



State of Wisconsin
 Department of Employee Trust Funds
 4822 Madison Yards Way
 Madison, WI 53705-9100

P. O. Box 7931
 Madison, WI 53707-7931

ETE0002 Contract Amendment #8

Service:

Contract No./Request for Proposal No:

Third Party Administration for Employee Reimbursement
 Accounts (ERA) and Commuter Benefits

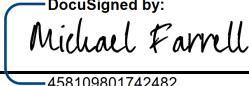
ETE0002 – Amendment #8 dated February 11, 2019

Contract Period: January 1, 2019 through December 31, 2019

1. This Contract is entered into by and between the State of Wisconsin Department of Employee Trust Funds, hereinafter referred to as the “Department,” “ETF,” the “State,” or the “State of Wisconsin,” all having the same authority as one entity, and Total Administrative Services Corporation (TASC) hereinafter referred to as the “Contractor,” whose address and principal officer appear on page 2 of this Contract. The Department is the sole point of contact for this Contract.
2. Whereby the Department agrees to direct the purchase and the Contractor agrees to supply the services described in this Contract in accordance with the State of Wisconsin terms and conditions, and in accordance with the Contractor's proposal submitted by eflexgroup, Inc. and received by the Department on May 1, 2014, hereby made a part of this Contract by reference.
3. In connection with the performance of work under this Contract, Contractor agrees not to discriminate against any employees or applicants for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor further agrees to take affirmative action to ensure equal employment opportunities. Contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than fifty (50) employees are exempted from this requirement. Within fifteen (15) business days after the award of this Contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, 608.261.7952, or via e-mail at ETFProcurement@etf.wi.gov.
5. The following documents are included under and made a part of this Contract. For purposes of administering this Contract, the order of precedence is as follows:
 - A) This Contract Amendment #8 with Total Administrative Services Corporation (TASC), including:
 1. Exhibit A dated February 11, 2019;
 2. Exhibit A – Attachment 1 Performance Standards and Guarantees dated December 28, 2018;
 3. Exhibit A – Attachment 2 Contract Payment Terms dated February 11, 2019;
 4. Exhibit A – Attachment 3 Conflict Resolution Process dated September 14, 2016;
 5. Exhibit A – Attachment 4 Appeals Process dated June 6, 2016;
 6. Exhibit A – Attachment 5 Reporting Data Elements dated May 3, 2016;
 7. Exhibit C – Audit and Open Access dated September 14, 2017;
 8. Exhibit D - Data Security and Privacy Agreement dated October 11, 2017; and
 9. Exhibit E - Contractor On-Site Professional Services Agreement dated December 28, 2018.
 10. Exhibit F – Transition Plan Requirements dated February 11, 2019.
 - B) Contract Amendment #7 dated December 28, 2018;
 - C) Contract Amendment #6 dated October 11, 2017;
 - D) Contract Amendment #5 dated October 11, 2017;
 - E) Contract Amendment #4 dated June 6, 2016;
 - F) Contract Amendment #3 dated June 6, 2016;
 - G) Contract Amendment #2 dated May 3, 2016;
 - H) Contract Amendment #1 dated May 3, 2016;
 - I) Request for Proposal (RFP) Amendment 1 with revised cost proposal dated April 21, 2014;
 - J) Questions from vendors and ETF answers dated April 21, 2014;
 - K) The RFP with the release date of April 3, 2014;

- L) Contractor's best and final offer dated June 16, 2014;
- M) Questions from ETF and Contractor's answers dated June 23, 2014;
- N) Questions from the RFP evaluation team and Contractor's answers dated June 2, 2014;
- O) Contractor's e-mail acknowledgement of RFP Amendment #1 dated May 2, 2014; and,
- P) Contractor's proposal submitted by eflexgroup, Inc., and received by the Department on May 1, 2014.

Contract: ETE0002 – Contract Amendment #8 dated February 11, 2019 – Third Party Administration for Employee Reimbursement Accounts (ERA) and Commuter Benefits

State of Wisconsin
Department of Employee Trust Funds
Authorized Board:
Group Insurance Board
By (Name)
Michael Farrell Chair, Group Insurance Board
Signature
 <small>458109801742482...</small>
Date of Signature:
2/12/2019
Contact A. John Voelker, ETF Deputy Secretary if questions arise: <small>(608) 266 0854</small>

Contractor
Legal Company Name
Total Administrative Services Corporation (TASC)
Trade Name
Total Administrative Services Corporation (TASC)
Taxpayer Identification Number
39-1561025
Company Address (City, State, Zip)
2302 International Lane Madison, WI 53704
By (Name)
Cliff Mason
Signature
 <small>F2CDA791F3BD43B...</small>
Title
President
Phone
Date (MM/DD/CCYY)
2/11/2019

Exhibit A

Service:

Contract No./Request for Proposal No:

Third Party Administration for Employee Reimbursement
Accounts (ERA) and Commuter Benefits

ETE0002 – Amendment #8 dated February 11, 2019

Contract Period: January 1, 2019 through December 31, 2019

1. The Department and Contractor agree that the Department will contract directly with TASC for third party administration for Flexible Spending Accounts (FSA) and Transit and Parking Benefits because of the merger of eflexgroup, Inc. and TASC. This Contract will be administered by TASC, hereinafter referred to as the "Contractor", whose address and principal officer appears on page 2. Since eflexgroup Inc. is no longer a legal entity, that name is being deleted. However, unless specifically stated elsewhere in this Contract, all other reference to eflexgroup Inc. remain in effect. The parties further agree the Department must contract with the same entity to whom the payments are made. In this case TASC will be listed on the Contract as well as the payee as outlined within the current W-9, which were discussed during these negotiations.
2. Both parties agree the referencing of the Contractor's Proposal will refer to the proposal submitted by eflexgroup, Inc. and received by the Department on May 1, 2014.
3. Contractor agrees to all contractual requirements provided in the RFP regarding: proposal procedures and requirements, mandatory proposer qualifications and terms, third party administrative services required, program background information, special terms and conditions, and standard terms and conditions. Acknowledgement is outlined in Page 3 and Appendix B of the Contractor's Proposal.
4. Contractor agrees to the terms in ETF's Business Associate Agreement (BAA) outlined in Appendix G of the RFP.
5. Contractor accepts all submission of receipts by FSA and Transit/Parking program participants via electronic, mail and fax methods.
6. **Business Day** means each day except Saturday, Sunday, and official State of Wisconsin holidays (see also: Day).
7. **Day** refers to a period of twenty-four hours starting at midnight.
8. The Administrative Agreement and Business Associate Agreement referenced in Attachment 3 of the Contractor's Proposal will not be part of this Contract.
9. The Customized Materials fee listed in the Contractor's best and final offer dated June 16, 2014 will not be part of this Contract.
10. Both parties agree appeals of claim denials may be made to the Contractor within ninety (90) days. The Contractor will issue a decision within sixty (60) days.
11. Both parties agree Limited Flexible Spending Account (LFSA) term shall be interchangeable with Limited Purpose Flexible Spending Account (LPFSA) term.
12. Both parties agree Employee Reimbursement Account (ERA) term shall be interchangeable with Flexible Spending Account (FSA) term.
13. Both parties agree Commuter Benefits (CB) term shall be interchangeable with the terms of Transit and/or Parking.
14. All references to "Section 3.9" within Section 1.2.8 of the RFP dated April 3, 2014 will be replaced with "Section 3.7."
15. Contractor agrees the Department will author and own the Plan Document and Summary Plan Description.
16. Contractor will provide a three person relationship management team assigned to the Department for the term of the Contract. The three relationship managers will be located in the Madison, Wisconsin area and available for on-site for project work as directed by the Department and mutually agreed upon by the Department and the Contractor. The Contractor will devote up to twenty-four (24) hours of on-site project work per week for on-site services for major task(s) and/or project work. Contractor's on-site project work is subject to Exhibit E dated December 28, 2018.

17. Contractor agrees to a single \$2.81 per-participant-per-benefit-per-month administrative series fee for Flexible Spending Accounts (FSA) or Commuter Benefits (CB) accounts or both. For the 2019 Contract Period, Contractor is required to meet the Performance Standards and Guarantees found in Attachment 1 of Exhibit A dated December 28, 2018 and provide a successful transition to either Contractor's alternate platform or to an alternative vendor pursuant to the Transition Plan Requirements in Exhibit F, in order to obtain a fee increase for the 2019 plan year.
18. Both parties agree there are no investment or load fees included in the Contractor's per-participant-per-benefit-per-month fee.
19. The Department agrees if for any reason a participant requests a wire transfer, the Contractor may charge \$25.00 per wire transfer.
20. Contractor agrees to the Department's Performance Standards and Guarantees in Exhibit A, Attachment 1 dated December 28, 2018.
21. Contractor agrees to the Department's Contract Payment Terms in Exhibit A, Attachment 2 dated January 25, 2019.
22. Contractor agrees to the Department's Conflict Resolution Process in Exhibit A, Attachment 3.
23. Contractor agrees to the Department's Appeals Process in Exhibit A, Attachment 4.
24. Contractor agrees to provide reports meeting the Department's needs including the data elements outlined in Exhibit A, Attachment 5 dated December 28, 2018.
25. **Quarterly** means every three months of a calendar year, January – March, April – June, July – September, and October - December.
26. **CONFIDENTIAL INFORMATION AND HIPAA BUSINESS ASSOCIATE AGREEMENT:** This Section is intended to cover handling of Confidential Information under state and federal law, and specifically to comply with the requirements of HIPAA, HITECH, and the Genetic Information Nondiscrimination Act (GINA) and the federal implementing regulations for those statutes requiring a written agreement with business associates.

