtaining benefits to which they are not entitled, or otherwise falsely or fraudulently attempts to obtain benefits. Coverage terminates the beginning of the month following action of the DEPARTMENT. Re-enrollment rights may be limited as determined by the DEPARTMENT.

The DEPARTMENT may at any time request such documentation as it deems necessary to substantiate PARTICIPANT or QUALIFIED DEPENDENT eligibility. Failure to provide such documentation upon request shall result in the suspension of benefits.

b) **CONTRACTOR Responsibility Related to PARTICIPANT Fraud**

Upon discovery, the CONTRACTOR shall report to the DEPARTMENT any suspected or identified PARTICIPANT fraud. The CONTRACTOR must cooperate with the investigation of fraud and provide information including aggregate claim amounts or other documentation, as requested by the DEPARTMENT. Fraud may result in the reprocessing of claims and recovery of overpayments. For more information see Section 130C Recovery of Overpayments.

2) **Fraud and Abuse Review Plan Requirements**

The CONTRACTOR, within thirty (30) CALENDAR DAYS of the execution of the CONTRACT, and annually thereafter, must submit a fraud and abuse review plan to the DEPARTMENT. Upon the DEPARTMENT'S approval of the plan, the CONTRACTOR must perform QUARTERLY (unless another timeframe is agreed upon by the DEPARTMENT) fraud and abuse reviews and provide results of material findings to the DEPARTMENT.

Examples of potential findings that could be included in QUARTERLY reviews include, but are not limited to:

- a) Fictitious QUALIFIED DEPENDENT
- b) False or altered claim
- c) Duplicate REIMBURSEMENT REQUESTS

3) **Appeal Process Support**

- a) The CONTRACTOR shall participate in all administrative hearings under Wis. Admin. Code Ch. ETF 11 to the extent determined to be necessary by the attorney(s) representing the DEPARTMENT.
- b) Participate means providing evidence and testimony necessary to explain the claim decisions made by the CONTRACTOR. The CONTRACTOR shall be responsible for any cost required for participation in the administrative hearings by the CONTRACTOR'S staff and any approved SUBCONTRACTORS of CONTRACTOR,

including but not limited to time spent at the hearing and travel time to and from the hearing.

150I Privacy Breach Notification

The CONTRACTOR shall comply with all STATE and federal laws regarding PARTICIPANT privacy, as well as the confidentiality provisions provided in Appendix 2 - Department Terms and Conditions.

150J Implementation

The CONTRACTOR is required to have an Implementation Manager and Implementation Team available to manage the project from the CONTRACT start date until all implementation tasks are complete, as determined by the DEPARTMENT, and all remaining responsibilities are transferred over to the CONTRACTOR'S Account Manager and key staff. The Implementation Manager must be available Monday through Friday from 8:00 a.m. to 4:30 p.m. CST/CDT, except DEPARTMENT-recognized holidays, to assist DEPARTMENT staff. The CONTRACTOR will continuously assess the implementation process to ensure a smooth and successful implementation. The CONTRACTOR'S Account Manager, who will be responsible for the CONTRACT, must be an active member of the Implementation Team.

The CONTRACTOR must conduct status meetings with the DEPARTMENT concerning project development, project implementation and CONTRACTOR performance at least twice a week during implementation and for the first three to four (3-4) months following the launch of the PLAN YEAR, unless otherwise approved by the DEPARTMENT in writing. Meetings may be in person or by teleconference/webinar, as determined by the DEPARTMENT.

The DEPARTMENT reserves the right to make on-site visits to any CONTRACTOR locations.

The CONTRACTOR is required to perform and/or manage the following activities by the date indicated:

Implementation Requirements Timeline (most activities apply to each PLAN YEAR)

Activity	Due Dates
Implementation Plan: The CONTRACTOR submits an updated implementation plan in a mutually agreed upon format and timeline to the DEPARTMENT Program Manager or designee.	Within ten (10) BUSINESS DAYS of execution of the CONTRACT
Fraud and Abuse Review Plan: The CONTRACTOR submits a fraud and abuse review plan to the DEPARTMENT.	Within thirty (30) CALENDAR DAYS of execution of the CONTRACT
Transition Plan: The transition plan is established in a mutually agreed upon format and submitted to the DEPARTMENT Program Manager or designee for review.	Within thirty (30) CALENDAR DAYS of execution of the CONTRACT; and within thirty (30) DAYS following CONTRACT termination

Activity	Due Dates
Program Information: All BENEFIT PROGRAM informational materials for the new PLAN YEAR is submitted to the DEPARTMENT Program Manager or designee for review and approval.	August 1 (on an annual basis)
Web Content: The CONTRACTOR must provide the DEPARTMENT Program Manager or designee the customized web pages dedicated to the BENEFIT PROGRAM and for the upcoming IT'S YOUR CHOICE OPEN ENROLLMENT period for review and approval.	August 1 (on an annual basis)
Customer Service: The CONTRACTOR'S dedicated toll-free customer service telephone number is operational and customer service staff for the BENEFIT PROGRAM are trained.	September 15, 2019
Web Content Launch: The web content dedicated to the BENEFIT PROGRAM and upcoming IT'S YOUR CHOICE OPEN ENROLLMENT period is completed, as determined by the DEPARTMENT Program Manager or designee, and launched.	September 15 (on an annual basis)
Microsite Content Launch: CONTRACTOR'S microsite, customized for the DEPARTMENT, is fully functional. The DEPARTMENT specific materials, educational videos, CONTRIBUTION calculators, log-in to the secure portal, and related BENEFIT PROGRAM materials, updated for each PLAN YEAR, shall be included on the microsite.	September 15 (on an annual basis)
Employer Kick-Off Meeting: The CONTRACTOR shall attend the IYC EMPLOYER Kick-Off meeting and provide guidance and BENEFIT materials to PAYROLL CENTER staff.	September 17 (on an annual basis)
Informational Mailing: The CONTRACTOR shall send an informational mailing with materials approved by the DEPARTMENT Program Manager or designee to eligible BENEFIT PROGRAM households one (1) week prior to the start of the IT'S YOUR CHOICE OPEN ENROLLMENT period.	September 15 (on an annual basis)
Employer Health Fairs: The CONTRACTOR shall participate in IT'S YOUR CHOICE OPEN ENROLLMENT health fairs sponsored by EMPLOYERS.	September 30 – October 25, 2019; and on an annual basis
Eligibility File: An audit of the PAYROLL CENTER and DEPARTMENT eligibility files have been fully tested and are ready for BENEFIT PROGRAM operation.	November 15
Enrollment File: The enrollment verification audit of the PAYROLL CENTER and DEPARTMENT enrollment files have been fully tested and are ready for BENEFIT PROGRAM operation.	November 15

Activity	Due Dates
<p>Financial Administration: Financial administration requirements are operational, including but not limited to:</p> <ul style="list-style-type: none"> • Establishment of bank account(s) for funds for claims payments, and determination of bank account(s) ownership. • Establishment of mutually agreed upon written procedures related to managing the bank account(s) and invoicing (including data fields to be included). • ACH mechanism for electronic funds transfer/EFT of claims payments and fees. 	November 30
<p>Grievance Procedure: The CONTRACTOR submits its internal grievance procedure to reflect implementation of the DEPARTMENT'S grievance procedure, including the DEPARTMENT administrative and independent review rights and sample grievance decision letters, for the DEPARTMENT'S review and approval.</p>	November 30
<p>DEBIT CARDS: The CONTRACTOR issues DEBIT CARDS for PARTICIPANTS with coverage effective January 1 of each PLAN YEAR.</p>	December 15 (on an annual basis)
<p>Welcome Packet: The CONTRACTOR issues welcome packets for PARTICIPANTS with coverage effective January 1.</p>	December 15 (on an annual basis)
<p>Claims Administrative Services: All claims administrative SERVICES for the BENEFIT PROGRAM are fully operational.</p>	January 1
<p>Administrator Web-Portal: The CONTRACTOR'S web-portal for DEPARTMENT and PAYROLL CENTER Administrators is launched.</p>	January 1
<p>PARTICIPANT Web-Portal: The CONTRACTOR'S web-portal for PARTICIPANT account management is launched.</p>	January 1
<p>PARTICIPANT Mobile Application: The CONTRACTOR'S mobile application for PARTICIPANT account management is launched.</p>	January 1
<p>Administrative Fee Invoicing: The CONTRACTOR'S administrative fee invoicing to the DEPARTMENT is established, tested, and working correctly.</p>	January 31

150K Contract Termination

In addition to the provisions in Appendix 2 - Department Standard Terms and Conditions, the following applies if the CONTRACT is terminated:

- 1) If the BOARD terminates the CONTRACT, then all PARTICIPANT rights to benefits under the BENEFIT PROGRAM provided by the CONTRACTOR shall cease as of the date of termination.

- 2) In the event of CONTRACT termination or non-renewal, the CONTRACTOR will be responsible for processing claims through the run-out period (January 1 through March 31) following the CONTRACT termination date.
- 3) Enrollment changes, eligibility changes, CONTRIBUTIONS, and corrections processed by the DEPARTMENT and/or PAYROLL CENTERS prior to CONTRACT termination will continue to be processed by the CONTRACTOR during the entire run-out period following the CONTRACT termination date. During the entire run-out period following the CONTRACT termination date, all performance standards and penalties remain in force.
- 4) The CONTRACTOR will be required to coordinate turnover and transition planning and activities, subject to the DEPARTMENT'S approval.

150L Transition Plan

During the implementation period, upon DEPARTMENT request, and prior to CONTRACT termination, the CONTRACTOR must provide to the DEPARTMENT a comprehensive transition plan in a mutually agreed upon format that provides a timeline of major tasks, activities, and information that will be provided to the succeeding vendor when CONTRACTOR relinquishes responsibilities at termination of the CONTRACT.

In the event that the CONTRACTOR terminates the CONTRACT, an updated transition plan must accompany the notice of termination. In the event the BOARD terminates the CONTRACT, the CONTRACTOR must send an updated transition plan to the DEPARTMENT within thirty (30) CALENDAR DAYS of the date of CONTRACTOR'S receipt of the DEPARTMENT'S written notice of termination. The transition plan must be approved by the DEPARTMENT prior to the transition begin date. CONTRACTOR shall cooperate with the DEPARTMENT and the succeeding vendor and participate in planning calls or meetings with the succeeding vendor.

The CONTRACTOR must administer a program transition period to process claims and to handle related customer service inquiries. The transition period begins on the effective date of CONTRACT termination and will be no longer than one (1) year. The administrative fee paid to CONTRACTOR during the transition period shall be the administrative fee in effect during the last year of the CONTRACT.

Leading up to and during the run-out period, the CONTRACTOR must:

- 1) Participate in all DEPARTMENT requested meetings;
- 2) Provide all reports for program close out;
- 3) Report on performance standards specified in [Section 315](#);
- 4) Invoice the DEPARTMENT as specified in [Section 130A](#);
- 5) Transmit program data to the new vendor; and
- 6) Continue grievance reviews.

Transition Plan Requirements:

The CONTRACTOR'S comprehensive transition plan must include, at a minimum, the following:

- 1) Transition summary: description of the transition plan at a high level and what the plan will accomplish.
- 2) Transition approach: description of the CONTRACTOR'S overall approach to the transition.
- 3) Transition team organizational chart: organizational chart showing all staff resources and their roles in the transition.
- 4) Transition project schedule chart: chart illustrating the transition plan project schedule. The chart should list all major tasks and activities to be performed, task owner, and time and duration for each major task.
- 5) A detailed description of the major tasks and activities that will be executed during the transition, to include, but not limited to, the following:
 - Transitional services
 - Management support
 - Knowledge transfer
 - Data collection and transfer
 - PARTICIPANT portal
 - Administrator portal
 - Customer service
 - Communication
 - Claims processing
 - Unsubstantiated claims
 - Debit card
 - Uncashed checks
 - Carryover
 - Disputes, complaints, and appeals
 - Forfeiture
 - Data and financial reconciliation
 - PLAN YEAR finalization
 - Audit
 - Property transition
 - Other necessary major tasks identified by the DEPARTMENT

The CONTRACTOR will perform the services specified in the transition plan as requested by the DEPARTMENT. Failure of the CONTRACTOR to comply with the transition plan requirements shall constitute a breach of the CONTRACT and additional penalties may apply.

- a) **Administrator Support:** In the event of CONTRACT termination, the CONTRACTOR will continue to provide prompt, knowledgeable, and consistently accurate SERVICES to the

DEPARTMENT and the PAYROLL CENTERS. The CONTRACTOR will continue to maintain and support the dedicated relationship management support email box and phone number for the DEPARTMENT and PAYROLL CENTER personnel through the duration of the CONTRACT. The CONTRACTOR will continue to maintain and support the dedicated processing specialist support email box and phone number for the DEPARTMENT and PAYROLL CENTER personnel. The CONTRACTOR will provide sufficient experienced transition personnel to ensure that the SERVICES are transitioned and maintained at the DEPARTMENT'S required level of quality and proficiency. The CONTRACTOR'S assigned project and transition personnel will be available for onsite project work as directed by the DEPARTMENT according to the terms of the CONTRACT until acceptance of transition completion.

- b) **Knowledge Transfer:** In the event of CONTRACT termination, all CONTRACTOR personnel will work alongside DEPARTMENT staff, PAYROLL CENTER staff, and/or succeeding vendor personnel throughout the transition in order to ensure a seamless transition. The CONTRACTOR'S transition lead and DEPARTMENT staff will meet throughout the transition in order to determine if any further training or knowledge transfer is required. The CONTRACTOR recognizes that the SERVICES are vital to the DEPARTMENT and must be continued without interruption and that, upon CONTRACT termination, a successor vendor or the DEPARTMENT may continue the SERVICES. The CONTRACTOR agrees to provide transition training and exercise its best efforts and cooperation to ensure an orderly, efficient, and seamless transition.
- c) **Data Transfer:** All administrative reports, data files, and source documents that are specific to the DEPARTMENT are the property of the DEPARTMENT. The CONTRACTOR will provide the DEPARTMENT with all administrative reports, data files, and source documents requested by the DEPARTMENT by the due date specified by the DEPARTMENT.

The DEPARTMENT reserves the right to request additional data and reporting as necessary for a successful transition by the due date specified by the DEPARTMENT. All reports, data files, and source documents shall be provided in a format determined by the DEPARTMENT. There shall be no cost associated to data transfer or data removal from the CONTRACTOR'S systems when requested by the DEPARTMENT during the transition.

- d) **Property Transition:** All manuals, guides, brochures, flyers, educational videos, presentations, and source documents that are customized for the DEPARTMENT are the property of the DEPARTMENT. The CONTRACTOR will provide the DEPARTMENT with all manuals, guides, brochures, flyers, education videos, presentations, and source documents produced for the DEPARTMENT as part of the SERVICES, as may be requested by the DEPARTMENT, in the format specified by the DEPARTMENT, by the date specified by the DEPARTMENT. Preexisting intellectual property of the CONTRACTOR incorporated into the materials created by the DEPARTMENT shall remain the property of the CONTRACTOR and the CONTRACTOR shall provide the DEPARTMENT an irrevocable license to use such material.
- e) **Performance Standards and Guarantees:** The CONTRACTOR will continue to adhere to the DEPARTMENT'S Performance Standards and Guarantees throughout the duration of the CONTRACT.

- f) **Administrator Online Portal:** In the event of CONTRACT termination, the CONTRACTOR will provide the DEPARTMENT with the same level of administrator online portal access and support services for one (1) year from the CONTRACT termination date. The CONTRACTOR will continue to maintain the data, reports, and resources within the DEPARTMENT'S administrator online portal for one (1) year from the CONTRACT termination date. The CONTRACTOR will provide the DEPARTMENT with all administrative reports, data files, and source documents requested by the DEPARTMENT by the due date specified by the DEPARTMENT. The CONTRACTOR will provide data and reports requested by the DEPARTMENT and respond to any inquiries from the DEPARTMENT within five (5) BUSINESS DAYS of the inquiry.
- g) **Participant Online Portal:** In the event of CONTRACT termination, the CONTRACTOR will continue to provide online PARTICIPANT portal access and online support services for one (1) year from the CONTRACT termination date. The CONTRACTOR will continue to maintain the data and resources within the online PARTICIPANT portal for one (1) year from the CONTRACT termination date. The CONTRACTOR will provide the PARTICIPANT with all BENEFIT PROGRAM information requested by the PARTICIPANT within five (5) BUSINESS DAYS of the PARTICIPANT'S inquiry.
- h) **Customer Service:** In the event of CONTRACT termination, the CONTRACTOR will continue to maintain and support the dedicated customer service phone number for PARTICIPANTS until the DEPARTMENT'S acceptance of transition completion. The CONTRACTOR will provide prompt, knowledgeable, consistently accurate customer service to PARTICIPANTS. The CONTRACTOR will continue to audit and measure the CONTRACTOR'S customer service department on a QUARTERLY basis for twelve (12) months from the CONTRACT termination date to ensure the services provided to PARTICIPANTS meets the DEPARTMENT'S quality of service expectations. After twelve (12) months from the CONTRACT termination date, the CONTRACTOR will provide customer service to PARTICIPANTS as necessary, for inquiries, disputes, escalations, complaints, or appeals for at least three (3) years from the CONTRACT termination date.
- i) **Communication:** The CONTRACTOR recognizes that communication to DEPARTMENT staff, PAYROLL CENTER staff, EMPLOYER benefit staff, and PARTICIPANTS is vital to a seamless transition. The DEPARTMENT will determine the information to be communicated, audience, frequency, date(s), and delivery method of the communications. In the event of CONTRACT termination, the CONTRACTOR will provide communication(s) as specified by the DEPARTMENT at no additional cost to the DEPARTMENT until the DEPARTMENT'S acceptance of transition completion.
- j) **Disputes, Escalations, Complaints, or Appeals:** Any PARTICIPANT complaints, disputes, or appeals about the BENEFIT PROGRAM shall first be submitted for resolution through the CONTRACTOR'S internal grievance process and may then, if necessary be submitted to the DEPARTMENT.
- k) **Claims Processing:** The CONTRACTOR shall administer run-out claims through the run-out period after CONTRACT termination. "Run-out claims" means claims with dates of

service prior to January 1. The CONTRACTOR will process claims and provide reimbursements for approved claims submitted on or before the runout period ends for services incurred between January 1 to December 31 of the previous plan year.

The CONTRACTOR will deactivate PARTICIPANT DEBIT CARDS on a date specified by the DEPARTMENT. After DEBIT CARD deactivation, the CONTRACTOR will continue to provide standard PLAN YEAR claims processing services via the online PARTICIPANT portal, mobile application, and manual process through the end of the run-out period, March 31. After the end of the run-out period, March 31, through the processing freeze date, the CONTRACTOR will provide claims processing services and customer support for unsubstantiated claims, denied claims, claims appeals, claims inquiries, and escalated claims matters identified by the DEPARTMENT.

The DEPARTMENT and the CONTRACTOR will agree on a processing freeze date. The CONTRACTOR will not process any enrollments, CONTRIBUTIONS, claims, or adjustments, from the processing freeze date and beyond unless approved or directed by the DEPARTMENT. Any claims processed after the processing freeze date, not previously approved by the DEPARTMENT, will be the financial responsibility of the CONTRACTOR.

- l) **DEBIT CARD:** In the event of CONTRACT termination, the CONTRACTOR will deactivate PARTICIPANT DEBIT CARDS on a date specified by the DEPARTMENT. The CONTRACTOR agrees to allow the DEPARTMENT to select a DEBIT CARD deactivation date by benefit plan. After DEBIT CARD deactivation, the CONTRACTOR will continue to provide standard PLAN YEAR claims processing services via the online PARTICIPANT portal, mobile application, and manual process through the claims processing freeze date. See above Claims Processing section for additional detail. The CONTRACTOR will cease issuing new DEBIT CARDS and reissuing DEBIT CARDS on the date specified by the DEPARTMENT.
- m) **Plan Finalization Report:** The CONTRACTOR will provide the DEPARTMENT with a comprehensive error-free PLAN YEAR plan finalization report. The plan finalization report will be error free and include the following information for each PARTICIPANT:
- 1) PARTICIPANT name
 - 2) PARTICIPANT identifier
 - 3) Employment status
 - 4) PAYROLL CENTER
 - 5) BENEFIT PROGRAM type
 - 6) BENEFIT PROGRAM effective date
 - 7) BENEFIT PROGRAM termination date
 - 8) Annual election amount
 - 9) PARTICIPANT deposit amount
 - 10) Incoming carryover
 - 11) Outgoing carryover
 - 12) Claim paid amount
 - 13) Pending claim amount (all pending claims will be resolved and all amounts zero)
 - 14) Refund amount
 - 15) Refund reason

- 16) Adjustment amounts
- 17) Cash balance amounts
- 18) Year-to-date forfeitures

- n) **Data and Financial Reconciliation Audit:** In the event of CONTRACT termination, the CONTRACTOR will assist the DEPARTMENT in completing a fully reconciled audit by the date determined by the DEPARTMENT of data and financial information transferred from the CONTRACTOR to the DEPARTMENT and/or succeeding vendor to ensure all data and financial information transferred over successfully without errors. The CONTRACTOR will provide the DEPARTMENT with audit specifications, audit results, and a written statement that all data and financial information was transferred over successfully without errors by the date determined by the DEPARTMENT. Any CONTRACTOR errors identified after the CONTRACTOR has completed the full reconciliation audit will be the financial responsibility of the CONTRACTOR.
- o) **Acceptance of Transition Completion:** In the event of CONTRACT termination, the DEPARTMENT will determine when the transition is completed and will provide a formal acceptance indicating such, which shall not be unreasonably withheld. To do this, the DEPARTMENT will review the requirements in the agreed upon transition plan and the transition plan schedule to determine if all activities associated with the transition have been completed. The DEPARTMENT will also meet with the CONTRACTOR'S transition lead to ensure that all concerns and issues have been met and addressed appropriately. Once the DEPARTMENT has formally accepted the transition, the DEPARTMENT will sign an acceptance of transition document indicating the transition has been completed to the DEPARTMENT'S satisfaction.

200 PROGRAM REQUIREMENTS

205 Enrollment

CONTRACTOR must participate in the annual IT'S YOUR CHOICE OPEN ENROLLMENT offering. The IT'S YOUR CHOICE OPEN ENROLLMENT period is scheduled for each fall prior to the covered program year. During the IT'S YOUR CHOICE OPEN ENROLLMENT period, the CONTRACTOR will accept any eligible STATE EMPLOYEE under [Wis. Stat. § 40.51 \(16\)](#) who enrolls.

Although the DEPARTMENT is responsible for eligibility determination and enrollment, the CONTRACTOR shall maintain an enrollment and eligibility system to support the BENEFIT PROGRAM.

205A Eligibility, Enrollment, and CONTRIBUTION File Integrity

The file compare of the DEPARTMENT'S and all the PAYROLL CENTERS' eligibility, enrollment, and CONTRIBUTION files must be fully tested and ready for program operation no later than forty-five (45) CALENDAR DAYS prior to the IT'S YOUR CHOICE OPEN ENROLLMENT period. The file compare of the DEPARTMENT'S and all the PAYROLL CENTERS' enrollment and CONTRIBUTION files must be fully tested and ready for BENEFIT PROGRAM operation no later than thirty (30) CALENDAR DAYS prior to the start of the PLAN YEAR. Also, see Section 145 Data.

