



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:

Consulting Actuary for Wisconsin
Health Insurance Programs

Contract No.:

ETD0012 – Amendment #27 dated January 8, 2025

Contract Period: January 1, 2025 through December 31, 2025

1. This Contract Amendment #27 is entered into by the State of Wisconsin Department of Employee Trust Funds (ETF), hereinafter referred to as the "Department," and The Segal Company (Eastern States), Inc., hereinafter referred to as the "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 the Contractor agrees to supply the Contract requirements cited herein in accordance with the State of Wisconsin Standard Terms and Conditions and in accordance with the Contractor's proposal date February 17, 2014 hereby made a part of this contract by reference.
3. In connection with the performance of work under this Contract, the Contractor agrees not to discriminate against any employees or applicants for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., 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. The Contractor further agrees to take affirmative action to ensure equal employment opportunities. The Contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than fifty (50) employees are exempted from this requirement. Within fifteen (15) business days after the award of the Contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, 608.266.2586, or via e-mail at ETFSMBProcurement@etf.wi.gov.
5. This initial contract period is for fifteen (15) months. Each contract period annually will be for twelve (12) months and extend unless and until either party gives the other 180 days' notice of their intent to cancel the Contract.
6. The Contract Amendment #1 is dated January 7, 2016 and the costs are not to exceed \$333,720.
7. The Contract Amendment #2 is dated April 7, 2016 with the attached Scope of Work dated April 7, 2016. Maximum costs for Wellness and Data Warehouse and Business Intelligence services shall be \$27,000 and paid upon ETF's satisfactory deliverable receipt and an approved invoice with billable hours. Maximum costs for Self-insuring/Regional Services shall be \$175,000 and paid in eight (8) equal installments from April through November 2016 upon receipt of an approved invoice. The total costs for Contract Amendment #2 shall not exceed \$202,000.
8. The Contract Amendment #3 is dated May 16, 2016 with attached Scope of Work dated May 16, 2016. All deliverables will be received by June 30, 2016. The total cost for Contract Amendment #3 shall not exceed \$106,000.
9. The Contract Amendment #4 is dated February 2, 2017 and the costs are not to exceed \$340,094.
10. The Contract Amendment #5 February 19, 2018 for consulting actuary related services, with the costs not to exceed \$354,474 for retainer fee services described in RFP ETD0012 and Amendment #5A. Amendment #5B includes the scope of work and fees for the Medicare Advantage RFP, and the costs are not to exceed \$107,844. Amendment #5C includes the scope of work and fees for the preparation of the Other Postemployment Benefit (OPEB) Information and the costs are not to exceed \$125,000. Amendment #5D includes the scope of work and fees for assistance on the RFP for the Self-insuring and regionalization of the health benefits program and the costs are not to exceed \$159,794. Costs for Amendments #5B&C&D shall be billed in addition to the 2018 retainer fee, in a single invoice, after ETF's satisfactory receipt of deliverables.
11. The Contract Amendment #6 dated March 7, 2019 is for consulting actuary related services:
 - costs are not to exceed \$362,201 for those retainer fee services described in RFP ETD0012;