(a) DEFINITIONS: As used in this Section, unless the context otherwise requires:

- (1) **Business Associate.** "Business Associate" has the meaning ascribed to it at 45 CFR 160.103 and in this Contract refers to the Contractor (insert name of Contractor).
- (2) **Confidential Information** has the meaning ascribed to it in Section 1.5 of the RFP.
- (3) **Covered Entity.** "Covered Entity" has the meaning ascribed to it at 45 CFR 160.103 and in this Contract refers to the Department of Employee Trust Funds.
- (4) **HIPAA Rules.** "HIPAA Rules" mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.
- (5) **Individual Personal Information** "Individual Personal Information" has the meaning ascribed to it at Wis. Admin. Code ETF § 10.70 (1).
- (6) **Medical Record.** "Medical Record" has the meaning ascribed to it at Wis. Admin. Code ETF 10.01 (3m).

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

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

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

- (1) Not use or disclose Confidential Information for any purpose other than as permitted or required by this Contract or as required by law. Contractor shall not use or disclose member names, addresses, or other data for any purpose other than specifically provided for in this Contract;
- (2) Make uses and disclosures and requests for any Confidential Information following the minimum necessary standard in the HIPAA Rules;
- (3) Use appropriate safeguards to prevent use or disclosure of Confidential Information other than as

provided for by this Contract, and with respect to Protected Health Information, comply with Subpart C of 45 CFR Part 164;

- (4) Not use or disclose Confidential Information in a manner that would violate Subpart E of 45 CFR Part 164 or Wis. Stat. § 40.07 if done by ETF; and
 - (5) If applicable, be allowed to use or disclose Confidential Information for the proper management and administration of the Contractor or to carry out the legal responsibilities of the Contractor, provided the disclosures are required by law, or Contractor obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Contractor of any instances of which it is aware in which the confidentiality of the information has been or is suspected of being breached.
- (e) COMPLIANCE WITH ELECTRONIC TRANSACTIONS AND CODE SET STANDARDS:** The Contractor shall comply with each applicable requirements of 45 C.F.R. Part 162 if the Contractor conducts standard transactions, as that term is defined in HIPAA, for or on behalf of ETF.
- (f) MANDATORY REPORTING:** Contractor shall report to ETF in the manner set forth in Subsection (l) any use or disclosure or suspected use or disclosure of Confidential Information not provided for by this Contract, of which it becomes aware, including breaches or suspected breaches of unsecured Protected Health Information as required at 45 CFR 164.410.
- (g) DESIGNATED RECORD SET:** Contractor shall make available Protected Health Information in a designated record set to the individual as necessary to satisfy ETF's obligations under 45 CFR 164.524.
- (h) AMENDMENT IN DESIGNATED RECORD SET:** Contractor shall make any amendment to Protected Health Information in a designated record set as directed or agreed to by ETF pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy ETF's obligations under 45 CFR 164.526.
- (i) ACCOUNTING OF DISCLOSURES:** Contractor shall maintain and make available the information required to provide an accounting of disclosures to the individual as necessary to satisfy ETF's obligations under 45 CFR 164.528.
- (j) COMPLIANCE WITH SUBPART E OF 45 CFR 164:** To the extent Contractor is to carry out one or more of ETF's obligations under Subpart E of 45 CFR Part 164, Contractor shall comply with the requirements of Subpart E that apply to a covered entity in the performance of such obligation; and
- (k) INTERNAL PRACTICES:** Contractor shall make its internal practices, books, and records available to the Secretary of the United States Department of Health & Human Services for purposes of determining compliance with the HIPAA Rules.
- (l) CONTRACTOR REPORTING OF BREACH OR SUSPECTED BREACH OR DISCLOSURE TO ETF:**
- (1) Within twenty-four (24) hours after Contractor becomes aware of a suspected breach, impermissible use, or impermissible disclosure, notify in writing the ETF Program Manager and Privacy Officer. A suspected breach, impermissible use, or impermissible disclosure is considered to be discovered as of the first day on which such occurrence is known to Contractor, or, by exercising reasonable diligence, would have been known to Contractor. The notification must contain details sufficient for the ETF Program Manager and Privacy Officer to determine ETF's agency response. Sufficient details include, without limitation:
 - a. A list of any affected members (if available);
 - b. Information about the information included in the breach, impermissible use, or impermissible disclosure;
 - c. The date or dates of the suspected breach, impermissible use, or impermissible disclosure;
 - d. The date of the discovery by Contractor;
 - e. A list of the pro-active steps taken by Contractor and being taken to correct breach, impermissible use or impermissible disclosure; and
 - f. Contact information at Contractor for affected persons who contact ETF regarding the issue.
 - (2) Not less than one (1) business day before Contractor makes any external communications to the public, media, federal Office for Civil Rights (OCR), other governmental entity, or persons potentially affected by the breach, impermissible use, or impermissible disclosure, provide a copy of the planned communication to the ETF Program Manager and Privacy Officer.

- (3) Within thirty (30) days after Contractor makes the initial report under this section, Contractor shall research the suspected breach, impermissible use, or impermissible disclosure Confidential Information and provide a report in writing to the ETF Program Manager. The report must contain, at a minimum:
- a. A complete list of any affected members and contact information;
 - b. Copies of correspondence or notifications provided to the public, media, OCR, other governmental entity, or persons potentially affected;
 - c. Whether Contractor's Privacy Officer has determined there has been a reportable breach under HIPAA, or an unauthorized acquisition under Wis. Stat. §134.98 and the reasoning for such determination;
 - d. If Contractor determines there has been a breach, impermissible use, or impermissible disclosure, an explanation of the root cause of the breach, impermissible use, or impermissible disclosure;
 - e. A list of the corrective actions taken to mitigate the suspected breach, impermissible use, or impermissible disclosure; and
 - f. A list of the corrective actions taken to prevent a similar future breach, impermissible use, or impermissible disclosure.
- (m) **CLASSIFICATION LABELS:** Contractor shall ensure that all data classification labels contained on or included in any item of Confidential Information shall be reproduced by Contractor on any reproduction, modification, or translation of such Confidential Information. Contractor shall make a reasonable effort to add a proprietary notice or indication of confidentiality to any tangible materials within its possession that contain Confidential Information of the State, as directed by the Department.
- (n) **SUBCONTRACTORS:** If applicable, in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), Contractor shall ensure that any subcontractors that create, receive, maintain, or transmit Confidential Information on behalf of Contractor agree to the same restrictions, conditions, and requirements that apply to Contractor with respect to such information.
- (o) **NOTICE OF LEGAL PROCEEDINGS:** If Contractor or any of its employees, agents, or subcontractors is legally required in any administrative, regulatory or judicial proceeding to disclose any Confidential Information, contractor shall give the Department prompt notice (unless it has a legal obligation to the contrary) so that the Department may seek a protective order or other appropriate remedy. In the event that such protective order is not obtained, Contractor shall furnish only that portion of the information that is legally required and shall disclose the Confidential Information in a manner reasonably designed to preserve its confidential nature.
- (p) **MITIGATION:** The Contractor shall take immediate steps to mitigate any harmful effects of the suspected or actual unauthorized use, disclosure, or loss of any Confidential Information provided to Contractor under this Contract. The Contractor shall reasonably cooperate with the Department's efforts to comply with the breach notification requirements of HIPAA, to seek appropriate injunctive relief or otherwise prevent or curtail such suspected or actual unauthorized use, disclosure or loss, or to recover its Confidential Information, including complying with a reasonable corrective action plan, as directed by the Department.
- (q) **COMPLIANCE REVIEWS:** The Department may conduct compliance reviews of the Contractor's security procedures before and during this Contract term to protect Confidential Information. A minimum ten (10) business day notice is required. Any and all audits, reviews and investigations will be coordinated with Contractor's EVP Enterprise Risk Management.
- (r) **AMENDMENT:** The Parties agree to take such action as is necessary to amend the Contract as necessary for compliance with the HIPAA Rules and other applicable law.
- (s) **SURVIVAL:** The obligations of Contractor under this Section survive the termination of the underlying Contract.
- (t) **RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION:** Upon termination of this Contract for any reason, Contractor, with respect to Confidential Information received from ETF, another contractor of ETF, or created, maintained, or received by Contractor on behalf of ETF, shall:
1. Retain only that Confidential Information which is necessary for Contractor to continue its proper management and administration or to carry out its legal responsibilities;
 2. Return to ETF or, if agreed to by ETF, destroy the remaining Confidential Information that Contractor

still maintains in any form;

3. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic Protected Health Information to prevent use or disclosure of the Protected Health Information, other than as provided for in this Subsection, for as long as Contractor retains the Protected Health Information;
 4. Not use or disclose the Confidential Information retained by Contractor other than for the purposes for which such Confidential Information was retained and subject to the same conditions set out above under Subsection (d) which applied prior to termination;
 5. Return to ETF or, if agreed to by ETF, destroy the Protected Health Information retained by Contractor when it is no longer needed by Contractor for its proper management and administration or to carry out its legal responsibilities; and
 6. If required by ETF, transmit the Confidential Information to another contractor of ETF.
27. TASC must determine if it is subject to the requirements of the "Red Flags Rule" established by the Federal Trade Commission and other federal agencies under the Fair and Accurate Credit Transactions Act of 2003. If TASC determines that it is subject to the "Red Flags Rule," TASC shall provide ETF with a summary of the program established by TASC to comply. If TASC determines that it is not subject to the "Red Flags Rule", TASC shall provide ETF with a written explanation why it is not considered a "financial institution" under 15 U.S.C. 1681(a) that has "transaction accounts" as that term is defined at 12 U.S.C. 461(b)(1)(C).
28. The obligations of the Contractor under paragraph 26 above (Confidential Information and HIPAA Business Associate Agreement), Exhibit A, Attachment 3 (Conflict Resolution Process), Exhibit C (Audit and Open Access) and Exhibit D (Data Security and Privacy Agreement) shall survive termination of this Contract.
29. The Contractor will provide a Transition Plan to the Department by January 31, 2019, which addresses each of the Transition Plan Requirements in Amendment 8 and is approved by the Department. The obligations of the Contractor under the Transition Plan will extend beyond the termination date of this Contract as determined by the Transition Plan.

Exhibit A - Attachment 1

Performance Standards and Guarantees

December 28, 2018

This Exhibit A – Attachment 1 dated December 28, 2018 replaces the previous Exhibit A – Attachment 1 dated September 14, 2017 and Exhibit B dated May 3, 2016.

The Contractor shall adhere to the Annual Project Plan.

<p style="text-align: center;">Claims Processing</p> <p style="text-align: center;">Provide prompt and accurate claims adjudication services. Measured specifically for Department participants and reported to the Department within ten (10) business days of the end of the reporting period.</p>		
Measure	Description	Reporting Frequency
1. Claim Processing Time	The Contractor will process manual and auto-adjudicated claims within three (3) business days from the claim received date.	Monthly
2. Claim Payment	The Contractor will release claim payment via check or direct deposit within two (2) business days from the claims processing date.	Monthly
3. Claim Processing Accuracy	The Contractor will accurately process at least ninety-nine percent (99%) of all manual and auto-adjudicated claims according to federal and state laws and regulations and the Department's plan documents with no financial errors	Monthly
4. Unsubstantiated Claim	The Contractor shall adhere to the Department's substantiation requirements and complete all Contractor assigned substantiation deliverables that are outlined within the plan document, policies, and Department guidance.	Monthly
<p style="text-align: center;">Customer Service</p> <p style="text-align: center;">Provide prompt, knowledgeable, consistently accurate, and courteous customer service experience to the Department's participants. Measured specifically for Department participants and reported to the Department within ten (10) business days of the end of the reporting period.</p>		
Measure	Description	Reporting Frequency
1. Abandoned Rate	The Contractor's customer service phone call abandon rate will not exceed more than four percent (4%). <i>Exception: The Contractor's customer service abandon rate will not exceed more than six percent (6%) during peak customer service times, such as, open enrollment, end of plan year substantiation, and plan year runout.</i>	Monthly

2. Wait Time/ Speed of Answer	The Contractor will answer phone calls within thirty (30) seconds at least ninety percent (90%) of the time. The Department's participant phone calls will leap ahead of the Contractor's other client phone calls. <i>Exception: The Contractor will answer phone calls within ninety (90) seconds at least ninety percent (90%) of the time during peak customer service times, such as, open enrollment, end of plan year substantiation, and plan year runout.</i>	Monthly
3. First Call Resolution	The Contractor will resolve a participant inquiry via phone call to customer service within the first phone call 96% of the time.	Monthly
4. Level 1 Escalation	The Contractor will respond to a customer service level 1 escalation within two (2) business days from the date of the initial inquiry.	Monthly
5. Level 2 Escalation	The Contractor will respond to a customer service level 2 escalation within two (2) business days from the date of the level 1 escalation inquiry.	Monthly
6. Written Inquiry	The Contractor will respond to a written participant inquiry within three (3) business days from the date received.	Monthly
7. Customer Service Quality	The Contractor's customer service department will provide accurate information in a comprehensive manner at least 99% of the time. The Contractor will audit and measure the customer service department staff on a quarterly basis. Upon completion of the customer service audit, the Contractor will provide the Department with a summary of the audit results and any applicable corrective actions taken to improve the Department's participants' customer service experience within ten (10) business days of the end of the quarter.	Quarterly
8. Customer Service Subcontractor	The Contractor must obtain prior approval from the Department before subcontracting customer support services that may provide services to the Department's participants.	Prior to subcontract
Debit Card		
Measure	Description	Reporting Frequency
1. Debit Cards	The Contractor will mail debit cards to participants within ten (10) business days from the initial request date. Debit cards requests include: new enrollments, re-issues, and dependent cards.	Monthly
Security Breach		

Measure	Description	Reporting Frequency
1. Notice of Security Breach	The Contractor will provide immediate notice to the Department of any known security breaches in accordance with the contract.	Immediately
Data Collection and Processing		
Measure	Description	Reporting Frequency
1. Eligibility and Enrollment Processing File Feed	The Contractor will upload and process the eligibility and enrollment files into the Contractor's software system within three (3) business days.	Monthly
2. Eligibility and Enrollment Processing Accuracy	The Contractor will accurately process at least ninety-nine percent (99%) of all participant eligibility and enrollments.	Monthly
3. Eligibility and Enrollment Discrepancy Reports	The Contractor will compile and distribute an eligibility file feed discrepancy report to each payroll processing center following each payroll file feed within seven (7) business days of receiving payroll data. Upon payroll processing center discrepancy report response, the Contractor will process any noted corrections within 7 business days.	Monthly
4. Contribution File Feed Processing	The Contractor will upload and process the contribution files into the Contractor's software system within three (3) business days.	Monthly
5. Contribution Processing Accuracy	The Contractor will accurately process at least ninety percent (99%) of all contributions.	Monthly
6. Contribution Discrepancy Reports	The Contractor will compile and distribute a contribution file feed discrepancy report to each payroll processing center following each payroll file feed within seven (7) business days of receiving payroll data. Upon payroll processing center contribution discrepancy report response, the Contractor will process any noted corrections within 7 business days.	Monthly
7. Manual Processing Secondary Review	The Contractor will perform a secondary level review of manually processed enrollments, contributions, and claims to ensure accuracy and reduce risk.	Quarterly
8. Standardized File Specifications for Data Collection	The Contractor will use standard file specifications with all payroll processing centers for data collection. Any changes to the standard file specifications must be prior approved by the Department.	Prior to changes
Open Enrollment		
Measure	Description	Reporting Frequency
1. Initial Planning Meeting	The Contractor will conduct an initial open enrollment planning meeting with the Department by July 15 each year.	Annually

2. Open Enrollment Benefit Fair Representation	The Contractor will attend at least five (5) of the largest attended open enrollment benefit fairs.	Annually
3. Open Enrollment Program Materials and Communications	Prior to being distributed to the Department's participants or payroll processing centers, the Contractor will provide all program materials and communications to the Department for review and approval. All open enrollment materials and communications must be revised and final versions provided to the Department for approval by September 1 each year.	Annually
4. Participant Guides	<p>The Contractor will revise the Participant Guides with any federal and state law and 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 Participant Guides for consistency, efficiency, and for participant reference. The Contractor will develop efficient participant processes and guidelines that will be thoroughly documented in Participant Guides once completed. The Contractor will revise the Participant Guides with any program or process changes on a quarterly basis. The Contractor will validate against the Department's plan document and summary plan description that the Guides' language is specific to the Department's programs. The Contractor's Compliance Department will review the Guides to ensure compliance to federal and state laws and regulations.</p> <p>All revisions must be approved by the Department prior to distribution.</p> <p>All notable changes will be communicated by the Contractor to the Contractor's staff, Department staff, and all applicable payroll processing center staff.</p>	Quarterly
5. Administrator Guides	<p>The Contractor will revise the Administrative Guides with any federal and state law and 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 Administrator Guides for consistency, efficiency, and for administrator reference. The Contractor will develop efficient administrative processes and guidelines that will be thoroughly documented in Administrator Guides once completed. The Contractor will revise the Administrator Guides with any program or process changes or additions on a quarterly basis. The Contractor will validate against the Department's plan document and summary plan description that the Guides' language is specific to the Department's programs. The Contractor's Compliance Department will review the Guides to ensure compliance to 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 processing center staff.</p>	Quarterly
6. Payroll Processing Center Open Enrollment Planning Meeting	The Contractor will conduct an open enrollment planning meeting with the payroll processing centers by August 1 each year.	Annually