The CONTRACTOR shall have flexibility to accommodate the DEPARTMENT'S and all PAYROLL CENTERS' payroll and benefit administration systems upgrades. The DEPARTMENT'S and all the PAYROLL CENTERS' payroll and benefit administration systems will be the systems of record for PARTICIPANT eligibility and enrollment information. Any upgrades to the DEPARTMENT'S and PAYROLL CENTERS' payroll and benefit administration systems may impact the formatting or data fields required for transmitting eligibility, enrollment, and CONTRIBUTION files. In addition, changes may also affect the way in which BENEFIT PROGRAM information is communicated to the CONTRACTOR.

205B Debit Cards

The DEBIT CARD will allow BENEFIT PROGRAM providers and MERCHANTS claims payment at the point-of-sale (POS) transaction. The CONTRACTOR must provide PARTICIPANTS with DEBIT CARD(S) at no cost to the DEPARTMENT or PARTICIPANTS. The CONTRACTOR must provide replacement cards upon request at no cost to the DEPARTMENT or PARTICIPANTS.

The CONTRACTOR shall issue the DEBIT CARD(S) and cardholder agreement within the timeframes described below:

- 1) The CONTRACTOR shall issue DEBIT CARD(S) within five (5) BUSINESS DAYS of the generation date of the enrollment file containing the addition or enrollment change, except as noted in item 2) below.
- 2) For elections made during the IT'S YOUR CHOICE OPEN ENROLLMENT period, the CONTRACTOR shall issue DEBIT CARDS by December 15 for enrollments or changes effective the following January 1, as submitted on enrollment files generated on the first DAY of the IT'S YOUR CHOICE OPEN ENROLLMENT period through December 10.

The CONTRACTOR must notify the DEPARTMENT Program Manager of any delays with issuing the DEBIT CARDS by December 15. The CONTRACTOR shall send a written confirmation to the DEPARTMENT Program Manager indicating the date(s) the DEBIT CARDS were issued.

CONTRACTOR will monitor DEBIT CARDS daily so as to not allow DEBIT CARD payments for ineligible expenses and expenses in excess of a PARTICIPANT'S annual election. The CONTRACTOR must inform the DEPARTMENT of any payment in excess of the PARTICIPANT'S annual election within five (5) BUSINESS DAYS of the excess POS transaction that was not denied. Information must include PARTICIPANT'S name, annual election, and amount of the excess payment. The CONTRACTOR will reimburse all claim funds erroneously allowed in excess of annual election to the DEPARTMENT.

205C Participant Information

The CONTRACTOR must provide the following information, at a minimum, to PARTICIPANTS upon enrollment:

- 1) A welcome package that will include a description of how to:
 - a. Access the BENEFIT PROGRAM account online and the mobile application;
 - b. Update profile information;
 - c. Set-up notifications and direct deposit;
 - d. Review account balances, CONTRIBUTIONS, and claims;
 - e. Properly use the DEBIT CARD;
 - f. Properly manage the BENEFIT PROGRAM;
 - g. Substantiate a claim;
 - h. Request a reimbursement; and
 - i. Request a DEBIT CARD.
- 2) Information about PARTICIPANT requirements to properly manage their BENEFIT PROGRAM account, including REIMBURSEMENT REQUEST, substantiation, retention of documentation for tax filing purposes, and appeals/grievance procedures.
- 3) The CONTRACTOR'S contact information, including the dedicated toll-free customer service phone number, business hours, and website address.

205D Termination of Coverage

Termination of coverage shall be made effective at the end of the month in which the PARTICIPANT terminated. The DEPARTMENT shall not be responsible for any administrative fees for a PARTICIPANT after the PARTICIPANT has officially been terminated from the BENEFIT PROGRAM. The BENEFIT PROGRAM termination of coverage should align with the DEPARTMENT'S policy and guidance.

205E Date of Death

The CONTRACTOR shall relay any information received regarding a PARTICIPANT'S death to the DEPARTMENT and appropriate PAYROLL CENTER in a timely manner.

210 Claims Management

The CONTRACTOR shall be responsible for all DEBIT CARD, online account, mobile app, and paper transactions, and for processing REIMBURSEMENT REQUESTS submitted by the PARTICIPANT or on behalf of the PARTICIPANT by a MERCHANT, according to IRS regulations, PLAN DOCUMENT, and BENEFIT PROGRAM coverage parameters. Such transactions shall include eligibility and coverage determination, calculation of eligible expenses, and communication of payment disposition to PARTICIPANTS, and shall be subject to the terms and conditions of this AGREEMENT, including but not limited to the procedures set forth in Section 230 Claims.

In addition to administering claims, the CONTRACTOR, with the consent of the BOARD, shall establish the collateral procedures and services necessary to provide the SERVICES required under BENEFIT PROGRAM in accordance with the CONTRACT, including enrollment and eligibility systems.

215 Benefit Program

215A Overview

The CONTRACTOR must provide the benefits and SERVICES listed in the CONTRACT and BENEFIT PROGRAM PLAN DOCUMENT to all eligible PARTICIPANTS. Any benefit changes must be implemented as directed by the BOARD. This shall include developing the necessary reporting and/or data transfers needed by the DEPARTMENT, PAYROLL CENTERS, and other vendors to administer the change.

215B Benefit Program Specifications

The CONTRACTOR acknowledges that the DEPARTMENT has provided specifications for the BENEFIT PROGRAM in sufficient detail to permit the CONTRACTOR to reasonably perform its duties under the CONTRACT. However, in the event of any changes to the details of the BENEFIT PROGRAM or, if any future unanticipated circumstances arise, the CONTRACTOR may request a clarification from the DEPARTMENT via the DEPARTMENT Program Manager.

- 1) Because BOARD changes to the BENEFIT PROGRAM may require programming changes, such changes will be coordinated with the CONTRACTOR to assure timely implementation and minimal disruption of the ongoing BENEFIT PROGRAM. The time required for new BENEFIT PROGRAM changes will generally be as follows:
 - a) Two (2) weeks for changes within the existing BENEFIT PROGRAM structure, which require minimal or no changes to the CONTRACTOR'S claims and/or eligibility processing systems.
 - b) Four (4) to six (6) weeks for changes for which functionality is currently available in the CONTRACTOR'S claims and/or eligibility processing systems, but not utilized within the BENEFIT PROGRAM structure.
 - c) Eight (8) to ten (10) weeks for changes for which functionality needs to be developed in the CONTRACTOR'S claims and/or eligibility processing systems.

- 2) The CONTRACTOR will notify the DEPARTMENT as promptly as reasonably possible following receipt of the request as to the feasibility and timing of the requested change. The CONTRACTOR shall not be responsible for implementing any changes to any previously established BENEFIT PROGRAM information until the CONTRACTOR has confirmed its agreement to and acceptance of implementation of such changes to the BOARD in writing, including a timetable for change implementation.

215C EMPLOYER Staff Training

The CONTRACTOR will provide training sessions for the DEPARTMENT and PAYROLL CENTER staff during and after BENEFIT PROGRAM implementation. The CONTRACTOR will provide QUARTERLY training for the DEPARTMENT and PAYROLL CENTER staff on BENEFIT PROGRAM administration topics mutually agreed upon by the DEPARTMENT and the CONTRACTOR. Such training sessions can be delivered via educational outreach, webinars, lunch and learn, “hot topic” workshops, etc.

Onsite training may be requested by PAYROLL CENTERS and should be approved by the DEPARTMENT. The DEPARTMENT and the CONTRACTOR shall mutually agree on the date and location of any CONTRACTOR-provided onsite training. All cost for such training will be borne by the CONTRACTOR.

The CONTRACTOR will provide thorough BENEFIT PROGRAM process and procedure documentation for training purposes. Such documentation shall include process and procedures for web portal access, report generation, process enhancement, substantiation, and any other areas relevant for EMPLOYER personnel.

220 Administration

The CONTRACTOR will adjudicate claims submitted by MERCHANTS in accordance with IRS regulations, the BENEFIT PROGRAM, and MERCHANT agreement with the CONTRACTOR.

225 Merchant Directory

The CONTRACTOR is required to have a current MERCHANT directory, such as an IIAS directory, that is easily accessible on the CONTRACTOR’S website at all times.

230 Claims

230A Claims Administration

With respect to claims for the BENEFIT PROGRAM, the CONTRACTOR shall serve as third-party administrator, providing all necessary SERVICES to administer, process, and pay all BENEFIT PROGRAM claims according to federal and STATE regulations, and as indicated in the CONTRACT arising under the BENEFIT PROGRAM offered by the BOARD under Wisconsin Statutes Chapter 40.

The CONTRACTOR shall administer claims in accordance with the CONTRACT. The BOARD acknowledges that it has the sole authority to control and administer the BENEFIT PROGRAM and has contracted with the CONTRACTOR for assistance in administering claims.

230B Review of Claims Decisions

The CONTRACTOR shall make claims decisions according to its understanding of IRS regulations and the BENEFIT PROGRAM PLAN DOCUMENT. The CONTRACTOR'S decision to deny a BENEFIT PROGRAM claim, in whole or part, is subject to review only as described in Section 235 Grievances.

230C Claims Processing and Reimbursement

The CONTRACTOR must allow PARTICIPANTS to submit claims via fax, scan and upload to the CONTRACTOR'S website, mobile application, and paper claims through the mail.

The CONTRACTOR will provide reimbursement claim forms for PARTICIPANTS.

The CONTRACTOR will accept claims submitted directly by PARTICIPANTS when such PARTICIPANTS complete and submit a standard claim form provided by the CONTRACTOR and proof of proper documentation. The CONTRACTOR will process such properly submitted claims within three (3) BUSINESS DAYS of receipt of a request for reimbursement. After the claims processing period concludes the CONTRACTOR will produce and issue within two (2) BUSINESS DAYS: (a) a statement of reimbursement to PARTICIPANTS for allowable claims, together with checks or direct deposit for the agreed upon reimbursement amounts; or (b) requests for information for claims that are ineligible or incomplete; or (c) notification to the PARTICIPANT that the claims decision denied reimbursement of the claim, including the reason(s) for the denial.

The CONTRACTOR must be able to reimburse PARTICIPANTS by direct deposit into the PARTICIPANT'S checking or savings account. The CONTRACTOR must provide an email notification to the PARTICIPANT confirming the deposit of funds for each incidence of reimbursement. If the PARTICIPANT does not have an email address, the CONTRACTOR must provide a mailed notice confirming the deposit of funds for each reimbursement.

COMMUTER FRINGE BENEFIT claims will be paid to the extent the PARTICIPANT has available funds. Reimbursement payments will be issued to the PARTICIPANTS by check or direct deposit, at the option of the PARTICIPANT.

The CONTRACTOR must notify the PARTICIPANT in writing by email each time a claim is submitted incomplete and monthly thereafter. CONTRACTOR shall retain pending claims materials that are awaiting appropriate documentation necessary to adjudicate the claim.

If a BENEFIT PROGRAM claim is paid in error by the CONTRACTOR, the CONTRACTOR shall be responsible for the amounts paid in error.

230D Substantiation

The CONTRACTOR must comply with all IRS regulated substantiation requirements.

The CONTRACTOR'S BENEFIT PROGRAM DEBIT CARD must comply with all IRS regulations.

The CONTRACTOR will require PARTICIPANTS to substantiate all transactions and/or eligible expenses, in accordance with IRS regulations.

235 Grievances

235A Grievance Process Overview

The CONTRACTOR must have an internal grievance process that complies with this AGREEMENT. The CONTRACTOR must submit its grievance procedure, including the DEPARTMENT administrative and external review rights and sample grievance decision letters, for the DEPARTMENT'S review and approval during the implementation process and upon request by the DEPARTMENT.

Any dispute about claims arising under the BENEFIT PROGRAM shall first be submitted for resolution through the CONTRACTOR'S internal grievance process and may then, if necessary and appropriate, be submitted to the DEPARTMENT for administrative review.

Grievances regarding non-covered services or services excluded from coverage by the BENEFIT PROGRAM shall be handled like any other grievance. Written inquiries received by the CONTRACTOR not related to REIMBURSEMENT REQUEST determinations shall be resolved by the CONTRACTOR within ten (10) BUSINESS DAYS following the CONTRACTOR'S receipt of the inquiry.

If any PARTICIPANT has a problem or complaint relating to a determination of a REIMBURSEMENT REQUEST, he/she should contact the CONTRACTOR. The CONTRACTOR shall assist the PARTICIPANT in trying to resolve the matter on an informal basis, and may initiate a claim review of the REIMBURSEMENT REQUEST determination. If the PARTICIPANT wishes, he/she may omit this step and immediately file a formal grievance. A claim review is not a substitute for a grievance.

The following provides an overview of the steps in the PARTICIPANT grievance process. Details are provided in Sections 235B – 235H below.

- 1) REIMBURSEMENT REQUEST review (optional for PARTICIPANT);
- 2) PARTICIPANT notice;
- 3) Investigation and resolution;
- 4) Notification of DEPARTMENT Administrative Review Rights (not all grievances eligible): Administrative review by DEPARTMENT staff, and/or the DEPARTMENT appeals process including filing an appeal with the BOARD, an administrative appeal hearing, consideration of the appeal by the BOARD, right to appeal the BOARD's final decision to circuit court; or,
- 5) Federal external review (not all grievances eligible).

235B Reimbursement Request Review

The CONTRACTOR shall perform a claim review when a PARTICIPANT requests a review of a denied REIMBURSEMENT REQUEST. When a claim review has been completed, the CONTRACTOR shall notify the PARTICIPANT of the decision. If the decision is to uphold the denial of REIMBURSEMENT REQUEST, the CONTRACTOR shall send the PARTICIPANT a written notification as to the specific reason(s) for the continued denial of the REIMBURSEMENT REQUEST and of his/her right to file a grievance.

235C PARTICIPANT Notice

The CONTRACTOR must provide the PARTICIPANT with notice of their grievance rights and a period of ninety (90) CALENDAR DAYS to file a grievance after written denial of a REIMBURSEMENT REQUEST or other occurrence of the cause of the grievance along with the STATE or federal rules, regulations, and/or statutes or the BENEFIT PROGRAM contractual provision(s) upon which the denial is based.

235D Investigation and Resolution Requirements

Investigation and resolution of any grievance will be initiated by the CONTRACTOR within five (5) DAYS of the date the grievance is filed by the complainant for a timely resolution of the problem.

235E Notification of DEPARTMENT Administrative Review Rights

In the final grievance decision letters, the CONTRACTOR shall inform PARTICIPANTS of their right to request a DEPARTMENT review of the grievance committee's final decision using the language approved by the DEPARTMENT. In all final grievance decision letters, the CONTRACTOR shall cite the specific contractual provision(s), STATE or federal rules, regulations, and/or statutes upon which the CONTRACTOR bases its decision and relies on to support its decision.

In the event the PARTICIPANT disagrees with the grievance committee's final decision, the PARTICIPANT may submit a written request for review to the DEPARTMENT within sixty (60) CALENDAR DAYS of the date of the final grievance decision letter. The DEPARTMENT will review and communicate the outcome of the review to the PARTICIPANT. In the event that the PARTICIPANT disagrees with the outcome, they may file a written request for determination from the DEPARTMENT. The request must be received by the DEPARTMENT within sixty (60) CALENDAR DAYS of the date of the DEPARTMENT'S final review letter.

The determination of the DEPARTMENT is final and not subject to further review unless a timely appeal of the determination by the DEPARTMENT is submitted to the BOARD, as provided by [Wis. Stat. § 40.03 \(6\) \(i\)](#) and [Wis. Adm. Code ETF 11.01 \(3\)](#). However, the DEPARTMENT will not issue a determination regarding denials of REIMBURSEMENT REQUESTS by a CONTRACTOR based on IRS regulations.

Following a determination by the DEPARTMENT, a PARTICIPANT may submit an appeal to the BOARD, as provided by [Wis. Stat. § 40.03 \(6\) \(i\)](#) and [Wis. Adm. Code ETF 11.01 \(3\)](#). This process includes an administrative hearing. The CONTRACTOR shall, upon the DEPARTMENT'S request, participate in all administrative hearings requested by PARTICIPANTS or the CONTRACTOR, as determined by the DEPARTMENT. The hearings shall be conducted in accordance with guidelines and rules and regulations promulgated by the DEPARTMENT.

BOARD decisions can only be further reviewed as provided by [Wis. Stat. § 40.08 \(12\)](#) and [Wis. Adm. Code ETF 11.15](#).

235F Provision of Complaint Information

All information and documentation pertinent to any decisions or actions taken regarding any PARTICIPANT complaint or grievance by a CONTRACTOR shall be made available to the DEPARTMENT upon request. If an authorization from the PARTICIPANT is necessary, the

CONTRACTOR shall cooperate in obtaining the authorization and shall accept the DEPARTMENT'S form that complies with all applicable laws regarding patient privacy. Information may include complete copies of grievance files, medical records, consultant reports, customer service contact worksheets or any other documentation the DEPARTMENT deems necessary to review a PARTICIPANT complaint, resolve disputes or to formulate determinations. Such information must be provided at no charge within fifteen (15) DAYS, or by an earlier date as requested by the DEPARTMENT.

235G DEPARTMENT Request for Grievance

The DEPARTMENT may require the CONTRACTOR to treat and process a complaint received by the DEPARTMENT as a grievance and the DEPARTMENT will forward the complaint to the CONTRACTOR on behalf of the PARTICIPANT. The CONTRACTOR shall process the complaint as a grievance in compliance with the BENEFIT PROGRAM'S provisions regarding a formal grievance.

235H Notification of Legal Action

If a PARTICIPANT files a lawsuit naming the CONTRACTOR as a defendant, the CONTRACTOR must notify the DEPARTMENT'S chief legal counsel within ten (10) BUSINESS DAYS of notification of the legal action. This requirement does not extend to cases of subrogation.

235I Compliance with Departmental Determination

If the DEPARTMENT'S determination overturns a CONTRACTOR'S decision on a PARTICIPANT'S grievance, the CONTRACTOR shall comply with the determination within ninety (90) CALENDAR DAYS of the date of the determination. As used in this section, "comply" means to take action as directed in the departmental determination within ninety (90) CALENDAR DAYS. Failure to either comply within ninety (90) CALENDAR DAYS will result in penalties as described in Section 315 Performance Standards.

240 Cancellation of PARTICIPANT Coverage

COMMUTER FRINGE BENEFIT coverage terminates on the date the PARTICIPANT terminates employment, or on the date on which a notice of cancellation of coverage is received by the EMPLOYER (for EMPLOYEES), or on the EMPLOYEE termination of employment date, or upon date of death.

If a PARTICIPANT contacts the CONTRACTOR directly to cancel coverage, the CONTRACTOR is to reject the cancellation and immediately notify the PARTICIPANT to submit a written cancellation notice to the applicable PAYROLL CENTER or the DEPARTMENT.

255 Miscellaneous Program Requirements

255A Customer Service

The CONTRACTOR shall operate a dedicated customer service department 24/7/365 for the BENEFIT PROGRAM. PARTICIPANTS must also be able to submit questions using e-mail and via a website. The CONTRACTOR'S call center must be equipped with Telephone Device for the Deaf (TDD) in order to serve the hearing-impaired population. The CONTRACTOR shall track,

document and record all calls and correspondence received by CONTRACTOR'S customer service representatives, and be able to retrieve all such calls and correspondence when necessary, by PARTICIPANT name or identification number.

The CONTRACTOR must have a dedicated toll-free number for the BENEFIT PROGRAM and have customer service staff who are sufficiently trained to respond appropriately to PARTICIPANT inquiries, correspondence, complaints, and issues. The dedicated toll-free number must not have more than two (2) menu prompts to reach a live person.

The CONTRACTOR'S customer service staff must be able to respond to PARTICIPANTS' questions, including but not limited to: plan design, account management, eligibility, account balances, CONTRIBUTION limits, claim status, claim REIMBURSEMENT REQUEST process, substantiation process, account access, mobile application, and grievance procedures.

The CONTRACTOR shall notify the DEPARTMENT Program Manager of any disruption in customer service availability or toll-free access regardless of reason for disruption, within one (1) hour of realization that a problem exists.

The CONTRACTOR must monitor and report to the DEPARTMENT the performance standards for the BENEFIT PROGRAM that include call answer timeliness and call abandonment rate. Targets for the customer service performance standards and associated penalties are specified in Section 315B and are based on the dedicated toll-free number for the BENEFIT PROGRAM.

The CONTRACTOR must have a customer service inquiry system for inquiries received by phone and email and/or website. The system must maintain a history of inquiries for performance management, quality management and audit purposes. Related correspondence and calls shall be indexed and properly recorded to allow for reporting and analysis based on a distinct transaction.

CONTRACTOR'S customer service inquiry system must track and log, at a minimum, the following detail:

- 1) The PARTICIPANT'S identifying information;
- 2) The date and time the inquiry was received;
- 3) The reason for the inquiry (including a reason code using a coding scheme);
- 4) The origin of the transaction (e.g., inbound call, the DEPARTMENT, EMPLOYER group);
- 5) The representative that handled the inquiry;
- 6) For phone inquiries, the length of call; and,
- 7) The resolution of the inquiry (including a resolution code using a coding scheme).

At the DEPARTMENT'S request, the CONTRACTOR must provide the policies and procedures related to the operation of the CONTRACTOR'S customer service department. The DEPARTMENT reserves the right to require changes to the policies and procedures that directly impact PARTICIPANTS.

The CONTRACTOR must have and implement procedures for monitoring and ensuring the quality of SERVICES provided by its customer service representatives. At least five percent (5%) each month of all PARTICIPANT inquiries made by each submission type (e.g. phone, email, website) must be audited by the CONTRACTOR'S management staff (e.g. lead worker, supervisor, manager) to ensure accurate information was given to PARTICIPANTS and appropriate coaching and training is given to customer service representatives who failed to accurately respond to PARTICIPANTS. The CONTRACTOR must provide a summary of the audit results to the DEPARTMENT on a QUARTERLY basis within thirty (30) DAYS following the end of each QUARTER.

The CONTRACTOR must respond directly to PARTICIPANTS upon the DEPARTMENT'S request. For matters designated as urgent by the DEPARTMENT, the CONTRACTOR must contact the PARTICIPANT within one (1) BUSINESS DAY of receiving a request from the DEPARTMENT and actively communicate to the DEPARTMENT'S Program Manager or designee on issue resolution status until the issue is resolved.

The CONTRACTOR will provide QUARTERLY customer service summary reports within twenty (20) DAYS of the end of each QUARTER. The customer service summary reports will include call trending and call categorization information.

255B Contractor Web Content and Web-Portal

The CONTRACTOR must provide dedicated web content and a web-portal as part of the CONTRACT. Web content will provide basic program information. The web-portal will be used to present and track PARTICIPANT level information, such as claim status and account balance.

