



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

Contract by Authorized Board

Commodity or Service:

Compliance Audits for the State of Wisconsin Group
 Income Continuation Insurance Program Contract

Contract No./Request for Proposal No:

ETH0043

Authorized Board: State of Wisconsin Employee Trust Funds Board

Contract Period: January 1, 2021 and will extend unless and until either party gives the other one hundred eighty (180) days' notice of their intent to cancel this Contract.

1. This Contract is entered into by the State of Wisconsin Department of Employee Trust Funds (Department or ETF) on behalf of the State of Wisconsin Employee Trust Funds Board (Board), and Wipfli, LLP (Contractor), whose address and principal officer appear below. The Department is the sole point of contact for this Contract.
2. Whereby the Department agrees to direct the purchase and Contractor agrees to supply the Contract requirements in accordance with the Department Terms and Conditions, and the documents specified in the order of precedence below, hereby made a part of this Contract by reference.
3. Contractor's audit of the State of Wisconsin Income Continuation Insurance Program Contract to begin in quarter one of 2021, cover calendar years 2018, 2019, and 2020 and shall not exceed \$22,300 upon the Department's satisfactory receipt of deliverables according to the Statement of Work, Audit Schedule, and Payment Schedule in Attachment A.
4. For purposes of administering this Contract, the order of precedence is:
 - (a) This Contract;
 - (b) Request for Proposal (RFP) ETH0043 dated October 17, 2018; and,
 - (c) Contractor's proposal dated November 28, 2018.

Contract Number & Service: ETH0043 Compliance Audits for the Income Continuation Insurance Program
This Contract shall become effective upon the date of last signature below (the "Effective Date").

State of Wisconsin Department of Employee Trust Funds	
Authorized Board:	State of Wisconsin Employee Trust Funds Board
By (Name):	Robert J. Conlin, Secretary Department of Employee Trust Funds
Signature:	<small>DocuSigned by:</small> <i>Robert J. Conlin</i>
Date of Signature:	<small>249598FF085F431...</small> 12/10/2020

Contractor	
Legal Company Name:	WIPFLI, LLP
Trade Name:	WIPFLI, LLP
Taxpayer Identification Number:	39-0758449
Contractor Address (Street Address, City, State, Zip):	2501 West Beltline Hwy, Suite 401 Madison, WI 53713
Name & Title (print name and title of person authorized to legally sign for and bind Contractor):	Zachary D. Mayer, CPA, Partner
Signature:	<small>DocuSigned by:</small> <i>Zachary Mayer</i>
Date of Signature:	<small>D6A1C828935C45E...</small> 12/10/2020
Email:	zmayer@wipfli.com
Phone:	608.274.1980

Attachment A

Contract Compliance audit of the State Income Continuation Insurance Program, administered by The Hartford, to begin in March 2021 and cover calendar years 2018, 2019 and 2020.

A. Statement of Work

The Income Continuation Insurance (ICI) compliance audit will include the following procedures:

1. Internal Controls – Limit internal control/process review to:
 - Training of call center staff in regard to intake of State of Wisconsin claims
2. Required Reports Testing (*See Attachment A of the contract with The Hartford*)
 - Review monthly Funding Reports (invoices and claim files) for accuracy
 - Review the Claims Financial Statistics Reports for accuracy and compare it to the “Active Claim Summary” in the ICI Annual Report for consistency
 - Review Deductions Report for completeness and accuracy
 - Test the source data for these three reports
3. Enrollment Testing
 - Test to ensure applications are complete and processed consistently according to ETF’s defined procedures
 - Population for testing: new enrollees during the years covered by the audit; new enrollees could be new hires or employees that enrolled through deferred enrollment or Evidence of Insurability (EOI).
4. Paid Claims Testing (all components: intake, case management, recordkeeping, closure)
 - Test to ensure that claims are properly approved and adequately documented, benefits are properly calculated and paid, offsets properly applied (including instructing members to apply for WRS disability and SSDI and completing the required follow-ups) referrals made for overpayment calculations (if applicable), on-going medical information is obtained throughout the life of the claim (as needed) and claim determinations are communicated to the participants in a timely manner.
5. Denied Claims Testing (all components: intake, case management, recordkeeping, closure)
 - Test to ensure that claims are denied for valid reasons, adequately documented and properly communicated to the participant in a timely manner.
6. Calculation of overpayments and initiation of recovery from existing ICI benefits (if applicable)
 - Verify that the calculations have been audited by a 2nd TPA staff member
7. The Contractor will develop statistically significant sample sizes for the items below which must be approved by the Department prior to the start of the audit.
 - Enrollments (with a separate sample size for EOI applications)
 - Paid Claims
 - Denied Claims
 - Overpayment calculations

Eighty percent (80%) of the total sample size for each category should consist of State ICI claims, and the remaining twenty percent (20%) should be Local ICI claims.

B. Audit Schedule*

Event	Date
Entrance Conference	February 2021
Wipfli to send request for plan documents and claims data to ETF	March 8, 2021
ETF to provide requested plan documents to Wipfli	March 29, 2021
The Hartford sets up Wipfli's access to Ability Advantage claims management system	April 16, 2021
The Hartford to provide the requested claims data and documentation to Wipfli	April 19, 2021
ETF/The Hartford to provide training on our respective systems to the Wipfli auditors (on-site or via teleconference)	May 3, 2021
Wipfli testing begins (on-site or remote)	Mid-May – June 2021
Wipfli to email ETF regarding progress of audit report.	May 31, 2021
Wipfli to email ETF regarding progress of audit report.	June 14, 2021
Wipfli to submit draft audit report to ETF	July 14, 2021
Wipfli to submit final audit report to ETF	August 2, 2021
Exit Conference (will be scheduled if needed)	August 2021
Final audit report due to ETF (GIB Coordinator)	October 22, 2021
Audit report to be presented to governing board - Wipfli agrees to be available to attend upon ETF request	November – December 2021

*Dates subject to change upon mutual agreement of the parties

C. Payment Schedule

Amount	Wipfli Deliverable	Wipfli Invoice Date
\$11,150.00	Progress Report email - May 31, 2021	June 1, 2021
\$11,150.00	Final Audit Report – August 2, 2021	August 3, 2021