**Appendix 7**

**Program Agreement - RFP ETD0053**

**Section 125 Cafeteria Plan**

**Employee Reimbursement Account Benefit Program**

**Commuter Fringe Benefit Program**

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**State of Wisconsin**

**Department of Employee Trust Funds**

**April 18, 2024**

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# 000 Definitions

Unless otherwise defined herein, any term needing definition shall have the definition found in RFP #ETD0052-53, 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.

**BENEFIT PROGRAM** refers to the EMPLOYEE REIMBURSEMENT ACCOUNT (ERA) BENEFIT PROGRAM or 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).

**CAFETERIA PLAN** or **SECTION 125 CAFETERIA PLAN** refers to the plan under Internal Revenue Code Section 125 which allows for payment of the cost of certain benefits to be paid on a pre-tax basis.

**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 PROGRAM** means the parking and transit BENEFIT PROGRAM.

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

**CONTRACT** means the written agreement between the CONTRACTOR and the BOARD and includes: CONTRACTOR’S Proposal as accepted by the DEPARTMENT, RFP ETD0053, 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 a PROPOSER who is awarded a CONTRACT and is a party to an executed CONTRACT with the DEPARTMENT.

**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.

**DEPENDENT** see Section 125B below.

**DEPENDENT DAY CARE ACCOUNT** (sometimes referred to a **DEPENDENT DAY CARE FSA)** means a pre-tax benefit account that allows for tax-free reimbursement of eligible day care expenses or other custodial care for QUALIFIED DEPENDENTS.

**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](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/25) and [Wis. Stat. § 40.02 (40)](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/40).

**EMPLOYEE REIMBURSEMENT ACCOUNT or ERA BENEFIT PROGRAM** meansHealth Care Flexible Spending Account, Limited Purpose Flexible Spending Account, and Dependent Day Care Account BENEFIT PROGRAMS. ERA is also known as Flexible Spending Account (FSA).

**EMPLOYER** means an eligible STATE agency as defined in [Wis. Stat. § 40.02 (54)](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/54).

**FLEXIBLE SPENDING ACCOUNT or FSA** means flexible spending account.

**HEALTH CARE FLEXIBLE SPENDING ACCOUNT** is an account thatallows an EMPLOYEE to set aside tax-free dollars each year for health care expenses not covered by insurance. The PARTICIPANT may use these funds to pay for eligible health care expenses incurred by the PARTICIPANT or the PARTICIPANT’S QUALIFIED DEPENDENTS.

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

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

**INSURANCE ADMINISTRATION SYSTEM** or **IAS** is the DEPARTMENT’S benefit enrollment and management system.

**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.

**LIMITED PURPOSE FLEXIBLE SPENDING ACCOUNT** or **LPFSA** is an account that allows an EMPLOYEE to set aside tax-free dollars each year for vision, dental and post-deductible expenses not covered by insurance. The PARTICIPANT may use these funds to pay for eligible health care expenses incurred by the PARTICIPANT or the PARTICIPANT’S QUALIFIED DEPENDENTS.

**MERCHANT** means an FSA 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.).

**OPEN ENROLLMENT or OPEN ENROLLMENT PERIOD** means the enrollment period referred to in the DEPARTMENT materials that occurs at least annually, allowing EMPLOYEES the opportunity to enroll for coverage in benefit plans offered by the BOARD.

**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 thebenefits 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 the 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 Section 125 Cafeteria Plan, ERA, and/or the Transit and Parking Plan Document that describes a PARTICIPANT’S rights and obligations under the BENEFIT PROGRAMS.

**PLAN YEAR** means the twelve (12) month period of coverage under a 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 the Department Terms and Conditions.

**QUALIFIED DEPENDENT** means any individual who is a tax dependent of the PARTICIPANT as defined in Internal Revenue Code Section 152. For HEALTH CARE FSA and LPFSA, a QUALIFIED DEPENDENT is defined in Internal Revenue Code Section 105(b), including any child of the PARTICIPANT as defined in Internal Revenue Code Section 152(f)(1) who, as of the end of the taxable year, has not attained age twenty-seven (27). For DEPENDENT DAY CARE ACCOUNT purposes, a QUALIFIED DEPENDENT also means an individual described in Internal Revenue Code Section 21(e)(5).

**QUARTERLY/QUARTER** meansa period consisting ofevery 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 Proposals. Herein, RFP refers to RFP ETD0053 – Third Party Administration of the Section 125 Cafeteria Plan, Employee Reimbursement Account and Commuter Fringe Benefit Account Programs.

**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.

**SUBCONTRACTOR** means a person or company hired by the CONTRACTOR to perform a specific task or provide SERVICES as part of the CONTRACT, sometimes referred to as a “subservice organization.”

**SUMMARY PLAN DESCRIPTION** **(SPD)** means the document that describes the basic features of a BENEFIT PROGRAM, how it operates, and how a PARTICIPANT can get the maximum advantage from it. The PLAN DOCUMENT incorporates the applicable SPD. If there is a conflict between the official PLAN DOCUMENT and the SPD, the PLAN DOCUMENT will govern.

## 105 Introduction

This State of Wisconsin (STATE) Program Agreement (AGREEMENT) is for the purposes of administering the SECTION 125 CAFETERIA PLAN, EMPLOYEE REIMBURSEMENT ACCOUNT (ERA) BENEFIT PROGRAM, and the COMMUTER FRINGE BENEFIT PROGRAM.

The SECTION 125 CAFETERIA PLAN allows STATE EMPLOYEES to pay for certain benefits on a pre-tax basis. The SECTION 125 CAFETERIA PLAN includes documents and non-discrimination testing to ensure that the benefits included within the STATE’S SECTION 125 CAFETERIA PLAN are compliant with laws and regulations.

The ERA BENEFIT PROGRAM offers STATE EMPLOYEES the ability to elect pre-tax deductions for qualified health care, medical, dental, vision and dependent day care expenses.

The COMMUTER FRINGE BENEFIT PROGRAM offers STATE EMPLOYEES the ability to elect pre-tax deductions for qualified parking and transit expenses.

The BENEFIT PROGRAMS are 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 PROGRAMS for EMPLOYEES who choose to participate. The DEPARTMENT regularly provides the most current rosters for STATE agencies. See the State Employer Group Roster (ET-1404).

The CONTRACTOR must provide the benefits and SERVICES listed in the CONTRACT and BENEFIT PROGRAM PLAN DOCUMENTS 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.

## 110 Benefit Program Changes

1. 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.
2. 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 BENEFIT PROGRAM. The time required for new BENEFIT PROGRAM changes will generally be as follows:
3. Two (2) months for changes within the existing BENEFIT PROGRAM structure, which require minimal or no changes to the CONTRACTOR’S claims and/or eligibility processing systems.
4. Two (2) to four (4) months 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.
5. Four (4) to six (6) months for changes for which functionality needs to be developed in the CONTRACTOR’S claims and/or eligibility processing systems.
6. 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.

## 115 Board Authority

1. [Wis. Stat. § 40.85](https://docs.legis.wisconsin.gov/statutes/statutes/40/VIII/85) 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 will establish OPEN ENROLLMENT PERIODS, which will permit eligible EMPLOYEES to enroll in a BENEFIT PROGRAM offered by the BOARD. Unless otherwise provided by the BOARD, the 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 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 a BENEFIT PROGRAM administered by the CONTRACTOR.
5. In the event a CONTRACTOR becomes, or is at risk of becoming insolvent, experiences a “significant event”, or if the BOARD so directs due to a “significant event” as described in [Section 120.9,](#_115_General_Requirements_1) the BOARD may do any of the following, including any combination of the following:
   1. Terminate the CONTRACT upon any notice it deems appropriate, including no notice.
   2. 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.
   3. Authorize a special enrollment period so that a PARTICIPANT enrolled in a BENEFIT PROGRAM administered by the CONTRACTOR may voluntarily change to another provider.
   4. Close the BENEFIT PROGRAMS administered by the CONTRACTOR to any new enrollments for the remainder of a CONTRACT period.
   5. Require that prior to making a BENEFIT PROGRAM selection, prospective PARTICIPANTS be given a written notice describing the BOARD'S concerns.
   6. Take no action.
6. The BOARD may forfeit a PARTICIPANT’S rights to a 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 a BENEFIT PROGRAM.
8. The BOARD shall determine all policy for the BENEFIT PROGRAMS. 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.

## 120 Contractor General Responsibilities

The CONTRACTOR must meet the minimum requirements of Wis. Stat. [§ 40.85 - § 40.86](https://docs.legis.wisconsin.gov/statutes/statutes/40/VIII/85), and the CONTRACT. **The CONTRACTOR must:**

1. Cooperate with the DEPARTMENT to develop procedures and protocols for administering the BENEFIT PROGRAMS.
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. 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.
7. Comply with all STATE and federal rules and regulations pertaining to the BENEFIT PROGRAMS.
8. Provide the DEPARTMENT with approved materials for PARTICIPANTS as required under this AGREEMENT.
9. Provide notification of all significant events:
   1. 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.
   2. 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.
   3. 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)](http://docs.legis.wisconsin.gov/statutes/statutes/19/II/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:

* + 1. 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.
    2. The date such action becomes effective.
    3. Sixty (60) CALENDAR DAYS after the DEPARTMENT receives the information.
  1. The BOARD reserves 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."

1. Utilize identification numbers (Social Security Number or employee identification number) as directed by the DEPARTMENT to administer the BENEFIT PROGRAMS. Social Security numbers may be incorporated into a 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.
2. Provide SERVICES and benefits to PARTICIPANTS deemed eligible and enrolled in a BENEFIT PROGRAM.
3. 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 a BENEFIT PROGRAM.
4. Not use or disclose names, addresses, or other data for any purpose other than specifically provided for in the CONTRACT.
5. Comply with all applicable requirements and provisions of the [Americans with Disabilities Act (ADA) of 1990](https://www.ada.gov/pubs/ada.htm). CONTRACTOR shall provide evidence of compliance with the ADA to the DEPARTMENT upon the DEPARTMENT’S request.
6. Notify the DEPARTMENT of any changes to the CONTRACTOR’S administrative and/or operative systems.
7. Meet with the DEPARTMENT on a QUARTERLY basis to discuss the BENEFIT PROGRAMS, CONTRACTOR’S performance, issues experienced, any recommended BENEFIT PROGRAM process changes or improvements, etc.
8. Other CONTRACTOR requirements are included in this AGREEMENT, in the RFP, and in the PLAN DOCUMENTS.

## 125 Eligibility

### 125A ERA BENEFIT Coverage Eligibility

The DEPARTMENT is solely responsible for determining who is eligible to participate in a BENEFIT PROGRAM. For the **ERA BENEFIT PROGRAM**, eligible EMPLOYEES include:

1. General STATE EMPLOYEES: active STATE and university EMPLOYEES participating in the WRS, as described in ([Wis. Stat. § 40.02 (25) (a)](http://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/25/a) 1).
2. Elected STATE officials ([Wis. Stat. § 40.02 (25) (a)](http://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/25/a) 2).
3. Members or EMPLOYEES of the legislature ([Wis. Stat. § 40.02 (25) (a)](http://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/25/a) 2).
4. Any blind EMPLOYEES of Beyond Vision (aka WISCRAFT) authorized under [Wis. Stat. § 40.02 (25) (a) 3](http://docs.legis.wisconsin.gov/document/statutes/40.02(25)(a)3.).
5. Any EMPLOYEE on leave of absence who has chosen to continue their BENEFIT PROGRAM insurance, as described in [Wis. Stat. § 40.02 (40)](http://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/25/a).
6. Any EMPLOYEE on layoff whose premiums are being paid from accumulated unused sick leave as described in [Wis. Stat. § 40.02 (40)](http://docs.legis.wisconsin.gov/document/statutes/40.05(4)(bm)).
7. The following in the Universities of Wisconsin (UW) and University of Wisconsin Hospitals and Clinics Authority ([Wis. Stat. § 40.02 (25) (b)](http://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/25/b)):
   1. Any teacher (employment category 40) who is employed by the university for an expected duration of not fewer than six (6) months on at least a one-third (33%) full-time appointment.
   2. Any teacher who is a participating EMPLOYEE and who is employed by the UW for an expected duration of not fewer than six (6) months on at least a one-third (33%) full-time appointment.
   3. Certain visiting faculty members in the UW.
   4. Graduate student assistants (research assistants, fellows, advanced opportunity fellows, scholars, trainees, teaching assistants and project/program assistants) holding a combined one-third (33%) or greater appointment of at least one (1) semester per academic year (nine month) appointments or six (6) months for annual (twelve month) appointments.
   5. Employees-in-training (research associates, post-doctoral fellows, post-doctoral trainees, post-graduate trainees 1 through 7, interns (non-physician), research interns, and graduate interns/trainees) holding a combined one-third time (33%) or greater appointment of at least one (1) semester for academic year (nine (9) month) or six (6) months for annual (twelve (12) month) appointments.
   6. Short-term academic staff who are employed in positions not covered under the WRS and who are holding a fixed-term terminal, acting/provisional or interim appointment of twenty-eight percent (28%) or more with an expected duration of at least one (1) semester but less than one (1) academic year if on an academic year (nine (9) month) appointment or have an appointment of twenty-one percent (21%) or more with an expected duration of at least six (6) months but fewer than twelve (12) months if on an annual (twelve (12) month) appointment.
   7. Visiting appointees (e.g., visiting professors, visiting scientists, visiting lecturers) may be eligible.
   8. Any person employed as a graduate assistant and other employees-in-training as designated by the board of directors of the UW Hospitals and Clinics Authority who are employed on at least a one-third full-time appointment with an expected duration of employment of at least six (6) months.

8. PARTICIPANTS who meet federal or STATE continuation provisions. See Section 170A Right to Continue Coverage.

### 125B Qualified Dependent Coverage Eligibility

For **SECTION 125 CAFETERIA PLAN** purposes, a QUALIFIED DEPENDENT means the PARTICIPANT’S:

1. Spouse.1
2. Child.2, 3, 4
3. Legal ward who becomes a permanent legal ward of the PARTICIPANT or PARTICIPANT’S spouse prior to age 19. 2, 3, 4
4. Adopted child when placed in the custody of the parent as provided by [Wis. Stat. § 632.896](https://docs.legis.wisconsin.gov/statutes/statutes/632/VI/896).2, 3, 4
5. Stepchild.1, 2, 3, 4
6. Grandchild if the parent is a QUALIFIED DEPENDENT child.2, 3, 4, 5

1 A spouse and a stepchild cease to be a QUALIFIED DEPENDENT at the end of the month in which a marriage is terminated by divorce or annulment.

2 All other children cease to be a QUALIFIED DEPENDENT at the end of the month in which they turn 26 years of age, except when:

1. An unmarried QUALIFIED DEPENDENT child who is incapable of self-support because of a physical or mental disability that can be expected to be of long-continued or indefinite duration of at least one year is an eligible QUALIFIED DEPENDENT, regardless of age, as long as the child remains so disabled and he or she is dependent on the PARTICIPANT (or the other parent) for at least fifty percent (50%) of the child’s support and maintenance as demonstrated by the support test for federal income tax purposes, whether or not the child is claimed. If the PARTICIPANT should decease, the disabled adult QUALIFIED DEPENDENT must still meet the remaining disabled criteria and be incapable of self-support.
2. After attaining age twenty-six (26), as required by [Wis. Stat. § 632.885](https://docs.legis.wisconsin.gov/statutes/statutes/632/VI/885), a QUALIFIED DEPENDENT includes a child that is a full-time student, regardless of age, who was called to federal active duty when the child was under the age of twenty-seven (27) years and while the child was attending, on a full-time basis, an institution of higher education.

3 A child born outside of marriage becomes a QUALIFIED DEPENDENT of the father on the date of the court order declaring paternity or on the date the acknowledgement of paternity is filed with the Wisconsin Department of Health Services (or equivalent if the birth was outside of Wisconsin) or the date of birth with a birth certificate listing the father’s name. The effective date of coverage will be the date of birth if a statement or court order of paternity is filed within sixty (60) CALENDAR DAYS of the birth.

4 A child, who is considered a QUALIFIED DEPENDENT, ceases to be a DEPENDENT on the date the child becomes insured as an eligible EMPLOYEE.

5 A grandchild ceases to be a DEPENDENT at the end of the month in which the DEPENDENT child (parent) turns age eighteen (18).

### 125C Dependent Day Care Coverage Eligibility

For DEPENDENT DAY CARE ACCOUNT purposes, those who may participate include:

An individual under the age of 13 who is a "qualifying child" of the EMPLOYEE as defined in Code § 152(a)(1). Generally speaking, a "qualifying child" is a child (including a brother, sister, step sibling) of the EMPLOYEE or a descendant of such child (e.g., a niece, nephew, grandchild) who shares the same principal place of abode with the EMPLOYEE for more than half the year and does not provide over half of his/her support. A child of divorced parents is a “qualifying child” of the EMPLOYEE if the EMPLOYEE is the custodial parent, as defined in Code § 152.

A spouse or other QUALIFIED DEPENDENT who is physically or mentally incapable of caring for himself or herself and who has the same principal place of residence as the EMPLOYEE for more than half of the year.