- 1) The CONTRACTOR must host and maintain customized web pages and a web-portal dedicated to PARTICIPANTS of the BENEFIT PROGRAM.
 - a) The CONTRACTOR must submit the web content and web-portal design for review as directed by the DEPARTMENT.
 - b) The DEPARTMENT must approve the content prior to publishing.
 - c) The web-portal must be available via the three (3) most recent versions of each of the popular browsers available in the market which include Internet Explorer, Mozilla Firefox, Chrome and Safari.
 - d) The web-portal must be simple, intuitive and easy to use and navigate.
 - e) The web-portal must be able to render effectively on any form factor for mobile devices which include smartphones and tablets.
 - f) The website and web-portal must have mobile capabilities. At a minimum, the mobile capabilities must allow the PARTICIPANT to access account management information.
 - g) The website must ensure response time averaging two (2) seconds or better, and never more than a three (3) second response time, from the time the CONTRACTOR receives the request to the time the response is sent, for all on-line activities. Response time is

defined as the amount of time between pressing the “return” or “enter” key or depressing a mouse button and receiving a data-driven response on the screen, i.e., not just a message or indicator that a response is forthcoming.

- h) The solution must use SSL/TLS for end-to-end encryption for all connections between the user devices and the portal with the use of browsers or smartphone applications (apps).
 - i) The web-portal must be SECURED with a minimum of SHA2-256 bit EV certificates to provide the latest in encryption and cryptography.
 - j) The web-portal must disable SSL/TLS negotiations which are using non-SECURE protocols and weak ciphers.
 - k) The CONTRACTOR must provide the DEPARTMENT reports on the current security safeguards enabled for the website and web-portal upon the DEPARTMENT’S request.
 - l) After the initial website and web-portal implementation, the CONTRACTOR must grant the DEPARTMENT access to the website and web-portal test environment for the DEPARTMENT’S review and approval no less than thirty (30) CALENDAR DAYS prior to the subsequent annual launch dates for each, and for each new major iteration of the website and web-portal. No less than fourteen (14) CALENDAR DAYS prior to the annual launch dates for each, the CONTRACTOR must have final content and functionality completed, as determined by the DEPARTMENT.
 - m) Prior to any launch of the CONTRACTOR website or web-portal, the CONTRACTOR must test the accessibility of the website and web-portal on multiple web browsers and from multiple internet carriers to ensure system capability.
 - n) The CONTRACTOR must submit to the DEPARTMENT for review and approval the updated website content for the upcoming IT’S YOUR CHOICE OPEN ENROLLMENT period. The DEPARTMENT will annually communicate the due date for this submission. Upon DEPARTMENT approval, CONTRACTOR shall update and launch the website content at least fourteen (14) CALENDAR DAYS prior to the annual IT’S YOUR CHOICE OPEN ENROLLMENT period.
 - o) The CONTRACTOR must obtain prior approval from the DEPARTMENT Program Manager for the inclusion of any links from the website or web-portal to an external (governmental and non-governmental) website/portal or webpage.
 - p) The CONTRACTOR will notify the DEPARTMENT Program Manager of any substantial changes being made to the website prior to implementation.
- 2) Basic information must be available on the CONTRACTOR’S website without requiring log in credentials, including:
- a) General information about the BENEFIT PROGRAM;

- b) Ability for PARTICIPANTS to access BENEFIT PROGRAM forms;
 - c) Directions on how to access the BENEFIT PROGRAM MERCHANT directory;
 - d) Information about PARTICIPANT requirements, including proper account management, documentation retention for tax filing purposes, and substantiation;
 - e) Ability for PARTICIPANTS to access the BENEFIT PROGRAM eligible expense list;
 - f) Ability for PARTICIPANTS to submit questions via the website; and,
 - g) Contact information including the dedicated toll-free customer service phone number, business hours, and mailing address.
- 3) To ensure accessibility among persons with a disability, the CONTRACTOR'S website must comply with Section 508 of the Rehabilitation Act of 1973 (29 USC Section 794d) and implementing regulations at 36 CFR 1194 Subparts A-D. The website must also conform to W3C's Web Content Accessibility Guidelines (WCAG) 2.0 (see <http://www.w3.org/TR/WCAG20/>).
- 4) The website must be hosted in a SECURE data center with system monitoring, managed firewall services and managed backup services within the United States and available twenty-four (24) hours a day, seven (7) days a week, except for regularly scheduled maintenance.
- The data center network shall include robust firewall, intrusion prevention and intrusion detection systems to prevent and detect unauthorized access. Any scheduled maintenance must occur between the hours of midnight and 5:00 a.m. CST/CDT or another time agreed to by the DEPARTMENT Program Manager and must be scheduled in advance with a notification on the BENEFIT PROGRAM website and web-portal. The web-portal must be available at least ninety-nine percent (99%) of the time, including scheduled maintenance. Unscheduled disruption to the availability of the website or web-portal must be communicated to the DEPARTMENT Program Manager within one (1) hour of realization that a problem occurred.
- The CONTRACTOR must have a regular patch management process defined for the website and web-portal infrastructure. The CONTRACTOR must have a defined maintenance time window for system patches, software upgrades. Outages in the system must be communicated through the web-portal or via alerts.
- 5) The CONTRACTOR must be able to link user profiles and site access permissions to the daily enrollment file provided by the PAYROLL CENTERS and/or DEPARTMENT and make updates based on current enrollment within three (3) BUSINESS DAYS of data receipt. The CONTRACTOR may utilize another process for validation if the process is pre-approved by the DEPARTMENT.

- 6) The CONTRACTOR must have web-portal content and functionality updated, tested and approved by the DEPARTMENT Program Manager or designee at least fourteen (14) CALENDAR DAYS prior to the benefit period start date. The web-portal will SECURELY authenticate the user. After the user is authenticated, all web-portal features must be available without the need for an additional login. Available features must include:
- a) User name and password creation and recovery;
 - b) Enrollment confirmation;
 - c) SECURE upload functionality for submitting program required documentation; and,
 - d) Communication functions that allow users to submit SECURE questions to the CONTRACTOR and allow the CONTRACTOR to push general and targeted communications to users via USPS, e-mail, text and other standard communication vehicles, as requested by the DEPARTMENT.

255C Participant Rights and Responsibilities

The CONTRACTOR shall comply with and abide by the PARTICIPANT'S Rights and Responsibilities as provided in the DEPARTMENT'S IYC materials. The CONTRACTOR may use CONTRACTOR'S PARTICIPANT'S Rights and Responsibilities document unless there is a conflict with the DEPARTMENT'S IYC materials. In this case the PARTICIPANT'S Rights and Responsibilities which are more favorable to the PARTICIPANT will apply.

255D Errors

Clerical errors made by the EMPLOYER or PAYROLL CENTER, the DEPARTMENT, or the CONTRACTOR shall not invalidate benefits of a PARTICIPANT otherwise validly in force, nor continue such benefits otherwise validly terminated, nor create eligibility for any benefits where none otherwise existed under the BENEFIT PROGRAM.

The CONTRACTOR shall only make corrections to clerical errors to the BENEFIT PROGRAM in accordance with Section 132 of the Internal Revenue Code and [Wis. Stat. §40.85-40.875](#). All corrections shall be processed through PAYROLL CENTER specification file submissions and have proper documentation in the CONTRACTOR'S ticketing system. Manual corrections to clerical errors shall not occur unless approved by the DEPARTMENT Program Manager in writing.

255E Contractor or Subcontractor Errors

If the CONTRACTOR or SUBCONTRACTOR sends erroneous or misleading information to PARTICIPANTS, the DEPARTMENT may require the CONTRACTOR to send a corrected mailing at the cost of the CONTRACTOR to inform PARTICIPANTS.

255F Examination of Records

The DEPARTMENT, or its designee, shall have the right to examine any records of the CONTRACTOR relating to the BENEFIT PROGRAM in compliance with [Wis. Stat. § 40.07](#) and any applicable federal or other STATE laws and rules. The information shall be furnished within ten (10) CALENDAR DAYS of the request or as directed by the DEPARTMENT. All such information is the sole property of the DEPARTMENT.

Upon a showing satisfactory to the BOARD that the CONTRACTOR is required by law to maintain a copy of such information, the DEPARTMENT and the CONTRACTOR shall agree to terms, conditions and provisions permitting the CONTRACTOR to maintain information to the minimum extent and for the minimum time required by law. Any such agreement shall require the CONTRACTOR to:

- 1) Keep confidential and properly safeguard each “record” and all INDIVIDUAL PERSONAL INFORMATION, as those terms are respectively defined in [Wis. Admin. Code ETF 10.01 \(3m\)](#) and [ETF 10.70 \(1\)](#), that are included in such information;
- 2) Not make any disclosure of such information without providing advance notice to the DEPARTMENT; and,
- 3) Include a liability clause for damages in the event the CONTRACTOR makes any disclosure of personal information or any record that would violate [Wis. Stat. § 40.07 \(1\) or \(2\)](#), respectively, if the disclosure was made by the DEPARTMENT.

255G Record Retention

The CONTRACTOR agrees that the DEPARTMENT and the BOARD, until the expiration of seven (7) years after the termination of the CONTRACT, and any extensions, shall have access to and the right to examine any of the CONTRACTOR’S pertinent books, financial records, documents, papers, and records and those of any parent, affiliate, or subsidiary organization performing under formal or informal arrangement any service or furnishing any supplies or equipment to the CONTRACTOR involving transactions related to this AGREEMENT.

Any records that relate to: (1) litigation or settlement of claims arising out of the performance of this AGREEMENT; or (2) costs or expenses related to this AGREEMENT with which exception is taken by litigation, claims, or exceptions must be retained for seven (7) years after the conclusion of the litigation, regardless of the termination date of the CONTRACT.

CONTRACTOR shall accurately maintain records for seven (7) years after the termination of the CONTRACT, this requirement shall supersede the period of six (6) years set forth in Section 37.0 of Appendix 2-Department Terms and Conditions. The CONTRACTOR further agrees that the substance of this clause shall be inserted in any subcontract that the CONTRACTOR enters into with any SUBCONTRACTOR to carry out any of the CONTRACTOR’S obligations under this AGREEMENT.

255H Disaster Recovery and Business Continuity

The CONTRACTOR shall ensure that critical PARTICIPANT, DEBIT CARD, and other web accessible and/or telephone-based functionality and information, including the website, are available to the applicable system users, except during periods of scheduled system unavailability agreed upon by the DEPARTMENT and the CONTRACTOR. Unavailability caused by events outside of the CONTRACTOR’S span of control is outside of the scope of this requirement. Any scheduled maintenance shall be scheduled in advance with notification on the PARTICIPANT website and web-portal. See Appendix 2 – Department Terms and Conditions for additional business continuity requirements.

255I Gifts and/or Kickbacks Prohibited

No gifts from the CONTRACTOR or any of the CONTRACTOR'S SUBCONTRACTORS are permissible to any EMPLOYEES whose work relates to the BENEFIT PROGRAMS, or members of the BOARD. Neither the CONTRACTOR nor any of its SUBCONTRACTORS shall request or receive kickbacks.

255J Appeals Process

The CONTRACTOR will send the PARTICIPANT a denial letter specifying the reason for denial(s) supporting its action regarding the BENEFIT PROGRAM on issues raised by a PARTICIPANT including, but not limited to:

- 1) Denial of a claim
- 2) Grace period and runout period
- 3) Late reimbursement
- 4) Late enrollment
- 5) Substantiation

Appeals by a PARTICIPANT must be made to CONTRACTOR within ninety (90) DAYS of the original denial. In the appeal, the PARTICIPANT may submit additional documents and written comments and request relevant information and documents pertaining to the original denial. The CONTRACTOR will issue a written decision within sixty (60) DAYS specifying the reason (s) governing the decision, including references to applicable BENEFIT PROGRAM benefits or PLAN DOCUMENT provisions. The written decision must inform the PARTICIPANT of the opportunity to appeal CONTRACTOR'S decision to the DEPARTMENT.

A PARTICIPANT may appeal the CONTRACTOR'S decision to the DEPARTMENT for either an informal review or a departmental determination. A request for DEPARTMENT informal review or a departmental determination must be made within sixty (60) DAYS of the date of CONTRACTOR'S written decision. If the PARTICIPANT requests an informal review by the DEPARTMENT, the results of that review will be sent to the PARTICIPANT within sixty (60) DAYS of the DEPARTMENT'S receipt of the request. If a PARTICIPANT requests a departmental determination, the DEPARTMENT will attempt to send that determination to the PARTICIPANT within ninety (90) DAYS of the request.

A PARTICIPANT may appeal the DEPARTMENT'S departmental determination to the BOARD. An appeal to the BOARD must be made within ninety (90) DAYS of the date of the departmental determination. All appeals to the Group Insurance Board are conducted in accordance with Wisconsin Administrative Code Chapter ETF 11. Appeals should be sent to the Appeals Coordinator, Department of Employee Trust Funds, P. O. Box 7931, Madison, WI 53707-7931.

255K Administrator Web-Portal Access

The CONTRACTOR will provide an administrator web-portal for EMPLOYER and PAYROLL CENTER administrators to access PARTICIPANT information. The CONTRACTOR'S administrator web-portal will be designed to have hierarchical access restrictions to permit proper

authorization of access to PARTICIPANT data, for example, PAYROLL CENTERS will only have access to data regarding their PARTICIPANTS, and the DEPARTMENT will have access to all PAYROLL CENTER data in the system. Such hierarchical access restrictions will be agreed upon by the DEPARTMENT and CONTRACTOR.

The CONTRACTOR will monitor the DEPARTMENT'S access each month to assure the DEPARTMENT is in compliance with the HIPAA Privacy Rule [45 CFR 164.502(b), 164.514(d)]. The minimum necessary standard requires covered entities to evaluate practices and enhance safeguards as needed to limit unnecessary or inappropriate access to and disclosure of PROTECTED HEALTH INFORMATION. The CONTRACTOR will remove access immediately upon receipt of notification from the DEPARTMENT or PAYROLL CENTER that access is no longer needed for a staff member. Access to the web-portal should only be granted upon approval of the PAYROLL CENTER Benefits/Human Resource Manager and the DEPARTMENT'S Program Manager.

300 DELIVERABLES

305 Reporting Requirements

As required by the CONTRACT, the CONTRACTOR must submit reports to the DEPARTMENT and/or PAYROLL CENTERS. Reports must be submitted by SECURE email, the sFTP site, or other method as specified by the DEPARTMENT, in the format and timeframe specified by the DEPARTMENT. The DEPARTMENT reserves the right to modify reporting requirements as deemed necessary to monitor the CONTRACT and BENEFIT PROGRAM.

Each report submitted by the CONTRACTOR to the DEPARTMENT and/or PAYROLL CENTERS must:

- Be verified by the CONTRACTOR for accuracy and completeness prior to submission;
- Be delivered on or before scheduled due dates;
- Be submitted as directed by the DEPARTMENT;
- Fully disclose all required information in a manner that is responsive and with no material omission; and
- Be accompanied by a brief narrative that describes the content of the report and highlights significant findings of the report.

Instructions and specific due dates will be provided by the DEPARTMENT annually.

Unless otherwise requested by the DEPARTMENT, each report must be specific to data from the State of Wisconsin BENEFIT PROGRAM, not general data from the CONTRACTOR'S book of business.

Invoices

1) Claims Invoicing	
Description	The CONTRACTOR will submit an invoice to the DEPARTMENT for amounts owing to the CONTRACTOR for paid claims. The invoices shall be in a format agreed upon by the DEPARTMENT and the CONTRACTOR and include details required by the DEPARTMENT. See Section 130A , 1, b. (1).
Frequency	Weekly
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
2) Administrative Fee Invoicing	
Description	The CONTRACTOR will submit an invoice to the DEPARTMENT for amounts owing to the CONTRACTOR for administrative fees. The invoices shall be in a format agreed upon by the DEPARTMENT and the CONTRACTOR and include details required by the DEPARTMENT. (See Section 130A , 2, b. (1).) <ul style="list-style-type: none"> • The CONTRACTOR will electronically send an invoice to the DEPARTMENT within ten (10) BUSINESS DAYS following the end of the month for which the invoice applies.
Frequency	Monthly
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
3) Other Fee Invoicing	

Description	The CONTRACTOR will submit an invoice to the DEPARTMENT showing the amount due from the DEPARTMENT to the CONTRACTOR. (See Section 130A, 2, b. (2).) <ul style="list-style-type: none"> The CONTRACTOR will electronically send an invoice to the DEPARTMENT within ten (10) BUSINESS DAYS following the end of the month for which the invoice applies.
Frequency	Monthly
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.

Reports

4) Bank Reconciliation Report	
Description	The CONTRACTOR shall perform a monthly bank reconciliation and provide it to the DEPARTMENT within twenty (20) CALENDAR DAYS following the last day of each month. (See Section 130A, 3, b.)
Frequency	Monthly
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
5) Claims Invoice Reconciliation Report	
Description	The CONTRACTOR will submit a claims invoice reconciliation report each month for the prior month within twenty (20) DAYS following the last DAY of each month. The report reconciles the semi-monthly claims invoice into a monthly report that will match the claims data reported each month. (See Section 130A, 3, c.)
Frequency	Monthly
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
6) QUARTERLY Performance Standards Reports	
Description	The CONTRACTOR will submit a report summarizing the CONTRACTOR'S performance under the performance standards specified in Section 315 within twenty (20) DAYS following the last DAY of each QUARTER. (See Section 150C, 6, g. and Section 315)
Frequency	QUARTERLY
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
7) Annual Performance Standards Summary	
Description	The CONTRACTOR will submit a report summarizing the CONTRACTOR'S performance under the performance standards specified in Section 315 within thirty (30) DAYS following the end of each PLAN YEAR. (See Section 150E)
Frequency	Annually
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
8) Customer Service Inquiry Report	
Description	The CONTRACTOR must submit a report by month for a rolling twelve (12) month period showing the volume and type of inquiry with a break-down by topic within twenty (20) DAYS following the last DAY of the month. The report must include a comparison of the same month of the previous calendar year and illustrate trends. (See Section 255A.)

Frequency	Monthly
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met
9) Business Recovery Plan and Simulation Report	
Description	The CONTRACTOR submits to the DEPARTMENT a business recovery plan that is documented and tested annually, at a minimum, within sixty (60) DAYS following end of each calendar year. (See Section 140, 5.)
Frequency	Annually
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
10) Fraud and Abuse Review Results	
Description	The CONTRACTOR performs QUARTERLY (unless another timeframe is agreed upon by the DEPARTMENT) fraud and abuse reviews and provides results of material findings to the DEPARTMENT. QUARTERLY reports are due within thirty (30) DAYS following the last DAY of each QUARTER. (See Section 150H.)
Frequency	QUARTERLY
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
11) SOC 1 Report	
Description	The CONTRACTOR agrees to an audit conducted by an independent CPA firm at the CONTRACTOR'S expense that is in accordance with the SSAE 18 and provides a copy of the CPA's SOC 1 report to the DEPARTMENT. (See Section 150G and Appendix 2-Department Terms and Conditions.)
Frequency	Annually
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
12) Financial and Utilization Data Submission	
Description	The CONTRACTOR submits to the DEPARTMENT or its designee, as required by the DEPARTMENT, statistical report(s) showing financial and utilization data that includes claims and enrollment information, within thirty (30) DAYS following the end of each calendar year. (See Sections 115,7.)
Frequency	Annually
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
13) Program Participation Statistics	
Description	The CONTRACTOR will provide QUARTERLY enrollment statistics on the BENEFIT PROGRAM that includes total participation, total election amount, total estimated tax savings for PARTICIPANTS, total estimated tax savings for PAYROLL CENTERS, etc., within twenty (20) DAYS following the end of each QUARTER (See Section 150C, 6, a.)
Frequency	QUARTERLY
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
14) Customer Service Summary	

Description	The CONTRACTOR will provide QUARTERLY customer service summary reports within twenty (20) DAYS following the end of each QUARTER. The customer service summary reports will include call trending and call categorization information. (See Section 255A.)
Frequency	QUARTERLY
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
15) Summary Payroll Discrepancy Report	
Description	The CONTRACTOR will provide the DEPARTMENT with a PAYROLL CENTER discrepancy status summary report on a monthly basis, within twenty (20) DAYS following the end of each month. The status summary report will include the name of the PAYROLL CENTER, payroll file date, discrepancy report issue date, total number of discrepancies, and resolution date. (See Section 150C, 6, b.)
Frequency	QUARTERLY
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
16) Annual Report	
Description	The CONTRACTOR will provide the DEPARTMENT with an annual report of the prior PLAN YEAR'S performance by April 30 of each year. The annual report will include: program participation statistics, estimated PARTICIPANT tax savings, estimated employer tax savings, customer service activity, summary of customer survey results, benefit utilization, quality improvement efforts, program forfeitures, program carryovers, status audit recommendation, future enhancements, and plan design change recommendations. (See Section 150C, 6, d.)
Frequency	Annually
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
17) Participant Satisfaction Survey	
Description	The CONTRACTOR will conduct an annual PARTICIPANT satisfaction survey for each completed PLAN YEAR. The CONTRACTOR will provide the DEPARTMENT with the results of the survey by March 1 following the end of the PLAN YEAR. If the PARTICIPANT satisfaction survey results should reflect opportunities for improvement, the CONTRACTOR will provide the DEPARTMENT with an improvement plan and an action plan timeline. . (See Section 150C, 6, e.)
Frequency	Annually
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
18) Claim Summary	
Description	The CONTRACTOR will provide a QUARTERLY claim summary report within fifteen (15) DAYS of the end of each QUARTER. The claim summary report will include claim trending and claim categorization information. (See Section 150C, 6, h.)
Frequency	Quarterly
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
19) Forfeitures Report	

Description	The CONTRACTOR will provide a PARTICIPANT forfeitures report for the prior PLAN YEAR through the runout period (March 31) as follows: a preliminary, materially correct PARTICIPANT forfeitures report by April 30 and an audited PARTICIPANT forfeitures report by May. (See Section 150C, 6, i.) <i>Note: Point of Claims, thus CONTRACTOR will not hold funds. Plan finalization report is available online in the CONTRACTOR'S administrator portal 24/7/365.</i>
Frequency	Annually (one preliminary, one audited)
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
20) Plan Finalization Report	
Description	The CONTRACTOR will provide a preliminary, materially correct BENEFIT PLAN finalization report for each PLAN YEAR by April 30 each year; and, a final, audited BENEFIT PLAN finalization report for each PLAN YEAR by May 31 each year. (See Section 150C, 6, c.)
Frequency	Twice, Annually
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.
21) Stale-Dated Check Report	
Description	The CONTRACTOR will provide a stale-dated check report listing reimbursement checks that have not been cashed or deposited within six (6) months of the check issue date. (See Section 150C, 6, k.)
Frequency	QUARTERLY
Penalty	One-thousand (\$1,000) dollars per report or deliverable for which the standard is not met.

310 Deliverables

As required by the CONTRACT, the CONTRACTOR must provide deliverables specified in the sections below. Repeated or habitual failure to meet the deadlines as established may impact the CONTRACTOR'S ability to participate in the BENEFIT PROGRAM in future years.

310A Deliverables to the Department

Instructions on submitting the deliverable and specific due dates will be provided by the DEPARTMENT annually.