- RFP ETD0012 Sect. 2.4 is amended as shown in Amendment #6A; and
 - RFP ETD0012 Sect. 3.6 Annual Health Insurance Dates and Deliverables Timetables is replaced with the table in Amendment #6B; and
 - Amendment #6C adds scope of work dated February 20, 2019 regarding Audit of the Income Continuation Insurance (ICI) and Duty Disability (DD) Actuarial Valuations for the Wisconsin Department of Employee Trust Funds (ETF) for which costs are not to exceed \$110,000.
12. The Contract Amendment #7 dated April 23, 2019 is for consulting actuary related services. It includes the scope of work and fees for the preparation of the Other Postemployment Benefit (OPEB) Information and the costs are not to exceed \$40,000.
13. The Contract Amendment #8 dated June 14, 2019 is for consulting actuary related services. It includes the scope of work described in Amendment #8A for the assessment of the Department's data warehouse and visual business intelligence services with costs are not to exceed \$40,000.
14. The Contract Amendment #9 dated June 25, 2019 is for the scope of work described in Amendment #9A for the audit of the Department's wellness and disease management contract with costs not to exceed \$63,000.
15. The Contract Amendment #10 dated January 2, 2020 is for consulting actuary related retainer services described in RFP ETD0012 with costs not to exceed \$369,626 for calendar year 2020.
16. The Contract Amendment #11 dated February 28, 2020 is for:
- The scope of work described in Amendment 11A for preparing other postemployment benefit information (OPEB Information) for programs administered by ETF in which the State participates as an employer for which costs are not to exceed \$110,000; and
 - RFP ETD0012 Sect. 3.6 Annual Health Insurance Dates and Deliverables Timetables is replaced with the table in Amendment 11B for calendar year 2020.
17. The Contract Amendment #12 dated January 8, 2021 is for:
- Consulting actuary related retainer services described in RFP ETD0012 with costs not to exceed \$373,988 for calendar year 2021; and
 - The scope of work (SOW) described in Amendment 12A for the Wellness Return on Investment (ROI) with costs not to exceed \$25,000.
18. The Contract Amendment #13 dated February 23, 2021 is for the statement of work described in this Amendment regarding Other Postemployment Benefit Information (OPEB Information) which shall not exceed \$40,000 and be invoiced according to this payment schedule:
- | Deliverable | Due Date | Invoice Amount |
|--------------------|----------------|----------------|
| Draft audit report | April 30, 2021 | \$25,000 |
| Final audit report | May 31, 2021 | \$15,000 |
19. The Contract Amendment #14 dated April 15, 2021 replaces RFP ETD0012 Section 3.6 Annual Health Insurance Dates and Deliverables Timetable with the table in Amendment #14A for calendar year 2021.
20. The Contract Amendment #15 dated August 16, 2021 is for Contractor to audit the Department's Wellness and Disease Management contract ETG0005 with WebMD Health Services according to the attached scope of work in Amendment #15A which shall not exceed \$55,000.
21. The Contract Amendment #16 dated December 14, 2021 is for consulting actuary related retainer services described in RFP ETD0012 with costs not to exceed \$385,208 for calendar year 2022.
22. The Contract Amendment #17 dated March 2, 2022 is for Contractor to perform the attached scope of work for preparing other postemployment benefit (OPEB) information for programs administered by the Department in which the State participates as an employer with costs not to exceed \$120,000.
23. The Contract Amendment #18 dated March 10, 2022 replaces RFP ETD0012 Section 3.6 Annual Health Insurance Dates and Deliverables Timetable and the table in Amendment #14A with the attached table in Amendment 18 for calendar year 2022.
24. The Contract Amendment #19 dated June 17, 2022 is for Contractor to (a) evaluate 6-9 new and current health plan vendors offering to expand their network to provide Access-type services to ETF's members, (b) build a new tier rate model that will migrate all the various members to the new plans, in qualified counties where they operate, (c) estimate the risk moving to each, (d) develop regional factors, (e) look at other high dollar claimants from the exiting WEA Trust, and (f) develop new premium rates for all of the above with costs not to exceed \$30,000.

25. The Contract Amendment #20 dated December 16, 2022 is for consulting actuary related retainer services described in RFP ETD0012 with costs not to exceed \$396,764 for calendar year 2023.
26. The Contract Amendment #21 dated February 3, 2023 is for Contractor to perform the attached scope of work regarding the 2023 GASB75 WI Health Insurance OPEB valuation with costs not to exceed \$44,000.
27. The Contract Amendment #22 dated February 20, 2023 replaces RFP ETD0012 Section 3.6 Annual Health Insurance Dates and Deliverables Timetable and the prior tables in Amendments #6B, 11B, 14A, and 18 with the attached 2023 Annual Health Insurance Dates and Deliverables Timetable.
28. The Contract Amendment #23 dated October 12, 2023 is for Contractor to perform the attached scope of work regarding ETF's Medicare RFPs with costs not to exceed \$75,000. Segal will invoice ETF not more often than every 30 days for completed work after deliverables are received by ETF and ETF has acknowledged the quality of the deliverables.
29. The Contract Amendment #24 dated December 15, 2023 is for consulting actuary related retainer services described in RFP ETD0012 with costs not to exceed \$408,667 for calendar year 2024 and replaces RFP ETD0012 Section 3.6 Annual Health Insurance Dates and Deliverables Timetable and the prior tables in Amendments #6B, 11B, 14A, 18, and 22 with the attached 2024 Annual Health Insurance Dates and Deliverables Timetable.
30. The Contract Amendment #25 dated February 26, 2024 is for the year 2024 GASB75 Wisconsin Health Insurance OPEB valuation with the final draft due May 31, 2024 and not to exceed \$120,000.
31. This Contract Amendment #26 dated April 16, 2024 includes amendments 26A and 26B:
 - a) 26A describes the 2024 Income Continuation Insurance (ICI) valuation audit scope of work with costs not to exceed \$85,000 and
 - b) 26B describes the 2024 Duty Disability (DD) valuation audit scope of work with costs not to exceed \$60,000. Contractor will invoice the Department hourly for actual hours spent, while not exceeding the do not exceed limit to complete the audits. Contractor will provide the Department with an invoice that itemizes hours spent on the state versus local income continuation audit as well on the separately invoiced duty disability audit.