### 125D Commuter Fringe Benefit Program Coverage Eligibility

1. For COMMUTER FRINGE BENEFIT PROGRAM purposes, eligible EMPLOYEES include STATE EMPLOYEES, including limited term EMPLOYEES who are eligible to participate, with the exception of EMPLOYEES of UW Hospitals and Clinics.
2. For COMMUTER FRINGE BENEFIT Program purposes, a PARTICIPANT’S dependent(s) is/are not eligible for benefits.

### 125E Change in Status

1. The DEPARTMENT will be solely responsible for determining an eligible election change.

a. **For the ERA BENEFIT PROGRAM:** Election changes may be allowed if a PARTICIPANT or a QUALIFIED DEPENDENT experiences a life change event, as set forth in the SECTION 125 CAFETERIA PLAN, PLAN DOCUMENT and SUMMARY PLAN DESCRIPTION. The election change must be the result of and correspond with the life change event as determined by the DEPARTMENT (or CONTRACTOR, or other DEPARTMENT-designated third-party administrator). With the exception of enrollment resulting from birth, placement for adoption, or adoption, all election changes are prospective generally the first of the month following the date the PARTICIPANT makes a new election, but it may be earlier depending on the DEPARTMENT’S internal policies or procedures. Changes due to a change in status event must be made within thirty (30) CALENDAR DAYS from the date of the life change event. To make an election change, the PARTICIPANT must complete a Change of Election form and submit it to their 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.

b. **For the COMMUTER FRINGE BENEFIT PROGRAM:** PARTICIPANTS may revoke or change an election in the COMMUTER FRINGE BENEFIT PROGRAM at any time during the PLAN YEAR without a qualifying event, as set forth in the COMMUTER FRINGE BENEFIT PROGRAM PLAN DOCUMENT. To make an election change, a PARTICIPANT must complete a Change of Election form and submit it to their 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.

1. When the DEPARTMENT’S IAS is implemented, PARTICIPANTS may request CONTRIBUTION adjustments without using a Change of Election form.

### 125F Contributions

1. An EMPLOYEE’S BENEFIT PROGRAM CONTRIBUTION(S) will be arranged through deductions from salary.
2. A CONTINUANT’S CONTRIBUTION(S) to an EMPLOYEE REIMBURSEMENT ACCOUNT will be arranged through deductions made by the EMPLOYER or direct payment to the DEPARTMENT.
3. Benefit Program contributions are deducted evenly over the course of the Plan Year, in accordance with the Participant’s payroll schedule. There are two (2) possible payroll schedules, which vary among payroll centers.

* Bi-weekly: 24 pay periods
* Monthly: 12 pay periods

1. The Internal Revenue Code sets limits on the amount an EMPLOYEE may contribute into an ERA BENEFIT PROGRAM and a COMMUTER FRINGE BENEFIT PROGRAM. These limits are adjusted each year for inflation. If and when the IRS announces a limit change, the DEPARTMENT will review the IRS limit change(s) for plan adoption and work with the CONTRACTOR to make applicable program changes and communicate the changes to the PAYROLL CENTERS and EMPLOYEES.
2. The total annual HEALTH CARE FSA and LIMITED PURPOSE FSA CONTRIBUTION election amount is available immediately at the start of the PLAN YEAR.
3. The DEPENDENT DAY CARE ACCOUNT PROGRAM is a money-in money-out benefit. Each pay period, a contribution posts to the Participant’s Dependent Day Care Account, after which they may submit REIMBURSEMENT REQUESTS for eligible expenses. DEPENDENT DAY CARE ACCOUNT funds are available to a PARTICIPANT only as contributions occur.
4. The COMMUTER FRINGE BENEFIT PROGRAM is a money-in money-out benefit. A contribution posts to the PARTICIPANT’S COMMUTER FRINGE BENEFIT ACCOUNT each pay period, after which the PARTICIPANT may submit REIMBURSEMENT REQUESTS for eligible expenses. COMMUTER FRINGE BENEFIT PROGRAM funds are available to a PARTICIPANT only as contributions occur.
5. Direct Pay Contributions. The CONTRACTOR must collect direct pay CONTRIBUTIONS as identified by the DEPARTMENT.

### 125G Contribution Carryover

1. Not all of the BENEFIT PROGRAMS allow for the carryover of funds. HEALTH CARE FSAs and LIMITED PURPOSE FSAs allow for carryover of a specified amount. Any unused HEALTH CARE FSA or LIMITED PURPOSE FSA funds over the carryover amount specified in the SUMMARY PLAN DESCRIPTION at the close of the PLAN YEAR are forfeited back to the BENEFIT PROGRAM and held in trust by the DEPARTMENT. If an Employee terminates their HEALTH CARE FSA or LIMITED PURPOSE FSA prior to the end of the PLAN YEAR, any unused funds are forfeited.
2. Eligible BENEFIT PROGRAM expenses must be incurred ***during*** the PLAN YEAR and must be submitted for reimbursement prior to the end of the run-out period, which runs for ninety (90) CALENDAR DAYS after the end of the PLAN YEAR.
3. No carryover funds are permitted for DEPENDENT DAY CARE ACCOUNTS. Any unused Dependent Day Care Account funds at the close of the Plan Year are forfeited.
4. For the HEALTH CARE FSA, LIMITED PURPOSE FSA, and COMMUTER FRINGE BENEFIT PROGRAM, the PARTICIPANT’S election will carry over month to month until the end of the PLAN YEAR or the PARTICIPANT amends it, cancels it, or terminates employment during the PLAN YEAR. An unused balance under the minimum requirement at the end of the run-out period (90 CALENDAR DAYS after the PLAN YEAR has ended), will require a minimum annual election in the new PLAN YEAR for the balance to be carried over or the balance will be forfeited. An unused balance greater than the minimum requirement at the end of the run-out period will be automatically carried over into the new PLAN YEAR. A PARTICIPANT must maintain active employment status on December 31 in the PLAN YEAR to be eligible for the carryover into the new PLAN YEAR.
5. See the PLAN DOCUMENTS and SPD for more information regarding CONTRIBUTION carryover.

## 130 Enrollment

1. CONTRACTOR must participate in the annual OPEN ENROLLMENT PERIOD. The OPEN ENROLLMENT PERIOD is scheduled for each fall prior to the covered program year. During the OPEN ENROLLMENT PERIOD, the CONTRACTOR must accept any eligible STATE EMPLOYEE under [Wis. Stat. § 40.51 (16)](https://docs.legis.wisconsin.gov/statutes/statutes/40/IV/51/16) who enrolls.
2. Although the DEPARTMENT is responsible for eligibility determination and enrollment, the CONTRACTOR shall maintain an enrollment and eligibility system to support the BENEFIT PROGRAMS.
3. 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 start of the 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 150](#_145_150_Data) Data Requirements.
4. The CONTRACTOR must have flexibility to accommodate the DEPARTMENT’S and all PAYROLL CENTERS’ payroll and benefit administration systems upgrades. The DEPARTMENT’S IAS 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 IAS 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.

### 130A Specific to the ERA Benefit Program:

1. An eligible EMPLOYEE may enroll in the ERA BENEFIT PROGRAM within thirty (30) CALENDAR DAYS of their date of hire in an eligible position or during an annual OPEN ENROLLMENT PERIOD prior to each PLAN YEAR. If an Employee does not enroll within thirty (30) CALENDAR DAYS of their hire date or during the annual OPEN ENROLLMENT PERIOD, they are not eligible to enroll until the next PLAN YEAR’S OPEN ENROLLMENT PERIOD, unless they experience a qualified life change event, such as a marriage or divorce, birth or adoption of a child, a change in employment status, or other qualified life change event.

2. ERA BENEFIT PROGRAM contributions are deducted evenly over the course of the PLAN YEAR, in accordance with the PARTICIPANT’S payroll schedule. There are two (2) possible payroll schedules for the ERA BENEFIT PROGRAM, which vary among PAYROLL CENTERS.

* Bi-weekly: 24 pay periods
* Monthly: 12 pay periods

3. If an Employee should experience a qualified life change event, they may have the opportunity to enroll or change their coverage in the ERA BENEFIT PROGRAM outside of the OPEN ENROLLMENT PERIOD. Changes due to a qualifying life change event must be made by completing a change of election form within thirty (30) CALENDAR DAYS of the date of the event and submitting it to their payroll/benefits office for processing.

### 130B Specific to the Commuter Fringe Benefit Program:

1. The COMMUTER FRINGE BENEFIT PROGRAM allows an eligible EMPLOYEE to enroll or make changes to their contribution amount at any time throughout the PLAN YEAR. An EMPLOYEE does not need a qualifying life change event to enroll or change their monthly contribution. An EMPLOYEE has the opportunity to enroll in the upcoming PLAN YEAR during the annual OPEN ENROLLMENT PERIOD.
2. COMMUTER FRINGE BENEFIT PROGRAM contributions are deducted evenly over the course of the PLAN YEAR, in accordance with the Employee’s payroll schedule. There are two (2) possible payroll schedules, which vary between PAYROLL CENTERS.

* Bi-weekly: 24 pay periods
* Monthly: 12 pay periods

1. If an Employee is eligible and elects to enroll in the COMMUTER FRINGE BENEFIT PROGRAM outside of the OPEN ENROLLMENT PERIOD, the Employee is required to complete an enrollment application and submit the application to their human resource/benefit office for processing. Individuals employed by the State of Wisconsin, State Courts, and State Legislature and paid through the STATE’S DEPARTMENT OF ADMINISTRATION central payroll processing system, and individuals employed by the Universities of Wisconsin and the Wisconsin Economic Development Corporation enroll through their Employer’s payroll/benefit system. The Contractor is responsible for receiving and processing all enrollments. It is the responsibility of the Contractor to appropriately process all enrollment terminations throughout the Plan Year.
2. An Employee may change their COMMUTER FRINGE BENEFIT election at any time during the PLAN YEAR by completing a change of election form and submitting it to their payroll/benefits office.

### 130C Debit Cards

1. The DEBIT CARD will allow BENEFIT PROGRAM providers and MERCHANTS to accept claims payments 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.
2. The CONTRACTOR must issue DEBIT CARDS and cardholder agreements within the timeframes described below:

a. The CONTRACTOR must issue ninety-five percent (95%) of DEBIT CARD(S) within five (5) BUSINESS DAYS and 100% within five (5) BUSINESS DAYS of successful account creation following receipt of the properly formatted enrollment file or eligibility file containing the addition or enrollment change, except as noted in paragraph b. below.

b. For elections made during the OPEN ENROLLMENT PERIOD, the CONTRACTOR must issue DEBIT CARDS by December 15 for enrollments or changes effective the following January 1 (as reported on enrollment filed generated from the OPEN ENROLLMENT PERIOD or before the first Tuesday of December). The CONTACTOR must notify the DEPARTMENT Program Manager of any delays with issuing the DEBIT CARDS by December 15. The CONTRACTOR must send a written confirmation to the DEPARTMENT Program Manager indicating the date(s) the DEBIT CARDS were issued.

1. 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.

### 130D 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:
   1. Access the BENEFIT PROGRAM account online and the mobile application;
   2. Update profile information;
   3. Set-up notifications and direct deposit;
   4. Review account balances, CONTRIBUTIONS, and claims;
   5. Properly use the DEBIT CARD;
   6. Properly manage the BENEFIT PROGRAM;
   7. Substantiate a claim;
   8. Request a reimbursement; and
   9. 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.

### 130E Termination of Coverage

1. HEALTH CARE FSA and LPFSA coverage terminates at the end of the month in which the notice of cancellation of coverage is received by the EMPLOYER (for EMPLOYEES), or by the DEPARTMENT (CONTINUANTS), upon date of death, or a later date as specified on the cancellation of coverage notice.
2. DEPENDENT DAY CARE FSA coverage terminates at the end of the PLAN YEAR in which a notice of cancellation of coverage is received by the EMPLOYER, upon date of death, or a later date as specified on the cancellation of coverage notice. BENEFIT PROGRAM coverage terminates at the end of the month in which a notice of cancellation of coverage is received by the EMPLOYER (for EMPLOYEES), or by the DEPARTMENT (for CONTINUANTS or RETIREES), upon date of death, or a later date as specified on the cancellation of coverage notice.
3. If a PARTICIPANT, CONTINUANT or RETIREE contacts the CONTRACTOR directly to cancel coverage, the CONTRACTOR is to reject the cancellation and immediately notify the PARTICIPANT, CONTINUANT or RETIREE to submit a written cancellation notice to the applicable PAYROLL CENTER or the DEPARTMENT.
4. 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.
5. The DEPARTMENT is solely responsible for notifying CONTRACTOR of termination of BENEFIT PROGRAM participation.
6. Upon termination of coverage:
   * a PARTICIPANT enrolled in a HEALTH CARE FSA will have coverage through the end of month in which the PARTICIPANT terminates.
   * a PARTICIPANT enrolled in a LIMITED PURPOSE FSA will have coverage through the end of the month in which the PARTICIPANT terminates.
   * a PARTICIPANT enrolled in a DEPENDENT DAY CARE ACCOUNT will have coverage through the last CALENDAR DAY of the PLAN YEAR (December 31) in which the PARTICIPANT terminates.

* a PARTICIPANT enrolled in a COMMUTER FRINGE BENEFIT ACCOUNT will have coverage through the PARTICIPANT’S termination date.

### 130F 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.

## 135 Financial Provisions

### 135A Advance Funding

1. The DEPARTMENT will provide the CONTRACTOR with advance funding in an amount agreed upon by the CONTRACTOR and the DEPARTMENT (“Advance Funding”) for the 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.

a. The amount of the Advance Funding may be reviewed by the DEPARTMENT and the CONTRACTOR and adjusted as necessary.

b. 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.

### 135B Automated Clearinghouse (ACH)

The CONTRACTOR must support an ACH mechanism that allows for the DEPARTMENT to submit payments to the CONTRACTOR and the CONTRACTOR to submit claim payments to PARTICIPANTS.

### 135C Fees, Invoicing, and Payments

1. Administrative Fees. 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.

2. Administrative Fee Invoicing.

* 1. Monthly, the CONTRACTOR will electronically send an administrative fee invoice to the DEPARTMENT based on the number of active PARTICIPANT BENEFIT PROGRAM accounts in the CONTRACTOR’S processing system on the first (1st) of the month.
  2. All CONTRACTOR invoices must meet the DEPARTMENT’S requirements for DEPARTMENT reporting purposes. Invoices must clearly indicate each BENEFIT PROGRAM name, the number of active PARTICIPANT BENEFIT PROGRAM accounts in CONTRACTOR’S processing system on the first (1st) of the month per BENEFIT PROGRAM, the PPPBPM fee per BENEFIT PROGRAM, the total PPPBPM fee for the month being reported per BENEFIT PROGRAM, and the total fee for all BENEFIT PROGRAMS included in the invoice.
  3. CONTRACTOR must send invoices to the DEPARTMENT via a method and in a format mutually agreed upon by the DEPARTMENT and the CONTRACTOR by the fifteenth (15th) of the month following the month for which the invoice applies. If the fifteenth (15th) of the month falls on a non-BUSINESS DAY, the CONTRACTOR must send the invoice to the DEPARTMENT no later than the next BUSINESS DAY.
  4. With each invoice, the CONTRACTOR will submit detailed supporting documentation to support the invoice total. Such supporting documentation will include, at a minimum: the first name, last name, social security number, EMPLOYEE ID, PARTICIPANT employment status, division code of the PARTICIPANTS the DEPARTMENT is being billed for, and the administrative fee per PARTICIPANT per benefit per month, total amount due, PAYROLL CENTER associated with the PARTICIPANT, and pay cycle/pay period. Supporting documentation must be submitted to the DEPARTMENT via a method and in a format mutually agreed upon by the CONTRACTOR and the DEPARTMENT.

3. Payment of Administrative Fee Invoices. The DEPARTMENT will pay the CONTRACTOR’S properly submitted invoices for administrative fees within five (5) BUSINESS DAYS of receipt. The number of BUSINESS DAYS may increase if the DEPARTMENT justifiably disputes an invoice.

4. Adjustments to Administrative Fees. The PPPBPM administrative fee may be adjusted after the Initial Term of the CONTRACT (see RFP). 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.

5. Claims Invoicing. Billing and payment cycles for BENEFIT PROGRAM claims will occur on a weekly basis. 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. Billing and payment cycles may be modified if mutually agreed upon by the DEPARTMENT and the CONTRACTOR.

1. Claims Payments. 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.

7. Other Fees. For any fees other than the administrative fees, the CONTRACTOR must include such fees on the administrative fee invoice. Such fees must be called out as separate line items in the invoice and include a description sufficient for the DEPARTMENT to determine what the fee is for. 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 BUSINESS DAYS may increase if the DEPARTMENT justifiably disputes an invoice.

8. Additional Services. 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.

9. Amounts Owed by CONTRACTOR. Funds owed to the BOARD must be paid to the DEPARTMENT within thirty (30) CALENDAR DAYS from receipt of the DEPARTMENT’S invoice for penalties or other monies owed. The CONTRACTOR has thirty (30) CALENDAR DAYS to document any dispute of amounts owed. After thirty (30) CALENDAR 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. See [Section 205A](#_205A_General) for additional information regarding the assessment of penalties.