1) Debit Card Issuance Delays	
Description	The CONTRACTOR notifies the DEPARTMENT Program Manager of any delays with issuing the DEBIT CARDS. (See Section 205B.)
Due	Upon identification of issue.
2) Debit Card Confirmation	
Description	The CONTRACTOR sends a written confirmation to the DEPARTMENT Program Manager indicating the date(s) the DEBIT CARDS were issued. (See Section 205B.)
Due	January
3) Key Contacts Listing	

Description	The CONTRACTOR provides the DEPARTMENT with contact information for key CONTRACTOR staff, which the DEPARTMENT will share with EMPLOYERS. (See Section 150A.)
Due	April, August
4) Implementation Plan	
Description	The CONTRACTOR submits an updated implementation plan in a mutually agreed upon format and timeline to the DEPARTMENT Program Manager or designee. (See Section 150J.)
Due	Within ten (10) DAYS of execution of the CONTRACT
5) Fraud and Abuse Review Plan	
Description	The CONTRACTOR submits a fraud and abuse review plan to the DEPARTMENT. (See Section 150H.)
Due	Within thirty (30) CALENDAR DAYS of execution of the CONTRACT. Annually thereafter.
6) It's Your Choice Information	
Description	The CONTRACTOR submits the following information to the DEPARTMENT, in the format as determined by the DEPARTMENT, for inclusion in the communications from the DEPARTMENT for the IT'S YOUR CHOICE OPEN ENROLLMENT period: <ul style="list-style-type: none"> • CONTRACTOR information, including address, toll-free customer service telephone number, and web site address. • CONTRACTOR'S content to be included on the DEPARTMENT'S informational webpages. • Information for PARTICIPANTS to access the CONTRACTOR'S MERCHANT directory on its web site, including a link to the MERCHANT directory. (See Section 135B.)
Due	July
7) It's Your Choice Informational Materials Review	
Description	The CONTRACTOR submits all informational materials intended for distribution to PARTICIPANTS during the IT'S YOUR CHOICE OPEN ENROLLMENT period to the DEPARTMENT for review and approval. (See Section 135B.)
Due	July
8) Copies of Materials	
Description	The CONTRACTOR submits three (3) hard copies of all IT'S YOUR CHOICE OPEN ENROLLMENT materials in final form to the DEPARTMENT at least two (2) weeks prior to the start of the IT'S YOUR CHOICE OPEN ENROLLMENT period. (See Section 135B.)
Due	September
9) Merchant Directory	
Description	The CONTRACTOR annually submits its MERCHANT Directory for the upcoming benefit period to the DEPARTMENT. (See Section 225.)
Due	September
10) It's Your Choice Informational Participant Outreach	
Description	The CONTRACTOR submits the notice that it will be issuing to PARTICIPANTS enrolled in the BENEFIT PROGRAM prior to the IT'S YOUR CHOICE OPEN

	ENROLLMENT period to remind PARTICIPANTS to enroll and identifying any BENEFIT PROGRAM changes. (See Section 135B.)
Due	September
11) Enrollment Reconciliation Audit	
Description	The CONTRACTOR will complete an enrollment verification audit comparing the PAYROLL CENTERS' program enrollment report to the CONTRACTOR'S enrollment record for the STATE. (See Section 145D.)
Due	Quarterly
12) Web Content and Web-Portal Design and Changes	
Description	The CONTRACTOR submits the web content and web-portal design for review, as directed by the DEPARTMENT. The CONTRACTOR notifies the DEPARTMENT Program Manager of any substantial changes being made to the website prior to implementation. (See Section 255B.)
Due	As directed by the DEPARTMENT.
13) Major Administrative and Operative System Changes	
Description	The CONTRACTOR submits written notice to the DEPARTMENT at least one hundred eighty (180) DAYS prior to undertaking a major system change or conversion for, or related to, the system used to deliver SERVICES for the BENEFIT PROGRAM. (See Section 140.)
Due	As needed.
14) Notification of Account Manager or Key Staff Changes	
Description	The CONTRACTOR notifies the DEPARTMENT if the Account Manager, backup or key staff changes. (See Section 150A.)
Due	As needed.
15) Notification of Legal Action	
Description	If a PARTICIPANT files a lawsuit naming the CONTRACTOR as a defendant, the CONTRACTOR notifies the DEPARTMENT'S chief legal counsel within ten (10) BUSINESS DAYS of notification of the legal action. (See Section 235H.)
Due	As needed.
16) Notification of Privacy Breach	
Description	The CONTRACTOR notifies the DEPARTMENT Program Manager and Privacy Officer within one (1) BUSINESS DAY of discovering that the PROTECTED HEALTH INFORMATION (PHI) and/or PERSONALLY IDENTIFIABLE INFORMATION (PII) of one (1) or more PARTICIPANTS may have been breached, or has been breached, as defined by state and federal law, including Wis. Stat. § 134.98 , HIPAA, and GINA. (See Section 150G and Department Terms and Conditions.)
Due	As needed.
17) Notification of Significant Events	
Description	The CONTRACTOR provides notification of all significant events as described in Section 115, 10.
Due	As needed.
18) Recovery of Claims Overpayment	
Description	The CONTRACTOR notifies the DEPARTMENT of each uncollectible overpayment within thirty (30) CALENDAR DAYS following the CONTRACTOR'S determination that

	such overpayment is uncollectible after using such recovery and collection procedures. (See Section 130C.)
Due	As needed.
19) Transition Plan	
Description	The CONTRACTOR provides a comprehensive transition plan in a mutually agreed upon format that provides a timeline of major tasks and activities, including those identified by the DEPARTMENT. (See Section 150L.)
Due	During the implementation period, upon DEPARTMENT request, and prior to CONTRACT termination.
20) Approval of Communications	
Description	Communication materials specified by the DEPARTMENT shall be pre-approved by the DEPARTMENT prior to distribution to PARTICIPANTS, potential PARTICIPANTS, and EMPLOYERS of the BENEFIT PROGRAM. This includes written and electronic communication, such as marketing collateral, informational notices, standard letters, PLAN DOCUMENTS, SUMMARY PLAN DESCRIPTIONS, claim denials and appeals. (See Section 135B.)
Due	As needed.
21) Benefit Program Plan Documentation	
Description	The CONTRACTOR provides the DEPARTMENT a compliant and comprehensive COMMUTER FRINGE BENEFIT Program PLAN DOCUMENT prior to the start of each PLAN YEAR and prior to the effective date of any applicable plan change that would necessitate a PLAN DOCUMENT amendment or edited restatement. (See Section 150F.)
Due	As needed. At least annually.
22) Microsite	
Description	The CONTRACTOR'S microsite, customized for the DEPARTMENT, is fully operational. (See Section 135D.)
Due	September 15

310B Deliverables to Participants

1) DEBIT CARDS	
Description	The CONTRACTOR provides PARTICIPANTS with DEBIT CARDS within five (5) BUSINESS DAYS of generation of the enrollment file. (See Section 205B.)
Due	Upon enrollment.
2) PARTICIPANT Enrollment Information	
Description	<p>The CONTRACTOR provides the following information, at a minimum, to PARTICIPANTS upon enrollment:</p> <ul style="list-style-type: none"> • Information about accessing online account and mobile app. • Directions on updating profile information, view account balance(s), check claim status, set-up direct deposit, substantiate a claim, request a reimbursement, request a DEBIT CARD. • Information about how to properly manage account and PARTICIPANT responsibilities. • The CONTRACTOR'S contact information, including the dedicated toll-free customer service phone number, business hours, and website address.

	<i>(See Section 205C.)</i>
Due	Upon enrollment.
3) PARTICIPANT Notification of Grievance Rights	
Description	The CONTRACTOR provides the PARTICIPANT with notice of their grievance rights and a period of ninety (90) DAYS to file a grievance after written denial of a BENEFIT or other occurrence of the cause of the grievance along with the benefit contractual provision(s) upon which the denial is based. <i>(See Section 235C.)</i>
Due	See description.
4) PARTICIPANT Notification of DEPARTMENT Administrative Review Rights	
Description	In the final grievance decision letter, the CONTRACTOR informs the PARTICIPANT of their right to request a DEPARTMENT review of the grievance committee's final decision, using the language approved by the DEPARTMENT. <i>(See Section 235E.)</i>
Due	See description.
5) PARTICIPANT Appeals Process	
Description	The CONTRACTOR will send the PARTICIPANT a denial letter specifying the reason for the denial(s), including, but not limited to: 1) Denial of a claim, 2) Grace period and runout period, 3) Late reimbursement, 4) Late enrollment, and 5) Substantiation. The CONTRACTOR will issue a written decision within sixty (60) DAYS specifying the reason (s) for the decision, including references to applicable BENEFIT PLAN and PLAN DOCUMENT provisions. The written decision must inform the PARTICIPANT of the opportunity to appeal CONTRACTOR'S decision to the DEPARTMENT. <i>(See Section 255J.)</i>
Due	See description.

315 Performance Standards and Penalties

Performance standards are specific to data from the BENEFIT PROGRAM, not general data from the CONTRACTOR'S book-of-business. The CONTRACTOR must track performance using a template provided by the DEPARTMENT. The CONTRACTOR must submit reports and supporting documentation for validation as mutually agreed upon with the DEPARTMENT. The CONTRACTOR shall notify the DEPARTMENT upon realization that a standard will not be met, prior to the deadline.

Performance standards will be measured by the DEPARTMENT on a QUARTERLY basis. The DEPARTMENT reserves the right to waive a penalty in certain circumstances when the DEPARTMENT determines it is warranted. The performance categories and associated penalty are shown below and explained in greater detail in the tables that follow:

315A Claims Processing

The CONTRACTOR shall report monthly values on a QUARTERLY basis for these standards.

Performance Standards	Penalties
1) Processing Accuracy: At least ninety-nine percent (99%) level of processing accuracy. Processing accuracy means all claims are processed correctly in every respect, financial and technical (e.g., according to federal	One thousand (\$1,000) dollars for each percentage point for

Performance Standards	Penalties
and STATE regulations, proper substantiation, coverage period, system, procedural, etc.), divided by total claims processed. (See Section 230.)	which the standard is not met in each month.
2) Financial Accuracy: At least ninety-nine (99%) percent level of financial accuracy. Financial accuracy means the claim dollars paid in the correct amount divided by the total claim dollars paid. (See Section 230).	One thousand (\$1,000) dollars for each percentage point for which the standard is not met in each month.
3) Claims Processing Time: At least ninety-nine percent (99%) of all claims received must be processed within three (3) BUSINESS DAYS of receipt of all necessary information. (See Section 230.)	One thousand (\$1,000) dollars for each percentage point for which the standard is not met in each month.
4) Claims Processing System Availability: At least ninety-nine percent (99%) of the time the claims processing system is available for adjudication of DEBIT CARD claims and online claims submitted by PARTICIPANTS and MERCHANTS. This includes downtime for system maintenance.	One thousand (\$1,000) dollars for each percentage point for which the standard is not met in each month.
5) PARTICIPANT Reimbursement: At least ninety-nine percent (99%) of PARTICIPANT reimbursement will be released via check or direct deposit within two (2) BUSINESS DAYS from the claims processing date. (See 230C.)	One thousand (\$1,000) dollars for each percentage point for which the standard is not met in each month.

315B Customer Service

The CONTRACTOR shall report monthly values on a QUARTERLY basis for these standards.

Performance Standards	Penalties
<p>1) Call Answer Timeliness: At least eighty-five percent (85%) of calls received by the CONTRACTOR'S customer service (during operating hours) during the measurement period were answered by a live voice within thirty (30) seconds. (See Section 255A.)</p> <p><i>Exception: The CONTRACTOR will answer phone calls within ninety (90) seconds at least ninety percent (90%) of the time during peak customer service hours, such as, IYC open enrollment, end of the PLAN YEAR substantiation, and PLAN YEAR runoff.</i></p>	One thousand (\$1,000) dollars for each percentage point for which the standard is not met in each month)
2) Call Abandonment Rate: Less than five percent (5%) of calls abandoned, measured by the number of total calls that are not answered by customer service (caller hangs up before answer) divided by the number of total calls received. (See Section 255A.)	One thousand (\$1,000) dollars for each percentage point for which the standard is not met in each month)
3) Open Call Resolution Turn-Around-Time: At least ninety percent (90%) of customer service calls that require follow-up or research will be resolved within two (2) BUSINESS DAYS of initial call. Measured by the number of issues initiated by a call and resolved (completed without need for referral or follow-up action) within two (2) BUSINESS DAYS, divided by the total number of issues initiated by a call. (See Section 255A.)	One thousand (\$1,000) dollars for each percentage point for which the standard is not met in each month)

Performance Standards	Penalties
4) Electronic Written Inquiry Response: At least ninety-eight percent (98%) of customer service issues submitted by email, website, and mail are responded to within two (2) BUSINESS DAYS. (See Section 255A.)	One thousand (\$1,000) dollars for each percentage point for which the standard is not met in each month

315C Data Management

The DEPARTMENT will specify the timetable and dates for which the data transfers must be provided.

Performance Standards	Penalties
1) Notification of Data Breach: The CONTRACTOR shall notify the DEPARTMENT Program Manager and Privacy Officer within one (1) BUSINESS DAY of discovering that the PHI and/or PII of one (1) or more PARTICIPANTS may have been breached or has been breached. The CONTRACTOR shall provide the DEPARTMENT with the information required in the Department Terms and Conditions related to all such suspected or actual breaches.	One thousand (\$1,000) dollars per DAY for which the standard is not met

315D Enrollment

The CONTRACTOR shall report MONTHLY any DAY for which any of the following standards are not met.

Performance Standards	Penalties
1) Eligibility File: The CONTRACTOR must accept an eligibility file update on a schedule agreed upon by the DEPARTMENT, PAYROLL CENTER, and the CONTRACTOR and accurately process the enrollment file additions, changes, and deletions within two (2) BUSINESS DAYS of the file receipt. Delays in processing the eligibility file must be communicated to the DEPARTMENT Program Manager or designee within one (1) BUSINESS DAY. (See Section 145.)	One thousand (\$1,000) dollars per DAY for which the standard is not met
2) Enrollment File: The CONTRACTOR must accept an enrollment file update on a schedule agreed upon by the DEPARTMENT, PAYROLL CENTER, and the CONTRACTOR and accurately process the enrollment file additions, changes, and deletions within two (2) BUSINESS DAYS of the file receipt. Delays in processing the enrollment file must be communicated to the DEPARTMENT Program Manager or designee within one (1) BUSINESS DAY. (See Section 145.)	One thousand (\$1,000) dollars per DAY for which the standard is not met
3) Eligibility Discrepancies: The CONTRACTOR must resolve all eligibility discrepancies (any difference of values between the DEPARTMENT'S and the PAYROLL CENTER's database and the CONTRACTOR'S database) as identified within one (1) BUSINESS DAY of notification by the DEPARTMENT, PAYROLL CENTER, or identification by the CONTRACTOR. (See Section 145.)	One thousand (\$1,000) dollars per DAY for which the standard is not met

Performance Standards	Penalties
<p>4) Enrollment Discrepancies: The CONTRACTOR must resolve all enrollment discrepancies (any difference of values between the DEPARTMENT'S and the PAYROLL CENTER's database and the CONTRACTOR'S database) as identified within one (1) BUSINESS DAY of notification by the DEPARTMENT, PAYROLL CENTER, or identification by the CONTRACTOR. <i>(See Section 145.)</i></p>	<p>One thousand (\$1,000) dollars per DAY for which the standard is not met</p>
<p>5) DEBIT CARDS: The CONTRACTOR shall mail DEBIT CARDS within five (5) BUSINESS DAYS of the generation date of the enrollment file containing the addition or enrollment change, except as noted. <i>(See Section 205B.)</i></p>	<p>One thousand (\$1,000) dollars per DAY for which the standard is not met</p>
<p>6) DEBIT CARDS for elections made during the IT'S YOUR CHOICE OPEN ENROLLMENT Period: The CONTRACTOR shall mail DEBIT CARDS by December 15 for enrollment additions or changes effective the following January 1 calendar year, as submitted on enrollment files generated from the IT'S YOUR CHOICE OPEN ENROLLMENT period. <i>(See Section 205B.)</i></p>	<p>One thousand (\$1,000) dollars per DAY for which the standard is not met</p>
<p>7) ENROLLMENT SYSTEM: The CONTRACTOR will provide an internet enrollment system that functions smoothly, timely, and is accessible ninety-nine percent (99%) of each DAY during the annual IYC enrollment period. <i>(See Section 150B.)</i></p>	<p>One thousand (\$1,000) per DAY for which the standard is not met / Three thousand dollars per incident and one thousand dollars (\$1,000) per DAY thereafter for each DAY the enrollment system is unavailable during the IYC enrollment period.</p>

315E Other

Performance Standards	Penalties
<p>1) Audit: The CONTRACTOR shall address any areas of improvement as identified in any audit in the timeframe as determined by the DEPARTMENT. <i>(See Section 150.)</i></p>	<p>One thousand dollars (\$1,000) per DAY for which the standard is not met</p>
<p>2) Major System Changes and Conversions: The CONTRACTOR shall verify and commit that during the length of the CONTRACT, it shall not undertake a major system change or conversion for, or related to, the system used to deliver SERVICES for the benefit program without specific prior written notice of at least one hundred-eighty (180) DAYS to the DEPARTMENT. <i>(See Section 140.)</i></p>	<p>One thousand dollars (\$1,000) per DAY for which the standard is not met</p>
<p>3) Web-Portal Availability: The CONTRACTOR'S web-portal must be available at least ninety-nine percent (99%) of the time, including scheduled maintenance. In the event of downtime, the Contractor shall immediately notify the DEPARTMENT Program Manager of the expected duration of the downtime, post a notice on the website and web-portal (if possible) and provide a 24-hour "hot line" number. <i>(See Section 255B.)</i></p>	<p>Three thousand (\$3,000) per DAY for which the standard is not met / Three thousand dollars per incident and three thousand dollars (\$3,000) per DAY</p>

Performance Standards	Penalties
	thereafter for each DAY the web-portal is unavailable
<p>4) Non-Disclosure: The CONTRACTOR shall not use or disclose names, addresses, or other data for any purpose other than specifically provided for in the CONTRACT. (See Section 115, 14.)</p>	Five thousand dollars (\$5,000) per incident
<p>5) Implementation and Go-Live Dates: All SERVICES shall take effective (“go live”) and be fully operational on the due date specified in the Implementation Plan. <i>Applicable only to new CONTRACTOR implementation.</i> (See Section 150.)</p>	Fifty thousand dollars (\$50,000) for the first (1 st) DAY and five thousand dollars (\$5,000) for each subsequent DAY past the deadline that SERVICES are not fully operational



Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53707-7931

Appendix 2

Department Terms and Conditions

Rev. Date 05-01-2019 ETH0052-54

- 1.0 ENTIRE AGREEMENT:** The following terms and conditions are hereby made a part of the underlying contract. These Department Terms and Conditions, the underlying contract, its exhibits, subsequent amendments and other documents incorporated by order of precedence in the contract encompass the entire contract ("Contract") and contain the entire understanding between the Wisconsin Department of Employee Trust Funds ("Department") and the contractor named in the Contract ("Contractor") on the subject matter hereof, and no representations, inducements, promises, or agreements, oral or otherwise, not embodied herein shall be of any force or effect. The Contract supersedes any other oral or written agreement entered into between the Department and the Contractor on the subject matter hereof. The terms "State" and "Department" may be used interchangeably herein.

The Contract may be amended at any time by written mutual agreement of the Department and Contractor, but any such amendment shall be without prejudice to any claim arising prior to the date of the change. No one, except duly authorized officers or agents of the Contractor and the Department, shall alter or amend the Contract. No change in the Contract shall be valid unless evidenced by an amendment that is signed by such officers of the Contractor and the Department.

- 2.0 COMPLIANCE WITH THE CONTRACT AND APPLICABLE LAW:** In the event of a conflict between the Contract and any applicable federal or state statute, administrative rule, or regulation; the statute, rule, or regulation will control.

In connection with the performance of work under the Contract, the Contractor agrees not to discriminate against employees or applicants for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in Wis. Stat. § 51.01(5); sexual orientation as defined in Wis. Stat. § 111.32(13m), or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the Contractor further agrees to take affirmative action to ensure equal employment opportunities.

Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan by the Contractor. Contractors with an annual work force of less than fifty (50) employees are exempt from this requirement. Contractor shall provide the plan to the Department within fifteen (15) business days of the Department's request for such plan after the award of the Contract.

The Contractor shall comply with all applicable requirements and provisions of the Americans with Disabilities Act (ADA) of 1990. Evidence of compliance with ADA shall be made available to the Department upon request.

The Contractor acknowledges that Wis. Stat. § 40.07 specifically exempts information related to individuals in the records of the Department of Employee Trust Funds from the Wisconsin Public Records Law. Contractor shall treat any such records provided to or accessed by Contractor as non-public records as set forth in Wis. Stat. § 40.07.

Contractor will comply with the provisions of Wis. Stat. § 134.98 Notice of Unauthorized Acquisition of Personal Information.

- 3.0 LEGAL RELATIONS:** The Contractor shall at all times comply with and observe all federal and State laws, local laws, ordinances, and regulations which are in effect during the period of the Contract and which in any manner affect the work or its conduct. This includes but is not limited to laws regarding compensation, hours of work, conditions of employment and equal opportunities for employment.

In carrying out any provisions 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.

The Contractor accepts full liability and agrees to hold harmless the State, the Department's governing boards, the Department, its employees, agents and contractors for any act or omission of the Contractor, or any of its employees, in connection with the Contract.

No employee of the Contractor may represent himself or herself as an employee of the Department or the State.

- 4.0 CONTRACTOR:** The Contractor will be the sole point of contact with regard to contractual matters, including the performance of services specified in the Contract (the "Services") and the payment of any and all charges resulting from contractual obligations.

None of the Services to be provided by the Contractor shall be subcontracted or delegated to any other organization, subdivision, association, individual, corporation, partnership or group of individuals, or other such entity without prior written notification to, and approval of, the Department.

After execution of the Contract, the Department will provide Contractor with the name of the Department's designated contact person and commit to a timely approval process for Contractor's notification of a change in subcontractor(s) and/or delegated Services.

The Contractor shall be solely responsible for its actions and those of its agents, employees or subcontractors under the Contract. The Contractor will be responsible for Contract performance when subcontractors are used. Subcontractors must abide by all terms and conditions of the Contract.

Neither the Contractor nor any of the foregoing parties has the authority to act or speak on behalf of the State.

The Contractor will be responsible for payment of any losses by its subcontractors or agents.

Any notice required or permitted to be given shall be deemed to have been given on the date of delivery or three (3) business days after mailing by the United States Postal Service, certified or registered mail-receipt requested. In the event the Contractor moves or updates contact information, the Contractor shall inform the Department of such changes in writing within ten (10) business days. The Department shall not be held responsible for payments delayed due to the Contractor's failure to provide such notice.