In connection with the performance of work under this Contract, the Contractor agrees to not use or disclose Confidential Information, as defined in Department Terms and Conditions s. 22.0, in an Artificial Intelligence model unless approved by the Department in writing.

32. This Contract Amendment #27 dated January 8, 2025:
 - a) establishes Contractor's calendar year 2025 consulting actuary retainer fee to costs not to exceed \$419,701 for services described in RFP ETD0012;
 - b) replaces RFP ETD0012 Section 3.6 Annual Health Insurance Dates and Deliverables Timetable and the prior tables in Amendments #6B, 11B, 14A, 18, 22, and 24 with the attached 2025 Annual Health Insurance Dates and Deliverables Timetable; and
 - c) adds the following Artificial Intelligence term to the ETD0012 Contract:

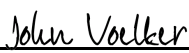
ARTIFICIAL INTELLIGENCE: Contractor use of Artificial Intelligence (AI) models shall at all times comply with and observe the terms of the Contract. "AI model" means a system that is designed to process or learn from data entered to conduct cognitive functions that simulate human intelligence. This includes, but is not limited to, search and filtering functionality that collects, tracks, and monitors data whether via sensors, user-entered data, or other sources without a human responsible for verifying the validity and integrity of data inputs and outputs to maintain the system's integrity, including legal due process if the model is allowed to make decisions on issues that impact human or legal rights.

(a) Contractor use of AI models shall comply with each of the following:

- (1) Materially comply with and observe all applicable State and federal laws, administrative rules, and regulations, including but not limited to privacy, intellectual property, and equity requirements.

- (2) Maintain the integrity of work performed and Services provided under the Contract, including, but not limited to, ensuring that bias is not introduced into Services provided pursuant to the Contract by Contractor.
 - (3) Maintain the quality of Department information under Contractor's authority.
 - (4) Maintain the confidentiality, privacy, and security of Confidential Information as defined in Section 24.0 (a) (2).
- (b) The Contractor shall remove all Department information, including Confidential Information, from AI models used by Contractor upon the Department's request or, at the latest, upon Contract termination, including removal from AI model training data and learning.
 - (c) The Contractor shall not gain profit from use of Department information, including Confidential Information, that is outside the scope of the Contract.
 - (d) Upon request from the Department the Contractor will disclose within 30 calendar days from the day of the request which Services provided to the Department are using AI models.
33. For purposes of administering the Contract, the order of precedence is:
- a. The Contract with the Segal Company (Eastern States), Inc.;
 - b. this Contract Amendment #27 dated January 8, 2025;
 - c. the Contract Amendment #26 dated April 16, 2024;
 - d. the Contract Amendment #25 dated February 26, 2024;
 - e. the Contract Amendment #24 dated December 15, 2023;
 - f. the Contract Amendment #23 dated October 12, 2023;
 - g. the Contract Amendment #22 dated February 20, 2023;
 - h. the Contract Amendment #21 dated February 3, 2023;
 - i. the Contract Amendment #20 dated December 16, 2022;
 - j. the Contract Amendment #19 dated June 17, 2022;
 - k. the Contract Amendment #18 dated March 10, 2022;
 - l. the Contract Amendment #17 dated March 2, 2022;
 - m. the Contract Amendment #16 dated December 14, 2021;
 - n. the Contract Amendment #15 dated August 16, 2021;
 - o. the Contract Amendment #14 dated April 15, 2021;
 - p. the Contract Amendment #13 dated February 23, 2021;
 - q. the Contract Amendment #12 dated January 8, 2021;
 - r. the Contract Amendment #11 dated February 28, 2020;
 - s. the Contract Amendment #10 dated January 2, 2020;
 - t. the Contract Amendment #9 dated June 25, 2019;
 - u. the Contract Amendment #8 dated June 14, 2019;
 - v. the Contract Amendment #7 dated April 23, 2019;
 - w. the Contract Amendment #6 dated March 7, 2019;
 - x. the Contract Amendment #5 dated February 19, 2018;
 - y. the Contract Amendment #4 dated February 2, 2017;
 - z. the Contract Amendment #3 dated May 16, 2016 with attached Scope of Work dated May 16, 2016;
 - aa. the Contract Amendment #2 dated April 7, 2016 with attached Scope of Work dated April 7, 2016;
 - bb. the Contract Amendment #1 dated January 7, 2016;
 - cc. Questions from vendors and ETF Answers dated January 28, 2014
 - dd. Exhibit A, Changes Agreed to by the Parties from the Request for Proposal (RFP) ETD0012;
 - ee. Exhibit B, Business Associate Agreement dated July 23, 2014;
 - ff. the RFP dated January 6, 2014, and
 - gg. the Contractor's proposal dated February 17, 2014.