### 135D Banking / Record-Keeping

1. Banking Reconciliation. The CONTRACTOR must 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.

2. Claims Reconciliation. The CONTRACTOR must 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.

3. BENEFIT PROGRAM Assets. Money that is rightfully transferred to the CONTRACTOR shall NOT 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.

4. Record-Keeping.

* 1. The CONTRACTOR must 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.

b. The CONTRACTOR must perform all administrative and record-keeping functions necessary to ensure accurate disbursement of PARTICIPANT contributions and accurate accounting of PARTICIPANT accounts. The CONTRACTOR must maintain accounting records at the BENEFIT PROGRAM level, recording all fund transactions between the DEPARTMENT and the CONTRACTOR, and at the EMPLOYEE level, recording transactions for each PARTICIPANT. The CONTRACTOR will conduct a monthly reconciliation of accounts and send the resulting report to the DEPARTMENT for review.

### 135E 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 the 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:
   * 1. 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.
     2. 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 BENEFIT PROGRAM design, plan compliance, and claims administration.
     3. 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 below, 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.

### 135F Recovery of Overpayments

1. Overpayments (including negative balances):
2. 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 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. Contractor shall attempt to collect all claims payments that the CONTRACTOR paid out in error and that caused a negative balance. The CONTRACTOR shall not be required to initiate court proceedings to obtain any such recovery.
3. 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.
4. 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.
5. 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.
6. The CONTRACTOR and the DEPARTMENT shall agree upon reasonable procedures to be used by the CONTRACTOR to recover or collect overpayments.
7. 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.

## 140 Informational Materials, Website

### 140A Informational / Marketing Materials

1. **For all BENEFIT PROGRAMS**:
   1. Throughout the PLAN YEAR, the CONTRACTOR is responsible for the development, production, and distribution of all enrollment, informational materials, forms and other BENEFIT PROGRAM materials for EMPLOYEES and EMPLOYERS in a form/format and with content acceptable to the DEPARTMENT. Such materials must be developed/delivered using a variety of methods, e.g., by email, mail, in person at health fairs and OPEN ENROLLMENT meetings. The DEPARTMENT must approve all materials prior to distribution, including key communications or educational initiatives that are prepared by the CONTRACTOR for use by the STATE. CONTRACTOR must customize communications for use by the STATE to include branding and marketing design, and disclaimers as requested by the DEPARTMENT. CONTRACTOR must clearly indicate any changes from the previous PLAN YEAR materials when submitting draft materials to the DEPARTMENT for review and approval. The CONTRACTOR is responsible for distributing the materials to EMPLOYERS. EMPLOYERS will also distribute materials to their EMPLOYEES via their own inter-departmental distribution channels.

b. 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.

c. 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.

d 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.

e. Over the course of the PLAN YEAR, the CONTRACTOR must send electronic and mailed communications to EMPLOYEES at no additional cost, including, but not limited to:

* Prior to the OPEN ENROLLMENT PERIOD, the CONTRACTOR will send electronic enrollment reminders to all eligible Employees.
* During the OPEN ENROLLMENT PERIOD, the CONTRACTOR will send weekly electronic enrollment reminders to all eligible EMPLOYEES that have not yet enrolled.
* At the time the employee enrolls or makes a change, the CONTRACTOR will send the employee a confirmation statement of the enrollment or change.
* At the end of the PLAN YEAR, the CONTRACTOR will send multiple electronic end-of-plan-year communications to remind PARTICIPANTS of important plan information and deadline dates.
* Over the course of the PLAN YEAR, the CONTRACTOR will send systematic PARTICIPANT notifications, including but not limited to receipt of REIMBURSEMENT REQUEST, need for additional information, denial of REIMBURSEMENT REQUEST, reimbursement payment issued, etc.
* At the end of the PLAN YEAR through the run-out period, the CONTRACTOR will send multiple substantiation and repayment requests. The CONTRACTOR to work collaboratively with the Department to determine the communication detail and frequency.

f. The DEPARTMENT reserves the right to require the CONTRACTOR to provide additional communications / notifications to PARTICIPANTS as directed.

2. **For the ERA BENEFIT PROGRAM**:

a. CONTRACTOR must comply with [Section 1557](https://www.federalregister.gov/articles/2016/05/18/2016-11458/nondiscrimination-in-health-programs-and-activities?utm_campaign=subscription+mailing+list&utm_medium=email&utm_source=federalregister.gov) of the Affordable Care Act (ACA) and federal civil rights laws. Upon request, the CONTRACTOR will provide information on BENEFIT PROGRAM services and activities in alternate formats to PARTICIPANTS with qualified disabilities as defined by the Americans with Disabilities Act (ADA) of 1990, as well as those whose primary language is not English.

b. The notice in Appendix A of the federal [Section 1557](https://www.federalregister.gov/articles/2016/05/18/2016-11458/nondiscrimination-in-health-programs-and-activities?utm_campaign=subscription+mailing+list&utm_medium=email&utm_source=federalregister.gov) ACA regulations must be published in conspicuously-visible font size in all significant communications and significant publications, both print and web, related to the BENEFIT PROGRAM. The CONTRACTOR must use the notice as provided below, or a significantly similar version that meets the regulation requirements.

“Significant communications” and “significant publications,” while not defined in the law, are interpreted broadly to include the following:

i. Documents intended for the public, such as outreach, education, and marketing materials;

ii. Written notices requiring a response from an individual; and,

iii. Written notices to an individual, such as those pertaining to rights and benefits.

The notice is as follows:

“[*Name of CONTRACTOR*] complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. [*Name of covered entity*] does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

[*Name of CONTRACTOR*]:

* Provides free aids and services to people with disabilities to communicate effectively with us, such as:
  + Qualified sign language interpreters
  + Written information in other formats
* Provides free language services to people whose primary language is not English, such as:
  + Qualified interpreters
  + Information written in other languages

If you need these services, contact [*Name of CONTRACTOR’S Civil Rights Coordinator*].

If you believe that [*Name of covered entity*] has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with: [*Name and Title of Civil Rights Coordinator*], [*Mailing Address*], [*Telephone number*], [*TTY number—if covered entity has one*], [*Fax*], [*Email*]. You can file a grievance in person or by mail, fax, or email. If you need help filing a grievance, [*Name and Title of Civil Rights Coordinator*] is available to help you. You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Ave SW., Room 509F, HHH Building, Washington, DC 20201, 1-800-368-1019, 800-537-7697 (TDD).

Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.

c. Wherever the above notice appears, it is also a requirement to include the following tagline, translated into at least the top fifteen (15) languages spoken by individuals with limited English proficiency in the STATE:

“ATTENTION: If you speak [*insert language*], language assistance services, free of charge, are available to you. Call 1-*xxx-xxx-xxxx* (TTY: 1-*xxx-xxx-xxxx*).”

d. For purposes of consistency with the DEPARTMENT’S OPEN ENROLLMENT materials, the CONTRACTOR is required to use the [top fifteen (15) language list](https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Appendix-A-Top-15.pdf) provided on the Centers for Medicare and Medicaid Services’ [website](https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Appendix-A-Top-15.pdf). The CONTRACTOR shall use the translation of the above-referenced tagline in c) above as provided by the U.S. Department of Health and Human Services for OPEN ENROLLMENT materials.

### 140B Open Enrollment Materials

1. Prior to the OPEN ENROLLMENT PERIOD, the CONTRACTOR must prepare OPEN ENROLLMENT informational materials in a form and with content acceptable to the DEPARTMENT, clearly indicating any changes from the previous PLAN YEAR materials, and submit them to the DEPARTMENT for review and approval.
2. The CONTRACTOR must issue no less than two (2) electronic enrollment reminder communications to current PARTICIPANTS and potential PARTICIPANTS prior to the OPEN ENROLLMENT PERIOD and include any specific language directed by the DEPARTMENT summarizing any benefit or other BENEFIT PROGRAM changes. The CONTRACTOR must send a confirmation to the DEPARTMENT Program Manager indicating the date(s) these re-enrollment reminder communications were issued.
3. The CONTRACTOR must issue annual enrollment materials for PARTICIPANTS prior to the OPEN ENROLLMENT PERIOD and include any specific language directed by the DEPARTMENT summarizing the benefits offered by the BENEFIT PROGRAMS. Printed annual enrollment materials must be created by CONTRACTOR and distributed at benefit fairs at no additional cost to the PARTICIPANTS or the DEPARTMENT.
4. After to the OPEN ENROLLMENT PERIOD (by December 15), the CONTRACTOR must create, print, and issue by mail a hard-copy welcome package of informational materials to new PARTICIPANTS and include any specific language directed by the DEPARTMENT summarizing the benefits offered by the BENEFIT PROGRAMS. Welcome package materials must be made available to PARTICIPANTS on the BENEFIT PROGRAM web-portals described in Section 135C. 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.
5. The CONTRACTOR must provide the following information to the DEPARTMENT, in the format specified by the DEPARTMENT, for inclusion in the communications from the DEPARTMENT for the OPEN ENROLLMENT PERIOD:
   1. CONTRACTOR information, including address, toll-free customer service telephone number, and website address.
   2. CONTRACTOR’S content for the BENEFIT PROGRAM web page(s) and materials, including available features.
   3. Information for PARTICIPANTS to access the CONTRACTOR’S BENEFIT PROGRAM web-portal, including instructions on how PARTICIPANTS can access the MERCHANT directory.
6. The CONTRACTOR shall submit all informational materials intended for distribution to PARTICIPANTS during the OPEN ENROLLMENT PERIOD to the DEPARTMENT for review and approval.
7. Upon the DEPARTMENT’S request, the CONTRACTOR must provide hard copies of all printed OPEN ENROLLMENT materials in final format to the DEPARTMENT at least two (2) weeks prior to the start of the OPEN ENROLLMENT PERIOD.

### 140C Contractor Benefit Program Web Content and Web-Portals

1. The CONTRACTOR must develop, host, and maintain a customized web site (or web-landing page) and dedicated web-portals for PARTICIPANTS, DEPARTMENT, and PAYROLL CENTER administrators.
2. The CONTRACTOR must grant the DEPARTMENT access to the website and web-portals for review and approval no less than thirty (30) CALENDAR DAYS (before they go live) prior to the start of each OPEN ENROLLMENT PERIOD. No less than fourteen (14) CALENDAR DAYS prior to the start of each OPEN ENROLLMENT PERIOD, the CONTRACTOR must have final content and functionality completed, as determined by the DEPARTMENT, and the BENEFIT PROGRAM website / web pages and web-portals must be live and fully functional.
3. Prior to any content of the CONTRACTOR BENEFIT PROGRAM website or web-portals going live, the CONTRACTOR must test the accessibility of the website and web-portals on multiple web browsers and from multiple internet carriers to ensure system capability.
4. The CONTRACTOR must update its BENEFIT PROGRAM website and web-portals as necessary and directed by the DEPARTMENT.
5. The CONTRACTOR must obtain prior approval from the DEPARTMENT Program Manager for the inclusion of any links within the BENEFIT PROGRAM website or web-portals to an external (governmental or non-governmental) website.
6. The CONTRACTOR’S BENEFIT PROGRAM web-portal for DEPARTMENT and PAYROLL CENTER administrators must allow administrators to track PARTICIPANT level information, such as claim status and account balance. The BENEFIT PROGRAM administrator web-portal must 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.
7. Basic BENEFIT PROGRAM information/content must be available on the CONTRACTOR’S website (BENEFIT PROGRAM web pages) without requiring log in credentials. Website content must include information such as.
   1. General information about the BENEFIT PROGRAM;
   2. Ability for PARTICIPANTS to access BENEFIT PROGRAM forms;
   3. Directions on how to access the BENEFIT PROGRAM MERCHANT directory;
   4. Information about PARTICIPANT requirements, including proper account management, documentation retention for tax filing purposes, and substantiation;
   5. Ability for PARTICIPANTS to access the BENEFIT PROGRAM eligible expense list;
   6. Ability for PARTICIPANTS to submit questions via the website;
   7. Contact information including the dedicated toll-free customer service phone number, business hours, and mailing address; and
   8. Links to the PARTICIPANT and DEPARTMENT and PAYROLL CENTER BENEFIT PROGRAM administrator web-portals.

8. The web-portals must be simple, intuitive, and easy to use and navigate.

a. Features available in the web-portals must include:

* + user name and password creation and recovery;
  + enrollment confirmation;
  + SECURE upload functionality for submitting program required documentation; and,
  + 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.

b. The web-portals must allow users to:

* + review and update personal information;
  + check balance and claim status;
  + submit claims and receipts online;
  + review lists of eligible expenses;
  + use tools and calculators;
  + find answers to common questions;
  + contact customer service;
  + order additional debit cards or request a replacement debit card;
  + report a debit card as lost or stolen;
  + view tax documents and monthly statements; and
  + generate detailed reports for tax filing purposes.

9. All materials posted on the CONTRACTOR’S BENEFIT PROGRAM web pages and web-portals must be reviewed and approved by the DEPARTMENT’S Program Manager prior to the CONTRACTOR making such materials available.

1. CONTRACTOR’S BENEFIT PROGRAM web pages / web-portals must ensure a 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.
2. CONTRACTOR’S BENEFIT PROGRAM web-portals must be available via the three (3) most recent versions of each of the popular browsers available in the market which include Microsoft Edge, Mozilla Firefox, Chrome and Safari.
3. CONTRACTOR’S BENEFIT PROGRAM website and web-portals 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 times when CONTRACTOR conducts regularly scheduled maintenance. CONTRACTOR’S data center network shall include robust firewall, intrusion prevention, and intrusion detection systems to prevent and detect unauthorized access.
4. The BENEFIT PROGRAM web-portals must SECURELY authenticate the user. After the user is authenticated, all web-portal features must be available without the need for an additional login.
5. The CONTRACTOR'S BENEFIT PROGRAM PARTICIPANT web-portal must have mobile capabilities. At a minimum, the mobile capabilities must allow the PARTICIPANT to access account management information. The PARTICIPANT web-portal must be able to render effectively on any form factor for mobile devices which include smartphones and tablets.
6. 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). The web-portals must disable SSL/TLS negotiations which are using non-SECURE protocols and weak ciphers.
7. The BENEFIT PROGRAM web-portals must be SECURED with a minimum of SHA2-256 bit EV certificates to provide the latest in encryption and cryptography.
8. The CONTRACTOR must provide the DEPARTMENT reports on the current security safeguards enabled for the BENEFIT PROGRAM website and web-portals upon the DEPARTMENT’S request.
9. CONTRACTOR’S BENEFIT PROGRAM website and web-portals must be available at least ninety-nine and one-half percent (99.5%) of the time, excluding scheduled maintenance. Unscheduled disruption to the availability of the BENEFIT PROGRAM website or web-portal must be communicated to the DEPARTMENT Program Manager within four (4) hours of realization that a problem occurred.
10. The CONTRACTOR must have a regular patch management process defined for the BENEFIT PROGRAM 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.
11. CONTRACTOR’S scheduled maintenance of the BENEFIT PROGRAM website and web-portals must occur between the hours of 10:00 p.m. and 6:00 a.m. CST/CDT. However, CONTRACTOR scheduled maintenance may occur at another time if agreed to by the DEPARTMENT Program Manager. Such maintenance must be scheduled in advance. For all CONTRACTOR scheduled maintenance, CONTRACTOR must post a notification on the BENEFIT PROGRAM website and web-portals.
12. To ensure accessibility among persons with a disability, the CONTRACTOR’S BENEFIT PROGRAM 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/>).
13. The CONTRACTOR must notify the DEPARTMENT Program Manager of any substantial changes being made to the website prior to implementation.
14. The CONTRACTOR must be able to link user profiles and site access permissions to the daily enrollment file provided by the PAYROLL CENTERS, IAS vendor, 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.
15. The CONTRACTOR must monitor PAYROLL CENTER and DEPARTMENT access to the web-portal for the BENEFIT PROGRAMS 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.

### 140D 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.

## 145 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. The CONTRACTOR shall not undertake a major system change or conversion for, or related to, the system used to deliver SERVICES for the BENEFIT PROGRAMS without specific prior written notice of at least one hundred eighty (180) CALENDAR 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. If the CONTRACTOR has plans to migrate to a different data or web platform, the DEPARTMENT must be notified no less than one hundred eighty (180) calendar DAYS 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.

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.

1. 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.
2. 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. To prevent email and network system overload, the CONTRACTOR must send emails to PARTICIPANTS in batches approved by the DEPARTMENT.

7. Upon request by the DEPARTMENT, the CONTRACTOR must be able to generate and provide a listing of all individuals who 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.

## 150 Data Requirements

### 150A Data Integration and Technical Requirements

* + 1. The CONTRACTOR shall not sell or otherwise provide any PARTICIPANT email addresses or other PARTICIPANT information to third-party vendors for solicitation.

2. 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.

3. 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.