7. Enrollment System	The Contractor will provide an internet enrollment system that functions smoothly, timely, and is accessible 95% of each day during the annual open enrollment period.	Annually
8. Telephone Enrollment	The Contractor will provide a telephone enrollment option that functions smoothly, timely, and is accessible 95% of each day during the annual open enrollment period.	Annually
9. Paper Enrollment	The Contractor will provide a paper enrollment option during open enrollment.	Annually
10. Open Enrollment Event Enrollment Processing	The Contractor will process all enrollments related to an open enrollment event within two (2) business days or less from the enrollment receive date.	Annually
11. Plan Set-up	Prior to open enrollment and initialization of the plan year, 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 plan design and federal and state laws and regulations. If a change occurs during the plan year that would require the Contractor to make changes to the Department's program set-up in the Contractor's program administration software system, the Contractor will provide the Department with supportive documentation and two levels of review confirming the Contractor's program administration software system reflects changes accurately.	Annually and as changes occur
12. HDHP HSA Discrepancy Audit	The Contractor will conduct a High Deductible Health Plan and Health Savings Account audit prior to the start of the plan year and after the initialization of the plan year to validate participants enrolled in an HDHP enrolled in an HSA and not in any other disqualifying pre-tax savings program. The Contractor will provide HDHP HSA discrepancy audit results to the payroll processing centers on a mutually agreed upon date between the Contractor and the Department. Upon payroll processing center HDHP HSA discrepancy report response, the Contractor will process any noted corrections within five (5) business days. The Department may request the Contractor to conduct an HDHP HSA audit on an as needed basis.	Annually

Plan Documents and Summary Plan Descriptions

Measure	Description	Reporting Frequency
1. Health Savings Account (HSA)	The HSA Plan Document and Summary Plan Description is incorporated in the Department's Section 125 Cafeteria Plan Document and Summary Plan Description. The Contractor will provide the Department with applicable Plan Document and Summary Plan Description complying with the Department's program design and state and federal laws and regulations. The Contractor will maintain and revise the Department's Plan Document and Summary Plan Description as necessary to comply with any changes in federal or state laws or regulations and incorporate any	Annually and as changes occur

	<p>program changes. The Contractor will make applicable updates to the Department's Plan Document and Summary Plan Description within thirty (30) days of changes in federal or state laws or regulations and program design. The Department may request additional revisions to the Plan Document and Summary Plan Description at any time and the Contractor will incorporate the additional revisions within thirty (30) days of the Department's request. The revised and final versions of the Department's Plan Document and the Summary Plan Description will be published and loaded to the Contractor's participant and administrator portal within fifteen (15) days of the Department's approval of the final document revisions. The Contractor agrees that the Department owns the Plan Document and Summary Plan Description.</p>	
<p>2. Health Care Flexible Spending Account (FSA)</p>	<p>The FSA Plan Document and Summary Plan Description is incorporated in the Department's Section 125 Cafeteria Plan Document and Summary Plan Description. The Contractor will provide the Department with applicable Plan Document and Summary Plan Description complying with the Department's program design and state and federal laws and regulations. The Contractor will maintain and revise the Department's Plan Document and Summary Plan Description as necessary to comply with any changes in federal or state laws or regulations and incorporate any program changes. The Contractor will make applicable updates to the Department's Plan Document and Summary Plan Description within thirty (30) days of changes in federal or state laws or regulations and program design. The Department may request additional revisions to the Plan Document and Summary Plan Description at any time and the Contractor will incorporate the additional revisions within thirty (30) days of the Department's request. The revised and final versions of the Department's Plan Document and the Summary Plan Description will be published and loaded to the Contractor's participant and administrator portal within fifteen (15) days of the Department's approval of the final document revisions. The Contractor agrees that the Department owns the Plan Document and Summary Plan Description.</p>	<p>Annually and as changes occur</p>
<p>3. Limited Purpose Flexible Spending Account (LPFSA)</p>	<p>The LPFSA Plan Document and Summary Plan Description is incorporated in the Department's Section 125 Cafeteria Plan Document and Summary Plan Description. The Contractor will provide the Department with applicable Plan Document and Summary Plan Description complying with the Department's program design and state and federal laws and regulations. The Contractor will maintain and revise the Department's Plan Document and Summary Plan Description as necessary to comply with any changes in federal or state laws or regulations and incorporate any program changes. The Contractor will make applicable updates to the Department's Plan Document and Summary Plan Description within thirty (30) days of changes in federal or state laws or regulations and program design. The Department may request additional revisions to the Plan Document and Summary Plan Description at any time and the Contractor will incorporate the additional revisions within thirty (30) days of the Department's request. The revised and final versions of the Department's Plan Document and</p>	<p>Annually and as changes occur</p>

	<p>the Summary Plan Description will be published and loaded to the Contractor's participant and administrator portal within fifteen (15) days of the Department's approval of the final document revisions. The Contractor agrees that the Department owns the Plan Document and Summary Plan Description.</p>	
<p>4. Dependent Day Care FSA</p>	<p>The Dependent Day Care FSA Plan Document and Summary Plan Description is incorporated in the Department's Section 125 Cafeteria Plan Document and Summary Plan Description. The Contractor will provide the Department with applicable Plan Document and Summary Plan Description complying with the Department's program design and state and federal laws and regulations. The Contractor will maintain and revise the Department's Plan Document and Summary Plan Description as necessary to comply with any changes in federal or state laws or regulations and incorporate any program changes. The Contractor will make applicable updates to the Department's Plan Document and Summary Plan Description within thirty (30) days of changes in federal or state laws or regulations and program design. The Department may request additional revisions to the Plan Document and Summary Plan Description at any time and the Contractor will incorporate the additional revisions within thirty (30) days of the Department's request. The revised and final versions of the Department's Plan Document and the Summary Plan Description will be published and loaded to the Contractor's participant and administrator portal within fifteen (15) days of the Department's approval of the final document revisions. The Contractor agrees that the Department owns the Plan Document and Summary Plan Description.</p>	<p>Annually and as changes occur</p>
<p>5. Commuter Fringe Benefit Program</p>	<p>The Commuter Fringe Benefit Program Plan Document and Summary Plan Description includes parking account and transit account fringe benefit programs. The Contractor will provide the Department with applicable Plan Document and Summary Plan Description complying with the Department's program design and state and federal laws and regulations. The Contractor will maintain and revise the Department's Plan Document and Summary Plan Description as necessary to comply with any changes in federal or state laws or regulations and incorporate any program changes. The Contractor will make applicable updates to the Department's Plan Document and Summary Plan Description within thirty (30) days of changes in federal or state laws or regulations and program design. The Department may request additional revisions to the Plan Document and Summary Plan Description at any time and the Contractor will incorporate the additional revisions within thirty (30) days of the Department's request. The revised and final versions of the Department's Plan Document and the Summary Plan Description will be published and loaded to the Contractor's participant and administrator portal within fifteen (15) days of the Department's approval of the final document revisions. The Contractor agrees that the Department owns the Plan Document and Summary Plan Description.</p>	<p>Annually and as changes occur</p>

Reports and Deliverables

Measure	Description	Frequency
1. Program Participation Statistics	The Contractor will provide quarterly enrollment statistics by plan (Health Care FSA, LPPFA, Dependent Day Care FSA, Commuter Benefits, and HSA) that include total participation, total election amount, total estimated tax savings for participants, total estimated tax savings for payroll processing center, etc.	Quarterly
2. Customer Service Summary	The Contractor will provide quarterly customer service summary reports within fifteen (15) days of the end of each quarter. The customer service summary reports will include call trending and call categorization information.	Quarterly
3. Claim Summary	The Contractor will provide a quarterly claim summary report within fifteen (15) days of the end of each month. The claim summary report will include claim trending and claim categorization information.	Quarterly
4. Summary Payroll Discrepancy Reports	The Contractor will provide the Department with a payroll processing center discrepancy status summary report on a monthly basis. The status summary report will include the name of the payroll processing center, payroll file date, discrepancy report issue date, total number of discrepancies, and resolution date. If a payroll processing center does not complete the discrepancy report within 10 business days, the Contractor will contact the payroll center to resolve the matter timely and notify the Department.	Monthly
5. Reconciliation Report	The Contractor will provide mutually agreed upon reports monthly to facilitate reconciliation between the Contractor, Department, and the payroll processing center within fifteen (15) days of the end of the month.	Monthly
6. Forfeiture Report	The Contractor will provide a year-to-date forfeiture report for prior year. The annual plan finalization report includes a year-to-date forfeiture report. The Contractor will provide a preliminary, materially correct annual plan finalization report by April 30 and audit the final plan finalization report by May 31 provided there is a ninety (90) day claims runout period. <i>Note: Point of Claims, thus Contractor will not hold funds. Plan finalization report is available online in the Contractor's administrator portal 24/7/365.</i>	Twice, Annually
7. Plan Finalization Report	The Contractor will provide a preliminary, materially correct annual plan finalization report by April 30 and audit the final plan finalization report by May 31 provided there is a ninety (90) day claims runout period. <i>Note: Point of Claims, thus Contractor will not hold funds. Plan finalization report is available online in the Contractor's administrator portal 24/7/365.</i>	Twice, Annually
8. Annual Report	The Contractor will provide the Department with an annual report of the prior year's performance by June 30th of following year. The annual report will include: program	Annually