- 5.0 CONTRACTOR PERFORMANCE:** Work under the Contract shall be performed in a timely, professional and diligent matter by qualified and efficient personnel and in conformity with the strictest quality standards mandated or recommended by all generally-recognized organizations establishing quality standards for the work of the type specified in the Contract. The Contractor shall be solely responsible for controlling the manner and means by which it and its employees or its subcontractors perform the Services, and the Contractor shall observe, abide by, and perform all of its obligations in accordance with all legal and Contract requirements.

Without limiting the foregoing, the Contractor shall control the manner and means of the Services so as to perform the work in a reasonably safe manner and comply fully with all applicable codes, regulations and requirements imposed or enforced by any government agencies. Notwithstanding the foregoing, any stricter standard provided in plans, specifications or other documents incorporated as part of the Contract shall govern.

The Contractor shall provide the Services with all due skill, care, and diligence, in accordance with accepted industry practices and legal requirements, and to the Department's satisfaction; the Department's decision in that regard shall be final and conclusive.

All Contractor's Services under the Contract shall be performed in material compliance with the applicable federal and state laws and regulations in effect at the time of performance, except when imposition of a newly enacted or revised law or regulation would result in an unconstitutional impairment of the Contract.

The Contractor will make commercially reasonable efforts to ensure that Contractor's professional and managerial staff maintain a working knowledge and understanding of all federal and state laws, regulations, and administrative code appropriate for the performance of their respective duties, as well as contemplated changes in such law which affect or may affect the Services delivered under the Contract.

The Contractor shall maintain a written contingency plan describing in detail how it will continue operations and Services under the Contract in certain events including, but not limited to, strike and disaster, and shall submit it to the Department upon request.

- 6.0 AUDIT PROVISION:** 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 Contractor will cooperate with such efforts and provide all requested information permitted under the law.

- 6.1 SOC 1/Type 2 Report:** If the Department requires Contractor to provide a Service Organization Control (SOC) audit report, Contractor will furnish the Department with a copy of Contractor's annual independent service auditor's report on management's description of Contractor's system and the suitability of the design and operating effectiveness of controls (SOC 1, Type 2). This independent audit of the Contractor's controls must be completed in accordance with the American Institute of Certified Public Accountants' (AICPA) Statements on Standards for Attestation Engagements (SSAE) No. 18 (SOC 1, Type 2). The SSAE 18 (SOC 1, Type 2) annual audit will include all programs under the Contract and will be conducted at the Contractor's expense. If the Contractor's SSAE 18 (SOC 1, Type 2) audit covers less than twelve (12) months of a calendar year, the Contractor will provide a bridge letter to the Department, stating whether processes and controls have changed since the SSAE 18 (SOC 1, Type 2) audit. In addition, the Department requires Contractor to submit a letter of attestation indicating Contractor's receipt of management's assertion of control compliance from Contractor's subcontractors, when applicable.
- 6.2 SOC 2/Type 2 Report:** If the Department requires Contractor to provide a SOC audit report, Contractor will furnish the Department with a copy of Contractor's annual independent service auditor's report on Contractor's controls relevant to security, availability, and confidentiality. The SOC audit report must be a type 2 report that includes management's description of Contractor's system and the suitability of the design controls set forth in AICPA Trust Services Criteria Section 100 (2017). This independent audit of the Contractor's controls must be completed in accordance with the AICPA SSAE No. 18 (SOC 2, Type 2). The SSAE 18 (SOC 2, Type 2) annual audit will include all programs under the Contract and will be conducted at the Contractor's expense. If the Contractor's SSAE 18 (SOC 2, Type 2) audit covers less than twelve (12) months of a calendar year, the Contractor will provide a bridge letter to the Department, stating whether processes and controls have changed since the SSAE 18 (SOC 2, Type 2) audit. In addition, the Department requires Contractor to submit a letter of attestation indicating Contractor's receipt of management's assertion of control compliance from Contractor's subcontractors.
- 6.3 Contract Compliance Audit:** The Department may schedule and arrange for an independent certified public accountant to perform agreed upon procedures or consulting work related to the Contractor's compliance with the Contract on a periodic basis, as determined by the Department. The audit scope will be determined by the Department and may include recordkeeping, participant account activity, claims processing, administrative performance standards, and any other relevant areas to the programs under the Contract. The timeline of the audit will be mutually agreed upon by the Department and the Contractor. A minimum ten (10) business day notice is required.
- 6.4 Open Access:** All Contractor books, records, ledgers, data, and journals relating to the programs under the Contract will be open for inspection and audit by the Department, its designees, or the State of Wisconsin Legislative Audit Bureau, at any time during normal working hours. A minimum ten (10) business day notice will be provided. Records or data requested shall be provided electronically in a format mutually agreed upon by the Department and Contractor. The Department shall have access to interview any employee and authorized agent of the Contractor involved with the Contract in conjunction with any audit, review, or investigation deemed necessary by the Department or the State.
- 6.5 LAB Audit:** The Department is audited by the State of Wisconsin Legislative Audit Bureau annually, as required by Wis. Stat. § 13.94(1)(dd). The Contractor agrees to provide necessary information related to any such audit for all programs under the Contract, as requested by the Department or auditor.
- 7.0 CRIMINAL BACKGROUND VERIFICATION:** The Department follows the provisions in the Wisconsin Human Resources Handbook Chapter 246, Securing Applicant Background Checks (see: https://dpm.wi.gov/Hand%20Book%20Chapters/WHRH_Ch_246.pdf). The Contractor is expected to perform background checks that, at a minimum, adhere to those standards. This includes the criminal history record from the Wisconsin Department of Justice (DOJ), Wisconsin Circuit Court Automation Programs (CCAP), and other State justice departments for persons who have lived in a state(s) other than Wisconsin. More stringent background checks are permitted. Details regarding the Contractor's background check procedures should be provided to the Department regarding the measures used by the Contractor to protect the security and privacy of program data and participant information. A copy of the results of the criminal background checks the Contractor conducted must be made available to the Department upon request. The Department reserves the right to conduct its own criminal background checks on any or all employees or subcontractors of and referred by the Contractor for the delivery or provision of Services.
- 8.0 COMPLIANCE WITH ON-SITE PARTY RULES AND REGULATIONS:** Contractor and the Department agree that their employees, while working at or visiting the premises of the other party, shall comply with all internal rules and regulations of the other party, including security procedures, and all applicable federal, state, and local laws and regulations applicable to the location where said employees are working or visiting.

The Department is responsible for allocating building and equipment access, as well as any other necessary services available from the Department that may be used by the Contractor. Any use of the Department facilities, equipment, internet access, and/or services shall only be to assist Contractor in providing the Services, as authorized by the

Department. The Contractor will provide its own personal computers, which must comply with the Department security policies before connection to the Department's local computer network.

- 9.0 SECURITY OF PREMISES, EQUIPMENT, DATA AND PERSONNEL:** The Department shall have the right, acting by itself or through its authorized representatives, to enter the premises of the Contractor at mutually agreeable times to inspect and copy the records of the Contractor and the Contractor's compliance with this Section. In the course of performing Services under the Contract, the Contractor may have access to the personnel, premises, equipment, and other property, including data files, information, or materials (collectively referred to as "data") belonging to the Department.

The Contractor shall be responsible for damage to the Department's equipment, workplace, and its contents, or for the loss of data, when such damage or loss is caused by the Contractor, contracted personnel, or subcontractors, and shall reimburse the Department accordingly upon demand. This remedy shall be in addition to any other remedies available to the Department by law or in equity.

- 10.0 BREACH NOT WAIVER:** A failure to exercise any right, or a delay in exercising any right, power or remedy hereunder on the part of either party shall not operate as a waiver thereof. Any express waiver shall be in writing and shall not affect any event or default other than the event or default specified in such waiver. A waiver of any covenant, term or condition contained herein or in the Contract shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The making of any payment to the Contractor under the Contract shall not constitute a waiver of default, evidence of proper Contractor performance, or acceptance of any defective item or Services furnished by the Contractor.

- 11.0 SEVERABILITY:** The provisions of the Contract shall be deemed severable and the unenforceability of any one or more provisions shall not affect the enforceability of any of the other provisions. If any provision of the Contract, for any reason, is declared to be invalid, unenforceable, or illegal, the parties shall substitute an enforceable provision that, to the maximum extent possible in accordance with applicable law, preserves the original intentions and economic positions of the parties.

- 12.0 LIQUIDATED DAMAGES:** The Contractor and the Department acknowledge that it can be difficult to ascertain actual damages when a Contractor fails to carry out its responsibilities under the Contract. Because of that, the Contractor and the Department will negotiate liquidated damages, as required by the Department, for the Contract. 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.

The Department shall notify the Contractor in writing of any claim for liquidated damages pursuant to this Section within thirty (30) calendar days after the Contractor's failure to perform in accordance with the terms and conditions of the Contract.

Notwithstanding the foregoing language, when necessary, the Department will identify in the Contract, specific financial penalties for failure of the Contractor to meet performance standards and guarantees. If the Contract was established through a Department solicitation, such performance standards and guarantees may have been set forth in the solicitation.

- 13.0 CONTRACT DISPUTE RESOLUTION:** In the event of any dispute or disagreement between the parties under the Contract, whether with respect to the interpretation of any provision of the Contract, or with respect to the performance of either party thereto, except for breach of Contractor's intellectual property rights, each party shall appoint a representative to meet for the purpose of endeavoring to resolve such dispute or negotiate for an adjustment to such provision.

Contractor shall continue without delay to carry out all its responsibilities under the Contract, which are not affected by the dispute. Should Contractor fail to perform its responsibilities under the Contract that are not affected by the dispute without delay, any and all additional costs incurred by the Contractor and the Department as a result of such failure to proceed shall be borne by the Contractor and the Contractor shall not make any claim against the Department for such costs. The Department's non-payment of fees in breach of the Contract that are overdue by sixty (60) calendar days is a dispute that will always be considered to affect Contractor's responsibilities.

No legal action of any kind, except for the seeking of equitable relief in the case of the public's health, safety or welfare, may begin in regard to the dispute until this dispute resolution procedure has been elevated to the Contractor's highest executive authority and the equivalent executive authority within the Department, and either of the representatives in good faith concludes, after a good faith attempt to resolve the dispute, that amicable resolution through continued negotiation of the matter at issue does not appear likely.

The party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiation by delivering written notice to the other party. Such notice shall be without prejudice to the Invoking Party's right to any other remedy permitted by the Contract. After such notice, the parties shall use all reasonable

efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between authorized negotiators for the parties at the following successive management levels, each of which shall have a period of allotted time as specified below in which to attempt to resolve the dispute:

Level	Contractor	The Department	Allotted Time
First	Level 1 entity	Level 1 entity	10 Business Days
Second	Level 2 entity	Level 2 entity	20 Business Days
Third	Level 3 entity	Level 3 entity	30 Business Days

The allotted time for the First Level negotiations shall begin on the date the Invoking Party's notice is received by the other party. Subsequent allotted time is the number of days from the date that the Invoking Party's notice was originally received by the other party. If the Third Level parties cannot resolve the issue within thirty (30) business days of the Invoking Party's original notice, then the issue shall be designated as a dispute at the discretion of the Invoking Party and, if so, shall be resolved in accordance with the appropriate Sections herein. The allotted time periods above are in addition to those periods for a party to cure provided elsewhere herein or in the Contract, and do not apply to claims for equitable relief (e.g., injunction to prevent disclosure of Confidential Information). The Department may withhold payments on disputed items pending resolution of the dispute.

14.0 CONTROLLING LAW: All questions as to the execution, validity, interpretation, construction and performance of the Contract shall be construed in accordance with the laws of the State of Wisconsin, without regard to any conflicts of laws or choice of law principles. Any court proceeding arising or related to the Contract or a party's obligations under the Contract shall be exclusively brought and exclusively maintained in the State of Wisconsin, Dane County Circuit Court, or in the District Court of the United States Western District (if jurisdiction is proper in federal court), or upon appeal to the appellate courts of corresponding jurisdiction, and Contractor hereby consents to the exclusive jurisdiction and exclusive venue therein and waives any right to object to such jurisdiction or venue. To the extent that in any jurisdiction Contractor may now or hereafter be entitled to claim for itself or its assets immunity from suit, execution, attachment (before or after judgment) or other legal process, Contractor, to the extent it may effectively do so, irrevocably agrees not to claim, and it hereby waives, the same.

15.0 RIGHT TO SUSPEND OPERATIONS: If, at any time during the period of the Contract, the Department determines that the best interest of the Department or its governing boards would be best served by the Contractor temporarily suspending all Services, the Department will promptly notify the Contractor. Upon receipt of such notice, the Contractor shall suspend all Services.

16.0 TERMINATION OF THE CONTRACT: The Department may terminate the Contract at any time at its sole discretion by delivering one-hundred eighty (180) calendar days written notice to the Contractor.

Upon termination, the Department's liability shall be limited to the prorated cost of the Services performed as of the date of termination plus expenses incurred with the prior written approval of the Department.

If the Contractor terminates the Contract, the Contractor shall refund all payments made under the Contract by the Department to the Contractor for work not completed or not accepted by the Department. Such termination shall require written notice to that effect to be delivered by the Contractor to the Department not less than one-hundred eighty (180) calendar days prior to said termination.

Upon any termination of the Contract, the Contractor shall perform the Services specified in a transition plan if so requested by the Department; provided, however, that except as expressly set forth otherwise herein, the Contractor shall not be obligated to perform such Services unless all amounts due to the Contractor under the Contract, including payment for the transition Services, have been paid. Failure of the Contractor to comply with a transition plan upon the Department's request and upon payment shall constitute a separate breach for which the Contractor shall be liable.

Upon the expiration or termination of the Contract for any reason, each party shall be released from all obligations to the other arising after the expiration date or termination date, except for those that by their terms survive such termination or expiration.

17.0 TERMINATION FOR CAUSE: If the Contractor fails to perform any material requirement of the Contract, breaches any material requirement of the Contract, or if the Contractor's full and satisfactory performance of the Contract is substantially endangered, the Department may terminate the Contract. Before terminating the Contract, the Department shall give written notice of its intent to terminate to Contractor after a thirty (30) calendar day written notice and cure period.

The Department reserves the right to cancel the Contract in whole or in part without penalty in the event one (1) or more of the following occurs:

- (a) If the Contractor intentionally furnished any statement, representation, warranty, or certification, in connection with the Contract which is materially false, incorrect, or incomplete;

- (b) If applicable, if the Contractor fails to follow the sales and use tax certification requirements of Wis. Stat. § 77.66;
- (c) If the Contractor incurs a delinquent Wisconsin tax liability;
- (d) If the Contractor fails to submit a non-discrimination or affirmative action plan per the requirements of Wis. Stat. § 16.765 and Wis. Stat. § 111 Subchapter II, Wisconsin's Fair Employment Law, as required herein;
- (e) If the Contractor is presently identified on the list of parties excluded from State of Wisconsin procurement and non-procurement contracts;
- (f) If the Contractor becomes a state or federal debarred Contractor, or becomes excluded from State contracts;
- (g) If the Contractor fails to maintain and keep in force all required insurance, permits and licenses as required per the Contract;
- (h) If the Contractor fails to maintain the confidentiality of the Department's information that is considered to be Confidential Information or Protected Health Information;
- (i) If the Contractor files a petition in bankruptcy, becomes insolvent, or otherwise takes action to dissolve as a legal entity;
- (j) If at any time the Contractor's performance threatens the health or safety of a State employee, citizen, or customer;
- (k) If the Contractor violates any requirements in Section 22.0 below regarding Confidential Information; or
- (l) If the Department or State fails to appropriate funds for the project described in the Contract.

In the event of a termination for cause by the Department, the Department shall be liable for payments for any work accepted by the Department prior to the date of termination.

18.0 REMEDIES OF THE DEPARTMENT: The Department shall be free to invoke any and all remedies permitted under Wisconsin law. In particular, if the Contractor fails to perform as specified in the Contract, the Department may issue a written notice of default providing for at least a seven (7) business day period in which the Contractor shall have an opportunity to cure, provided that cure is possible, feasible, and approved in writing by the Department. Time allowed for cure of a default shall not diminish or eliminate the Contractor's liability. If the default remains, after opportunity to cure, then the Department may: (1) exercise any remedy provided in law or in equity or (2) terminate Contractor's Services.

If the Contractor fails to remedy any delay or other problem in its performance of the Contract after receiving reasonable notice from the Department to do so, the Contractor shall reimburse the Department for all reasonable costs incurred as a direct consequence of the Contractor's delay, action, or inaction.

In case of failure to deliver Services in accordance with the Contract, or services from other sources as necessary to fulfill the Contract, the Contractor shall be responsible for the additional cost of such services, including purchase price and administrative fees. This remedy shall be in addition to any other legal remedies available to the Department.

19.0 TRANSITIONAL SERVICES: Upon cancellation, termination, or expiration of the Contract for any reason, the Contractor shall provide reasonable cooperation, assistance and Services, and shall assist the Department to facilitate the orderly transition of the work under the Contract to the Department and/or to an alternative contractor selected for the transition upon written notice to the Contractor at least thirty (30) business days prior to termination or cancellation, and subject to the terms and conditions set forth in the Contract.

20.0 ADDITIONAL INSURANCE RESPONSIBILITY: The Contractor shall exercise due diligence in providing the Services under the Contract. In order to protect the Department's governing boards and any Department employee against liability, cost, or expenses (including reasonable attorney fees), which may be incurred or sustained as a result of Contractor's errors or other failure to comply with the terms of the Contract, 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 in force during the Contract period and for a period of three (3) years thereafter for Services completed. Contractor shall furnish the Department with a certificate of insurance for such amount. Further, this certificate shall designate the State of Wisconsin Department of Employee Trust Funds and its affiliated boards as additional insured parties. The Department reserves the right to require higher or lower limits where warranted.

21.0 OWNERSHIP OF MATERIALS: Except as otherwise provided in Section 22, Subsection (v), all information, data, reports and other materials as are existing and available from the Department and which the Department determines to be necessary to carry out the scope of Services under the Contract shall be furnished to the Contractor and shall be returned to the Department upon completion of the Contract. The Contractor shall not use such materials for any purpose other than carrying out the work described in the Contract.

The Department will be furnished without additional charge all data, models, information, reports, and other materials associated with and generated under the Contract by the Contractor.

The Department shall solely own all customized software, documents, and other materials developed under the Contract. Use of such software, documents, and materials by the Contractor shall only be with the prior written approval of the Department.

The Contract shall in no way affect or limit the Department's rights to use, disclose or duplicate, for any purpose whatsoever, all information and data pertaining to the Department, employees or members and generated by the claims administration and other Services provided by Contractor under the Contract.

All files (paper or electronic) containing any Wisconsin plan member, claimant or employee information and all records created and maintained in the course of the work specified by the Contract are the sole and exclusive property of the Department. Contractor may maintain copies of such files during the term of the Contract as may be necessary or appropriate for its performance of the Contract. Moreover, Contractor may maintain copies of such files after the term of the Contract (i) for one hundred twenty (120) days after termination, after which all such files shall be transferred to the Department or destroyed by Contractor, except for any files as to which a claim has been made, and (ii) for an unlimited period of time after termination for Contractor's use for statistical purposes, if Contractor first deletes all information in the records from which the identity of a claimant or employee could be determined and certifies to the Department that all personal identifiers have been removed from the retained files.

22.0 CONFIDENTIAL INFORMATION, PRIVACY AND HIPAA BUSINESS ASSOCIATE AGREEMENT: This Section is intended to cover handling of Confidential Information under State and federal law, including, where applicable, the requirements of the Health Insurance Portability and Accountability Act (HIPAA), Health Information Technology for Economic and Clinical Health Act (HITECH), the Genetic Information Nondiscrimination Act (GINA), and the federal implementing regulations for those statutes requiring a written agreement with business associates.

(a) **DEFINITIONS:** As used herein, unless the context otherwise requires:

- (1) Business Associate. "Business Associate" has the meaning ascribed to it at 45 CFR 160.103 and refers to the Contractor.
- (2) Confidential Information. "Confidential Information" means all tangible and intangible information and materials being disclosed in connection with the Contract, in any form or medium without regard to whether the information is owned by the State of Wisconsin or by a third party, which satisfies at least one of the following criteria: (i) Individual Personal Information; (ii) Personally Identifiable Information; (iii) Protected Health Information under HIPAA, 45 CFR 160.103; (iv); proprietary information; (v) non-public information related to the State of Wisconsin's employees, customers, technology (including databases, data processing and communications networking systems), schematics, specifications, and all information or materials derived therefrom or based thereon; (vi) information expressly designated as confidential in writing by the State of Wisconsin; (vii) all information that is restricted or prohibited from disclosure by state or federal law, including Individual Personal Information and Medical Records as governed by Wis. Stat. §§ 40.07, ETF 10.70(1) and ETF 10.01(3m); or (viii) any material submitted by the Contractor in response to a Department solicitation that the Contractor designates confidential and proprietary information and which qualifies as a trade secret, as provided in Wis. Stat. § 19.36(5) or material which can be kept confidential under the Wisconsin public records law.
- (3) Covered Entity. "Covered Entity" has the meaning ascribed to it at 45 CFR 160.103 and refers to the Department of Employee Trust Funds.
- (4) HIPAA Rules. "HIPAA Rules" mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.
- (5) Individual Personal Information. "Individual Personal Information" has the meaning ascribed to it at Wis. Admin. Code ETF § 10.70 (1).
- (6) Medical Record. "Medical Record" has the meaning ascribed to it at Wis. Admin. Code ETF § 10.01(3m).
- (7) Protected Health Information. "Protected Health Information" has the meaning ascribed to it under 45 CFR 160.103.

(b) **PROVISION OF CONFIDENTIAL INFORMATION FOR CONTRACTED SERVICES:** The Department, a different business associate of the Department or a contractor performing services for the Department may provide Confidential Information to the Contractor under the Contract as the Department determines is necessary for the proper administration of the Contract, as provided by Wis. Stat. § 40.07 (1m) (d) and (3).

(c) **DUTY TO SAFEGUARD CONFIDENTIAL INFORMATION:** The Contractor shall safeguard Confidential Information supplied to the Contractor or its employees under the Contract. In addition, the Contractor will only share Confidential Information with its employees on a need-to-know basis. Should the Contractor fail to properly protect Confidential Information, any cost the Department pays to mitigate the failure will be subtracted from the Contractor's invoice(s).