### 150B Department’s Insurance Administration System (IAS) Requirements

1. Currently, each PAYROLL CENTER submits demographic, eligibility, enrollment, and CONTRIBUTION data to the CONTRACTOR for the eligible EMPLOYEES that work under that PAYROLL CENTER. In the future, BENEFIT PROGRAM enrollments and administration will no longer be managed by the individual PAYROLL CENTERS, but by the DEPARTMENT. 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, to include the BENEFIT PROGRAMS. 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.

2. The CONTRACTOR must work with the DEPARTMENT’S IAS vendor and the EMPLOYERS regarding file specification requirements. The eligibility and enrollment file will be transmitted between the IAS and the CONTRACTOR. The contribution file will be transmitted between the EMPLOYERS and the CONTRACTOR.

### 150C Payroll Center Administration System Requirements

* + 1. Currently, the PAYROLL CENTERS are the system of record for all active EMPLOYEE BENEFIT PROGRAM enrollments. Each PAYROLL CENTER submits demographic, eligibility, enrollment, and CONTRIBUTION data to the CONTRACTOR for the eligible active EMPLOYEES that work under that PAYROLL CENTER. Each PAYROLL CENTER has its own payroll administration system; however, all PAYROLL CENTERS use a standard file specification (see Appendix 10 – Sample FSA HSA Data Layout.) for demographic, eligibility, enrollment, and CONTRIBUTION data submissions to the CONTRACTOR. 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. Prior to the DEPARTMENT’S implementation of its IAS, RETIREE, and some EMPLOYEE enrollments, must be manually entered by the CONTRACTOR.
    2. 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.

3. The CONTRACTOR must work with the DEPARTMENT’S IAS vendor to ensure PARTICIPANTS who transfer to another EMPLOYER experience a smooth transfer of BENEFIT PROGRAM account information and funds without interruption to their BENEFIT PROGRAM.

### 150D File Requirements

1. 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 three (3) BUSINESS DAYS of the file receipt. CONTRACTOR must comply with the DEPARTMENT’S current file specifications, see Appendix 11 – Data Warehouse File Specifications. These file specifications may be updated as necessary by the DEPARTMENT and the CONTRACTOR will be required to implement the revised file specifications within ninety (90) DAYS of receipt.
2. As stated above, PAYROLL CENTERS will provide the CONTRACTOR with a weekly enrollment file. The CONTRACTOR must identify and resolve all discrepancies in the file (any difference of values between the DEPARTMENT’S IAS database and the CONTRACTOR’S database) within three (3) BUSINESS DAYS of identification by the CONTRACTOR or notification by the DEPARTMENT’S IAS vendor.

1. The CONTRACTOR must 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. See Section 155F.6 Election and Contribution Audit.
2. The CONTRACTOR must maintain an errors and exceptions report spreadsheet for the errors and exceptions discussed in 150D.2 and 150D.3 above that includes details and final resolution of the errors and exceptions and submit it to the DEPARTMENT at the frequency directed by the DEPARTMENT.

### 150E Data Requests

1. The CONTRACTOR must 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.
2. Data provided to the DEPARTMENT by the CONTRACTOR must be de-identified, unless authorized by the PARTICIPANT for the purpose of benefit administration, appeal, issue resolution, or fraud investigation.

### 150F Data Warehouse Requirements

The DEPARTMENT has established a data warehouse.

1. 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.
2. The CONTRACTOR must provide the DEPARTMENT with an electronic file in the DEPARTMENT-specified standard format for the BENEFIT PROGRAM on a timeline specified by the DEPARTMENT. A sample file format can be found in Appendix 10 – Sample FSA HSA File Layout.
3. The CONTRACTOR must assign ID numbers according to the system established by the DEPARTMENT. CONTRACTOR must incorporate PARTICIPANTS’ Social Security and DEPARTMENT identification numbers into the PARTICIPANTS’ data files, which may be used for identification purposes only and not disclosed and used for any other purpose.
4. 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 date.
5. All file formats are subject to change, as determined by the DEPARTMENT, to better serve the needs of the BENEFIT PROGRAM.
6. 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.

### 150G Data Warehouse File Submission Quality

1. The quality of CONTRACTOR’S data submissions will be assessed by the DEPARTMENT’S data warehouse vendor for timeliness, validity, and completeness. If the DEPARTMENT’S data warehouse vendor determines that the data submitted by CONTRACTOR contains errors or otherwise fails to meet the DEPARTMENT’S data warehouse vendor’s thresholds for data quality, the CONTRACTOR must cooperate with the DEPARTMENT’S data warehouse vendor in submitting corrected data.

2. **Two-Chance Rule:** During the onboarding of a new CONTRACTOR, the CONTRACTOR will have two (2) chances to submit acceptable data as mentioned in Section 150G.1. above to the DEPARTMENT’S data warehouse. The DEPARTMENT will charge the CONTRACTOR a penalty for each data file submitted after the second submission not accepted by the DEPARTMENT’S data warehouse vendor.

3. **One-Chance Rule:** During the ongoing operation of the DEPARTMENT’S data warehouse, if the DEPARTMENT’S data warehouse vendor notifies the CONTRACTOR of an error on its initial data submission, as mentioned in Section 150G.1. above, the CONTRACTOR will have one opportunity to submit a corrected data file. If the CONTRACTOR requires additional submissions to correct identified errors, the DEPARTMENT will charge the CONTRACTOR a penalty as described in [Section 205H](#_K205H._Data_Warehouse) Data Submissions for each data file submitted after the first corrected submission not accepted by the DEPARTMENT’S data warehouse vendor.

4. Within two (2) BUSINESS DAYS of notification to the CONTRACTOR, unless otherwise approved by the DEPARTMENT or the data warehouse vendor in writing, the CONTRACTOR must resolve the data errors and quality issues on the file as identified by the DEPARTMENT’S data warehouse vendor or the DEPARTMENT.

5. As needed, the DEPARTMENT, in consultation with its data warehouse vendor and the CONTRACTOR, will develop a data improvement plan which will identify specific areas for the CONTRACTOR to improve the quality and completeness of its data submission, along with goals and timelines for improvement.

6. The CONTRACTOR shall pay the financial penalties described in [Section 205H](#_K205H._Data_Warehouse) Data Submissions for failure to submit data in accordance with this AGREEMENT, and which are assessed by the DEPARTMENT’S data warehouse vendor on behalf of the DEPARTMENT. Charges or penalties that are the direct result of the CONTRACTOR’S failure to meet the DEPARTMENT’S data submission requirements, timelines, or other requirements in this AGREEMENT that impact the DEPARTMENT’S data warehouse vendor will either be invoiced to the CONTRACTOR and due within thirty (30) CALENDAR DAYS or deducted from a future payment(s) owed the CONTRACTOR.

## 155 General Requirements

### 155A Account Management and Staffing

1. The CONTRACTOR must assign one (1) CONTRACTOR Account Executive and one (1) backup account support staff person to the DEPARTMENT to service all CONTRACTS between the DEPARTMENT and the CONTRACTOR for the life of those CONTRACTS. The CONTRACTOR will assign one (1) Account Manager/Client Services Manager to the ERA BENEFIT PROGRAM and one (1) Account Manager/Client Services Manager to service the Section 125 Cafeteria Plan and the COMMUTER BENEFIT PROGRAM. The CONTRACTOR’S Account Managers/Client Services Managers will work directly with the CONTRACTOR’S 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.
2. 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 must resolve DEPARTMENT issues within five (5) BUSINESS DAYS of receipt, unless otherwise approved by the DEPARTMENT.
3. 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.
4. 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.
5. 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.
6. 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).
7. The Contractor must provide continuing BENEFIT PROGRAM support services to all participating Employers. The Contractor must provide Employer payroll personnel regular assistance for deduction management, enrollment processing, terminations, etc.
8. The CONTRACTOR must provide staff attendance at the annual OPEN ENROLLMENT EMPLOYER kick-off meetings and other EMPLOYER sponsored meetings, such as health fairs, throughout the STATE for the annual OPEN ENROLLMENT PERIOD at no additional cost to the DEPARTMENT.
9. 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.
10. 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.
11. The CONTRACTOR must not modify any of the SERVICES or BENEFIT PROGRAM content without the prior written approval of the DEPARTMENT Program Manager.
12. The Contractor must provide dedicated support staff for up to twenty-four (24) hours per week during the implementation period, and during key annual projects. The Contractor must provide a dedicated support staff person during the Department’s normal business hours, 8:00 a.m. – 4:30 p.m. CST/CDT, Monday through Friday, except DEPARTMENT-observed holidays, for the first four (4) months after the go-live date if requested by the Department.

### 155B Contractor Open Enrollment Activities

1. The CONTRACTOR must conduct an initial OPEN ENROLLMENT planning meeting with the DEPARTMENT by July 31 each year. The CONTRACTOR, along with the DEPARTMENT, will meet with each of the PAYROLL CENTERS in August of each year prior to the EMPLOYER kick-off meetings.

2. During the OPEN ENROLLMENT PERIOD, the CONTRACTOR will attend all or most of the STATE OPEN ENROLLMENT benefit fairs. The frequency, dates, and times of the STATE OPEN ENROLLMENT benefit fairs (in-person and virtual) will be determined by the DEPARTMENT and STATE agencies and the DEPARTMENT will communicate such information to the CONTRACTOR.

3. The CONTRACTOR must 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.

1. The CONTRACTOR must validate against the DEPARTMENT’S PLAN DOCUMENTS 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.
2. In the event that the IAS is not available, the CONTACTOR may be required to provide an online enrollment system that functions smoothly, timely, and is accessible one hundred percent (100%) of each DAY during the annual OPEN ENROLLMENT PERIOD.
3. Prior to each OPEN 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 PROGRAM design and federal and STATE laws and regulations. The two levels of review will be as agreed upon by the DEPARTMENT and the CONTRACTOR.
4. The CONTRACTOR may be required to conduct a BENEFIT PROGRAM audit prior to the start of each PLAN YEAR (in November or December) and / or after the start of each PLAN YEAR (in February) 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.

### 155C Staff Training

1. 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.
2. 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.
3. 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.
4. The CONTRACTOR will offer annual training to the PAYROLL CENTER staff in November of each year related to the FSA Unsubstantiated Claims Process and the election and CONTRIBUTION audit process. CONTRACTOR’S training will highlight any changes to the processes, setting expectations, and providing guidance for PAYROLL CENTER staff.

### 155D Section 125 Cafeteria Plan Documentation

* + 1. The Contractor must prepare all Section 125 Cafeteria Plan materials including:
* Section 125 Cafeteria Plan Document (cafeteria plan includes additional benefit plans such as health savings account, health, life, vision, and dental insurance)
* Plan Document for the ERA Benefit Program
* Summary Plan Description
* Plan Document for the Commuter Fringe Benefit Program
* Non-discrimination testing instructional and reference documentation

1. The CONTRACTOR must provide a compliant and comprehensive BENEFIT PROGRAM PLAN DOCUMENTS and SUMMARY PLAN DESCRIPTION (SPD) 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 DOCUMENTS and SPD must meet all pertinent federal and STATE requirements.
2. The CONTRACTOR must work in conjunction with the DEPARTMENT and PAYROLL CENTERS to complete any necessary PLAN DOCUMENT and SPD amendment(s) or edited restatement(s) at least annually. The CONTRACTOR must complete any necessary amendment(s) or edited restatement(s) by the due date(s) specified by the DEPARTMENT or its designee. The CONTRACTOR must maintain and revise the BENEFIT PROGRAM PLAN DOCUMENTS and SPD as necessary to comply with any changes in federal or STATE laws or regulations and incorporate any BENEFIT PROGRAM changes within thirty (30) CALENDAR DAYS of changes in federal or STATE laws or regulations and the BENEFIT PROGRAM design.

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

### 155E Nondiscrimination Testing

1. The CONTRACTOR must conduct annual [Internal Revenue Code (IRC) Sec. 105(h)](https://www.law.cornell.edu/uscode/text/26/105) compliant nondiscrimination testing for the BENEFIT PROGRAMS (including the Health Savings Account Benefit Program) in the first QUARTER following the end of the PLAN YEAR, and no later than March 31 of each PLAN YEAR. The CONTRACTOR shall work in conjunction with the DEPARTMENT and PAYROLL CENTERS to complete the Internal Revenue Code (IRC) Sec. 105(h) compliant nondiscrimination testing. CONTRACTOR will provide the DEPARTMENT with a report with CONTRACTOR’S nondiscrimination testing results no later than July 1 each year. The CONTRACTOR will provide a schedule, process for the testing, and data requirements agreed upon by the DEPARTMENT and the CONTRACTOR prior to commencing nondiscrimination testing each year.

2. The DEPARTMENT may request the CONTRACTOR to review the overall compliance for both nondiscrimination testing practices and plan documentation, and an evaluation for possible recommendations to make the plan administratively more efficient, compliant, PARTICIPANT friendly, and in keeping with industry best practices.

### 155F Audits

1. Cooperation with Auditors. The CONTRACTOR must, 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 the Department Terms and Conditions.
2. Annual Audits.
   * 1. 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 DEPARTMENT or a firm contracted by the DEPARTMENT to complete third-party contract audits of the BENEFIT PROGRAMS, 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.
     2. 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.
     3. The audits by the DEPARTMENT or the DEPARTMENT’S third-party contractor 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.
     4. The CONTRACTOR shall have an annual SOC 1 and SOC 2 audit conducted by an independent certified public accounting (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) CALENDAR DAYS of CONTRACTOR’S receipt of the report from the CPA firm.
3. Contract Compliance Audits. On a periodic basis, the DEPARTMENT will schedule and arrange for the DEPARTMENT or an independent CPA firm contracted by the Department to review the CONTRACTOR’S compliance with the CONTRACT, as determined by the DEPARTMENT. The scope will be determined by the DEPARTMENT and may include record-keeping, PARTICIPANT account activity, claims processing, administrative performance standards, and any other areas relevant to the BENEFIT PROGRAM.
4. Internal Audits. The CONTRACTOR must conduct internal audits of individual CONTRACTOR departments involved in the oversight of the BENEFIT PROGRAMS in order to validate controls, processes, systems, and accuracy. The CONTRACTOR must provide monthly bank account reconciliation to the DEPARTMENT.
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.
6. Election and CONTRIBUTION Audit.

a. CONTRIBUTIONS to the BENEFIT PROGRAM remain in the PARTICIPANT’S account and have carryover limitations from year to year. The DEPARTMENT owns the BENEFIT PROGRAM CONTRIBUTIONS and is restricted by the carryover limitations under IRS Regulations.

b. Each QUARTER, the CONTRACTOR will conduct an election and 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, with a copy to the DEPARTMENT, within twenty (20) CALENDAR DAYS after the end of the QUARTER.

c. The PAYROLL CENTER(S) will make best efforts to review CONTRACTOR’S discrepancy report(s) and make error corrections in the enrollment file within two (2) weeks of receiving the report from CONTRACTOR. CONTRACTOR will rerun the discrepancy report and provide the revised report to the DEPARTMENT within two (2) weeks after receiving the corrected enrollment file from the PAYROLL CENTER(S). The CONTRACTOR and the DEPARTMENT will ensure the corrections were made to the enrollment file by the appropriate PAYROLL CENTER(S).

d. For the first, second, and third QUARTERS, the CONTRACTOR will work with the PAYROLL CENTER(S) to resolve the discrepancies prior to the end of the PLAN YEAR, and, for the fourth QUARTER, CONTRACTOR will work with the PAYROLL CENTER(S) to resolve the discrepancies prior to the end of the runout period (March 31).

### 155G Fraud and Abuse

1. PARTICIPANT Fraud
   1. 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.

* 1. 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 [130E Recovery of Overpayments](#G130C).

1. Fraud and Abuse Review Plan Requirements
   1. 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:

* 1. Fictitious QUALIFIED DEPENDENT
  2. False or altered claim
  3. Duplicate REIMBURSEMENT REQUESTS

1. Appeal Process Support
   1. The CONTRACTOR must 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.

i. 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.

1. The CONTRACTOR must notify the DEPARTMENT immediately when the CONTRACTOR becomes aware of fraudulent charges on a PARTICIPANT’S DEBIT CARD or other fraudulent use of the BENEFIT PROGRAM by the PARTICIPANT. If a PARTICIPANT is found to have used a BENEFIT PROGRAM fraudulently, the PARTICIPANT may be terminated and lose the ability to participate in the BENEFIT PROGRAM in the future.
2. 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.