	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.	
9. Performance Standards and Guarantees Summary	The Contractor will provide the Department with a report summarizing the Performance Standards and Guarantees within forty-five (45) days of the end of the plan year.	Annually
10. Participant Satisfaction Survey	The Contractor will conduct an annual participant satisfaction survey. Upon completion of the participant satisfaction survey, results will be shared with the Department. If the participant satisfaction survey results should reflect opportunities for improvement, the Contractor will provide the Department with an improvement plan and an action plan timeline.	Annually
11. Annual Audit	The Department is audited by the State of Wisconsin Legislative Audit Bureau annually, as required by Wisconsin Statute 13.94 (1) (dd). The Contractor agrees to assign dedicated staff to provide necessary information related to this audit for all programs under this Contract, as requested by the Department or auditor.	As requested
12. Carryover Audit	At the initialization of a new plan year, the Contractor will conduct a carryover audit to validate the carryover is applying correctly from the previous plan year to the new plan year. Once the plan year closes on March 31, the Contractor will conduct a second carryover audit to ensure the carryover applied to the new plan year accurately.	Twice, Annually
13. Annual Election Contribution Audit	The Contractor will conduct an annual election contribution audit to ensure participants are on target to meet their annual election amount and the participant will not exceed their annual election amount. If the Contractor identifies any discrepancies, the Contractor will send a discrepancy report to the payroll processing centers for review and resolution. The Contractor will work with the payroll processing centers to resolve the discrepancies prior to the end of the plan year, December 31. The Contractor will perform a second annual election contribution audit during the plan year runout period to ensure participant annual elections were met and participants did not over contribute. If the Contractor identifies any discrepancies, the Contractor will work with the payroll processing centers to resolve such descriptions prior to the close of the plan year, March 31.	Twice, Annually
14. Transition Plan	The Contractor will provide the Department with a written transition plan by January 31, 2019.	Annually
15. Annual Review	The Contractor will conduct an annual review of the Department's benefit programs to provide the Department with program design and program administration recommendations that would enhance the benefit programs	Annually

	for participants, the Department, and the participant's employers. The annual review results would be presented to the Department by July 15 each year.	
16. In Person Meetings	The Contractor will conduct in-person meetings with Department staff and payroll processing centers' staff every quarter to provide program knowledge, discuss process flows, and address questions and/or concerns. The quarterly meetings can be combined. Exception: If there is a specific payroll processing center concern, these meetings will be held separately.	Quarterly
17. Audit Recommendations	The Contractor will implement agreed upon actions arising from any findings and/or recommendations identified in a SOC Report(s), Contract compliance Audit, Legislative Audit Bureau Audit, or Departmental Internal Audit. The agreed upon actions will be completed timely according to the timeline established by the Department.	Monthly
Disaster Recovery		
Measure	Description	Reporting Frequency
1. Disaster Recovery Plan	Provide results of any material findings from simulation testing for the disaster recovery plan by January 30th of each year. Provide updates and respond to questions from the Department consistent with protection of the Contractor's confidentiality needs and protection of the Department's participants' data and the Business Associate Agreement (BAA).	Annually
2. Disaster Event Initiation and Notification	Initiate the disaster recovery plan within twenty-four (24) hours of any event that causes a disruption of services impacting the Department's critical business functions. Any disagreement between the Department and the Contractor regarding declaring a disaster will be resolved by the second level of the conflict resolution process set forth in this Contract.	As disaster events occur.
Non-Discrimination Testing		
Measure	Description	Reporting Frequency
1. Non-discrimination Testing	The Contractor will conduct annual Internal Revenue Code (IRC) Sec. 105(h) compliant nondiscrimination testing for all Section 125 Cafeteria Plan eligible benefit programs offered by the Department and as identified by the Department.	Annually
2. Corrections and Guidance	The Contractor will make corrections and/or provide the Department with guidance on correction of failures, as instances occur. The Contractor will provide the Department with guidance on how to prevent failures in the future.	As needed
3. Additional Testing	In the event of a failed test, the Contractor will conduct additional testing to confirm implemented changes rectified	As needed

	the failure no later than October 1 of the applicable plan year.	
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Important: Due dates are firm deadlines established by the Department to receive complete, quality Contractor products or services. If the Contractor products are written, they shall include all Department requested changes and revisions and be in a final version format that is free of errors or omissions, unless otherwise authorized in writing by the Department Program Manager.

Exhibit A - Attachment 2

Contract Payment Terms

February 11, 2019

The Contractor will invoice the Department for administrative services described in the Contract at the end of the month of the service period. The Department will pay such invoices within two (2) weeks from the date the Department receives the invoice for services. The Department agrees to pay such invoices via ACH payment. The Contractor will not charge the Department any ACH fees. Fees for services outside the scope of services to be provided under this Contract, or for additional services that become necessary due to missing, incomplete or incorrect information in this Contract, will be invoiced by the Contractor separately and will be disclosed to the Department prior to the Department incurring the expense. Contractor will calculate the fees for administrative services based on the number of benefit plans participants enrolled the plan at the time the invoice is created, except during the Claims Run Out Period. During the Claims Run Out Period, Contractor will calculate the fees based on the number of benefit plans participants enrolled in the plan on December 31, 2019. During the Run-Out Period, January 1, 2020 through March 31, 2020, the Department will pay Contractor one hundred percent (100%) of the administrative fee, which is based on the number of benefit plans participants enrolled in the plan on December 31, 2019. Between April 1, 2020 and December 31, 2020, the Department will pay Contractor ten percent (10%) of the administrative fee, which is based on the number of benefit plans participants enrolled in the plan on December 31, 2019. The Department has no responsibility for fees related to terminated participants or retired Health Savings Account (HSA) participants. The Department is responsible for the Administration Fees for the entire plan year, including the Claims Run Out Period, and the obligations of the Department under the Transition Plan Requirements (see Exhibit F). Failure on the part of the Department to remit payment for administrative services will be resolved through the agreed upon Conflict Resolution Process in Exhibit A, Attachment 3.

The Contractor will invoice the Department weekly for paid claims. The Department will reimburse the Contractor via ACH payment within five (5) business days of receipt of the paid claims invoice.

The Department provided Contractor advance funding in the amount of \$1,100,000 pursuant to Contractor's Invoice #123001 dated December 30, 2014. TASC ID 4507-6188-2462 ("Advance Funding Amount").

At Contract termination, the Department will off-set \$600,000 of the Advance Funding Amount by deducting any claims or administrative fees owed the Contractor on or around June 30, 2019.

The Department will off-set \$500,000 of the Advance Funding Amount by deducting any claims or administrative fees owed the Contractor on or around January 1, 2020.

The Department will invoice the Contractor for any remaining Advance Funding Amount owed to the Department, if the full amount has not been off-set by the Department by March 31, 2020. Contractor will pay such remaining amount to the Department by check or ACH no later than April 15, 2020.

Exhibit A - Attachment 3

Conflict Resolution Process

September 14, 2016

In the event a conflict arises between TASC and ETF which cannot be resolved in the normal course:

- a. The parties acknowledge and agree that time is of the essence in the resolution of conflicts. Accordingly, the parties shall act expeditiously to resolve any such conflict.
- b. TASC shall continue without delay to carry out all its responsibilities under this Contract which are not affected by the conflict. Should TASC fail to perform its responsibilities under this Contract that are not affected by the conflict without delay, any and all additional costs incurred by TASC and ETF as a result of such failure to proceed shall be borne by TASC. TASC shall not make any claim against ETF for such costs. ETF's non-payment of fees in breach of this Contract that are overdue by sixty (60) days is a conflict that will always be considered to affect TASC's responsibilities.
- c. The party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiation by delivering written notice to the other party. Such notice shall be without prejudice to the Invoking Party's right to any other remedy permitted by this Contract. After such notice, the parties shall use all reasonable efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between authorized negotiators for the parties at the following successive management levels, each of which shall have a period of allotted time as specified below in which to attempt to resolve the dispute:

LEVEL	TASC	ETF	ALLOTTED TIME
First	Client Account Manager	Deputy Director, Office of Strategic Health Policy	Ten (10) business days
Second	Executive Vice President of Customer Service	Director, Office of Strategic Health Policy	Twenty (20) business days
Third	Chief Operating Officer	Secretary	Thirty (30) business days

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

DISPUTE RESOLUTION

As provided in the Standard Terms and Conditions, this Contract shall be governed under the laws of the State of Wisconsin. Both parties agree that any court proceeding arising or related to this Contract shall be exclusively brought in the State of Wisconsin, Dane County Circuit Court, or upon appeal to the appellate courts in Wisconsin. Both parties agree to waive the right to trial by jury.

Exhibit A - Attachment 4

Appeals Process

June 6, 2016

TASC will send the participant a denial letter specifying the reason for denial(s) supporting its action regarding the benefit programs it administers on behalf of ETF on issues raised by a participant including, but not limited to:

- Denial of a claim
- Grace period and runout period
- Late reimbursement
- Late enrollment
- Substantiation

Appeals by a participant must be made to TASC 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. TASC will issue a written decision within sixty (60) days specifying the reason (s) governing the decision, including references to applicable Plan provisions. The written decision must inform the participant of the opportunity to appeal TASC's decision to ETF.