(d) **USE AND DISCLOSURE OF CONFIDENTIAL INFORMATION:** Contractor shall:

- (1) Not use or disclose Confidential Information for any purpose other than as permitted or required by the Contract or as required by law. Contractor shall not use or disclose member or employee names, addresses, or other information for any purpose other than specifically provided for in the Contract;
 - (2) Make uses and disclosures and requests for any Confidential Information following the minimum necessary standard in the HIPAA Rules;
 - (3) Use appropriate safeguards to prevent use or disclosure of Confidential Information other than as provided for by the Contract, and with respect to Protected Health Information, comply with Subpart C of 45 CFR Part 164;
 - (4) Not use or disclose Confidential Information in a manner that would violate Subpart E of 45 CFR Part 164 or Wis. Stat. § 40.07;
 - (5) If applicable, be allowed to use or disclose Confidential Information for the proper management and administration of the Contractor or to carry out the legal responsibilities of the Contractor, provided the disclosures are required by law, or Contractor obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Contractor of any instances of which it is aware the confidentiality of the information has been or is suspected of being breached;
 - (6) Not use for its own benefit Confidential Information or any information derived from such information; and
 - (7) If required by a court of competent jurisdiction or an administrative body to disclose Confidential Information, Contractor will notify the Department in writing immediately upon receiving notice of such requirement and prior to any such disclosure, to give the Department an opportunity to oppose or otherwise respond to such disclosure (unless prohibited by law from doing so).
- (e) **REQUIREMENT TO KEEP CONFIDENTIAL INFORMATION WITHIN THE UNITED STATES:** The Contractor's transmission, transportation or storage of Confidential Information outside the United States, or access of Confidential Information from outside the United States, is prohibited except on prior written authorization by the Department.
- (f) **COMPLIANCE WITH ELECTRONIC TRANSACTIONS AND CODE SET STANDARDS:** The Contractor shall comply with each applicable requirement of 45 C.F.R. Part 162 if the Contractor conducts standard transactions, as that term is defined in HIPAA, for or on behalf of the Department.
- (g) **MANDATORY REPORTING:** Contractor shall report to the Department in the manner set forth in Subsection 22(m) any use or disclosure or suspected use or disclosure of Confidential Information not provided for by the Contract, of which it becomes aware, including breaches or suspected breaches of unsecured Protected Health Information as required at 45 CFR 164.410.
- (h) **DESIGNATED RECORD SET:** Contractor shall make available Protected Health Information in a designated record set to the individual as necessary to satisfy the Department's obligations under 45 CFR 164.524.
- (i) **AMENDMENT IN DESIGNATED RECORD SET:** Contractor shall make any amendment to Protected Health Information in a designated record set as directed or agreed to by the Department pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy the Department's obligations under 45 CFR 164.526.
- (j) **ACCOUNTING OF DISCLOSURES:** Contractor shall maintain and make available the information required to provide an accounting of disclosures to the individual as necessary to satisfy the Department's obligations under 45 CFR 164.528.
(1) Contractor shall keep all HIPAA logs (logs of any systems that have information relating to HIPAA) for six (6) years.
- (k) **COMPLIANCE WITH SUBPART E OF 45 CFR 164:** To the extent Contractor is to carry out one or more of the Department's obligations under Subpart E of 45 CFR Part 164, Contractor shall comply with the requirements of Subpart E that apply to a covered entity in the performance of such obligation.
- (l) **INTERNAL PRACTICES:** Contractor shall make its internal practices, books, and records available to the Secretary of the United States Department of Health and Human Services for purposes of determining compliance with the HIPAA Rules.
- (m) **CONTRACTOR REPORTING OF BREACH OR SUSPECTED BREACH OR DISCLOSURE TO THE DEPARTMENT:**

- (1) Within twenty-four (24) hours after Contractor becomes aware of a suspected breach, impermissible use, or impermissible disclosure, Contractor shall notify in writing the Department Program Manager and Privacy Officer. A suspected breach, impermissible use, or impermissible disclosure is considered to be discovered as of the first day on which such occurrence is known to Contractor, or, by exercising reasonable diligence, would have been known to Contractor. The notification must contain details sufficient for the Department Program Manager and Privacy Officer to determine the Department's response. Sufficient details include, without limitation:
 - a. The nature of the unauthorized access, use or disclosure;
 - b. A list of any persons affected (if available);
 - c. A description of the information included in the breach, impermissible use, or impermissible disclosure;
 - d. The date or dates of the suspected breach, impermissible use, or impermissible disclosure;
 - e. The date of the discovery by Contractor;
 - f. A list of the proactive steps taken by Contractor and being taken to correct the breach, impermissible use or impermissible disclosure; and
 - g. Contact information at Contractor for affected persons who contact the Department regarding the issue.
 - (2) Not less than one (1) business day before Contractor makes any external communications to the public, media, federal Office for Civil Rights (OCR), other governmental entity, or persons potentially affected by the breach, impermissible use, or impermissible disclosure, provide a copy of the planned communication to the Department Program Manager and Privacy Officer.
 - (3) Within thirty (30) business days after Contractor makes the initial report under this Section, Contractor shall research the suspected breach, impermissible use, or impermissible disclosure of Confidential Information and provide a report in writing to the Department Program Manager. The report must contain, at a minimum:
 - a. A complete list of any persons affected (whose Confidential Information was supplied to Contractor by the Department) and their contact information;
 - b. Copies of correspondence or notifications provided to the public, media, OCR, other governmental entity, or persons potentially affected;
 - c. Whether Contractor's Privacy Officer has determined there has been a reportable breach under HIPAA, or an unauthorized acquisition under Wis. Stat. §134.98 and the reasoning for such determination;
 - d. If Contractor determines there has been a breach, impermissible use, or impermissible disclosure, an explanation of the root cause of the breach, impermissible use, or impermissible disclosure;
 - e. A list of the corrective actions taken to mitigate the suspected breach, impermissible use, or impermissible disclosure; and
 - f. A list of the corrective actions taken to prevent a similar future breach, impermissible use, or impermissible disclosure.
- (n) COORDINATION OF BREACH RESPONSE ACTIVITIES:**
- (1) Contractor will fully cooperate with the Department's investigation of any breach of Confidential Information involving Contractor, including but not limited to making witnesses, documents, HIPAA logs, systems logs, video recordings, or other pertinent or useful information available immediately upon Contractor's reporting of the breach and throughout the investigation. Contractor's full cooperation will include but not be limited to Contractor:
 - a. Immediately preserving any potential forensic evidence relating to the breach, and remedying the breach as quickly as circumstances permit;
 - b. Within forty-eight (48) hours designating a contact person to whom the Department will direct inquiries, and who will communicate Contractor responses to Department inquiries; Contractor will designate a Privacy Officer and Security Officer to serve as contacts for the Department;
 - c. As rapidly as circumstances permit, applying appropriate resources to remedy the breach condition, investigate, document, restore the Department service(s) as directed by the Department, and undertake appropriate response activities such as working with the Department, its representative, and law enforcement to identify the breach, identify the perpetrator(s), and take appropriate actions to remediate the security vulnerability;
 - d. Providing status reports to the Department at least every two (2) hours until the root cause of the breach is identified and a plan is devised to fully remediate the breach;
 - e. Once the root cause of the breach is identified and a plan is devised to fully remediate the breach, providing status reports to the Department daily or at mutually agreed upon timeframes, to the Department on breach response activities, findings, analyses, and conclusions;
 - f. Coordinating all media, law enforcement, or other breach notifications with the Department in advance of such notification(s), unless expressly prohibited by law; and
 - g. Ensuring that knowledgeable Contractor staff is available on short notice, if needed, to participate in Department-initiated meetings and/or conference calls regarding the breach.

- (o) **CLASSIFICATION LABELS:** Contractor shall ensure that all data classification labels contained on or included in any item of Confidential Information shall be reproduced by Contractor on any reproduction, modification, or translation of such Confidential Information. Contractor shall make a reasonable effort to add a proprietary notice or indication of confidentiality to any tangible materials within its possession that contain Confidential Information of the Department, as directed by the Department.
- (p) **SUBCONTRACTORS:** If applicable, in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), Contractor shall ensure that any subcontractors that create, receive, maintain, or transmit Confidential Information on behalf of Contractor agree to the same restrictions, conditions, and requirements that apply to Contractor with respect to such information.
- (q) **NOTICE OF LEGAL PROCEEDINGS:** If Contractor or any of its employees, agents, or subcontractors is legally required in any administrative, regulatory or judicial proceeding to disclose any Confidential Information, Contractor shall give the Department prompt notice (unless it has a legal obligation to the contrary) so that the Department may seek a protective order or other appropriate remedy. In the event that such protective order is not obtained, Contractor shall furnish only that portion of the information that is legally required and shall disclose the Confidential Information in a manner reasonably designed to preserve its confidential nature.
- (r) **MITIGATION:** The Contractor shall take immediate steps to mitigate any harmful effects of the suspected or actual unauthorized use, disclosure, or loss of any Confidential Information provided to Contractor under the Contract. The Contractor shall reasonably cooperate with the Department's efforts to comply with the breach notification requirements of HIPAA, to seek appropriate injunctive relief or otherwise prevent or curtail such suspected or actual unauthorized use, disclosure or loss, or to recover its Confidential Information, including complying with a reasonable corrective action plan, as directed by the Department.
- (s) **COMPLIANCE REVIEWS:** The Department may conduct a compliance review of the Contractor's security procedures before and during the Contract term to protect Confidential Information.
- (t) **AMENDMENT:** The parties agree to take such action as is necessary to amend the Contract as necessary for compliance with the HIPAA Rules and other applicable law.
- (u) **SURVIVAL:** The obligations of Contractor under this Section shall survive the termination of the Contract.
- (v) **RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION:** Upon termination of the Contract for any reason, Contractor, with respect to Confidential Information received from the Department, another contractor of the Department, or created, maintained, or received by Contractor on behalf of the Department, shall:
 - (1) Retain only that Confidential Information which is necessary for Contractor to continue its proper management and administration or to carry out its legal responsibilities;
 - (2) Return to the Department or, if agreed to by the Department, destroy the remaining Confidential Information that Contractor still maintains in any form;
 - (3) Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic Protected Health Information to prevent use or disclosure of the Protected Health Information, other than as provided for in this Subsection, for as long as Contractor retains the Protected Health Information;
 - (4) Not use or disclose the Confidential Information retained by Contractor other than for the purposes for which such Confidential Information was retained and subject to the same conditions set out under Subsection 22(d) which applied prior to termination;
 - (5) Return to the Department or, if agreed to by the Department, destroy the Protected Health Information retained by Contractor when it is no longer needed by Contractor for its proper management and administration or to carry out its legal responsibilities; and
 - (6) If required by the Department, transmit the Confidential Information to another contractor of the Department.
- (w) **ASSISTANCE IN LITIGATION OR ADMINISTRATIVE PROCEEDINGS:** Contractor will make itself and any employees, subcontractors, or agents assisting Contractor in the performance of its obligations available to the Department at no cost to the Department to testify as witnesses, or otherwise, in the event of a breach or other unauthorized disclosure of Confidential Information caused by Contractor that results in litigation, governmental investigations, or administrative proceedings against the Department, its directors, officers, agents or employees based upon a claimed violation of laws relating to security and privacy or arising out of these Terms and Conditions or the Contract.

23.0 INDEMNIFICATION:

- 23.1 SCOPE OF INDEMNIFICATION FOR INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT:** In the event of a claim against the parties for Intellectual Property Rights Infringement associated with a claim for benefits, Contractor agrees to defend, indemnify and hold harmless the Department and its governing boards ("Indemnified Parties") from and against any and all claims, actions, loss, damage, expenses, costs (including reasonable fees for Department's staff attorneys and/or attorneys from the Wisconsin Attorney General's Office) reasonable attorneys' fees otherwise incurred by the Department, its governing boards, and/or the Wisconsin Attorney General's Office, court costs, and related reasonable legal expenses whether incurred in defending against such claims or enforcing this Section.
- 23.2 SCOPE OF OTHER INDEMNIFICATION:** In addition to the foregoing Section, Contractor shall defend, indemnify and hold harmless the Indemnified Parties from and against any and all claims, actions, loss, damage, expenses, costs (including reasonable fees for the Department's staff attorneys and/or attorneys from the Wisconsin Attorney General's Office), court costs, and related reasonable legal expenses whether incurred in defending against such claims or enforcing this Section, or liability arising from or in connection with the following: (a) Contractor's performance of or failure to perform any duties or obligations under any agreement between Contractor and any third party; (b) injury to persons (including death or illness) or damage to property caused by the act or omission of Contractor, Contractor employees or subcontractors; (c) any claims or losses for Services rendered by any subcontractor, person, or firm performing or supplying Services, materials, or supplies in connection with the Contractor's performance of the Contract; (d) any claims or losses resulting to any person or third party entity injured or damaged by the Contractor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under the Contract in a manner not authorized by the Contract, or by federal or State statutes or regulations; and (e) any failure of the Contractor, its officers, employees, or subcontractors to observe State and federal laws including, but not limited to, labor and wage and hour laws.
- 23.3 INDEMNIFICATION NOTICE:** The Department shall give the Contractor prompt written notice of such claim, suit, demand, or action (provided that a failure to give such prompt notice will not relieve the Contractor of its indemnification obligations hereunder except to the extent Contractor can demonstrate actual, material prejudice to its ability to mount a defense as a result of such failure). The Department will cooperate, assist, and consult with the Contractor in the defense or investigation of any claim made or suit filed against the Department resulting from Contractor's performance under the Contract.
- 23.4 NO INDEMNIFICATION OBLIGATIONS:** Contractor shall, as soon as practicable, notify the Department of any claim made or suit filed against Contractor resulting from Contractor's obligations under the Contract if such claim may involve the Department. The Department has no obligation to provide legal counsel or defense to Contractor if a suit, claim, or action is brought against Contractor or its subcontractors as a result of Contractor's performance of its obligations under the Contract. In addition, Department has no obligation for the payment of any judgments or the settlement of any claims against Contractor arising from or related to the Contract. Department has not waived any right or entitlement to claim sovereign immunity under the Contract.
- 23.5 CONTRACTOR'S DUTY TO INDEMNIFY:** The Contractor shall comply with its obligations to indemnify, defend and hold the Indemnified Parties harmless with regard to claims, damages, losses and/or expenses arising from a claim. The Contractor shall be entitled to control the defense of any such claim and to defend or settle any such claim, in its sole discretion, with counsel of its own choosing; however, the Contractor shall consult with the Department regarding its defense of any claim and not settle or compromise any claim or action in a manner that imposes restrictions or obligations on Department, requires any financial payment by the Department, or grants rights or concessions to a third party without first obtaining the Department's prior written consent. Contractor shall have the right to assert any and all defenses on behalf of the Indemnified Parties, including sovereign immunity.

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.

The Contractor shall at all times comply with and observe all federal and State laws and regulations which are in effect during the period of the Contract and which in any manner affect the work or its conduct.

- 24.0 EQUITABLE RELIEF:** The Contractor acknowledges and agrees that the unauthorized use, disclosure, or loss of Confidential Information may cause immediate and irreparable injury to the individuals whose information is disclosed and to the State, which injury shall not be compensable by money damages and for which there is not an adequate remedy available at law. Accordingly, the Department and the Contractor specifically agree that the Department, on its own behalf or on behalf of the affected individuals, shall be entitled to obtain injunctive or other equitable relief to prevent or curtail any such breach, threatened or actual, without posting security and without prejudice to such other rights as may be available under the Contract or under applicable law.

25.0 RIGHT TO PUBLISH OR DISCLOSE: Throughout the term of the Contract, the Contractor must secure the Department's written approval prior to the release of any information which pertains to work or activities covered by the Contract.

The Department and the Contractor agree that it is a breach of the Contract to disclose any information to any person that the Department or its governing boards may not disclose under Wis. Stat. § 40.07. Contractor acknowledges that it will be liable for damage or injury to persons whose Confidential Information is disclosed by any officer, employee, agent, or subcontractor of the Contractor without proper authorization.

26.0 TIME IS OF THE ESSENCE: Timely provision of the Services required under the Contract shall be of the essence of the Contract, including the provision of the Services within the time agreed or on a date specified in the Contract.

27.0 IDENTIFICATION OF KEY PERSONNEL AND PERSONNEL CHANGES: The Department will designate a contract administrator, who shall have oversight for performance of the Department's obligations under the Contract. The Department shall not change the person designated without prior written notification to the Contractor.

The State of Wisconsin reserves the right to approve all individuals assigned to the project described in the Contract. The Contractor agrees to use its best efforts to minimize personnel changes during the Contract term.

At the time of Contract negotiations, the Contractor shall furnish the Department with names of all key personnel assigned to perform work under the Contract and furnish the Department with criminal background checks.

The Contractor will designate a contract administrator who shall have executive and administrative oversight for performance of the Contractor's obligations under the Contract. The Contractor shall not change this designation without prior written notice to the Department.

The Contractor may not divert key personnel for any period of time except in accordance with the procedure identified in this Section. The Contractor shall provide a notice of proposed diversion or replacement to the Department Program Manager and Contract Manager at least sixty (60) calendar days in advance, together with the name and qualifications of the person(s) who will take the place of the diverted or replaced staff. At least thirty (30) calendar days before the proposed diversion or replacement, the Department shall notify the Contractor whether the proposed diversion or replacement is approved or rejected, and if rejected shall provide reasons for the rejection. Such approval by the Department shall not be unreasonably withheld or delayed.

Replacement staff shall be on-site within two (2) weeks of the departure date of the person being replaced. The Contractor shall provide the Department with reasonable access to any staff diverted by the Contractor.

Replacement of key personnel shall be with persons of equal ability and qualifications. The Department has the right to conduct separate interviews of proposed replacements for key personnel. The Department shall have the right to approve, in writing, the replacement of key personnel. Such approval shall not be unreasonably withheld. Failure of the Contractor to promptly replace key personnel within thirty (30) calendar days after departure shall entitle the Department to terminate the Contract. The Contractor's notice and justification of a change in key personnel must include identification of proposed substitute key personnel and must provide sufficient detail to permit the Department to evaluate the impact of the change on the project and/or maintenance.

Any of the Contractor's staff that the Department deems unacceptable shall be promptly and without delay removed from the project by the Contractor and replaced by the Contractor within thirty (30) calendar days by another employee with acceptable experience and skills subject to the prior approval of the Department. Such approval by the Department will not be unreasonably withheld or delayed.

An unauthorized change by the Contractor of any contracted personnel designated as key personnel will result in the imposition of liquidated damages, as defined in the Contract.

28.0 INFORMATION SECURITY AGREEMENT

(a) **PURPOSE AND SCOPE OF APPLICATION:** This Information Security Agreement ("Agreement") is designed to protect the Department's Confidential Information (defined above in Section 22.0) and Department Information Resources (defined below). This Agreement describes the information security obligations of Contractor, its employees, contractors and third-party users that connect to Department Information Resources and/or gain access to Confidential Information.

(b) **DEFINED TERMS:**

(1) Department Information Resources. "Department Information Resources" means those devices, networks and related infrastructure that the Department has obtained for use to conduct Department business. Devices include but are not limited to, Department-owned devices; devices managed or used through

service agreements; storage, processing, and communications devices and related infrastructure on which Department data is accessed, processed, stored, or communicated; and may include personally owned devices. Data includes, but is not limited to, Confidential Information, other Department-created or managed business and research data, metadata, and credentials created by or issued on behalf of the Department.

- (c) **ACCESS TO DEPARTMENT INFORMATION RESOURCES:** In any circumstance when Contractor is provided access to Department Information Resources, it is solely Contractor's responsibility to ensure that its access does not result in any access by unauthorized individuals to Department Information Resources. Contractors who access the Department's Information Resources from any Department location must at a minimum conform with Department security standards that are in effect at the Department location(s) where the access is provided. Any Contractor technology and/or systems that gain access to Department Information Resources must comply with, at a minimum, the elements in the Information Security Plan Requirements set forth in this Agreement.
- (d) **COMPLIANCE WITH APPLICABLE LAWS:** Contractor agrees to comply with all applicable state and federal laws, as well as industry best practices, governing the collection, access, use, disclosure, safeguarding and destruction of Confidential Information.
- (e) **SAFEGUARD STANDARD:** Contractor agrees to protect the security of Confidential Information according to all applicable laws and regulations by generally accepted information risk management security control frameworks, standards or guidelines such as the ISO/IEC 27000-series, NIST800-53, CIS Critical Security Controls for Effective Cyber Defense or HIPAA Security Rule – 45 CFR Part 160 and Subparts A and C of Part 164 and no less rigorously than it protects its own confidential information, but in no case less than reasonable care. Contractor will implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of the Confidential Information. Contractor will ensure that all security measures are regularly reviewed including ongoing monitoring, monthly vulnerability testing and annual penetration and security incident response tests, revised, no less than annually, to address evolving threats and vulnerabilities while Contractor has responsibility for the Confidential Information under the terms of this Agreement.
- (f) **INFORMATION SECURITY PLAN:**
- (1) Contractor acknowledges that the Department is required to comply with information security standards for the protection of Confidential Information as required by law, regulation and regulatory guidance, as well as the Department's internal security program for information and systems protection.
 - (2) Contractor shall develop, implement, and maintain a comprehensive Information Security Plan that contains administrative, technical, and physical safeguards designed to ensure the privacy, security, integrity, availability, and confidentiality of the Confidential Information. Contractor must provide evidence to the Department of one or more of the following for the plan:
 - a. Certification in, or compliance with, generally accepted information risk management security control frameworks, standards or guidelines such as:
 - i. ISO/IEC 27000-series;
 - ii. NIST800-53;
 - iii. CIS Critical Security Controls for Effective Cyber Defense; or
 - iv. HIPAA Security Rule - 45 CFR Part 160 and Subparts A and C of Part 164; and
 - b. Compliance with any state or federal regulations by which the person or entity who owns or licenses such information may be regulated; or
 - c. At a minimum, include the elements listed in the Information Security Plan Requirements set forth below.
 - (3) Upon the Department's request, Contractor shall submit one of the following documents to the Department:
 - a. Independent attestation of certification;
 - b. Information Security Plan scope statement;
 - c. Information Security Plan statement of applicability; or
 - d. SOC 2, Type 2 audit and letter of attestation indicating Contractor's receipt of management's assertion of control compliance from Contractor's subcontractors as described in Section 6 Audit Provision.

The Department reserves the right to require the Contractor to provide more than one of the above documents. If Contractor is unable to produce one of the above documents, Contractor may satisfy the requirement by providing the assurances in Section 28.0(h) below.
 - (4) Annually, or upon a significant change in risk posture, Contractor will review its Information Security Plan and update and revise it as needed. If at any time there are any material reductions to Contractor's Information Security Plan, Contractor will notify the Department within two weeks of the completion of the review and prior to implementation. In such instances, the Department will require an explanation of the

reductions. At the Department's request, Contractor will make modifications to its Information Security Plan or to the procedures and practices thereunder to conform to the Department's security requirements as defined herein.

- (g) **ADDITIONAL INSURANCE:** In addition to the insurance required under the Contract, Contractor, at its sole cost and expense, will obtain, keep in force, and maintain an insurance policy (or policies) that provides coverage for privacy and data security breaches. This specific type of insurance is typically referred to as Privacy, Technology and Data Security Liability, Cyber Liability, or Technology Professional Liability. In some cases, Professional Liability policies may include some coverage for privacy and/or data breaches. Regardless of the type of policy in place, it needs to include coverage for reasonable costs in investigating and responding to privacy and/or data breaches with the following minimum limits unless the Department specifies otherwise: \$1,000,000 Each Occurrence and \$5,000,000 Aggregate. If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the Department requires and is entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Department.