### 155H Privacy Breach Notification

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

### 155I Implementation

1. 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.
2. 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.
3. The DEPARTMENT reserves the right to make on-site visits to any CONTRACTOR locations.
4. 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 |
| **Non-Discrimination Testing Plan:** The CONTRACTOR works with the DEPARTMENT to establish deliverables and a timeline for annual non-discrimination testing for the BENEFIT PROGRAM. The DEPARTMENT will establish the first-year due date in accordance with this plan. | Within thirty (30) CALENDAR DAYS of execution of the CONTRACT; and on an annual basis |
| **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 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, 2025 |
|  |  |
| **Website and Web-Portal Content Launch:** CONTRACTOR’S customized website and web-portals are fully functional. The DEPARTMENT-specific materials, educational videos, CONTRIBUTION calculators, log-in to the web-portals, and related BENEFIT PROGRAM materials are updated for each PLAN YEAR and available on the website and/or BENEFIT PROGRAM web-portals as appropriate. | September 15 (on an annual basis) |
| **Employer Kick-Off Meeting:** If requested by the DEPARTMENT, the CONTRACTOR must attend the EMPLOYER kick-off meeting and provide guidance and BENEFIT materials to PAYROLL CENTER staff. | Mid-September (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 OPEN ENROLLMENT PERIOD. | September 15 (on an annual basis) |
| **Employer Health Fairs:** The CONTRACTOR shall participate in OPEN ENROLLMENT health fairs (in person and virtual) sponsored by EMPLOYERS. | OPEN ENROLLMENT PERIOD |
| **Eligibility File:** An audit of the eligibility files have been fully tested and are ready for BENEFIT PROGRAM operation. | November 15 |
| **Enrollment File:** The enrollment verification audit of the enrollment files have been fully tested and are ready for BENEFIT PROGRAM operation. | November 15 |
| **Financial Administration:** Financial administration requirements are operational, including but not limited to:   * 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 |
| **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. | November 30 |
| **DEBIT CARDS:** The CONTRACTOR issues DEBIT CARDS for PARTICIPANTS with coverage effective January 1 of each PLAN YEAR. | December 15 (on an annual basis) |
| **Welcome Packet:** The CONTRACTOR issues welcome packets for PARTICIPANTS with coverage effective January 1. | December 15 (on an annual basis) |
| **Claims Administrative Services:** All claims administrative SERVICES for the BENEFIT PROGRAM are fully operational. | January 1 |
| **Administrator Web-Portal:** The CONTRACTOR’S web-portal for DEPARTMENT and PAYROLL CENTER Administrators is launched. | January 1 |
| **PARTICIPANT Web-Portal:** The CONTRACTOR’S web-portal for PARTICIPANT account management is launched. | January 1 |
| **PARTICIPANT Mobile Application:** TheCONTRACTOR’S mobile application for PARTICIPANT account management is launched. | January 1 |
| **Administrative Fee Invoicing:** The CONTRACTOR’S administrative fee invoicing to the DEPARTMENT is established, tested, and working correctly. | January 31 |

### 155J Contract Termination

1. In addition to the provisions in the Department Standard Terms and Conditions, the following applies if the CONTRACT is terminated:

a. 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.

b. 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.

c. 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.

d. The CONTRACTOR will be required to coordinate turnover and transition planning and activities, subject to the DEPARTMENT’S approval.

### 155K Transition Plan

1. By July 1, 2026, 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.
2. In the event the CONTRACTOR terminates the CONTRACT, an updated transition plan must accompany the CONTRACTOR’S 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.
3. 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.
4. During the transition period (beginning on the effective date of CONTRACT termination and ending one (1) year thereafter), the CONTRACTOR must:

a. Participate in all DEPARTMENT requested meetings;

b. Provide all reports for program close out;

c. Report on performance standards specified in [Section 205](#_315_Performance_Standards_1);

d. Invoice the DEPARTMENT as specified in [Section 135C](#_135C_Fees,_Invoicing,);

e. Transmit program data to the new vendor; and

f. Continue grievance reviews.

5. Transition Plan Requirements. The CONTRACTOR’S comprehensive transition plan must include, at a minimum, the following:

a. Transition summary: description of the transition plan at a high level and what the plan will accomplish.

b. Transition approach: description of the CONTRACTOR’S overall approach to the transition.

c. Transition team organizational chart: organizational chart showing all staff resources and their roles in the transition.

d. 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.

e. A detailed description of the major tasks and activities that will be executed during the transition, must include, at a minimum, 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

f. 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.

6. Upon CONTRACT expiration or termination:

* 1. Administrator Support. 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 team with email boxes and phone numbers for the DEPARTMENT and PAYROLL CENTER personnel through the duration of the CONTRACT. 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.
  2. Knowledge Transfer. 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.
  3. Data Transfer.

i. 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.

ii. 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.

* 1. 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.
  2. Performance Standards and Guarantees. The CONTRACTOR will continue to adhere to the DEPARTMENT’S Performance Standards and Guarantees throughout the duration of the CONTRACT.
  3. Administrator Online Portal. 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.
  4. Participant Online Portal. 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.
  5. Customer Service. 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.
  6. 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. 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.
  7. Disputes, Escalations, Complaints, and 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.
  8. Claims Processing.

i. The CONTRACTOR must 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.

ii. The CONTRACTOR must 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.

iii. 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.

* 1. Unsubstantiated Claims.

i. The CONTRACTOR must adhere to the DEPARTMENT’S five step substantiation process and complete all CONTRACTOR assigned substantiation deliverables outlined in the PLAN DOCUMENTS, policies, and source documents. The CONTRACTOR will provide the DEPARTMENT with all data, reporting, supportive information, and source documents requested by the Department in the timeframe specified by the DEPARTMENT.

ii. The CONTRACTOR is responsible for resolving all unsubstantiated claim inquiries, disputes, or appeals received prior to the DEPARTMENT’S acceptance of transition completion in accordance with the terms of the CONTRACT. The CONTRACTOR will provide resolution support and all supportive documentation required to the DEPARTMENT for all unsubstantiated claim inquiries, disputes, and appeals received after the DEPARTMENT’S acceptance of transition completion.

iii. Once step four of the substantiation process has been completed for the PLAN YEAR, the CONTRACTOR will provide the DEPARTMENT with a report of all unresolved unsubstantiated claims for all PLAN YEARS by the date specified by the DEPARTMENT. The CONTRACTOR will update PARTICIPANT accounts throughout the entire five step substantiation process and provide the DEPARTMENT with updated reports on a monthly basis until the DEPARTMENT’S acceptance of transition completion.

* 1. DEBIT CARD. 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 PROGRAM. 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.
  2. Plan Finalization Report. The CONTRACTOR will provide the DEPARTMENT with a comprehensive error-free PLAN YEAR Plan Finalization Report including the following information for each PARTICIPANT. Provide a checklist of reviews/checks performed to validate the accuracy of the data, as well as management sign-off to certify the review.

1. PARTICIPANT name
2. PARTICIPANT identifier (Member ID and social security number)
3. Employment status
4. PAYROLL CENTER
5. BENEFIT PROGRAM type
6. BENEFIT PROGRAM effective date
7. BENEFIT PROGRAM termination/cancellation date
8. Annual election amount
9. PARTICIPANT contributions
10. Incoming carryover
11. Outgoing carryover
12. Claims paid
13. Pending claims (all pending claims will be resolved and all amounts zero)
14. Available balance
15. Forfeitures
    1. Data and Financial Reconciliation Audit. 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.
    2. Acceptance of Transition Completion. 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.

## 160 Claims

### 160A Claims Administration

* + 1. With respect to claims for the BENEFIT PROGRAMS, the CONTRACTOR will 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 PROGRAMS offered by the BOARD under .

2. The CONTRACTOR is 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 DOCUMENTS, 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 160](#_230C_Continuity_of) Claims.

1. The CONTRACTOR will adjudicate claims submitted by MERCHANTS in accordance with IRS regulations, the applicable BENEFIT PROGRAM, and MERCHANT agreement with the CONTRACTOR.
2. In addition to administering claims, the CONTRACTOR, with the consent of the BOARD, will establish the collateral procedures and services necessary to provide the SERVICES required under BENEFIT PROGRAMS in accordance with the CONTRACT, including enrollment and eligibility systems.

### 160B Review of Claims Decisions

The CONTRACTOR shall make claims decisions according to IRS regulations and the BENEFIT PROGRAM PLAN DOCUMENTS. The CONTRACTOR’S decision to deny a BENEFIT PROGRAM claim, in whole or part, is subject to review only as described in [Section 165](#_165_Grievances) Grievances.

### 160C Claims Processing and Reimbursement

1. As eligible expenses are incurred, the PARTICIPANT has two (2) options to access their BENEFIT PROGRAM funds:

a. DEBIT CARD: PARTICIPANTS can use their ERA PROGRAM DEBIT CARD at the point-of-purchase. The debit card pays for and automatically substantiates most eligible expenses, limiting the need to submit a REIMBURSEMENT REQUEST.

b. REIMBURSEMENT REQUEST: PARTICIPANTS can submit a request for reimbursement to the CONTRACTOR using one (1) of the following methods:

* Mobile application
* Online account
* REIMBURSEMENT REQUEST form

2. 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.

3. The CONTRACTOR must provide reimbursement claim forms for PARTICIPANTS on the website and/or PARTICIPANT web-portal.

1. The CONTRACTOR must accept claims submitted directly by PARTICIPANTS when such claims are properly completed using a standard claim form provided by the CONTRACTOR and submitted to CONTRACTOR with proof of proper documentation.
2. The CONTRACTOR must process the submitted claim and issue a reimbursement check or electronic funds transfer (at the option of the PARTICIPANT) to the PARTICIPANT within five (5) BUSINESS DAYS of receipt of a properly submitted claim request.

a. If a submitted claim is ineligible or incomplete, within five (5) BUSINESS DAYS of CONTRACTOR’S receipt of the request for reimbursement, the CONTRACTOR will either request more information from the PARTICIPANT or notify the PARTICIPANT that the claim was denied, including the reason(s) for the denial.

1. If the claim reimbursement is made by electronic funds transfer, the CONTRACTOR must provide an email notification to the PARTICIPANT confirming the deposit of funds for each incidence of electronic funds 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.

7. DEPENDENT DAY CARE FLEXIBLE SPENDING ACCOUNT claims must be paid by the CONTRACTOR to the extent the PARTICIPANT has available funds. CONTRACTOR must issue reimbursement payments to the PARTICIPANTS by check or direct deposit, at the option of the PARTICIPANT. See [Section 125F](#_125F_Contributions) Contributions.

8. HEALTH CARE FSA and LIMITED PURPOSE FSA annual contribution amounts are available immediately at the start of the PLAN YEAR. If a HEALTH CARE FSA or LPFSA claim is submitted for an amount larger than the PARTICIPANT’S account balance, the CONTRACTOR must pay the submitted (and approved) amount up to the projected annual account balance less any previous reimbursements or pay as otherwise required by federal law or regulations. CONTRACTOR must issue reimbursement payments to PARTICIPANTS by check or direct deposit, at the option of the PARTICIPANT.

9. COMMUTER FRINGE BENEFIT claims must be paid by the CONTRACTOR to the extent the PARTICIPANT has available funds. CONTRACTOR must issue reimbursement payments to the PARTICIPANTS by check or direct deposit, at the option of the PARTICIPANT.

10. 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.

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

### 160D Substantiation

* + 1. The CONTRACTOR must comply with all IRS regulated substantiation requirements.
    2. The CONTRACTOR’S BENEFIT PROGRAM DEBIT CARD must comply with all IRS regulations.
    3. The CONTRACTOR will require PARTICIPANTS to substantiate all transactions and/or eligible expenses, in accordance with IRS regulations.
    4. BENEFIT PROGRAM claims that are not auto-substantiated will automatically enter into a progressive five-step recovery process. The CONTRACTOR will be required to follow the DEPARTMENT mandated five-step recovery process (applicable to HEALTH CARE FSA and LIMITED PURPOSE FSA only):

1. Substantiation Notification. If a claim requires substantiation, the CONTRACTOR will send the PARTICIPANT multiple notices to inform the PARTICIPANT of the unsubstantiated claim and PARTICIPANT BENEFIT PROGRAM account responsibilities.
2. Claim Denial and DEBIT CARD Deactivation. If a claim is not substantiated within forty-five (45) DAYS of the first notification, the CONTRACTOR will deny the claim, send denial notification to the PARTICIPANT, and deactivate the PARTICIPANT’S DEBIT CARD.
3. Plan Correction Payroll Withholding. If a PARTICIPANT fails to repay an unsubstantiated claim or provide necessary documentation by December 31, the CONTRACTOR, DEPARTMENT, and the PAYROLL CENTER, will recover the claim amount through payroll withholding during the PLAN YEAR run-out period (January 1 through March 31).
4. Claim Offset. A PARTICIPANT is able to substitute the unsubstantiated claim with another eligible expense. The CONTRACTOR will process PARTICIPANT claim offset requests throughout the PLAN YEAR and through the PLAN YEAR run-out period for expenses incurred during the PLAN YEAR.
5. Recovery of Other Business Debt. A business debt is incurred when a PARTICIPANT fails to resolve an unsubstantiated claim by the end of the PLAN YEAR’S run-out period (March 31). The recovery of other business debts consists of two (2) steps: recovery as other business debit and imputation of income. The CONTRACTOR will provide a final business debt report to the DEPARTMENT at the end of the run-out period. The DEPARTMENT will seek repayment of these business debts to the extent that is consistent with the DEPARTMENT’S collection procedures for other business debts. If the DEPARTMENT’S collection procedures are unsuccessful, the DEPARTMENT will proceed to the final step, which involves imputing taxable income to the PARTICIPANT. Imputation will be facilitated using a Form W-2 in the year in which the debt is forgiven. Income imputation may only take place if all prior steps do not result in the recovery of the unsubstantiated claim generated by the business debt. The CONTRACTOR and the DEPARTMENT will determine the level of detail and frequency of communications to support the recovery process.

5. For the COMMUTER BENEFIT PROGRAM, substantiation is not required for Parking expenses paid by the BENEFIT PROGRAM DEBIT CARD as those expenses will be auto-substantiated using inventory information approval system (IIAS) codes. Substantiation is required for Transit expenses as those expenses will be paid by the CONTRACTOR manually. Adequate SUBSTANTIATION from the PARTICIPANT, such as a third-party receipt or attestation, will be required for any manual claims.

6. The CONTRACTOR must provide any necessary technical information and/or assistance in the collection, preparation, and filing of any statistical or other program data that may be required by the IRS or other regulatory agency.

7. The CONTRACTOR must provide technical and compliance expertise to the DEPARTMENT to assure compliance with applicable IRS codes and regulations and alert the DEPARTMENT when potential non-compliance is noted.

8. The CONTRACTOR must provide auto-substantiation at the City of Madison Transportation Office (located at the City of Madison Parking Utility, 215 Martin Luther King Jr. Blvd, Madison, WI 53703) for PARTICIPANTS using their debit card to pay for COMMUTER BENEFIT PROGRAM expenses. The CONTRACTOR must work with CONTRACTOR’S DEBIT CARD vendor to ensure PARTICIPANTS can make payments for commuter expenses without additional documentation.

## 165 Grievances

### 165A General

1. The CONTRACTOR must have a mechanism, as approved by the DEPARTMENT, for handling complaints and grievances made by PARTICIPANTS. 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.

2. 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.

3. 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.

### 165B Grievance Process Overview

1. 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.
2. 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.
3. 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.
4. 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.
5. The following provides an overview of the steps in the PARTICIPANT grievance process. Details are provided in Sections 165C – 165H below.

a. REIMBURSEMENT REQUEST review (optional for PARTICIPANT);

b. Participant notice;

c. Investigation and resolution;

d. 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,

e. Federal external review (not all grievances eligible).

1. The CONTRACTOR must track all PARTICIPANT late enrollment and unsubstantiated claims appeals it receives and provide an annual summary report to the DEPARTMENT by the end of the first QUARTER of each new PLAN YEAR.

### 165C 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.

### 165D 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.

### 165E Investigation and Resolution Requirements

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

### 165F Notification of Department Administrative Review Rights

1. 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.
2. 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.
3. 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)](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/03/6) and [Wis. Adm. Code ETF 11.01 (3)](http://docs.legis.wisconsin.gov/code/admin_code/etf/11/01). However, the DEPARTMENT will not issue a determination regarding denials of REIMBURSEMENT REQUESTS by a CONTRACTOR based on IRS regulations.
4. Following a determination by the DEPARTMENT, a PARTICIPANT may submit an appeal to the BOARD, as provided by [Wis. Stat. § 40.03 (6) (i)](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/03/6) and [Wis. Adm. Code ETF 11.01 (3)](http://docs.legis.wisconsin.gov/code/admin_code/etf/11/01). 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.
5. BOARD decisions can only be further reviewed as provided by [Wis. Stat. § 40.08 (12)](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/08/12) and [Wis. Adm. Code ETF 11.15](http://docs.legis.wisconsin.gov/code/admin_code/etf/11/15).

### 165G 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 to the DEPARTMENT within fifteen (15) BUSINESS DAYS from the date of the DEPARTMENT’S request, or, if an urgent matter arises, by an earlier date as requested by the DEPARTMENT.

### 165H 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.

### 165I 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.

### 165J 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 205](#_205_Performance_Standards) Performance Standards and Penalties.

### 165K Appeals Process

1. 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:

a. Denial of a claim

b. Grace period and runout period

c. Late reimbursement

d. Late enrollment

e. Substantiation

1. 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.
2. 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.
3. 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.

## 170 Continuation

### 170A Right to Continue Coverage

A PARTICIPANT who ceases to meet the definition of EMPLOYEE may elect to continue coverage as required by STATE and federal law. Applications to continue coverage must be postmarked within sixty (60) CALENDAR DAYS of the date the PARTICIPANT is notified of the right to continue or sixty (60) CALENDAR DAYS from the date coverage ceases, whichever is later.