Contract Number & Service: ETD0012 – Amendment #27 Consulting Actuary for Wisconsin Health Insurance Programs

State of Wisconsin Department of Employee Trust Funds
Signature 
Name/Title A. John Voelker, Secretary Department of Employee Trust Funds
Phone 608.266.0301
Date (MM/DD/CCYY) 1/8/2025

Contractor
Legal Company Name The Segal Company (Eastern States), Inc.
Trade Name Segal Consulting
Taxpayer Identification Number 13-1835864
Company Address (City, State, Zip) 2727 Paces Ferry Road SE, Bldg. 1 Suite 1400, Atlanta, GA 30339
Name/Title Kenneth C. Vieira, FSA, FCA, MAAA, Senior Vice President
Signature 
Phone 678.306.3154
Date (MM/DD/CCYY) 1/8/2025

2025 Annual Health Insurance Dates and Deliverables Timetable

Replace prior RFP ETD0012 Section 3.6 Annual Health Insurance Important Dates and Deliverables Timetables and the prior tables in Amendments #6B (2019) 11B (2020), 14A (2021), 18 (2022), 22 (2023), and 24 (2024) with the below table titled “2025 Annual Health Insurance Dates and Deliverables Timetable”.

The Department may assess penalties upon Segal for failure to deliver quality deliverables by the listed due dates. Annual True-up: Within 60 days prior to the end of the 2025 calendar year, the Department shall deliver to Segal any statement of the penalty(ies) incurred by Segal along with an explanation for any penalty. If Segal owes any amount, the Department shall remit the amount from Segal’s retainer fee. Such penalty(ies) shall not exceed fifteen percent (15%) of Segal’s annual 2025 retainer fee.

2025 Annual Health Insurance Dates and Deliverables Timetable			
No.	Segal Deliverable Due Date	Segal Deliverables for 2025 IYC Rate Setting Plan	Penalty
1	1-2-25	Segal sends to OSHP Plan and Benefit Changes and rate structure changes modeling for review – can be piecemeal (<i>i.e., plan and benefit; rate structure changes</i>).	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
2	1-2-25	Segal delivers to the Department: (1) Financial and Utilization Data Submission (FUDS) Tool ; (2) Initial Preliminary Bid Tool (Preliminary Rates) for Health Plans and United Health Care (UHC) Renewal Tool for UHC; (3) Premium Renewal Estimate for Dean Access/SMP; and (4) Network Access Tool for Health Plans.	\$1000 per day late, for each of the four (4) Deliverables, due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
3	1-7-25	Only if there are changes/edits, Segal delivers to the Department updated: (1) FUDS Tool ; (2) Preliminary Bid Tool ; (3) Premium Renewal Estimate ; (4) UHC Renewal Tool .	\$1000 per day late, for each of the four (4) Deliverables, due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
4	1-15-25	Segal delivers Dental Renewal Tool to the Department.	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
5	2-7-25 (1.) and 2-20-25 (2. & 3.)	Segal reports to the Department any Health Plan late returning or providing an incomplete: 1. FUDS tool 2. Preliminary Bid Tool or 3. Network Access Tool . <i>[Segal track number of business days].</i>	\$1000 per day late, for each of the three (3) Deliverables due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
6	2-18-25	Segal concludes process to generate comparisons roll-up, high-level summary, of DAISI/Merative claims data to FUDS table 3A/3B data and sends to the Department.	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.