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

A participant may appeal ETF's departmental determination to the Group Insurance Board. An appeal to the Group Insurance 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. An appeal should be sent to the Appeals Coordinator, Department of Employee Trust Funds, P. O. Box 7931, Madison, WI 53707-7931.

Exhibit A - Attachment 5

Reporting Data Elements

May 3, 2016

The Contract Administrator is required to submit reports to ETF to allow adequate program monitoring. Reports may include, but not limited to, those reports that are stated in the current administrative services contract.

Data Elements required by ETF from TASC for reporting purposes:

All Billings need to include a MASTER INVOICE including the following:

- Invoice Number
- Invoice Date
- Payment Due Date
- Service Period
- Total Due

FSA/LPFSA and Parking and Transit Claims Invoicing:

- Claims broken out by policy year
- Claims broken out by Medical, Dependent Care, Parking, or Transit
- Total claims for each policy year
- Grand Total of amount due
- Supporting documentation identifying who/what the claim is for
 - Participant's First/Last Name
 - Participant's ID Number
 - Employer Name & Number
 - Payroll Center
 - Claim Amount
 - Policy Year
 - Type of Benefit (Medical, Transit, etc.)
 - Payment Type – How was the member reimbursed? (Debit Card, check, EFT, etc.)

FSA/LPFSA, Parking/Transit, and HSA Administrative Billing:

- Number of Participants in each program
- Admin Rate
- Total Amount Due
- Supporting documentation of who ETF is being billed for
 - Participant's First/Last Name
 - Participant's ID Number
 - Medical, Dependent, Parking, Transit, HSA
 - Employer Name & Number
 - Payroll Center

FSA/LPFSA and Parking and Transit Contributions Reporting:

- Monthly Summary of Contributions by Employer and/or Payroll Center
 - Employer Name & Number and/or Payroll Center
 - Payroll Deduction Date
 - Total Medical, Dependent, Parking, or Transit contributions for that Payroll Month
 - Total Contributions Year to date
- Details of Contributions at the participant level
 - Participant's First/Last Name

- Participant's ID Number
- Employer Name & Number
- Payroll Center
- Payroll Deduction Type – weekly, bi-monthly, monthly, etc.
- Payroll Deduction Date
- Contribution Amount
- Type: Medical, Dependent, etc.

Annual Forfeiture Reports – FSA/LPFSA and Parking and Transit

- Excel file of participants level data including the following elements, in addition to member identifying data:
 - Participant Contributions, Carryover Funds, Requests Paid, and Carryover Transfer
- So that TASC/ETF can calculate the forfeitures by:
 - Policy Year
 - Medical Total
 - Dependent Total
 - Parking and Transit Totals
 - Grand Total of Forfeitures

Stale Dated Checks

- Report listing the stale dated checks
 - Check Number
 - Check Date
 - Check Amount
 - Payee – Participant Name
 - Participant ID Number
 - Program – FSA (Medical or Dependent), Parking and Transit, or LPFSA
 - Policy Year of the claim the check was issued for

Unsubstantiated Claims

- The Contractor shall adhere to State of Wisconsin Substantiation Policy and complete all Contractor required report deliverables outlined within the policy.

NOTE: Reports and its details should remain static – If a report is run/received for January it should be the same whether we get 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 an employer works at the Department of Revenue in January, but transfers to the Department of Corrections in May, any January reporting pulled after May should still reflect Department of Revenue as the employer for that month of January.

ETF reserves the right to refine the reports and data elements above, as appropriate and necessary. ETF will inform TASC, in writing, for every report or data element change needed. The parties will meet to discuss ETF's needs and TASC's current capacity to meet those needs, and reach an agreement in how the reports and data elements can be refined. ETF retains ownership of all reports to include customer reports.

Exhibit C

Audit and Open Access

September 14, 2017

SOC Report:

The DEPARTMENT will be furnished with an annual copy of an Independent Service Auditor's Report on Management's Description of the Service Organization's System and the Suitability of the Design and Operating Effectiveness of Controls (SOC 1, Type 2), which will be provided to the DEPARTMENT by May 1 following each plan year. This independent audit of the CONTRACTOR'S controls must be completed in accordance with the American Institute of Certified Public Accountants' Statements on Standards for Attestation Engagements (SSAE) No. 18 (SOC 1, Type 2). The SSAE 18 (SOC 1, Type 2) annual audit will include all programs under this Contract and will be conducted at the CONTRACTOR'S expense. If the CONTRACTOR'S SSAE 18 (SOC 1, Type 2) audit covers less than the twelve (12) months of a calendar year, the CONTRACTOR will provide a bridge letter to the DEPARTMENT, stating whether processes and controls have changed since the SSAE 18 (SOC 1, Type 2) audit.

Contract Compliance Audit:

The DEPARTMENT will schedule and arrange for an independent certified public accountant to perform agreed upon procedures or consulting work related to the CONTRACTOR'S compliance with this Contract on a periodic basis, as determined by the DEPARTMENT. The audit scope will be determined by the DEPARTMENT and may include recordkeeping, participant account activity, claims processing, administrative performance standards, and any other relevant areas to the programs under this Contract. The timeline of the audit will be mutual agreed upon by the DEPARTMENT and the CONTRACTOR. A minimum ten (10) business day notice is required. Any and all audits, reviews and investigations will be coordinated with Contractor's Executive Vice President Enterprise Risk Management.

Open Access:

All CONTRACTOR books, records, ledgers, data, and journals relating to the programs under this Contract will be open for inspection and audit by the DEPARTMENT, its designees, or the State of Wisconsin Legislative Audit Bureau, at any time during normal working hours. A minimum ten (10) business day notice is required. Any and all audits, reviews, and investigations will be coordinated with Contractor's Executive Vice President Enterprise Risk Management.

Records or data requested shall be provided electronically in a format mutually agreed upon by the DEPARTMENT and CONTRACTOR. The aforementioned authority shall have access to interview any employee of the CONTRACTOR authorized agent involved with the Contract in conjunction with any audit, review, or investigation deemed necessary by the DEPARTMENT or the State of Wisconsin.

LAB Audit:

The DEPARTMENT is audited by the State of Wisconsin Legislative Audit Bureau annually, as required by Wisconsin Statute 13.94 (1) (dd). The CONTRACTOR agrees to provide necessary information related to this audit for all programs under this Contract, as requested by the DEPARTMENT or auditor.

Exhibit D

Data Security and Privacy Agreement

October 11, 2017

DATA SECURITY AND PRIVACY AGREEMENT

- (a) **PURPOSE AND SCOPE OF APPLICATION:** This Data Security and Privacy Agreement (Agreement) is designed to protect the Department of Employee Trust Fund's (ETF) Confidential Information and ETF Information Resources (defined below). This Agreement describes the data security and privacy obligations of Contractor and its sub-contractors that connect to ETF Information Resources and/or gain access to Confidential Information.
- (b) **DEFINED TERMS:**
- (1) **Confidential Information** means all tangible and intangible information and materials being disclosed in connection with the Contract, in any form or medium without regard to whether the information is owned by the State of Wisconsin or by a third party, which satisfies at least one of the following criteria: (i) Individual Personal Information; (ii) Protected Health Information under HIPAA, 45 CFR 160.103; (iii) proprietary information; (iv) non-public information related to the State of Wisconsin's employees, customers, technology (including data bases, data processing and communications networking systems), schematics, specifications, and all information or materials derived therefrom or based thereon; (v) information expressly designated as confidential in writing by the State of Wisconsin; (vi) all information that is restricted or prohibited from disclosure by State or federal law, including Individual Personal Information and Medical Records as governed by Wis. Stat. § 40.07, Wis. Admin. Code ETF 10.70(1) and 10.01(3m); or (vii) any material submitted by the Proposer in response to this RFP that the Proposer designates confidential and proprietary information and which qualifies as a trade secret, as provided in Wis. Stat. § 19.36 (5) or material which can be kept confidential under the Wisconsin public records law, and identified by Contractor on FORM D –Designation of Confidential and Proprietary Information (DOA-3027). Pricing information cannot be held confidential.
 - (2) **ETF Information Resources** means those devices, networks and related infrastructure that ETF has obtained for use to conduct ETF business. Devices include but are not limited to, ETF-owned, managed, used through service agreements storage, processing, communications devices and related infrastructure on which ETF data is accessed, processed, stored, or communicated, and may include personally owned devices. Data includes, but is not limited to, Confidential Information, other ETF created or managed business and research data, metadata, and credentials created by or issued on behalf of ETF.
- (c) **ACCESS TO ETF INFORMATION RESOURCES:** In any circumstance when Contractor is provided access to ETF Information Resources, it is solely Contractor's responsibility to ensure that its access does not result in any access by unauthorized individuals to ETF Information Resources. Contractors who access ETF's systems from any ETF location must at a minimum conform with ETF security standards that are in effect at the ETF location(s) where the access is provided. Any Contractor technology and/or systems that gain access to ETF Information Resources must comply with, at a minimum, the elements in the Computer System Security Requirements set forth in this Agreement.
- (d) **COMPLIANCE WITH APPLICABLE LAWS:** Contractor agrees to comply with all applicable state and federal laws, as well as industry best practices, governing the collection, access, use, disclosure, safeguarding and destruction of Confidential Information.