### 170B Participant Nonpayment of Contributions

1. A PARTICIPANT who ceases to be eligible for benefits may elect to continue coverage for benefits eligible under COBRA, except in the following circumstances:

a. When coverage is canceled;

b. When CONTRIBUTIONS are not paid when due; or

c. When coverage is terminated as permitted by STATE or federal law.

1. As required by federal law, if timely payment is made in an amount that is not significantly less than the amount due, that amount is deemed to satisfy the requirement for the amount due. However, the DEPARTMENT may notify the PARTICIPANT of the amount of the deficiency and grant a reasonable time period for payment of that amount. A reasonable time period is considered thirty (30) CALENDAR DAYS after the notice is given.

## 175 Customer Service

1. The CONTRACTOR must provide a toll-free customer service line dedicated to the BENEFIT PROGRAMS, staffed by trained CONTRACTOR customer service representatives, that operates between 7:00 a.m. to 6:00 p.m. CST/CDT, Monday through Friday. CONTRACTOR’S customer service responds to PARTICIPANT inquiries regarding account balances, enrollment, BENEFIT PROGRAM, forms completion, and complaints. 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.
2. 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.
3. 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.
4. 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.
5. The CONTRACTOR must monitor and report to the DEPARTMENT on the performance standards for the BENEFIT PROGRAMS that include call answer timeliness and call abandonment rate. Targets for the customer service performance standards and associated penalties are specified in [Section 205E](#_205E_Customer_Service) Customer Service Performance Standards and are based on calls received on the CONTRACTOR’S dedicated toll-free number for the BENEFIT PROGRAMS.
6. The CONTRACTOR must have a customer service inquiry system for inquiries received by phone, email, website, and/or web-portal. 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.
7. CONTRACTOR’S customer service inquiry system must track and log, at a minimum, the following detail:
8. The PARTICIPANT’S identifying information;
9. The date and time the inquiry was received;
10. The reason for the inquiry (including a reason code using a coding scheme);
11. The origin of the transaction (e.g., inbound call, the DEPARTMENT, EMPLOYER group);
12. The representative that handled the inquiry;
13. For phone inquiries, the length of call; and,
14. The resolution of the inquiry (including a resolution code using a coding scheme).

8. 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.

9. The CONTRACTOR must have and implement procedures for monitoring and ensuring the quality of SERVICES provided by its customer service representatives. CONTRACTOR’S management staff (e.g., lead worker, supervisor, manager) must audit at least five percent (5%) of all PARTICIPANT inquiries made each month by each submission type (e.g., phone, email, website) 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) CALENDAR DAYS following the end of each QUARTER.

10. 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.

12. The CONTRACTOR must conduct semi-annual customer service satisfaction surveys. Customer service satisfaction targets and associated penalties are specified in [Section 205E.5](#_205E_Customer_Service).

13. Service Level Response Time:CONTRACTOR must respond timely to DEPARTMENT inquiries. Such inquiries may include, but are not limited to, inquiries regarding audits, invoicing, and appeals. Response time targets and associated penalties are specified in [Section 205E.6](#_205E_Customer_Service).

## 180 Miscellaneous Provisions

### 180A Participant Rights and Responsibilities

The CONTRACTOR shall comply with and abide by the PARTICIPANT’S Rights and Responsibilities as provided in the DEPARTMENT’S OPEN ENROLLMENT materials. The CONTRACTOR may use CONTRACTOR’S PARTICIPANT’S Rights and Responsibilities document unless there is a conflict with the DEPARTMENT’S OPEN ENROLLMENT materials. In the event of such a conflict, the PARTICIPANT’S Rights and Responsibilities which are more favorable to the PARTICIPANT will apply..

### 180B Errors

1. 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.
2. The CONTRACTOR shall only make corrections to clerical errors to the BENEFIT PROGRAM in accordance with Sections 125, 105, and 129 of the Internal Revenue Code and [Wis. Stat. §40.85-40.875](https://docs.legis.wisconsin.gov/statutes/statutes/40/VIII/85). All corrections shall be processed through PAYROLL CENTER and DEPARTMENT’S IAS vendor 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.

### 180C 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.

### 180D Examination of Records

1. 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](http://docs.legis.wisconsin.gov/statutes/statutes/40/I/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.
2. 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:
3. 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)](http://docs.legis.wisconsin.gov/code/admin_code/etf/10/01/3m) and [ETF 10.70 (1)](http://docs.legis.wisconsin.gov/code/admin_code/etf/10/70/1), that are included in such information;
4. Not make any disclosure of such information without providing advance notice to the DEPARTMENT; and,
5. Include a liability clause for damages in the event the CONTRACTOR makes any disclosure of INDIVIDUAL PERSONAL INFORMATION or any record that would violate [Wis. Stat. § 40.07 (1) or (2)](http://docs.legis.wisconsin.gov/statutes/statutes/40/I/07) if the disclosure was made by the DEPARTMENT.

### 180E Record Retention

1. 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.
2. 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.

1. 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 39.0 Recordkeeping and Record Retention of the Department Terms and Conditions.
2. 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.

### 180F 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 the Department Terms and Conditions for additional business continuity requirements.

### 180I 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.

## 185 Reporting Requirements

1. The CONTRACTOR must submit the reports described herein to the DEPARTMENT, and PAYROLL CENTERS as noted. Reports must be submitted by SECURE email to the DEPARTMENT Program Manager or the DEPARTMENT’S sFTP site as specified by the DEPARTMENT Program Manager, in the format specified by the DEPARTMENT Program Manager (e.g., in Microsoft Word, Microsoft Excel, PDF), and must be of the type and at the frequency indicated in this section and in [Section 205C](#_205C_Reports) Reports.
2. Each report submitted by the CONTRACTOR to the DEPARTMENT must:
   1. Be verified by the CONTRACTOR for accuracy and completeness prior to submission;
   2. Be delivered on or before scheduled due dates;
   3. Be submitted as directed by the DEPARTMENT;
   4. Fully disclose all required information in a manner that is responsive and with no material omission; and
   5. Be accompanied by a brief narrative that describes the content of the report and highlights significant findings of the report.
3. Instructions and specific due dates will be provided by the DEPARTMENT. 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. Unless otherwise requested by the DEPARTMENT, each report must be specific to data for the BENEFIT PROGRAM, not general data from the CONTRACTOR’S book of business.
5. The CONTRACTOR must notify the DEPARTMENT regarding any significant changes in its ability to collect information relative to the required data and reports.
6. The CONTRACTOR must fully support the BOARD and the DEPARTMENT in responding timely to informational requests made by the STATE Legislature.
7. The CONTRACTOR must provide the following reports to the DEPARTMENT:
   1. 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.
   2. 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.
   3. A preliminary, materially correct BENEFIT PROGRAM finalization report for each PLAN YEAR by April 30 each PLAN YEAR; and, a final, reviewed BENEFIT PROGRAM finalization report for each PLAN YEAR by May 31 each year, including a completed BENEFIT PROGRAM finalization report review checklist that indicates the report has been verified, is without errors, is in the format agreed upon by CONTRACTOR and the DEPARTMENT, and is signed by an appropriate CONTRACTOR staff person who is not the person who created the report. CONTRACTOR’S BENEFIT PROGRAM finalization reports will include the following fields: PARTICIPANT name, PARTICIPANT identifiers (Member ID and social security number), employment status, PAYROLL CENTER, BENEFIT PROGRAM type, BENEFIT PROGRAM effective date, BENEFIT PROGRAM termination/cancellation date, annual election amount, PARTICIPANT contributions, incoming carryover, outgoing carryover, claims paid, pending claims (all pending claims will be resolved and all amounts zero), available balance, forfeitures and any additional fields agreed upon by the DEPARTMENT and the CONTRACTOR on or before January 31 proceeding the PLAN YEAR.
   4. An annual report of the prior PLAN YEAR’S performance by the last BUSINESS DAY of May 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.
   5. 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.
   6. A QUARTERLY customer service summary report within twenty (20) CALENDAR DAYS of the end of each QUARTER. The customer service summary reports must include, at a minimum, the number and type/category of calls, and call trending information.
   7. A QUARTERLY report addressing the CONTRACTOR’S performance under each Performance Standard listed in Sections 205A – 205I, due within thirty (30) CALENDAR DAYS following the end of each QUARTER.
   8. An annual report summarizing the CONTRACTOR’S performance under the Performance Standards listed in Sections 205A – 205I, due within forty-five (45) CALENDAR DAYS of the end of each PLAN YEAR.
   9. A QUARTERLY claims summary report within fifteen (15) CALENDAR DAYS following the end of each QUARTER. The claim summary report will include claim trending and claim categorization information.
   10. A PARTICIPANT forfeitures report for the prior PLAN YEAR. At the close of the PLAN YEAR, any unused funds not able to be rolled over to the next PLAN YEAR are forfeited back to the appropriate BENEFIT PROGRAM. The forfeited funds are used to offset administrative expenses. The CONTRACTOR will provide the DEPARTMENT a 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.
   11. 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.
8. 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.
9. The CONTRACTOR must maintain supporting data and documentation that is sufficient for the DEPARTMENT or the DEPARTMENT’S auditor to validate CONTRACTOR’S reported performance; such validation materials will be mutually agreed upon between the CONTRACTOR and the DEPARTMENT and be provided to the DEPARTMENT on an as needed basis as requested.

10. For the ERA BENEFIT PROGRAM, the CONTRACTOR must:

* Provide a stale-dated check report listing CONTRACTOR reimbursement checks that were not cashed or deposited within six (6) months of the date the check was issued.
* The CONTRACTOR will follow up with the payee/PARTICIPANT when a check is not cashed within three (3) months of the date the check was issued to determine if the check should be reissued due to loss, incorrect address or bank details, or other issue.
* The CONTRACTOR will refund the DEPARTMENT for the total amount of reimbursement checks that are not cashed within six (6) months of the check issue date. The CONTRACTOR will send the funds to the DEPARTMENT within thirty (30) CALENDAR DAYS after the six (6) month period following the date the check was issued. The DEPARTMENT will hold these funds and resolve payouts, if possible, through the DEPARTMENT’S stale-dated check process. If a PARTICIPANT contacts the CONTRACTOR about the uncashed check, the CONTRACTOR will refer the PARTICIPANT to the DEPARTMENT for resolution.
* The stale-dated check report must be provided MONTHLY to the DEPARTMENT and include the payee/PARTICIPANT name, PARTICIPANT ID number, check number, check date, check amount, PLAN YEAR for which the check pertains, and BENEFIT PROGRAM.

11. The CONTRACTOR must provide ad hoc reporting. The CONTRACTOR must deliver such reports to the DEPARTMENT within a mutually agreed upon timeframe.

12. The DEPARTMENT reserves the right to refine/modify reporting requirements as appropriate and necessary to monitor the CONTRACT and the BENEFIT PROGRAM. The DEPARTMENT will provide the CONTRACTOR with at least forty-five (45) DAYS’ notice prior to implementation of a report modification. 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.

1. The CONTRACTOR must continue to submit the required reports during the six (6) month period following termination of the Contract (the run-out period), if applicable as determined by the Department.

## 200 Deliverables

The DEPARTMENT will provide the CONTRACTOR with instructions on how and to whom to submit the deliverables. The frequency and the due dates of the deliverables are subject to change. In addition to other deliverables specified throughout this AGREEMENT, the following deliverables to the DEPARTMENT and to PARTICIPANTS are required:

### 200A Deliverables to the Department

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| --- | --- |
| 1. **Implementation Plan** | |
| ***Description*** | The CONTRACTOR must submit an updated implementation plan in a mutually agreed upon format and timeline to the DEPARTMENT Program Manager or designee. *(See Section 155I Implementation.)* |
| ***Due*** | Within ten (10) CALENDAR DAYS of CONTRACT execution |
| 1. **Debit Card Issuance Delays** | |
| ***Description*** | The CONTRACTOR must notify the DEPARTMENT Program Manager of any delays with issuing the DEBIT CARDS. *(See Section 130C Debit Cards.)* |
| ***Due*** | Upon identification of issue. |
| 1. **Debit Card Confirmation** | |
| ***Description*** | The CONTRACTOR must send a written confirmation to the DEPARTMENT Program Manager indicating the date(s) the DEBIT CARDS were issued. *(See Section 130C Debit Cards.)* |
| ***Due*** | January |
| 1. **Key Contacts Listing** | |
| ***Description*** | The CONTRACTOR must provide the DEPARTMENT with contact information for key CONTRACTOR staff, which the DEPARTMENT will share with EMPLOYERS. *(See Section 155A Account Management and Staffing.)* |
| ***Due*** | April, August |
| 1. **Fraud and Abuse Review Plan** | |
| ***Description*** | The CONTRACTOR must submit a fraud and abuse review plan to the DEPARTMENT. *(See Section 155G Fraud and Abuse.)* |
| ***Due*** | Within thirty (30) CALENDAR DAYS of CONTRACT execution. Annually thereafter. |
| 1. **OPEN ENROLLMENT Information** | |
| ***Description*** | The CONTRACTOR must submit the following information to the DEPARTMENT, in the format specified by the DEPARTMENT, for inclusion in the communications from the DEPARTMENT for the OPEN ENROLLMENT PERIOD:   * 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 140B Open Enrollment Materials; 140D Merchant Directory.)* |
| ***Due*** | July |
| 1. **OPEN ENROLLMENT Informational Materials Review** | |
| ***Description*** | The CONTRACTOR must submit all informational materials intended for distribution during the OPEN ENROLLMENT PERIOD to the DEPARTMENT for review and approval. *(See Section 140B Open Enrollment Materials.)* |
| ***Due*** | August |
| 1. **OPEN ENROLLMENT Informational Participant Outreach** | |
| ***Description*** | The CONTRACTOR must send a notice to PARTICIPANTS prior to the OPEN ENROLLMENT PERIOD reminding PARTICIPANTS them to enroll and identifying any BENEFIT PROGRAM changes. *(See Section 140B Open Enrollment Materials.)* |
| ***Due*** | September |
| 1. **Enrollment and Contribution Audit (Projected Contribution Report)** | |
| ***Description*** | The CONTRACTOR must complete an enrollment verification and contribution audit comparing the PAYROLL CENTERS’ program enrollment report to the CONTRACTOR’S enrollment record for the STATE. *(See Section 155F.6.)* |
| ***Due*** | Quarterly |
| 1. **Web Content and Web-Portal Design and Changes** | |
| ***Description*** | The CONTRACTOR must submit web page and web-portal content and design for review, as directed by the DEPARTMENT. The CONTRACTOR must notify the DEPARTMENT Program Manager of any substantial changes being made to the website prior to implementation. *(See Section 140C Contractor Benefit Program Web Content and Web-Portals.)* |
| ***Due*** | As directed by the DEPARTMENT. |
| 1. **Major Administrative and Operative System Changes** | |
| ***Description*** | The CONTRACTOR must submit written notice to the DEPARTMENT at least one hundred eighty (180) CALENDAR 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 145.2 Information Systems.)* |
| ***Due*** | As needed. |
| 1. **Notification of Account Manager or Key Staff Changes** | |
| ***Description*** | The CONTRACTOR must notify the DEPARTMENT if the CONTRACTOR’S Account Manager, backup, or other key staff changes. *(See Section 155A Account Management and Staffing.)* |
| ***Due*** | As needed. |
| 1. **Notification of Legal Action** | |
| ***Description*** | If a PARTICIPANT files a lawsuit naming the CONTRACTOR as a defendant, the CONTRACTOR must notify the DEPARTMENT’S Program Manager and chief legal counsel within ten (10) BUSINESS DAYS of notification of the legal action. *(See Section 165I Notification of Legal Action.)* |
| ***Due*** | As needed. |
| 1. **Notification of Privacy Breach** | |
| ***Description*** | The CONTRACTOR must notify the DEPARTMENT Program Manager and Privacy Officer within forty-eight (48) hours 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](http://docs.legis.wisconsin.gov/statutes/statutes/134/98), HIPAA, and GINA. *(See Section 155H Privacy Breach Notification and Section 24.0 of the Department Terms and Conditions.)* |
| ***Due*** | As needed. |
| 1. **Notification of Significant Events** | |
| ***Description*** | The CONTRACTOR must provide notification of all significant events as described in Section 120.9. |
| ***Due*** | As needed. |
| 1. **Recovery of Claims Overpayment** | |
| ***Description*** | The CONTRACTOR will provide a Negative Balance Report to the DEPARTMENT that lists PLAN YEAR overpayment claims that were not eligible for reimbursements before the end of the runout period (March 31). CONTRACTOR shall review the Negative Balance Report for the accuracy of overpaid claims before the report is given to the DEPARTMENT by April 16 of each year. *(See Section 135F Recovery of Overpayments.)* |
| ***Due*** | Annually |
| 1. **Transition Plan** | |
| ***Description*** | The CONTRACTOR must provide 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 155K Transition Plan.)* |
| ***Due*** | By July 1, 2026 and prior to CONTRACT expiration or termination as specified in Section 155K Transition Plan. |
| 1. **Approval of Communications** | |
| ***Description*** | Communication materials specified by the DEPARTMENT shall be pre-approved by the DEPARTMENT prior to distribution to current PARTICIPANTS, potential PARTICIPANTS, and employers. 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 140 Informational Materials, Website.)* |
| ***Due*** | As needed. |
| 1. **Benefit Program Plan Documentation** | |
| ***Description*** | The CONTRACTOR must provide the DEPARTMENT a compliant and comprehensive SECTION 125 CAFETERIA PLAN, PLAN DOCUMENT and any pertinent SUMMARY PLAN DESCRIPTION(S) 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 155D Section 125 Cafeteria Plan Documentation.)* |
| ***Due*** | As needed. At least annually. |
| 1. **Web Content** | |
| ***Description*** | The CONTRACTOR’S BENEFIT PROGRAM website/web pages/web-portals customized for the DEPARTMENT, must be fully operational. *(See Section 140C Contractor Benefit Program Web Content and Web-Portals .)* |
| ***Due*** | 14 CALENDAR DAYS prior to the start of the OPEN ENROLLMENT PERIOD |