(h) **INFORMATION SECURITY PLAN REQUIREMENTS:**

If Contractor cannot provide evidence of its Information Security Plan as required in Section 28.0(f)(2)a above, Contractor shall provide the following assurances to the Department:

(1) Security Policies:

- a. Contractor's security policy is documented, has obtained management approval, is reviewed no less frequently than annually and is maintained to ensure its continuing suitability, adequacy and effectiveness; and
- b. Contractor's operational, technical and administrative policies, standards and guidelines are documented, have obtained management approval, are reviewed no less frequently than annually and are maintained to ensure their continuing suitability, adequacy and effectiveness.

(2) Security Organization:

- a. The Contractor's security organization is governed and overseen by Contractor's senior leadership;
- b. Contractor's security organization includes representation from across Contractor's organization with defined roles and responsibilities;
- c. Contractor has clearly defined information security responsibilities;
- d. Contractor has confidentiality or non-disclosure agreements in place with the appropriate external entities;
- e. Contractor's management and implementation of information security (i.e. control objectives, controls, policies, processes, and procedures for information security) are reviewed independently at planned intervals, or when significant changes to the implementation of information security occur; and
- f. Contractor's agreements with third parties involving accessing, processing, communicating or managing the Contractor's information or information processing facilities, cover all relevant security requirements.

(3) Asset Management:

- a. Contractor has identified, inventoried, assigned ownership and established rules for acceptable use for information and associated assets; and
- b. Contractor has a process in place to classify information in terms of its value, legal requirements, sensitivity and criticality to Contractor.

(4) Human Resources:

- a. Security roles and responsibilities of Contractor's employees, contractors and third-party users have been defined and documented in accordance with Contractor's information security policy;
- b. Contractor performs background verification checks on all candidates for employment, contractors, and third-party users in accordance with relevant laws, regulations and ethics, and proportional to the business requirements, the classification of the information to be accessed, and the perceived risks;
- c. All Contractor's employees and, where relevant, contractors and third-party users, shall receive appropriate security awareness training and regular updates regarding Contractor's security policies and procedures, as relevant for their job function;
- d. Contractor has a formal disciplinary process in place for employees who have committed a security breach;
- e. Contractor's employees' responsibilities for performing employment terminations and changes of employment status are clearly defined and assigned;

- f. All Contractor's employees, contractors and third-party users shall return all Contractor's and the Department's assets in their possession upon termination of their employment, contract or agreement; and
- g. The access rights of all Contractor employees, contractors and third-party users to information and information processing facilities are removed upon termination of their employment, contract or agreement, or adjusted upon a status change.

(5) Physical and Environmental Security:

a. Secure Areas

- i. Contractor has a physical and environmental policy in place, with standards and guidelines that have been documented and obtained management approval, that is reviewed no less frequently than annually and is maintained to ensure its continuing suitability, adequacy and effectiveness;
- ii. Contractor's secure areas are protected by appropriate entry controls to ensure that only authorized personnel are allowed access; and
- iii. Contractor's physical protection and guidelines for working in secure areas have been adequately designed and applied.

b. Equipment security

- i. Contractor's equipment, and the equipment Contractor may utilize in its operations that is owned by a third party, is maintained to ensure its continued availability and integrity; and
- ii. Contractor's security measures have been applied to off-site equipment to address the risks of working outside the Contractor's premises.

c. Operations management

- i. Contractor's operating procedures have been documented, maintained, and made available to all users who require them;
- ii. Contractor controls changes to information processing facilities and systems; and
- iii. Contractor has segregated duties and areas of responsibility to reduce opportunities for unauthorized or unintentional modification or misuse of Contractor's assets.

d. Third party service delivery management

- i. Security controls, service definitions and delivery levels included in Contractor's third-party service delivery agreements are implemented, operated, and maintained by the third party; and
- ii. The services, reports and records provided by third parties are regularly monitored, reviewed and audited by Contractor.

e. Back-up

- i. Contractor regularly makes and tests back-up copies of information and software in accordance with Contractor's backup policy.

f. Network security management

- i. Networks are managed and controlled, either by Contractor or a third party under contract with Contractor; and
- ii. Security features, service levels, and management requirements of all Contractor's network services have been identified and included in any network services agreement, whether these services are provided in-house by Contractor or outsourced.

g. Media handling

- i. Contractor has procedures in place to prevent unauthorized disclosure, modification, misuse, removal or destruction of assets, and interruption to business activities; and
- ii. Contractor has procedures in place for the management of removable media, including the secure and safe disposal of media when no longer required.

h. Exchange of information

- i. Contractor has established agreements for the secure exchange of information and software between Contractor and appropriate external parties;
- ii. Contractor shall ensure information involved in electronic messaging is protected;
- iii. Contractor has developed and implemented policies and procedures to protect the exchange of information; and
- iv. Contractor shall ensure the integrity of information being made available on a publicly available system is protected to prevent unauthorized modification.

i. Monitoring

- i. Contractor shall produce and keep a rolling twelve (12) consecutive months of audit logs recording user activities, exceptions, and information security events to assist in future investigations and access control monitoring;
- ii. Contractor's logging facilities and log information are protected against tampering and unauthorized access; and
- iii. Contractor's system administrator and system operator activities are logged.

(6) Access Management:

- a. Access control**
 - i. Contractor has an established and documented access control policy that is reviewed regularly based on business and security requirements for access;
 - ii. Contractor has a formal user registration and de-registration procedure in place for granting and revoking access to all information systems and services;
 - iii. Contractor restricts and controls the allocation and use of access privileges;
 - iv. Contractor controls the allocation of passwords through a formal management process; and
 - v. Contractor's management reviews users' access rights at regular intervals using a formal process.
- b. User responsibilities**
 - i. Users are required to follow good security practices in the selection and use of passwords;
 - ii. Users shall ensure that unattended equipment is protected; and
 - iii. Users shall adopt a clear desk policy for papers and removable storage media and a clear screen policy for information processing facilities.
- c. Network access control**
 - i. Contractor's users shall only be provided with access to the services that they have been specifically authorized to use;
 - ii. Contractor has implemented appropriate authentication methods to control access by remote users;
 - iii. Contractor has segregated groups of information services, users, and information systems on networks;
 - iv. For shared networks, especially those extending across Contractor's boundaries, Contractor has restricted the capability of users to connect to the network, in line with Contractor's access control policy; and
 - v. Contractor has implemented routing controls for networks to ensure that computer connections and information flows do not breach Contractor's access control policy.

(7) Security Requirements of Information Systems:

- a. Correct processing in applications**
 - i. Contractor shall validate data input to applications to ensure the data is correct and appropriate, and incorporate validation checks to detect any corruption of information through processing errors or deliberate acts;
 - ii. Contractor has identified the requirements for ensuring authenticity and protecting message integrity in applications, and identified and implemented appropriate controls; and
 - iii. Contractor has validated the data output from an application to ensure that the processing of stored information is correct and appropriate to the circumstances.
- b. Cryptographic controls**
 - i. Contractor has a cryptographic controls policy in place that is documented, has obtained management approval, is reviewed no less frequently than annually and is maintained to ensure its continuing suitability, adequacy and effectiveness.
- c. Security of system files**
 - i. Contractor has procedures in place to control the installation of software on operational systems;
 - ii. Contractor selects test data carefully, and the test data is protected and controlled; and
 - iii. Contractor restricts access to program source code.
- d. Security in development and support processes**
 - i. Contractor has implemented procedures to maintain the security of application system software and information;
 - ii. Contractor utilizes formal change control procedures to implement changes; and
 - iii. Contractor supervises and monitors outsourced software development.
- e. Technical Vulnerability Management**
 - i. Contractor documents the technical vulnerabilities, the exposure evaluated, and the appropriate measures taken to address the associated risk.

(8) Information Security Incident Management:

- a.** Contractor communicates information security events and weaknesses associated with information systems in a manner allowing timely corrective action to be taken;
- b.** All Contractor's employees, contractors and third-party users of information systems and services are provided awareness training on reporting an observed or suspected incident; and
- c. Management of information security incidents and improvements**
 - i. The responsibilities and procedures of Contractor's management have been established to ensure timely, effective, and orderly response to information security incidents;

- ii. Contractor has mechanisms in place to enable the security incidents to be quantified and monitored; and
- iii. Where a follow-up action against a person or organization after an information security incident involves legal action (either civil or criminal), Contractor shall collect, retain and present evidence in conformance with the rules for evidence established in the relevant jurisdiction(s).

(9) Business Continuity Management:

- i. Contractor has implemented one or more business continuity plans, including an information security plan, to maintain or restore operations and ensure availability of information at the required level and in the required timeframe following interruption to, or failure of, critical business processes;
- ii. Contractor tests and updates its business continuity plans regularly to ensure that they are up to date and effective; and
- iii. Contractor shall include the Department's designated contact in Contractor's business continuity plans for notification concerning any disruption that may impact the Services.

(10) Compliance:

a. Identification of applicable legislation

- i. Contractor understands all relevant statutory, regulatory and contractual requirements under the Contract, and Contractor's approach to meet these requirements has been explicitly defined, documented, and kept up to date;
- ii. Contractor has implemented appropriate procedures to ensure compliance with legislative, regulatory, and contractual requirements under the Contract on the use of material which may be afforded intellectual property rights;
- iii. Contractor shall ensure that important records are protected from loss, destruction and falsification, in accordance with the statutory, regulatory, contractual, and business requirements under the Contract; and
- iv. Contractor shall ensure the protection and privacy of data as required in relevant legislation, regulations, and, as applicable, the Contract.

29.0 DISCLOSURE: If a State public official (Wis. Stat. § 19.42), a member of a State public official's immediate family, or any organization in which a State public official or a member of the official's immediate family owns or controls a ten percent (10%) interest, is a party to the Contract, and if the Contract involves payment of more than three thousand dollars (\$3,000) within a twelve (12) month period, the Contract is voidable by the Department unless appropriate disclosure is made according to Wis. Stat. § 19.45(6), before the Contract is signed. Disclosure must be made to the Department or the State of Wisconsin Ethics Commission, P.O. Box 7125, Madison, Wisconsin 53703 (telephone: 608-266-8123; fax: 608-264-9319; email: Ethics@wi.gov).

30.0 DISCLOSURE OF INDEPENDENCE AND RELATIONSHIP:

30.1 Contractor certifies that no relationship exists between Contractor and the Department that interferes with fair competition or is a conflict of interest, and no relationship exists between the Contractor and another person or organization that constitutes a conflict of interest with respect to a State contract. The Department may waive this provision, in writing, if those activities of the Contractor will not be adverse to the interests of the State.

30.2 Contractor agrees that during performance of the Contract, the Contractor will neither provide contractual services nor enter into any agreement to provide services to a person or organization that is regulated or funded by the Department or has interests that are adverse to the Department. The Department may waive this provision, in writing, if those activities of the Contractor will not be adverse to the interests of the State.

31.0 PROMOTIONAL ADVERTISING / NEWS RELEASES: Reference to or use of the Department, the State, any of its departments, agencies or other subunits, or any State official or employee for commercial promotion is prohibited. News releases pertaining to the Contract, shall not be made without prior approval of the Department. Release of broadcast e-mails pertaining to the Contract shall not be made without prior written authorization of the Department.

32.0 EMPLOYMENT: The Contractor will not engage the services of any person or persons now employed by the State, including any department, commission or board thereof, to provide services relating to the Contract without the written consent of the employing agency of such person or persons and of the Department.

33.0 INDEPENDENT CAPACITY OF CONTRACTOR: The Department and the Contractor agree that the Contractor, its officers, agents, and employees, in the performance of the Contract shall act in the capacity of an independent contractor and not as an officer, employee, or agent of the State. The Contractor agrees to take such steps as may be necessary to ensure that each subcontractor of the Contractor will be deemed to be an independent contractor and will not be considered or permitted to be an agent, servant, joint venturer, or partner of the State.

- 34.0 TAXES:** The State and its agencies are exempt from payment of all federal tax and State and local taxes on its purchases except Wisconsin excise taxes as described below.

The State is exempt from payment of Wisconsin sales or use tax on its purchases. The State may be subject to other states' taxes on its purchases in that state depending on the laws of that state. Contractors performing construction activities are required to pay State use tax on the cost of materials.

- 35.0 VENDOR TAX DELINQUENCY:** The State may offset Contractor's payments if Contractor has a delinquent State tax liability. If such action is taken by the State, the Department will not be liable for any impact sustained by the Contractor due to any delay, or total offset, of any payment owed to the Contractor under the Contract by the Department.

- 36.0 FOREIGN CORPORATION:** If Contractor is a foreign corporation (any corporation other than a Wisconsin corporation), Contractor is required to conform to all the requirements of Chapter 180, Wis. Stats., relating to a foreign corporation and must possess a certificate of authority from the Wisconsin Department of Financial Institutions, unless the corporation is transacting business in interstate commerce or is otherwise exempt from the requirement of obtaining a certificate of authority. Any foreign corporation which desires to apply for a certificate of authority should contact the Department of Financial Institutions, Division of Corporations, P. O. Box 7846, Madison, WI 53707-7846; telephone (608) 261-7577.

- 37.0 RECORDKEEPING AND RECORD RETENTION:** The Contractor shall establish and maintain adequate records of all expenditures incurred under the Contract. All records must be kept in accordance with generally accepted accounting procedures. All procedures must be in accordance with federal, State and local ordinances.

The Department shall have the right to audit, review, examine, copy, and transcribe any pertinent records or documents relating to the Contract held by the Contractor.

It is the intention of the State to maintain an open and public process in the solicitation, submission, review, and approval of procurement activities. Records may not be available for public inspection prior to issuance of the notice of intent to award or the award of a contract. Pursuant to Wis. Stat. §19.36(3), all records of the Contractor that are produced or collected under the Contract are subject to disclosure pursuant to a public records request. Upon receipt of notice from the State of a public records request for records produced or collected under the Contract, the Contractor shall provide the requested records to the Department. The Contractor, following final payment, shall retain all records produced or collected under the Contract for six (6) years.

- 38.0 ANTITRUST ASSIGNMENT:** The Contractor and the State recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the State (purchaser). Therefore, the Contractor hereby assigns to the State any and all claims for such overcharges as to goods, materials or services purchased in connection with the Contract.

- 39.0 ASSIGNMENT:** 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.

- 40.0 PATENT INFRINGEMENT:** If goods, products, or articles are provided under the Contract, the Contractor guarantees such items were manufactured or produced in accordance with applicable federal labor laws. Further, that the sale or use of such items described in the Contract will not infringe any United States patent. The Contractor covenants that it will, at its own expense, defend every suit which shall be brought against the State (provided that the Contractor is promptly notified of such suit, and all papers therein are delivered to it) for any alleged infringement of any patent by reason of the sale or use of such items, and agrees that it will pay all costs, damages, and profits recoverable in any such suit.

- 41.0 SAFETY REQUIREMENTS:** All materials, equipment, and supplies provided to the Department must comply fully with all safety requirements as set forth by the Wisconsin Administrative Code and all applicable OSHA Standards.

- 42.0 FORCE MAJEURE:** Neither the Contractor nor the Department shall be in default by reason of any failure in performance of the Contract in accordance with reasonable control and without fault or negligence on their part. Such causes may include, but are not restricted to, acts of nature or the public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather, but in every case the failure to perform such must be beyond the reasonable control and without the fault or negligence of the non-performing party.

Appendix 4

STATE EMPLOYER ORGANIZATIONAL RELATIONSHIP OVERVIEW

The following overview of State employers and agencies participating in the State of Wisconsin Group Health Insurance Program (GHIP) is for reference only. The location and structure of payroll and benefit staff specialists is subject to change.

1.1 STATE PAYROLL CENTER OVERVIEW

Table 1. State Payroll Center Operational Overview

<i>Payroll Center</i>	<i>Pay Period Type(s)</i>	<i>Payroll System</i>	<i>Enrollment Method</i>	<i>Payroll & Benefits Staff</i>	<i>Sub-Employers & Agencies</i>
Central	Bi-weekly (24)	Oracle PeopleSoft 9.2.23 with People Tools 8.54.32	STAR	126	20
Courts	Bi-weekly (24)	Oracle PeopleSoft 9.2.23 with People Tools 8.54.32	STAR	3	<i>n/a</i>
Legislature	Monthly (12)	Oracle PeopleSoft 9.2.23 with People Tools 8.54.32	STAR	11	<i>n/a</i>
Fox Valley Navigation Systems	(Not provided)	<i>(Not provided)</i>	Enrollment file	1	<i>n/a</i>
UW System	Bi-weekly (24) Monthly (12) 9-Month (9)	Oracle PeopleSoft HRS 9.2	Enrollment file	37	16
UW Hospitals & Clinics	Bi-weekly (24)	Oracle PeopleSoft HRS 9.1	Enrollment file	17	<i>n/a</i>

				(Benefit: 12; Payroll: 5)	
Wisconsin Economic Development Corporation (WEDC)	Bi-weekly (24)	<i>(Not provided)</i>	Enrollment file	2	<i>n/a</i>
Wisconsin Housing and Economic Authority (WHEDA)	Bi-weekly (24)	ADP Workforce Now (V16)	Enrollment file	3	<i>n/a</i>
Wiscraft – Beyond Vision	Bi-weekly (24)	<i>(Not provided)</i>	Enrollment file	2	<i>n/a</i>

Table 2. State Payroll Center Program Participation

<i>Payroll Center</i>	<i>Health Savings Account (HSA) Program</i>	<i>Employee Reimbursement Account (ERA) Program</i>	<i>Commuter Fringe Benefit Program</i>
Central	✓	✓	✓
Courts	✓	✓	✓
Legislature	✓	✓	✓
Fox Valley Navigation Systems	✓	✓	✓
UW System	✓	✓	✗
UW Hospitals & Clinics	✓	✓	✗ ✓
Wisconsin Economic Development Corporation (WEDC)	✓	✓	✓
Wisconsin Housing and Economic Authority (WHEDA)	✓	✓	✓
Wiscraft – Beyond Vision	✓	✓	✓

1.2 STAR AGENCIES – CENTRAL, LEGISLATURE AND COURTS

The majority of State agencies are administered by the Department of Administration through one (1) central payroll processing system, the State Transforming Agency Resources (STAR) system. STAR agencies are divided into three main categories:

- Executive Branch Agencies
- Legislature
- Courts

Legislature and Courts are separate agencies that utilize a shared central payroll processing resource.

Some Executive Branch agencies manage payroll and benefits for their agency only, while others oversee functions for multiple agencies. There are currently several different support structures within the Executive Branch. A regional support structure will be implemented over the coming year.

Table 3. Executive Branch Agency Staffing (STAR)

<i>Agency Name</i>	<i>Payroll & Benefits Staff</i>	<i>Location</i>
Central Payroll & Benefits (Central Processing Unit)	3	Madison, WI
Agriculture	3	Madison, WI
State Fair Park	3	West Allis, WI
Historical Society	3	Madison, WI
Public Instruction	3	Madison, Delavan, and Janesville, WI
WI Technical College System Board	1	Madison, WI
Natural Resources (DNR+)	9	Madison, WI
Transportation (DOT+)	14	Central office in Madison, WI – 8 staff throughout the state
Corrections	35	Central office in Madison, WI – 8 staff throughout the state
Health Services	24	Central office in Madison, WI – 8 staff throughout the state
Children and Families	3	Madison, WI
Workforce Development (DWD+)	3	Madison, WI

Justice	1	Madison, WI
Military Affairs	2	Madison, WI
Veterans Affairs	4	Madison, King, and Union Grove, WI
Administration (DOA+)	4	Madison, WI
Employee Trust Funds	3	Madison, WI
Investment Board	3	Madison, WI
Public Defender	2	Madison, WI
Revenue	3	Madison, WI

+ *Manage benefits for multiple agencies*

Table 4. Legislative Staffing (STAR)

<i>Agency Name</i>	<i>Payroll & Benefits Staff</i>	<i>Location</i>
Legislature	11	Madison, WI
Assembly	(3)	
Legislative Council	(2)	
Legislative Fiscal Bureau	(1)	
Legislative Reference Bureau	(1)	
Legislative Technical Services Bureau	(2)	
Senate	(2)	

1.3 UNIVERSITY OF WISCONSIN

Table 5. University of Wisconsin (UW) System Staffing

<i>University Name</i>	<i>Payroll & Benefits Staff</i>	<i>Location</i>
UW Service Center (UWSC - Central Processing Unit)	6	Madison, WI
UW System Administration	1	Madison, WI
UW Colleges & Extension	2	Madison, WI
UW Eau Claire	3	Eau Claire, WI
UW Green Bay	1	Green Bay, WI
UW La Crosse	2	La Crosse, WI
UW Madison	5	Madison, WI
UW Milwaukee	3	Milwaukee, WI
UW Oshkosh	2	Oshkosh, WI
UW Parkside	1	Somers, WI
UW Platteville	1	Platteville, WI
UW River Falls	1	River Falls, WI
UW Stevens Point	2	Stevens Point, WI
UW Stout	2	Menomonie, WI
UW Superior	2	Superior, WI
UW Whitewater	3	Whitewater, WI

Third Party Administration of Health Savings Accounts, Section 125 Cafeteria Plan and Employee Reimbursement Accounts, and/or Commuter Fringe Benefit Accounts

FORM H - Cost Proposal Workbook

Solicitation Nos. ETH0052 / ETH0053 / ETF00054

Representations made by the Proposer in this Cost Proposal must be maintained for the duration of the Contract term.

Cost Proposal Overview

ETF is under no obligation to implement any of the programs and/or services listed in this RFP and may choose to implement only certain programs and/or services.

All fees are quoted on a firm, fixed-cost basis, including all direct and indirect costs, general and administrative overhead, purchasing burden and profit. No other fees or charges may be added to the Contract(s) after award.

The Proposer and any Subcontractors' travel expenses (e.g. airfare, lodging, meals, and insurance) and other miscellaneous expenses related to the provision of services within the RFP must be included in the Proposer's cost proposal and shall not be an additional charge to ETF.

All costs listed must reflect the level of customization and features represented in the Proposer's Response to the RFP.

Provide the Proposer's company name and date of submission at the top of each Tab the Cost Proposal. Provide the Proposer's company name, the name and title of an authorized representative, and an authorized signature where indicated at the bottom of each Tab of the Cost Proposal. Complete all required proposer information fields for all Tabs pertinent to your proposals.

Instructions

This workbook must be completed and submitted per the Requirements listed in the RFP. All Proposers must complete the appropriate tabs of the Cost Proposal workbook for the programs being proposed. Administrative fees should be entered in the appropriate form indicated (implementation, per participant per benefit per month (PPPBPM), additional services, etc.).

- Complete Tab 2. ETH0052 if you are submitting a proposal for HSA program administration.
- Complete Tab 3. ETH0053 if you are submitted a proposal for Section 125 Cafeteria Plan/ERA program administration.
- Complete Tab 4. ETH0052 if you are submitting a proposal for Commuter Fringe Benefit program administration.
- Complete Tab 5. ETH0052-54 if you are submitted a proposal for ALL three (3) programs.

Please complete all cells in the appropriate Tabs. Propers proposing to offer a task/item at no charge to ETF must indicate a "0" cost in the cell. Only dollar values will be accepted unless otherwise noted.

Proposers may enter additional costs for proposed Additional Services (per Section 8 of the RFP) only in the designated sections located at the bottom of Tabs 2, 3 and 4.