- (e) PROHIBITION ON UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION:** Contractor agrees to hold ETF's Confidential Information, and any information derived from such information, in strictest confidence. Contractor will not access, use or disclose Confidential Information other than to carry out the purposes for which ETF disclosed the Confidential Information to Contractor, except as permitted or required by applicable law, or as otherwise authorized in writing by ETF. For avoidance of doubt, this provision prohibits Contractor from using for its own benefit Confidential Information or any information derived from such information. If required by a court of competent jurisdiction or an administrative body to disclose Confidential Information, Contractor will notify ETF in writing immediately upon receiving notice of such requirement and prior to any such disclosure, to give ETF an opportunity to oppose or otherwise respond to such disclosure (unless prohibited by law from doing so).
- (f) REQUIREMENT TO KEEP CONFIDENTIAL INFORMATION WITHIN THE UNITED STATES:** The Contractor's transmission, transportation or storage of Confidential Information outside the United States, or access of Confidential Information from outside the United States, is prohibited except on prior written authorization by ETF.
- (g) SAFEGUARD STANDARD:** Contractor agrees to protect the privacy and security of Confidential Information according to all applicable laws and regulations, including HIPAA, by commercially-acceptable frameworks or standards such as the ISO/IEC 27000-series, NIST, 800-53, RFC 2196, IEC 62443, and SANS CIS Top 20. ISO 270001, etc. Security Controls, and no less rigorously than it protects its own confidential information, but in no case less than reasonable care. Contractor will implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of the Confidential Information. All Confidential Information stored on portable devices or media must be encrypted in accordance with the Federal Information Processing Standards (FIPS) Publication 140-2. Contractor will ensure that all security measures are regularly reviewed including ongoing monitoring, an annual penetration and vulnerability test, and an annual security incident response test, and revised, no less than annually, to address evolving threats and vulnerabilities while Contractor has responsibility for the Confidential Information under the terms of this Agreement. Prior to agreeing to the terms of this Agreement, and periodically thereafter (no more frequently than annually) at ETF's request, Contractor will provide assurance, in the form of a third-party audit report or other documentation acceptable to ETF, such as an SSAE 18 SOC 2 Type 2 report, demonstrating that appropriate information security safeguards and controls are in place.
- (h) INFORMATION SECURITY PLAN:**
- (1)** Contractor acknowledges that ETF is required to comply with information security standards for the protection of Confidential Information as required by law, regulation and regulatory guidance, as well as ETF's internal security program for information and systems protection.
 - (2)** Contractor will establish, maintain and comply with an information security plan (Information Security Plan), which will contain, at a minimum, such elements as those set forth in this Agreement.
 - (3)** Contractor's Information Security Plan will be designed to:
 - a.** Ensure the privacy, security, integrity, availability, and confidentiality of Confidential Information;
 - b.** Protect against any anticipated threats or hazards to the security or integrity of such information;
 - c.** Protect against unauthorized access to or use of such information that could result in harm or inconvenience to the person that is the subject of such information;
 - d.** Reduce risks associated with Contractor having access to ETF Information Resources; and
 - e.** Comply with all applicable legal and regulatory requirements for data protection.
 - (4)** On at least an annual basis, Contractor will review its Information Security Plan, update and revise it as needed, and make available to ETF upon request. At ETF's request, Contractor will make modifications to its Information Security Plan or to the procedures and practices thereunder to conform to ETF's security requirements as they exist from time to time. If there are any significant modifications to Contractor's Information Security Plan, Contractor will notify ETF within a reasonable period of time, not to exceed two weeks. Any significant modification

must include the same or a higher framework or information security standard maturity level than what currently exists in the Plan.

(i) RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION:

Upon termination of this Contract for any reason, Contractor, with respect to Confidential Information received from ETF, another contractor of ETF, or created, maintained, or received by Contractor on behalf of ETF, shall:

- (1) Retain only that Confidential Information which is necessary for Contractor to continue its proper management and administration or to carry out its legal responsibilities.
- (2) Return to ETF, or, if agreed to by ETF, destroy the remaining Confidential Information that Contractor still maintains in any form;
- (3) Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic Protected Health Information to prevent use or disclosure of the Protected Health Information, other than as provided for in this Subsection, for as long as Contractor retains the Protected Health Information;
- (4) Not use or disclose the Confidential Information retained by Contractor other than for the purposes for which such Confidential Information was retained and subject to the same conditions set out above under Subsection (d) which applied prior to termination;
- (5) Return to ETF or, if agreed to by ETF, destroy the Protected Health Information retained by Contractor when it is no longer needed by Contractor for its proper management and administration or to carry out its legal responsibilities; and
- (6) If required by ETF, transmit the Confidential Information to another contractor of ETF.

(j) NOTIFICATION OF CORRESPONDENCE CONCERNING CONFIDENTIAL INFORMATION:

Contractor agrees to notify ETF immediately, both orally and in writing, but in no event more than twenty-four (24) hours after Contractor receives correspondence or a complaint regarding Confidential Information, including but not limited to, correspondence or a complaint that originates from a regulatory agency or an individual.

(k) BREACHES OF CONFIDENTIAL INFORMATION:

CONTRACTOR REPORTING OF BREACH OR SUSPECTED BREACH OR DISCLOSURE TO ETF:

- (1) Within twenty-four (24) hours after Contractor becomes aware of a suspected breach, impermissible use, or impermissible disclosure of ETF's Confidential Information, notify in writing the ETF Program Manager and Privacy Officer. A suspected breach, impermissible use, or impermissible disclosure is considered to be discovered as of the first day on which such occurrence is known to Contractor, or, by exercising reasonable diligence, would have been known to Contractor. The notification must contain details sufficient for the ETF Program Manager and Privacy Officer to determine ETF's agency response. If the Contractor cannot notify the Department of details due to specific instructions from law enforcement, the Contractor will notify the Department in writing. Sufficient details include, without limitation:
 - a. The nature of the unauthorized access, use or disclosure;
 - b. A list of any affected members (if available);
 - c. Information about the information included in the breach, impermissible use, or impermissible disclosure;
 - d. The date or dates of the suspected breach, impermissible use, or impermissible disclosure;
 - e. The date of the discovery by Contractor;
 - f. A list of the pro-active steps taken by Contractor and being taken to correct breach, impermissible use or impermissible disclosure; and
 - g. Contact information at Contractor for affected persons who contact ETF regarding the issue.
- (2) Not less than twenty-four (24) hours before Contractor makes any external communications to the public, media, federal Office for Civil Rights (OCR), other governmental entity, or persons potentially affected by the breach, impermissible use, or impermissible disclosure, provide a copy of the planned communication to the ETF Program Manager and Privacy Officer.

- (3) Within thirty (30) days of Contractor making the initial report, Contractor shall research the suspected breach, impermissible use, or impermissible disclosure Confidential Information and provide a report in writing to the ETF Program Manager. The report must contain, at a minimum:
- a. A complete list of any affected members and contact information;
 - b. Copies of correspondence or notifications provided to the public, media, OCR, other governmental entity, or persons potentially affected;
 - c. Whether Contractor's Privacy Officer has determined there has been a reportable breach under HIPAA, or an unauthorized acquisition under Wis. Stat. §134.98 and the reasoning for such determination;
 - d. If Contractor determines there has been a breach, impermissible use, or impermissible disclosure, an explanation of the root cause of the breach, impermissible use, or impermissible disclosure;
 - e. A list of the corrective actions taken to mitigate the suspected breach, impermissible use, or impermissible disclosure; and
 - f. A list of the corrective actions taken to prevent a similar future breach, impermissible use, or impermissible disclosure.

COORDINATION OF BREACH RESPONSE ACTIVITIES:

- (4) Contractor will fully cooperate with ETF's investigation of any breach involving Contractor, including but not limited to making witnesses, documents, HIPAA logs, systems logs, video recordings, or other pertinent or useful information available immediately upon Contractor's reporting of the breach and throughout the investigation. Contractor's full cooperation will include but not be limited to Contractor:
- a. Immediately preserving any potential forensic evidence relating to the breach, and remedying the breach as quickly as circumstances permit
 - b. Within forty-eight (48) hours designating a contact person to whom ETF will direct inquiries, and who will communicate Contractor responses to ETF inquiries; Contractor will designate a Privacy Officer and Security Officer to serve as contacts for ETF.
 - c. As rapidly as circumstances permit, applying appropriate resources to remedy the breach condition, investigate, document, restore ETF service(s) as directed by ETF, and undertake appropriate response activities such as working with ETF, its representative, and law enforcement to identify the breach, identify the perpetrator(s), and take appropriate actions to remediate the security vulnerability;
 - d. Providing status reports at mutually agreed upon frequency until the root cause of the breach is identified and a plan is devised to fully remediate the breach;
 - e. Once the root cause of the breach is identified and a plan is devised to fully remediate the breach, providing status reports daily or at mutually agreed upon timeframes, to ETF on breach response activities, findings, analyses, and conclusions;
 - f. Coordinating all media, law enforcement, or other breach notifications with ETF in advance of such notification(s), unless expressly prohibited by law; and
 - g. Ensuring that knowledgeable Contractor staff is available on short notice, if needed, to participate in ETF-initiated meetings and/or conference calls regarding the breach.