### 200B Deliverables to Participants

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| **1. DEBIT CARDS** | |
| ***Description*** | The CONTRACTOR must provide PARTICIPANTS with DEBIT CARDS within five (5) BUSINESS DAYS of generation of the enrollment file. *(See Section 130C Debit Cards.)* |
| ***Due*** | Upon enrollment. |
| **2. Participant Enrollment Information** | |
| ***Description*** | The CONTRACTOR must provide the following information, at a minimum, to PARTICIPANTS upon enrollment:   * 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.   *(See Section 130C Debit Cards.)* |
| ***Due*** | Upon enrollment. |
| **3. PARTICIPANT Notification of Grievance Rights** | |
| ***Description*** | 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 BENEFIT or other occurrence of the cause of the grievance along with the benefit contractual provision(s) upon which the denial is based. *(See Section 165F Notification of Department Administrative Review Rights.)* |
| ***Due*** | See description. |
| **4. PARTICIPANT Notification of DEPARTMENT Administrative Review Rights** | |
| ***Description*** | In the final grievance decision letter, the CONTRACTOR must inform the PARTICIPANT of their right to request a DEPARTMENT review of the grievance committee’s final decision, using the language approved by the DEPARTMENT. *(See Section 165F Notification of Department Administrative Review Rights.)* |
| ***Due*** | See description. |
| **5. PARTICIPANT Appeals Process** | |
| ***Description*** | The CONTRACTOR must 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 must issue a written decision within sixty (60) CALENDAR DAYS specifying the reason (s) for the decision, including references to applicable BENEFIT PROGRAM and PLAN DOCUMENT provisions. The written decision must inform the PARTICIPANT of the opportunity to appeal CONTRACTOR’S decision to the DEPARTMENT. *(See Section 165J Compliance with Departmental Determination.)* |
| ***Due*** | See description. |

## 205 Performance Standards and Penalties

### 205A General

* 1. By entering a CONTRACT with the DEPARTMENT, the CONTRACTOR guarantees performance sufficient to fulfill the requirements of the CONTRACT. The CONTRACTOR must meet all requirements and performance standards listed in Sections 205B – 205I. After the CONTRACT start date, if additional resources are needed, the CONTRACTOR will bear all costs necessary to satisfy the requirements of the CONTRACT.
  2. The requirements and performance standards are specific to data from the BENEFIT PROGRAMS, not general data from the CONTRACTOR’S book-of-business.
  3. The CONTRACTOR must track its performance using a template provided by the DEPARTMENT or another reporting format agreed to between the CONTRACTOR and the DEPARTMENT.
  4. The CONTRACTOR must submit performance reports and maintain supporting data and documentation that is sufficient for the DEPARTMENT or the DEPARTMENT’S auditor to validate CONTRACTOR’S reported performance; such validation materials will be mutually agreed upon between the CONTRACTOR and the DEPARTMENT and requested from the DEPARTMENT on an as needed basis. The CONTRACTOR must provide the DEPARTMENT with QUARTERLY and annual performance standards reports as required in [Section 205C](#_205C_Reports) Reports.
  5. The CONTRACTOR must notify the DEPARTMENT upon realization that a performance standard will not be met, prior to the reporting deadline.
  6. Performance standards reported by the CONTRACTOR will be reviewed by the DEPARTMENT on a QUARTERLY or an annual basis as appropriate for the Performance Standard. The DEPARTMENT reserves the right to waive a penalty in certain circumstances when the DEPARTMENT determines it is warranted. 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.
  7. The DEPARTMENT will provide the CONTRACTOR an invoice for each penalty assessed for the failure of CONTRACTOR to meet a performance standard listed in Sections 205B – 205H. 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 start date of the failure to perform. The imposition of penalties is not in lieu of any other remedy available to the DEPARTMENT or BOARD.

8. The DEPARTMENT will provide CONTRACTOR with a penalty invoice for each QUARTER for which penalties are owed. Penalty payments owed by the CONTRACTOR to the DEPARTMENT must be either a) credited on the CONTRACTOR’S Administrative Fee invoice to the DEPARTMENT or b) paid by check within thirty (30) CALENDAR DAYS of receipt of the DEPARTMENT’S invoice, such arrangement to be agreed upon by the DEPARTMENT and the CONTRACTOR.

9. The DEPARTMENT will make the determination as to whether or not the CONTRACTOR meets a performance standard.

### 205B Invoices

Penalties (if any) will be assessed QUARTERLY.

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| 1. **Claims Invoicing** | |
| ***Description*** | The CONTRACTOR must electronically submit an invoice to the DEPARTMENT for amounts owed to the CONTRACTOR for paid claims. The invoices must be in a format agreed upon by the DEPARTMENT and the CONTRACTOR and include details required by the DEPARTMENT. *(See* [*Section 135C*](#_135A_Invoicing_and)*.5.)* |
| ***Frequency*** | Weekly |
| ***Penalty*** | One-thousand ($1,000) dollars per report or deliverable for which the standard is not met. |
| 1. **Administrative Fee Invoicing** | |
| ***Description*** | The CONTRACTOR must electronically submit an invoice to the DEPARTMENT for amounts owing to the CONTRACTOR for administrative fees. The invoices must be in a format agreed upon by the DEPARTMENT and the CONTRACTOR and include details required by the DEPARTMENT. *(See Section 135C Fees, Invoicing, and Payments.)* |
| ***Frequency*** | Monthly, due by the fifteenth (15th) of the month following the month for which the invoice applies. If the fifteenth (15th) of the month falls on a non-BUSINESS DAY, the CONTRACTOR must send the invoice to the DEPARTMENT no later than the next BUSINESS DAY. |
| ***Penalty*** | One-thousand ($1,000) dollars per BUSINESS DAY late |
| 1. **Other Fee Invoicing** | |
| ***Description*** | The CONTRACTOR must electronically submit an invoice to the DEPARTMENT showing the amount due from the DEPARTMENT to the CONTRACTOR. *(See Section 135C Fees, Invoicing, and Payments.)* |
| ***Frequency*** | Monthly, due by the fifteenth (15th) of the month following the month for which the invoice applies. If the fifteenth (15th) of the month falls on a non-BUSINESS DAY, the CONTRACTOR must send the invoice to the DEPARTMENT no later than the next BUSINESS DAY. |
| ***Penalty*** | One-thousand ($1,000) dollars per BUSINESS DAY late. |

### 205C Reports

Penalties (if any) will be assessed QUARTERLY.

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| 1. **Bank Reconciliation Report** | |
| ***Description*** | The CONTRACTOR must perform a monthly bank reconciliation and provide it to the DEPARTMENT. *(See Section 135D Banking / Record-Keeping.)* |
| ***Frequency*** | Monthly, due within twenty (20) CALENDAR DAYS following the last day of each month. |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late. |
| 1. **Claims Invoice Reconciliation Report** | |
| ***Description*** | The CONTRACTOR must submit a claims invoice reconciliation report each month for the prior month. The report reconciles the semi-monthly claims invoice into a monthly report that will match the claims data reported each month. *(See Section 135D Banking / Record-Keeping.)* |
| ***Frequency*** | Monthly, due within twenty (20) CALENDAR DAYS following the last CALENDAR DAY of each month |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late. |
| 1. **QUARTERLY Performance Standards Reports** | |
| ***Description*** | The CONTRACTOR will submit a report summarizing the CONTRACTOR’S performance under the performance standards specified in Sections 205B – 205I. *(See Section 185 Reporting Requirements and Sections 205B – 205I.)* |
| ***Frequency*** | QUARTERLY, due within twenty (20) CALENDAR DAYS following the last CALENDAR DAY of each QUARTER |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late. |
| 1. **Annual Performance Standards Report** | |
| ***Description*** | The CONTRACTOR must submit a report summarizing the CONTRACTOR’S performance under the performance standards specified in Sections 205B – 205I.  *(See Section 185 Reporting Requirements and Sections 205B – 205I.)* |
| ***Frequency*** | Annually, due within thirty (30) CALENDAR DAYS following the end of each PLAN YEAR |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late. |
| 1. **Performance Standards Reports - Supporting Documentation** | |
| ***Description*** | The CONTRACTOR must maintain and provide the DEPARTMENT with supporting data and documentation that is sufficient for the DEPARTMENT or the DEPARTMENT’S auditor to validate CONTRACTOR’S reported performance. *(See Section 205A.4.)* |
| ***Frequency*** | As needed, within 5 BUSINESS DAYS of the DEPARTMENT’S request. |
| ***Penalty*** | Five-hundred ($500) dollars per BUSINESS DAY late. |
| 1. **Business Recovery Plan and Simulation Report** | |
| ***Description*** | The CONTRACTOR must submit to the DEPARTMENT a business recovery plan that is documented and tested annually, at a minimum. *(See Section 145.5.)* |
| ***Frequency*** | Annually, due prior to March 1, for the prior PLAN YEAR. |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late after March 1. |
| 1. **Fraud and Abuse Review Results** | |
| ***Description*** | 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. *(See* [*Section 155G*](#_155G_Fraud_and) *Fraud and Abuse.)* |
| ***Frequency*** | QUARTERLY, due within thirty (30) CALENDAR DAYS following the last CALENDAR DAY of each QUARTER. |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late. |
| 1. **SOC 1 and SOC 2 Report** | |
| ***Description*** | The CONTRACTOR must provide its SOC 1 and SOC 2 audit results from an independent CPA firm to the DEPARTMENT. *(See Section 155F.2.d. and the Department Terms and Conditions.)* |
| ***Frequency*** | Annually, due within sixty (60) CALENDAR DAYS of CONTRACTOR’S receipt of the audit results from the CPA firm. |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late. |
| 1. **Nondiscrimination Testing Results Report** | |
| ***Description*** | The CONTRACTOR must perform annual non-discrimination testing and submit the results to the DEPARTMENT. *(See* [*Section 155E*](#_155E_Nondiscrimination_Testing) *Nondiscrimination Testing.)* |
| ***Frequency*** | Annually, due no later than ninety (90) CALENDAR DAYS following the end of each calendar year. |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late. |
| 1. **Financial and Utilization Data Submission** | |
| ***Description*** | The CONTRACTOR must submit 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 *(See Section 120.6 and Section 185 Reporting Requirements.)* |
| ***Frequency*** | Annually, due within thirty (30) CALENDAR DAYS following the end of each calendar year. |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late. |
| 1. **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. *(See Section 185 Reporting, 7.d.)* |
| ***Frequency*** | QUARTERLY, due within twenty (20) CALENDAR DAYS following the end of each QUARTER. |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late |
| 1. **Customer Service Report** | |
| ***Description*** | The CONTRACTOR must provide QUARTERLY customer service summary reports. The customer service summary reports will include number and type/categorization of calls, and call trending. *(See Section 185 Reporting, 7.f.)* |
| ***Frequency*** | QUARTERLY, due within twenty (20) CALENDAR DAYS following the end of each QUARTER |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late. |
| 1. **Payroll Discrepancy Report** | |
| ***Description*** | The CONTRACTOR must provide the DEPARTMENT with a PAYROLL CENTER discrepancy status summary report on a monthly basis. 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 185 Reporting, 7.b.)* |
| ***Frequency*** | Monthly, due within twenty (20) CALENDAR DAYS following the end of each month. |
| ***Penalty*** | One-thousand ($1,000) dollars per |
| 1. **Annual Report** | |
| ***Description*** | The CONTRACTOR must provide the DEPARTMENT an annual report of the prior PLAN YEAR’S performance 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 185*](#_185_Reporting_Requirements) *Reporting Requirements.)* |
| ***Frequency*** | Annually, due by the last BUSINESS DAY of May each year. |
| ***Penalty*** | Two hundred and fifty dollars ($250) per BUSINESS DAY late. |
| 1. **Annual Participant Satisfaction Survey Report** | |
| ***Description*** | The CONTRACTOR must provide an annual PARTICIPANT satisfaction survey report to the DEPARTMENT. *(See Section 185 Reporting, 7.e.)* |
| ***Frequency*** | Annually, due no later than March 1 of each PLAN YEAR. |
| ***Penalty*** | Two hundred and fifty dollars ($250) per BUSINESS DAY late. |
| 1. **Claim Summary Report** | |
| ***Description*** | The CONTRACTOR must provide a QUARTERLY claim summary report. The claim summary report will include claim trending and claim categorization information. *(See Section 185 Reporting, 7.i.)* |
| ***Frequency*** | QUARTERLY, due within fifteen (15) CALENDAR DAYS following the end of each QUARTER. |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late. |
| 1. **Plan Finalization and Forfeitures Report** | |
| Description | The CONTRACTOR must provide the DEPARTMENT a preliminary, materially correct BENEFIT PROGRAM finalization report, inclusive of forfeitures, for each PLAN YEAR by April 30 each year.  The CONTRACTOR will provide the DEPARTMENT with a final, reviewed BENEFIT PROGRAM finalization report, inclusive of forfeitures, for each PLAN YEAR by May 31 each year including a completed and signed BENEFIT PROGRAM finalization report, including a reviewed and signed checklist. *(See Section 185 Reporting, 7.j.).* |
| Frequency | Annually (one preliminary, one final reviewed report), see due dates above. |
| Penalty | Timeliness: Three hundred and fifty dollars ($350) per CALENDAR DAY per report late.  Accuracy: Two-thousand dollars ($2,000) each time CONTRACTOR submits an inaccurate Plan Finalization and Forfeitures report for which the DEPARTMENT reasonably determines a corrected/replacement report is needed. |
| 1. **Stale-Dated Check Report** | |
| ***Description*** | The CONTRACTOR must 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 185.10.)* |
| ***Frequency*** | MONTHLY, due within thirty (30) CALENDAR DAYS after the end of each MONTH. |
| ***Penalty*** | One-thousand ($1,000) dollars per CALENDAR DAY late. |
| 1. **Late Enrollment Appeals and Unsubstantiated Claims/ Appeals Reports** | |
| ***Description*** | The CONTRACTOR must track all PARTICIPANT late enrollment appeals and unsubstantiated claims appeals it receives and provide an annual summary report to the DEPARTMENT. The report must include the number and type of appeals received, and the resolution or outcome. When applicable, this report should include the dollar amount of the related appeal. *(See Section 165B.6. Grievance Process Overview.)* |
| ***Frequency*** | Annually, due by the last BUSINESS DAY of the first QUARTER of each new PLAN YEAR. |
| ***Penalty*** | Two hundred and fifty dollars ($250) per BUSINESS DAY late. late |
| 1. **Business Debt Report** | |
| ***Description*** | The CONTRACTOR will provide an accurate and timely Business Debt Report to the DEPARTMENT that lists PLAN YEAR FSA unsubstantiated claims that were not resolved before the end of the runout period (March 31). CONTRACTOR shall review the Business Debt Report for the accuracy of unsubstantiated FSA claims before the report is given to the DEPARTMENT. The CONTRACTOR will provide the DEPARTMENT a completed, signed-off review checklist to the DEPARTMENT. *(See Section 160D Substantiation, 4.e. Recovery of Other Business Debt.)* |
| ***Frequency*** | Annually, due by May 16. |
| ***Penalty*** | Timeliness: Three hundred and fifty dollars ($350) per CALENDAR DAY late.  Accuracy: Two-thousand ($2,000) each time CONTRACTOR submits an inaccurate final business debt report for which the Department reasonably determines a corrected/replacement report is needed. |

### 205D Claims Processing

The CONTRACTOR must report monthly performance standard statistics to the DEPARTMENT on a QUARTERLY basis for the performance standards below. Monthly CONTRACTOR statistics for each performance standard will be averaged by the DEPARTMENT for each QUARTER to determine the penalty. Example:

If the performance standard is 98% and the CONTRACTOR reports monthly statistics of 79%, 82%, and 98% for the 3 months of the QUARTER, the penalty would be based on the average of the percentages for the 3 months for the performance standard, which, in this case, equals 86.33% for the QUARTER. The penalty is assessed for each percentage point or fraction thereof (rounded to two decimal points) under the performance standard of 98% (98 – 86.33 = 11.67). If the penalty is $1,000 for each percentage point or fraction thereof under 98%, the penalty would be $1,000 x 11.67, or $11,670 for the performance standard for that QUARTER.