		<i>[Note President's Day holiday to impact this date]</i>	
7	2-28-25	Segal delivers to the Department initial (draft) FUDS Tier Model Summary (breakpoint) for 2025 in a unified .xls file format for discussions/negotiations. <i>[2025 breakpoint results: format as X.X% State (Dane), X.X% State (Non-Dane), and X.X% (Locals)]</i>	\$2000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
8	3-5-2025	Segal delivers to the Department initial (draft) Tier Rate Analysis (breakpoint) in a unified .xls file format for discussions/negotiations.	\$2000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
9	3-7-25	Segal completes analysis of Network Access Tool and sends Network Access Summary (includes next year's Service Area Qualifications for Health Plans) to the Department.	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
10	3-10-25	Segal delivers to the Department BAFO Tool template based on Preliminary Bid Tool (Health Plans) and UHC Renewal Tool (UHC).	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
11	3-14-25	Segal delivers to the Department finalized FUDS Tier Model Summary and Tier Rate Analysis (aka Final Tiering Notice).	\$2000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
12	3-17-25	Only if there are changes/edits, Segal delivers to the Department updated final BAFO Tool templates.	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
13	3-21-25	Segal delivers to the Department the Pharmacy and Dental projection and rate renewals .	\$1000 per day late, for each of the two (2) Deliverables, due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
14	4-24-25	Segal refreshes Network Access Tool and submits <u>updated</u> Network Access Summary service area (if applicable or needed by EOD (earlier if possible) to Department.	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
15	4-25-25	Segal delivers to the Department compiled Health/Dental/Pharmacy Admin Fees into one Rate Build Master (pre-buy down/up rates) file – Summary of BAFO Rate submissions.	\$3000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
16	4-25-25	Segal delivers to the Department the: <ol style="list-style-type: none"> 1. <u>preliminary</u> Database Rate Tables (Pre-buy down/up rates) file; 2. BAFO Summary; 3. GIB Service Area Qualifications Memo Summary (draft memo) 	\$2000 per day late, for each of the three (3) Deliverables, due to failure to deliver, errors, or unacceptable quality, as determined by the Department.

17	5-2-25	Segal delivers to the Department the <u>preliminary</u> GIB meeting deliverables (presentation deck updated for this year) including addition of Buy down/up slide(s).	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
18	5-2-25	Segal delivers <u>final</u> GIB Service Area Qualifications Memo and <u>final</u> Network Access Summary (if needed – typically no feedback) to the Department.	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
19	5-5-25	Segal delivers to the Department: 1. <u>final Pre-GIB Rate Build Master File</u> with buy down/up rates or other significant rate changes if needed and 2. <u>preliminary pre-GIB Database Rate Tables</u> (with buy down/up) file (option recommendation for GIB).	\$3000 per day late, for each of the two (2) Deliverables, due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
20	5-9-25	Segal's delivers to the Department <u>final</u> GIB meeting deliverables (Presentation deck) .	\$3000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
21	5-23-25	Only if there are changes/edits, Segal delivers to the Department updated: 1. <u>final post-GIB Rate Build Master</u> file, and 2. <u>final post-GIB Database Rate Tables</u> .	\$3000 per day late, for each of the two (2) Deliverables, due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
22	5-28-25	Segal delivers to the Department Underwriting Surcharge (via spreadsheet).	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
23	6-5-25	Segal delivers to the Department the 88/105 Tables (via Excel spreadsheet and PDF file format for each table).	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.
24	7-18-25	Segal delivers to the Department the Actuarial Certification of Minimum Value (non-rate setting activity).	\$1000 per day late due to failure to deliver, errors, or unacceptable quality, as determined by the Department.