The costs entered shall include any and all one-time and recurring fees, charges, or costs for the duration fo the Contract.

Any sections and/or fees marked as Scored are required to be provided by the Proposer and will be used as a basis for award.

Changes are not allowed to the format or formulas of this Cost Proposal Workbook. DO NOT CHANGE ANY FORMATS OR FORMULAS IN THIS WORKBOOK.

Return this Cost Proposal Workbook as instructed in the RFP.

ETF reserves the right to evaluate all listed costs for reasonableness.

Start Date

For the purpose of Proposer planning, staffing, and pricing, Proposers shoould expect implementation (Year 0) to commnece on May 1, 2019. The initial contract period (Years 1 and 2) will begin January 1, 2020 and extend through December 31, 2021.

The Group Insurance Board (Board) retains the option, by mutual agreement of the Board and the Proposer, to renew the Contract for two (2) additional two (2) year renewal periods extending the Contract through December 31, 2025.

Solicitation No. ETH0052 - Section 8

Proposer: ConnectYourCare

Date of Submission: 1/23/2019

Third Party Administration of Health Savings Accounts
FORM H - Cost Proposal Workbook

Complete all cells shaded in yellow. Prices shall include all personnel, operations, and maintenance for each item.
 Representations made by the Proposer in this Cost Proposal must be maintained for the duration of the Contract term.

Section 1 - Annual Program Fees (Scored)

Implementation
 Year 0
 (2019)

Implementation Fees*

H-1	Initial start-up / transition fee	\$ -
H-2	Implementation / set-up fee	\$ -
H-3	Other (explain)	\$ -
H-4	Other (explain)	\$ -
H-5	Total Implementation Fees	\$ -

Initial Contract		First Renewal		Second Renewal	
Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)	Year 6 (2025)

Annual Fees

H-6	Annual set-up / renewal fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
H-7	Ongoing account fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
H-8	Paper statements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
H-9	Electronic eligibility file	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
H-10	Data file feed/data integration fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
H-11	Electronic Statements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
H-12	Other (explain)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
H-13	Total Annual Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Section 2 - HSA Administrative Fee (Scored)

Initial Contract		First Renewal		Second Renewal	
Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)	Year 6 (2025)

HSA Administrative Fee - Per Participant Per Benefit Per Month (PPPBPM)

	<i>Number of Participants**</i>	6,778	8,676	11,105	14,214	18,195	23,289
H-14	Total HSA Fee - PPPBPM	\$ 1.45	\$ 1.45	\$ 1.40	\$ 1.40	\$ 1.35	\$ 1.35

Included in HSA Fee	Paid By	Additional Fee
<i>Select Y/N from Dropdown</i>	<i>Select option from Dropdown</i>	<i>Select type from Dropdown</i>

Administrative Fee Detail

H-15	Account closure fee	Yes	(Select one)	\$ -	(Select one)
H-16	Account opening fee	Yes	(Select one)	\$ -	(Select one)
H-17	Account rollover fees	Yes	(Select one)	\$ -	(Select one)
H-18	ACH or electronic withdrawal fee	Yes	(Select one)	\$ -	(Select one)
H-19	Ad hoc / additional reporting	Yes	(Select one)	\$ -	(Select one)
H-20	Administrative Guide	Yes	(Select one)	\$ -	(Select one)
H-21	Administrator trainings and webinars	Yes	(Select one)	\$ -	(Select one)

H-22	Copy of debit card receipts	Yes	(Select one)	\$ -	(Select one)
H-23	Custodian monthly maintenance fee	Yes	(Select one)	\$ -	(Select one)
H-24	Debit card issuance fees	Yes	(Select one)	\$ -	(Select one)
H-25	Deposit fees (payroll and non-payroll)	Yes	(Select one)	\$ -	(Select one)
H-26	Electronic reporting of account activity	Yes	(Select one)	\$ -	(Select one)
H-27	Insufficient funds from deposit	Yes	(Select one)	\$ -	(Select one)
H-28	Investment fees	Yes	(Select one)	\$ -	(Select one)
H-29	Load fees	Yes	(Select one)	\$ -	(Select one)
H-30	Manual withdrawal fee	Yes	(Select one)	\$ -	(Select one)
H-31	Marketing materials - customized	Yes	(Select one)	\$ -	(Select one)
H-32	Marketing materials - standard	Yes	(Select one)	\$ -	(Select one)
H-33	Member communications customization	Yes	(Select one)	\$ -	(Select one)
H-34	Minimum balance fees	Yes	(Select one)	\$ -	(Select one)
H-35	Open enrollment employer fairs	Yes	(Select one)	\$ -	(Select one)
H-36	Overdraft fee	Yes	(Select one)	\$ -	(Select one)
H-37	Paper statements	Yes	(Select one)	\$ -	(Select one)
H-38	Participant Guide	Yes	(Select one)	\$ -	(Select one)
H-39	Participant tranings and webinars	Yes	(Select one)	\$ -	(Select one)
H-40	Printed monthly statements	Yes	(Select one)		(Select one)
H-41	Refund of excess contributions	Yes	(Select one)	\$ -	(Select one)
H-42	Reporting customization	Yes	(Select one)	\$ -	(Select one)
H-43	Stop payment fee	Yes	(Select one)	\$ -	(Select one)
H-44	Tax forms	Yes	(Select one)	\$ -	(Select one)
H-45	Wire transfer fee	Yes	(Select one)	\$ -	(Select one)
H-46	Retiree HSA account maintenance fee	Yes	ETF		PPPBPM
H-47	Other (explain)	(Select one)	(Select one)	\$ -	(Select one)
H-48	Other (explain)	(Select one)	(Select one)	\$ -	(Select one)

Section 3 - Additional Services (Not scored)

		Included in HSA Fee	Paid By	Additional Fee	
Description of Additional Services		Select Y/N from Dropdown	Select option from Dropdown	Select type from Dropdown	
H-49	HSA On Demand (Optional)	Yes	(Select one)	\$ -	(Select one)
H-50		(Select one)	(Select one)	\$ -	(Select one)
H-51		(Select one)	(Select one)	\$ -	(Select one)
H-52		(Select one)	(Select one)	\$ -	(Select one)
H-53		(Select one)	(Select one)	\$ -	(Select one)
H-54		(Select one)	(Select one)	\$ -	(Select one)
H-55		(Select one)	(Select one)	\$ -	(Select one)
H-56		(Select one)	(Select one)	\$ -	(Select one)
H-57		(Select one)	(Select one)	\$ -	(Select one)
H-58		(Select one)	(Select one)	\$ -	(Select one)

*Implementation fees shall include all one-time start-up costs, including initial program set-up, file verification and testing, open enrollment, and enrollment file discrepancy resolution. Implementation for the HSA program is estimated to last from May 1, 2019, through March 31, 2020, or until all enrollment file issues and carryover balances have been resolved.

**The estimated number of participants is provided for evaluation purposes and does not reflect an actual projection of participants on an annual basis. ETF will not guarantee any minimum or maximum amount of actual participation. ETF will pay the unit price per participant per benefit per month (PPPBPM) times the number of actual participants.

Section 4 - Proposer Authorization (Not scored)

H-59 ConnectYourCare
Proposer Name

H-60 Reese Feuerman
Authorized Individual Name

H-61 Chief Executive Officer
Title

H-62 _____
Signature

Solicitation No. ETH0053 - Section 8

Proposer: ConnectYourCare

Date of Submission: 1/23/2019

Third Party Administration of Section 125 Cafeteria Plan and Employee Reimbursement Accounts
FORM H - Cost Proposal Workbook

Complete all cells shaded in yellow. Prices shall include all personnel, operations, and maintenance for each item.
 Representations made by the Proposer in this Cost Proposal must be maintained for the duration of the Contract term.

Section 1 - Annual Program Fees (Scored)

Implementation
Year 0
(2019)

Implementation Fees*

CE-1	Initial start-up / transition fee	\$ -
CE-2	Implementation / set-up fee	\$ -
CE-3	Initial Plan Document composition fee	\$ -
CE-4	Initial Summary Plan Description composition fee	\$ -
CE-5	Initial non-discrimination testing set-up fee	\$ -
CE-6	Other (explain)	\$ -
CE-7	Other (explain)	\$ -
CE-8	Total Implementation Fees	\$ -

Initial Contract		First Renewal		Second Renewal	
Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)	Year 6 (2025)

Annual Fees

CE-9	Annual set-up / renewal fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-10	Ongoing account fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-11	Paper statements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-12	Electronic eligibility file	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-13	Data file feed/data integration fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-14	Other (explain)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-15	Other (explain)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-16	Total Annual Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Section 2 - ERA Administrative Fees (Scored)

Initial Contract		First Renewal		Second Renewal	
Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)	Year 6 (2025)

Health Care FSA Administrative Fee - Per Participant Per Benefit Per Month (PPPBPM)

	<i>Number of Participants**</i>	23,019	25,321	27,853	30,638	33,702	37,072
CE-17	Health Care FSA Fee - PPPBPM	\$ 1.75	\$ 1.75	\$ 1.70	\$ 1.70	\$ 1.65	\$ 1.65

Limited Purpose FSA Administrative Fee - PPPBPM

	<i>Number of Participants**</i>	732	1,003	1,374	1,882	2,579	3,533
CE-18	Limited Purpose FSA Fee - PPPBPM	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.90

Dependent Day Care FSA Administrative Fee - PPPBPM

	<i>Number of Participants**</i>	3,485	3,555	3,626	3,698	3,772	3,848
CE-19	Dependent Day Care FSA Fee - PPPBPM	\$ 1.75	\$ 1.75	\$ 1.70	\$ 1.70	\$ 1.65	\$ 1.65

Total ERA Programs Administrative Fee - PPPBPM

CE-20 **Total ERA Fee - PPPBPM** \$ 4.40 \$ 4.40 \$ 4.30 \$ 4.30 \$ 4.20 \$ 4.20

Included in Admin Fees
Paid By
Additional Fee

Select Y/N from Dropdown
Select option from Dropdown
Select type from Dropdown

Administrative Fee Detail

CE-21 Account closure fee	Yes	(Select one)	\$ -	(Select one)
CE-22 Account opening fee	Yes	(Select one)	\$ -	(Select one)
CE-23 Account rollover fees	Yes	(Select one)	\$ -	(Select one)
CE-24 ACH or electronic withdrawl fee	Yes	(Select one)	\$ -	(Select one)
CE-25 Ad hoc / additional reporting	Yes	(Select one)	\$ -	(Select one)
CE-26 Administrative Guide	Yes	(Select one)	\$ -	(Select one)
CE-27 Administrator trainings and webinars	Yes	(Select one)	\$ -	(Select one)
CE-28 Copy of debit card receipts	Yes	(Select one)	\$ -	(Select one)
CE-29 Custodian monthly maintenance fee	Yes	(Select one)	\$ -	(Select one)
CE-30 Debit card issuance fees	Yes	(Select one)	\$ -	(Select one)
CE-31 Deposit fees (payroll and non-payroll)	Yes	(Select one)	\$ -	(Select one)
CE-32 Electronic reporting of account activity	Yes	(Select one)	\$ -	(Select one)
CE-33 Load fees	Yes	(Select one)	\$ -	(Select one)
CE-34 Marketing materials - customized	Yes	(Select one)	\$ -	(Select one)
CE-35 Marketing materials - standard	Yes	(Select one)	\$ -	(Select one)
CE-36 Member communications customization	Yes	(Select one)	\$ -	(Select one)
CE-37 Minimum balance fees	Yes	(Select one)	\$ -	(Select one)
CE-38 Open enrollment employer fairs	Yes	(Select one)	\$ -	(Select one)
CE-39 Paper statements	Yes	(Select one)		(Select one)
CE-40 Participant Guide	Yes	(Select one)	\$ -	(Select one)
CE-41 Participant tranings and webinars	Yes	(Select one)	\$ -	(Select one)
CE-42 Refund of excess contributions	Yes	(Select one)	\$ -	(Select one)
CE-44 Report customization	Yes	(Select one)	\$ -	(Select one)
CE-45 Stop payment fee	Yes	(Select one)	\$ -	(Select one)
CE-46 Wire transfer fee	Yes	(Select one)	\$ -	(Select one)
CE-47	Yes	(Select one)	\$ -	(Select one)
CE-48	(Select one)	(Select one)	\$ -	(Select one)

Section 3 - Plan Documentation Fees (Scored)

	Initial Contract		First Renewal		Second Renewal	
	Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)	Year 6 (2025)
Plan Documentation Fees						
CE-49 Annual Plan Documentation revision / update fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-50 Annual Summary Plan Description revision / update fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-51 Other (explain)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-52 Other (explain)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-53 Total Plan Documentation Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Section 4 - Non-Discrimination Testing Fees (Scored)						
	Initial Contract		First Renewal		Second Renewal	
	Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)	Year 6 (2025)
Non-Discrimination Testing Fees						
CE-54 Annual non-discrimination testing fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-55 Additional testing / re-testing fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-56 Pre-testing informational sessions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-57 Data validation (meetings / guidance)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-58 Other (explain)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-59 Other (explain)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE-60 Total Non-Discrimination Testing Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Section 3 - Additional Services (Not scored)					
Description of Additional Services	Included in Admin Fees	Paid By		Additional Fee	
	Select Y/N from Dropdown	Select option from Dropdown		Select type from Dropdown	
CE-61	(Select one)	(Select one)		\$ -	(Select one)
CE-62	(Select one)	(Select one)		\$ -	(Select one)
CE-63	(Select one)	(Select one)		\$ -	(Select one)
CE-64	(Select one)	(Select one)		\$ -	(Select one)
CE-65	(Select one)	(Select one)		\$ -	(Select one)
CE-66	(Select one)	(Select one)		\$ -	(Select one)
CE-67	(Select one)	(Select one)		\$ -	(Select one)
CE-68	(Select one)	(Select one)		\$ -	(Select one)
CE-69	(Select one)	(Select one)		\$ -	(Select one)
CE-70	(Select one)	(Select one)		\$ -	(Select one)

*Implementation fees shall include all one-time start-up costs, including initial program set-up, file verification and testing, open enrollment, enrollment file discrepancy resolution, and delivery of initial program documentation. Implementation for the Section 125 Cafeteria Plan and ERA programs is estimated to last from May 1, 2019, through March 31, 2020, or until all enrollment file issues and carryover balances have been resolved.

**The estimated number of participants is provided for evaluation purposes and does not reflect an actual projection of participants on an annual basis. ETF will not guarantee any minimum or maximum amount of actual participation. ETF will pay the unit price per participant per benefit per month (PPPBPM) times the number of actual participants.

Section 4 - Proposer Authorization (Not scored)	
CE-71	ConnectYourCare Proposer Name
CE-72	Reese Feuerman Authorized Individual Name
CE-73	Chief Financial Officer Title
CE-74	 Signature

Solicitation No. ETH0054 - Section 8

Proposer: ConnectYourCare

Date of Submission: 1/23/2019

Third Party Administration of Commuter Fringe Benefit Accounts
FORM H - Cost Proposal Workbook

Complete all cells shaded in yellow. Prices shall include all personnel, operations, and maintenance for each item.
 Representations made by the Proposer in this Cost Proposal must be maintained for the duration of the Contract term.

Section 1 - Annual Program Fees (Scored)

Implementation
 Year 0
 (2019)

Implementation Fees*

F-1	Initial start-up / transition fee	\$ -
F-2	Implementation / set-up fee	\$ -
F-3	Other (explain)	\$ -
F-4	Other (explain)	\$ -
F-5	Total Implementation Fees	\$ -

Initial Contract		First Renewal		Second Renewal	
Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)	Year 6 (2025)

Annual Fees

F-6	Annual set-up / renewal fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F-7	Ongoing account fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F-8	Paper statements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F-9	Electronic eligibility file	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F-10	Data file feed/data integration fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F-11	Other (explain)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F-12	Other (explain)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F-13	Total Annual Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Section 2 - Commuter Fringe Benefit Administrative Fees (Scored)

Initial Contract		First Renewal		Second Renewal	
Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)	Year 6 (2025)

Parking Account Administrative Fee - Per Participant Per Benefit Per Month (PPPBPM)

	<i>Number of Participants**</i>	1,756	1,774	1,791	1,809	1,827	1,846
F-14	Parking Account Fee - PPPBPM	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50

Transit Account Administrative Fee - PPPBPM

	<i>Number of Participants**</i>	582	588	594	600	606	612
F-15	Transit Account Fee - PPPBPM	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50

Total Commuter Fringe Benefit Administrative Fee - PPPBPM

F-16	Total Commuter Fringe Benefit Fee - PPPBPM	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
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Included in Admin Fees	Paid By	Additional Fee
Select Y/N from Dropdown	Select option from Dropdown	Select type from Dropdown

Administrative Fee Detail

F-17	Account closure fee	Yes	(Select one)	\$ -	(Select one)
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F-18	Account opening fee	Yes	(Select one)	\$ -	(Select one)
F-19	Account rollover fees	Yes	(Select one)	\$ -	(Select one)
F-20	ACH or electronic withdrawl fee	Yes	(Select one)	\$ -	(Select one)
F-21	Ad hoc / additional reporting	Yes	(Select one)	\$ -	(Select one)
F-22	Administrative Guide	Yes	(Select one)	\$ -	(Select one)
F-23	Administrator trainings and webinars	Yes	(Select one)	\$ -	(Select one)
F-24	Copy of debit card receipts	Yes	(Select one)	\$ -	(Select one)
F-25	Custodian monthly maintenance fee	Yes	(Select one)	\$ -	(Select one)
F-27	Debit card issuance fees	Yes	(Select one)	\$ -	(Select one)
F-28	Deposit fees (payroll and non-payroll)	Yes	(Select one)	\$ -	(Select one)
F-29	Electronic reporting of account activity	Yes	(Select one)	\$ -	(Select one)
F-30	Load fees	Yes	(Select one)	\$ -	(Select one)
F-32	Marketing materials - customized	Yes	(Select one)	\$ -	(Select one)
F-33	Marketing materials - standard	Yes	(Select one)	\$ -	(Select one)
F-34	Member communications customization	Yes	(Select one)	\$ -	(Select one)
F-36	Minimum balance fees	Yes	(Select one)	\$ -	(Select one)
F-37	Open enrollment employer fairs	Yes	(Select one)	\$ -	(Select one)
F-38	Participant Guide	Yes	(Select one)	\$ -	(Select one)
F-39	Participant trainings and webinars	Yes	(Select one)	\$ -	(Select one)
F-40	Report customization	Yes	(Select one)	\$ -	(Select one)
F-41	Stop payment fee	Yes	(Select one)	\$ -	(Select one)
F-42	Wire transfer fee	Yes	(Select one)	\$ -	(Select one)
F-43	Card Replacement Fee	Yes	(Select one)	\$ -	(Select one)
F-44		Yes	(Select one)	\$ -	(Select one)

Section 3 - Additional Services (Not scored)

Description of Additional Services	Included in Admin Fees	Paid By	Additional Fee	
	Select Y/N from Dropdown	Select option from Dropdown	Select type from Dropdown	
F-45	Yes	(Select one)	\$ -	(Select one)
F-46	(Select one)	(Select one)	\$ -	(Select one)
F-47	(Select one)	(Select one)	\$ -	(Select one)
F-48	(Select one)	(Select one)	\$ -	(Select one)
F-49	(Select one)	(Select one)	\$ -	(Select one)
F-50	(Select one)	(Select one)	\$ -	(Select one)
F-51	(Select one)	(Select one)	\$ -	(Select one)
F-52	(Select one)	(Select one)	\$ -	(Select one)
F-53	(Select one)	(Select one)	\$ -	(Select one)
F-54	(Select one)	(Select one)	\$ -	(Select one)

*Implementation fees shall include all one-time start-up costs, including initial program set-up, file verification and testing, open enrollment, and enrollment file discrepancy resolution. Implementation for the Commuter Fringe Benefit accounts is estimated to last from May 1, 2019, through March 31, 2020, or until all enrollment file issues and carryover balances have been resolved.

**The estimated number of participants is provided for evaluation purposes and does not reflect an actual projection of participants on an annual basis. ETF will not guarantee any minimum or maximum amount of actual participation. ETF will pay the unit price per participant per benefit per month (PPBPBM) times the number of actual participants.

Section 4 - Proposer Authorization (Not scored)

F-55 ConnectYourCare
Proposer Name

F-56 Reese Feuerman
Authorized Individual Name

F-57 Chief Financial Officer
Title

F-58 _____
Signature

Solicitation Nos. ETH0052 / ETH0053 / ETH0054 - Section 8

Proposer: ConnectYourCare

Date of Submission: 1/23/2019

Multi-Bid Preferential Pricing for Third Party Administration of Health Savings Accounts, Section 125 Cafeteria Plan and Employee Reimbursement Accounts, and Commuter Fringe Benefit Accounts

FORM H - Cost Proposal Workbook

Complete this Tab **ONLY** if you are submitting proposals for **ALL THREE** (3) RFPs (ETH0052 Health Savings Accounts, ETH0053 Section 125 Cafeteria Plan and Employee Reimbursement Accounts, and ETH0054 Commuter Fringe Benefits). Costs will automatically populate from other Tabs. Enter the proposed discount percentage in the cells shaded yellow. If no discount is given enter "0."

Representations made by the Proposer in this Cost Proposal must be maintained for the duration of the Contract term.

Section 1 - Multi-Bid Preferential Pricing by Percentage

	Implementation Year 0 (2019)	Initial Contract		First Renewal		Second Renewal	
		Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)	Year 6 (2025)
Proposed Annual Fee Discount by Percentage							
M-1 Total Implementation Fees	\$ -	n/a	n/a	n/a	n/a	n/a	n/a
M-2 Total Annual Fees	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
M-3 Total Plan Documentation Fees	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
M-4 Total Non-Discrimination Testing Fees	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
M-5 Total Annual Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
M-6 Proposed Discount Percentage	0.00%	0.00%					
M-7 Discounted Total Annual Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proposed Per Participant Per Benefit Per Month (PPPBPM) Administrative Fee Discount by Percentage							
M-8 Total HSA Administrative Fee - PPPBPM	n/a	\$ 1.45	\$ 1.45	\$ 1.40	\$ 1.40	\$ 1.35	\$ 1.35
M-9 Total ERA Administrative Fee - PPPBPM	n/a	\$ 4.40	\$ 4.40	\$ 4.30	\$ 4.30	\$ 4.20	\$ 4.20
M-10 Total Commuter Fringe Benefit Administrative Fee - PPPBPM	n/a	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
M-11 Total Administrative Fee - PPPBPM	n/a	\$ 10.85	\$ 10.85	\$ 10.70	\$ 10.70	\$ 10.55	\$ 10.55
M-12 Proposed Discount Percentage	n/a	8.00%	8.00%	7.00%	7.00%	6.00%	6.00%
M-13 Discounted Total Administrative Fee - PPPPM	n/a	\$ 9.98	\$ 9.98	\$ 9.95	\$ 9.95	\$ 9.92	\$ 9.92

Section 3 - Proposer Authorization (Not scored)

M-14 ConnectYourCare
Proposer Name

M-15 Reese Feuerman
Authorized Individual Name

M-16 Chief Financial Officer
Title

M-17 _____
Signature