Penalties (if any) will be assessed QUARTERLY.

|  |  |
| --- | --- |
| **Performance Standard** | **Penalty** |
| 1. **Processing and Financial Accuracy:** At least a ninety-eight percent (98%) average for accurately processing all claims in the QUARTER. Processing accuracy means a claim is processed correctly in every respect, financial and technical (e.g., according to federal and STATE regulations, proper substantiation, coverage period, system, procedural, etc.). Processing accuracy will be measured by the number of all claims processed accurately, without error, divided by the total number of claims processed. *(See* [*Section 160*](#_160_Claims) *Claims.)* Monthly performance standard statistic reported QUARTERLY. | One thousand dollars ($1,000) for each percentage point (or fraction thereof) for which the standard is not met in each QUARTER. |
| **2. Claims Processing Time:** At least ninety-eight percent (98%) of all claims received must be processed within three (3) BUSINESS DAYS of CONTRACTOR’S receipt of all necessary substantiation information. *(See* [*Section 160*](#_230C_Continuity_of) *Claims.)* Monthly performance standard statistic, reported QUARTERLY. | One thousand dollars ($1,000) for each percentage point (or fraction thereof) for which the standard is not met in each QUARTER. |
| **3. PARTICIPANT Reimbursement:** At least ninety-eight percent (98%) of all PARTICIPANT reimbursements in the QUARTER will be paid via check or direct deposit within three (3) BUSINESS DAYS from the date the claim was processed. *(See* [*Section 160C*](#_160C_Claims_Processing) *Claims Processing and Reimbursement.)* Monthly performance standard statistic, reported QUARTERLY. | One thousand dollars ($1,000) for each percentage point (or fraction thereof) for which the standard is not met in each QUARTER. |
| **4. Claims Processing System Availability:** CONTRACTOR’S claims processing system must be available at least an average of ninety-eight percent (98%) of the time (24/7/365) in the QUARTER for adjudication of DEBIT CARD claims and online claims submitted by PARTICIPANTS and MERCHANTS. This includes downtime for system maintenance.Monthly performance standard statistic, reported QUARTERLY. | One thousand dollars ($1,000) for each percentage point (or fraction thereof) for which the standard is not met in each QUARTER. |

### 205E Customer Service

The CONTRACTOR must report monthly performance standard statistics to the DEPARTMENT on a QUARTERLY basis for the performance standards below. Monthly CONTRACTOR statistics for each performance standard will be averaged by the DEPARTMENT for each QUARTER to determine the penalty. See calculation example in Section 205D. Penalties, if any, will be assessed QUARTERLY.

| **Performance Standard** | **Penalty** |
| --- | --- |
| 1. **Call Answer Timeliness**: At least an eighty percent (80%) average in the QUARTER for calls received by the CONTRACTOR’S customer service staff during operating hours that were answered by a live voice within thirty (30) seconds. *(See* [*Section 175*](#_175_Customer_Service) *Customer Service, 5.)* | One thousand dollars ($1,000) for each percentage point (or fraction thereof) for which the standard is not met in each QUARTER. |
| 1. **Call Abandonment Rate:** Less than a five percent (5%) average for calls abandoned in the QUARTER; measured by the number of total calls that were not answered by customer service staff during operating hours (caller hangs up before answer) divided by the number of total calls received, excluding calls ended within twenty (20) seconds. *(See* [*Section 175*](#_260C_Conversion_/) *Customer Service, 5.)* | One thousand dollars ($1,000) for each percentage point (or fraction thereof) for which the standard is not met in each QUARTER. |
| 1. **First Call Resolution Turn-Around-Time:** At least a ninety percent (90%) average in the QUARTER for customer service calls that were resolved by the first customer service representative the caller reached during operating hours during the measurement period. *(See* [*Section 175*](#_260C_Conversion_/) *Customer Service.)* | One thousand dollars ($1,000) for each percentage point (or fraction thereof) for which the standard is not met in each QUARTER. |
| 1. **Electronic Written Inquiry Response:** At least a ninety-eight percent (98%) average in the QUARTER for customer service issues submitted via CONTRACTOR’S web-portals and mobile app that were responded to within two (2) BUSINESS DAYS. *(See Section 175 Customer Service.)* | One thousand dollars ($1,000) for each percentage point (or fraction thereof) for which the standard is not met in each QUARTER. |
| 1. **Customer Satisfaction:** CONTRACTOR must achieve a 70% or better Customer Satisfaction (CSAT) rate based on semi-annual surveys. The results are calculated on a post call basis, with responses on an 11-point scale (0-10). Satisfaction is defined as 6.6 or higher score by the customer. The total of all scores at or above 7 are divided by the number of survey participants to get a Customer Satisfaction (CSAT) % of greater than or equal to 70%. *(See* [*Section 175*](#_260C_Conversion_/) *Customer Service, 11.)* | One thousand dollars ($1,000) for each percentage point (or fraction thereof) for which the standard is not met in each QUARTER. |
| 1. **Service Level Response Time:** The CONTRACTOR must respond to the DEPARTMENT within two (2) BUSINESS DAYS from the confirmed delivery date of the DEPARTMENT’S inquiry. If the CONTRACTOR is unable to resolve the issue within two (2) BUSINESS DAYS, the CONTRACTOR must, within two (2) BUSINESS DAYS of the confirmed delivery date of the DEPARTMENT’S inquiry, confirm to the DEPARTMENT that the inquiry was received and provide an estimate of when the CONTRACTOR will resolve the issue. CONTRACTOR must respond to the DEPARTMENT and resolve issues in a timeframe mutually agreed upon by the CONTRACTOR and the DEPARTMENT. *(See* [*Section 175*](#_260C_Conversion_/) *Customer Service, 12.)* | Two-hundred and fifty dollars ($250) per BUSINESS DAY for which the standard is not met. |

### 205F Data Breach

Penalties (if any) will be assessed QUARTERLY.

| **Performance Standard** | **Penalty** |
| --- | --- |
| 1. **Notification of Data Breach:** The CONTRACTOR must notify the DEPARTMENT Program Manager and Privacy Officer within forty-eight (48) hours of discovering that the PHI and/or PII of one (1) or more PARTICIPANTS may have been breached or has been breached. The CONTRACTOR must provide the DEPARTMENT with the information required in Section 24.0(m) of the Department Terms and Conditions related to all such suspected or actual breaches. *See* [*Section 155H*](#_155H_Privacy_Breach) *Privacy Breach Notification.* | $2,500 - first violation  $5,000 - second violation  $10,000 - third and any additional violations  $100,000 annual maximum |
| 1. **First Notice:** The Contractor must notify the Department Program Manager and Department Privacy Officer no less than two (2) Business Days before Contractor releases any external communications regarding a data breach. *See Section 24.0(m)(1) of the Department Terms and Conditions.* | $2,500 - first violation  $5,000 - second violation  $10,000 - third and any additional violations  $100,000 annual maximum |
| 1. **Privacy Violation:** The CONTRACTOR shall use or disclose PARTICIPANT PHI and/or PII only to perform functions, activities or provide the SERVICES specified in the CONTRACT, for or on behalf of the DEPARTMENT, provided that such use or disclosure would not violate state and federal law, including, where applicable, the requirements of the HIPAA, HITECH, or GINA. *See Section 24.0 of the Department Terms and Conditions and Wis. Stat. §134.98.* | $10,000 – First violation, plus $1,000 per record affected by each breach or disclosure.  $15,000 – Second violation, plus $1,000 per record affected by each breach or disclosure.  $20,000 – Third and any additional violations, plus $1,000 per record affected by each breach or disclosure. |

### 205G Enrollment

The CONTRACTOR must report MONTHLY any CALENDAR DAY or BUSINESS DAY, as the performance standard requires, for which any of the following Performance Standards are not met.

Penalties (if any) will be assessed QUARTERLY.

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| --- | --- |
| **Performance Standard** | **Penalty** |
| 1. **Eligibility File:** The CONTRACTOR must accept an eligibility file update on a schedule agreed upon by the DEPARTMENT’S IAS vendor, and the CONTRACTOR, and accurately process the enrollment file additions, changes, deletions, and discrepancies within three (3) BUSINESS DAYS of receipt of the file. Delays in processing the eligibility file must be communicated to the DEPARTMENT Program Manager or designee within one (1) BUSINESS DAY. *(See* [*Section 150D*](#_150D_File_Requirements) *File Requirements.)* | One thousand ($1,000) dollars per BUSINESS DAY for which the standard is not met. |
| 1. **Enrollment File:** The CONTRACTOR must accept an enrollment file update on a schedule agreed upon by the DEPARTMENT’S IAS vendor and the CONTRACTOR and accurately process the enrollment file additions, changes, deletions, and discrepancies within three (3) BUSINESS DAYS of receipt of the file. Delays in processing the enrollment file must be communicated to the DEPARTMENT Program Manager or designee within one (1) BUSINESS DAY. *(See* [*Section 150D*](#_150D_File_Requirements) *File Requirements.)* | One thousand ($1,000) dollars per BUSINESS DAY for which the standard is not met. |
| 1. **Eligibility Discrepancies:** The CONTRACTOR must resolve all eligibility discrepancies identified (any difference of values between the DEPARTMENT’S IAS database and the CONTRACTOR’S database) within three (3) BUSINESS DAYS of receipt of notification by the DEPARTMENT’S IAS vendor, or identification by the CONTRACTOR. *(See Section 150D File Requirements.)* | One thousand ($1,000) dollars per BUSINESS DAY for which the standard is not met |
| 1. **Enrollment Discrepancies:** The CONTRACTOR must resolve all enrollment discrepancies identified (any difference of values between the DEPARTMENT’S IAS database and the CONTRACTOR’S database) as within three (3) BUSINESS DAYS of notification by the DEPARTMENT, or identification by the CONTRACTOR. *(See Section 150D File Requirements.)* | One thousand ($1,000) dollars per CALENDAR DAY for which the standard is not met |
| 1. **DEBIT CARDS:** The CONTRACTOR must mail 100% percent of DEBIT CARDS to PARTICIPANTS within five (5) BUSINESS DAYS of successful account creation following receipt of the properly formatted enrollment file or eligibility file containing the addition or enrollment change, except as noted. *(See Section 130C Debit Cards.)* | One thousand ($1,000) dollars per BUSINESS DAY for which the standard is not met. |
| 1. **DEBIT CARDS for elections made during the OPEN ENROLLMENT PERIOD:** The CONTRACTOR must mail DEBIT CARDS by December 15 for enrollment additions or changes effective the following January 1 (as reported on enrollment files generated from the OPEN ENROLLMENT PERIOD or before the first Tuesday of December). *(See Section 130C Debit Cards.)* | One thousand ($1,000) dollars per DAY for which the standard is not met. |
| 1. **ENROLLMENT SYSTEM:** If the IAS is not available, the CONTACTOR must provide an internet enrollment system that functions smoothly, timely, and is accessible 100% of each CALENDAR DAY during the annual OPEN ENROLLMENT PERIOD. *(See* [*Section 155B*](#_155B_Contractor_Open) *Contractor Open Enrollment Activities, 5.)* | Three thousand dollars ($3,000) per incident and one thousand dollars ($1,000) per CALENDAR DAY that the enrollment system is unavailable during the OPEN ENROLLMENT PERIOD. |

### 205H Data Submissions

The CONTRACTOR must submit data and corrected data, when necessary, by the dates indicated by the DEPARTMENT’S data warehouse vendor. Performance standards for the data warehouse will be measured by the DEPARTMENT as needed.

Penalties (if any) will be assessed QUARTERLY.

| ***Performance Standard*** | ***Penalty*** |
| --- | --- |
| 1. **Claims Data Transfer:** The CONTRACTOR must submit on a monthly basis to the DEPARTMENT’S data warehouse vendor, in the most recent file format specified by the DEPARTMENT, all claims processed for PARTICIPANTS. *(See Section 150A Data Integration and Technical Requirements.)* | One thousand ($1,000) dollars per BUSINESS DAY for which the standard is not met |
| 1. **Data Warehouse Submission Delays:** The CONTRACTOR must communicate any delays in submitting program data to the DEPARTMENT’S data warehouse vendor via email to the DEPARTMENT Program Manager or designee and the designated data warehouse vendor as soon as the delay is known, but at least one (1) calendar DAY before the scheduled transfer. *(See Section 150 Data Requirements.)* | One thousand ($1,000) dollars per BUSINESS DAY for which the standard is not met |
| 1. **Data File Corrections:** Within two (2) BUSINESS DAYS of notification, unless otherwise approved by the DEPARTMENT in writing, the CONTRACTOR must resolve any data errors and quality issues on the file as identified by the DEPARTMENT’S data warehouse vendor or the DEPARTMENT. *(See Section 150G Data Warehouse File Submission Quality.)* | One thousand ($1,000) dollars per BUSINESS DAY for which the standard is not met |
| 1. **Two-Chance Rule:** During the implementation of the DEPARTMENT’S data warehouse or a new CONTRACTOR, the CONTRACTOR will have two (2) chances to submit acceptable data. The DEPARTMENT will charge the CONTRACTOR a penalty for each data file submitted after the second submission not accepted by the DEPARTMENT’S data warehouse vendor. *(See Section 150G Data Warehouse File Submission Quality.)* | One thousand seven hundred fifty dollars ($1,750) for each submission after the allowed submissions. |
| 1. **One-Chance Rule:** During the ongoing operation of the DEPARTMENT’S data warehouse, if the DEPARTMENT’S data warehouse vendor identifies an error with the CONTRACTOR’S initial data submission, the CONTRACTOR will have one opportunity to submit a corrected data file. If the CONTRACTOR requires additional submissions to correct identified errors, the DEPARTMENT will charge the CONTRACTOR a penalty for each data file submitted after the first corrected submission that is not accepted by the DEPARTMENT’S data warehouse vendor. *(See Section 150G Data Warehouse File Submission Quality.)* | One thousand seven hundred fifty dollars ($1,750) for each submission after the allowed submissions. |
| 1. **Pass-Through Data Warehouse Penalties:** The DEPARTMENT will pass through any penalties assessed by the DEPARTMENT’S data warehouse vendor for failure to submit data in accordance with the CONTRACT. *(See Section 150G Data Warehouse File Submission Quality .)* | The amount charged by the DEPARTMENT’S data warehouse vendor for the CONTRACTOR’S failure to meet data submission requirements not otherwise subject to a penalty as described above |

### 205I Other

Penalties (if any) will be assessed QUARTERLY.

| **Performance Standard** | **Penalty** |
| --- | --- |
| 1. **Implementation and Go-Live Dates:** All SERVICES must take effect (“go live”) and be fully operational on the due date specified in the agreed upon Implementation Plan. *(See* [*Section 155I*](#_155I_Implementation) *Implementation.)* | Fifty thousand dollars ($50,000) for the first (1st) CALENDAR DAY and five thousand dollars ($5,000) for each subsequent CALENDAR DAY past the date the SERVICES were supposed to be fully operational |
| 1. **Audits:** The CONTRACTOR must address any areas of improvement identified in any audit in the timeframe determined by the DEPARTMENT. *(See* [*Section 155F*](#_155F_Audits) *Audits.)* | One thousand dollars ($1,000) per BUSINESS DAY for which the standard is not met |
| 1. **Major System Changes and Conversions:** The CONTRACTOR must not undertake a major system change or conversion for, or related to, the system used to deliver SERVICES for the BENEFIT PROGRAMS without providing specific, prior written notice of at least one hundred-eighty (180) CALENDAR DAYS to the DEPARTMENT. *(See* [*Section 145*](#_145_Information_Systems) *Information Systems, 2.)* | One thousand dollars ($1,000) per CALENDAR DAY for which the standard is not met |
| 1. **Web-Portal Availability:** The CONTRACTOR’S BENEFIT PROGRAM web-portals must be available at least ninety-nine and one-half percent (99.5%) of each CALENDAR DAY, excluding scheduled maintenance. In the event of downtime, the CONTRACTOR must 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. Notification must occur within 4 hours of a confirmed outage during normal business hours. *(See* [*Section 140C*](#_140C_Contractor_Benefit) *Contractor Benefit Program Web Content and Web-Portals.)* | Three thousand dollars per incident and three thousand dollars ($3,000) per CALENDAR DAY thereafter that the availability of one or both web-portals drops below 99.5% in a CALENDAR DAY. |
| 1. **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 120*](#_120_Contractor_General) *Contractor General Responsibilities, 13.)* | Five thousand dollars ($5,000) per incident. |
| 1. **Annual Training Requirement:** The CONTRACTOR must offer annual training to PAYROLL CENTER staff in November of each year related to the FSA Unsubstantiated Claims Process, election and CONTRIBUTION audit process, and other topics based on BENEFIT PROGRAM needs. *(See* [*Section 155C*](#_155C_Staff_Training) *Staff Training.)* | Two hundred and fifty dollars ($250) per BUSINESS DAY after November 30 for which the standard is not met. |