



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 #28 dated February 6, 2025

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

1. This Contract Amendment #28 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](mailto: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.

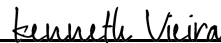
(a) Contractor use of AI models shall comply with each of the following:

- (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. The Contract Amendment #28 dated February 6, 2025 is for the GASB 75 Wisconsin State Retiree Health Insurance Valuation work on behalf of the Department of Administration (DOA) for their FY25 Annual Comprehensive Financial Report (ACFR) as described in the attached scope of work with the final draft due May 31, 2025 and not to exceed \$52,000.
- 34. 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 #28 dated February 6, 2025;
  - c. the Contract Amendment #27 dated January 8, 2025;
  - d. the Contract Amendment #26 dated April 16, 2024;
  - e. the Contract Amendment #25 dated February 26, 2024;
  - f. the Contract Amendment #24 dated December 15, 2023;
  - g. the Contract Amendment #23 dated October 12, 2023;
  - h. the Contract Amendment #22 dated February 20, 2023;
  - i. the Contract Amendment #21 dated February 3, 2023;
  - j. the Contract Amendment #20 dated December 16, 2022;
  - k. the Contract Amendment #19 dated June 17, 2022;
  - l. the Contract Amendment #18 dated March 10, 2022;
  - m. the Contract Amendment #17 dated March 2, 2022;
  - n. the Contract Amendment #16 dated December 14, 2021;
  - o. the Contract Amendment #15 dated August 16, 2021;
  - p. the Contract Amendment #14 dated April 15, 2021;
  - q. the Contract Amendment #13 dated February 23, 2021;
  - r. the Contract Amendment #12 dated January 8, 2021;
  - s. the Contract Amendment #11 dated February 28, 2020;
  - t. the Contract Amendment #10 dated January 2, 2020;
  - u. the Contract Amendment #9 dated June 25, 2019;
  - v. the Contract Amendment #8 dated June 14, 2019;
  - w. the Contract Amendment #7 dated April 23, 2019;
  - x. the Contract Amendment #6 dated March 7, 2019;
  - y. the Contract Amendment #5 dated February 19, 2018;
  - z. the Contract Amendment #4 dated February 2, 2017;
  - aa. the Contract Amendment #3 dated May 16, 2016 with attached Scope of Work dated May 16, 2016;
  - bb. the Contract Amendment #2 dated April 7, 2016 with attached Scope of Work dated April 7, 2016;
  - cc. the Contract Amendment #1 dated January 7, 2016;
  - dd. Questions from vendors and ETF Answers dated January 28, 2014
  - ee. Exhibit A, Changes Agreed to by the Parties from the Request for Proposal (RFP) ETD0012;
  - ff. Exhibit B, Business Associate Agreement dated July 23, 2014;
  - gg. the RFP dated January 6, 2014, and
  - hh. the Contractor's proposal dated February 17, 2014.

**Contract Number & Service:** ETD0012 – Amendment #28 Consulting Actuary for Wisconsin Health Insurance Programs

<b>State of Wisconsin</b> <b>Department of Employee Trust Funds</b>
<b>Signature</b> 
<b>Name/Title</b> A. John Voelker, Secretary Department of Employee Trust Funds
<b>Phone</b> 608.266.0301
<b>Date (MM/DD/CCYY)</b> 2/6/2025

<b>Contractor</b>
<b>Legal Company Name</b> The Segal Company (Eastern States), Inc.
<b>Trade Name</b> Segal Consulting
<b>Taxpayer Identification Number</b> 13-1835864
<b>Company Address (City, State, Zip)</b> 2727 Paces Ferry Road SE, Bldg. 1 Suite 1400, Atlanta, GA 30339
<b>Name/Title</b> Kenneth C. Vieira, FSA, FCA, MAAA, Senior Vice President
<b>Signature</b> 
<b>Phone</b> 678.306.3154
<b>Date (MM/DD/CCYY)</b> 2/6/2025

**Scope of Work**  
**Contract Amendment #28**  
**The Segal Company (Eastern States)**

**Contract Amendment for preparing Other Postemployment Benefit (OPEB) Information for programs administered by the Wisconsin Department of Employee Trust Funds (ETF) in which the State participates as an employer.**

This scope of work services will be delivered as an amendment to the actuarial services contract. The scope includes the assistance on the OPEB Information that is to be incorporated into the State of Wisconsin's audited Fiscal Year (FY) 2025 Annual Comprehensive Financial Report (ACFR) to meet financial reporting requirements issued by the nationally recognized Governmental Accounting Standards Board (GASB) in their Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Deliverables:**

Provide GASB 75 OPEB actuarial Information for the State's Retiree Health Insurance Program – both pre-age 65 postretirement medical benefits for State employees and all other participating employers (implicit rate subsidy) and any post-age 65 liabilities for State employees and all other participating employers, reflecting as necessary any Medicare Part D subsidy or Employer Group Waiver Plan subsidies.

GASB 75 OPEB information to be provided for the Retiree Health Insurance Program in which the State of Wisconsin participates as an employer including the following:

- Financial information to identify and/or calculate the amounts to be reported as liabilities, expenditures/expenses, and deferred outflows and deferred inflows of resources in the government-wide financial statements and the proprietary fund financial statements of the State of Wisconsin's ACFR following the requirements of GASB 75. Such information will address requirements of GASB 75, Paragraphs 146 through 159 (where applicable), and will include the derivation of the GASB 75 Net OPEB Liability (NOL) and the OPEB expense, based on the valuation performed by Segal as of January 1, 2023, and updated for plan and assumption changes to the measurement date of June 30, 2024;
- OPEB plan totals for NOL, contributions, OPEB expense, deferred outflows, deferred inflows, and any other required amounts;
- Schedules for the allocation, proportionate share, amortization, sensitivity, schedule of changes and related ratios, and other rated items for the State and all other participating employers;
- Supporting information for the Retiree Health Program;
- Disclosures as required by GASB 75, Paragraphs 162 through 169, where applicable; and,
- Other OPEB Information, including Required Supplementary Information (as discussed in GASB 75, Paragraphs 170 and 171), where applicable; and,
- Auditor interaction.

In addition to the GASB 75 information noted above, Segal will perform a participation and lapse study for the Plan's participants for the period 2021 – 2023 based on census data files that were previously provided together with the census data files that will be provided as part of this years valuation process. The results of the study will be incorporated into the upcoming valuation.

The financial Information and note disclosures should be delivered to the ETF electronically along with schedules provided in an Excel format.

**Due date to ETF and fees:**

The results of the participation and lapse study will be provided to ETF by April 30, 2025. The draft GASB 75 report is due April 30, 2025 and final GASB 75 report is due no later than May 30, 2025.

The total cost shall not exceed \$52,000 which includes up to 20 hours of time interacting with auditors after the report has been delivered. Segal will provide an itemized accounting of auditor interaction and will discuss with ETF the need for additional hours beyond 20 before conducting additional work. \$35,000 of the total shall be billable upon delivery of the draft report. The remainder shall be billed when all deliverables are received, have been audited and ETF has acknowledged the quality of the deliverables.