ASSISTANCE IN LITIGATION OR ADMINISTRATIVE PROCEEDINGS:

- (5) Contractor will make itself and any employees, subcontractors, or agents assisting Contractor in the performance of its obligations available to ETF at no cost to ETF to testify as witnesses, or otherwise, in the event of a breach or other unauthorized disclosure of Confidential Information caused by Contractor that results in litigation, governmental investigations, or administrative proceedings against ETF, its directors, officers, agents or employees based upon a claimed violation of laws relating to security and privacy or arising out of this Agreement or the Contract.

(I) RETENTION OF LOGS:

- (1) HIPAA logs (logs of any systems that have information relating to HIPAA) must be kept for six (6) years.
- (2) Firewall logs must be kept for twelve (12) months.

(m) ADDITIONAL INSURANCE: In addition to the insurance required under the Agreement, Contractor at its sole cost and expense will obtain, keep in force, and maintain an insurance policy (or policies) that provides coverage for privacy and data security breaches. This specific type of insurance is typically referred to as Privacy, Technology and Data Security Liability, Cyber Liability, or Technology Professional Liability. In some cases, Professional Liability policies may include some coverage for privacy and/or data breaches. Regardless of the type of policy in place, it needs to include coverage for reasonable costs in investigating and responding to privacy and/or data breaches with the following minimum limits unless ETF specifies otherwise: \$1,000,000 Each Occurrence and \$5,000,000 Aggregate.

(n) INFORMATION SECURITY PLAN REQUIREMENTS:

- (1)** Contractor will develop, implement, and maintain a comprehensive Information Security Plan that is written in one or more readily accessible parts and contains administrative, technical, and physical safeguards. The safeguards contained in such program must be consistent with the safeguards for protection of Confidential Information and information of a similar character set forth in any state or federal regulations by which the person who owns or licenses such information may be regulated.
- (2)** Without limiting the generality of the foregoing, every comprehensive Information Security Plan will include, but not be limited to:
 - a.** Designating one or more employees to maintain the comprehensive Information Security Plan;
 - b.** Identifying and assessing internal and external risks to the security, confidentiality, and/or integrity of any electronic, paper or other records containing Confidential Information and of ETF Information Resources, and evaluating and improving, where necessary, the effectiveness of the current safeguards for limiting such risks, including but not limited to:
 - c.** Ongoing employee (including temporary and contract employee) training;
 - d.** Employee compliance with policies and procedures; and
 - e.** Means, including Contractor staff, processes, and technology, for detecting information system intrusions, data breaches, and anomalous system behavior or activity, and for preventing security breaches, intrusions, or unauthorized access to information systems or networks.
 - f.** Developing security policies for employees relating to the storage, access and transportation of records containing Confidential Information outside of business premises.
 - g.** Imposing disciplinary measures for violations of the comprehensive Information Security Plan rules.
 - h.** Preventing terminated employees from accessing records containing Confidential Information and/or ETF Information Resources.
 - i.** Overseeing service providers, by:
 - Taking reasonable steps to select and retain third-party service providers that are capable of maintaining appropriate security measures to protect such Confidential Information and ETF Information Resources consistent with all applicable laws and regulations; and
 - Requiring such third-party service providers by contract to implement and maintain such appropriate security measures for Confidential Information.
 - j.** Placing reasonable restrictions upon physical access to records containing Confidential Information and ETF Information Resources and requiring storage of such records and data in locked facilities, storage areas or containers.
 - k.** Restrict physical access to any network or data centers that may have access to Confidential Information or ETF Information Resources.
 - l.** Requiring regular monitoring to ensure that the comprehensive Information Security Plan is operating in a manner reasonably calculated to prevent unauthorized access to

or unauthorized use of Confidential Information and ETF Information Resources; and upgrading information safeguards as necessary to limit risks.

- m. Reviewing the scope of the security measures at least annually or whenever there is a material change in business practices that may reasonably implicate the security or integrity of records containing Confidential Information and of ETF Information Resources.
- n. Documenting responsive actions taken in connection with any incident involving a breach, and mandating post-incident review of events and actions taken, if any, to make changes in business practices relating to protection of Confidential Information and ETF Information Resources.

(o) COMPUTER SYSTEM SECURITY REQUIREMENTS: To the extent that Contractor electronically stores or transmits Confidential Information or has access to any ETF Information Resources, it will include in its written, comprehensive Information Security Plan the establishment and maintenance of a security system covering its computers, including any wireless system, that, at a minimum, and to the extent technically feasible, will have the following elements:

- (1) Secure user authentication protocols including:
 - a. Control of user IDs and other identifiers;
 - b. A secure method of assigning and selecting passwords, or use of unique identifier technologies, such as biometrics or token devices;
 - c. Multi-Factor Authentication (MFA);
 - c. Control of data security passwords to ensure that such passwords are kept in a location and/or format that does not compromise the security of the data they protect;
 - d. Multi-factor authentication for system administrators and others with 'super-user' access rights;
 - e. Restricting access to active users and active user accounts only;
 - f. Blocking access to user identification after multiple unsuccessful attempts to gain access or the limitation placed on access for the particular system; and
 - g. Periodic review of user access, access rights and audit of user accounts.
- (2) Secure access control measures that:
 - a. Restrict access to records and files containing Confidential Information and systems that may have access to ETF Information Resources to those who need such information to perform their job duties; and
 - b. Assign unique identifications plus passwords, which are not vendor supplied default passwords, to each person with computer access, which are reasonably designed to maintain the integrity of the security of the access controls.
- (3) Encryption of all transmitted records and files containing Confidential Information.
- (4) Adequate security of all networks that connect to ETF Information Resources or access Confidential Information, including wireless networks.
- (5) Reasonable monitoring of systems, for unauthorized use of or access to Confidential Information and ETF Information Resources.
- (6) Encryption of all Confidential Information stored on Contractor devices, including laptops or other portable storage devices.
- (7) For files containing Confidential Information on a system that is connected to the Internet or that may have access to ETF Information Resources, reasonably up-to-date firewall, router and switch protection and operating system security patches, reasonably designed to maintain the integrity of the Confidential Information.
- (8) Reasonably up-to-date versions of system security agent software, including intrusion detection systems, which must include malware protection and reasonably up-to-date patches and virus definitions, or a version of such software that can still be supported with up-to-date patches and virus definitions, and is set to receive the most current security updates on a regular basis.

- (9)** Education and training of employees on the proper use of the computer security system and the importance of Confidential Information and network security.

With reasonable notice to Contractor, ETF may require additional security measures which may be identified in additional guidance, contracts, communications or requirements.

Exhibit E

Contractor On-Site Professional Services Agreement

December 28, 2018

1.0 Scope of On-site Services.

- 1.1 **Scope of On-site Services.** The Contractor shall provide the Department with professional services to manage major tasks and/or project work activities of the programs under this contract identified by the Department. The Contractor's personnel shall be available for on-site project work as directed by the Department. Services to be provided are to include, but not limited to the following:
- Work in collaboration with the Department to define and manage the project scope and/or major tasks to be completed.
 - Assist in acquiring the right Contractor, Department, and payroll processing center personnel, knowledge, and skills to ensure the success of the project and/or major task(s).
 - Assist in selecting, developing, and managing the project and/or major task team.
 - Work in collaboration with the Department to clarify roles and responsibilities of the personnel assigned to the project and/or major task(s).
 - Actively promote effective communication and relations with all other interfacing departments, disciplines, and contractors in carryout of the assigned duties.
 - Develop a project or major task management plan.
 - Plan, define, and develop schedules, activities, estimating resources, and activity durations.
 - Plan and identify quality requirements and control the quality of the deliverables.
 - Plan for and identifying potential risks, performing a qualitative and quantitative risk analysis, and planning risk mitigation strategies.
 - Ensure timelines, milestones, and key deliverables are met.
 - Track deliverable and metrics using appropriate tools.
 - Report the progress of deliverables and issues to the Department on a regular basis.
- 1.2 Present reports defining issue progress, problems, and solutions.

2.0 Modifications to Scope of On-site Services. Any modification to the scope of on-site services must be by written agreement between the Contractor and the Department.

3.0 Agreement Term.

3.1 Term. This Agreement shall be effective as of May 29, 2018 and shall continue in full force until six (6) months from the contract termination date or until terminated by the Department with at least sixty (60) calendar days written notice.

3.2 Termination for Cause. The Department may terminate this Agreement for cause, after giving the Contractor at least sixty (60) calendar days written notice outlining the cause for termination.

4.0 Time and Availability. The Contractor's assigned on-site project personnel shall be available for on-site project work as directed by the Department. The Contractor will devote up to twenty-four (24) hours of on-site work per week for major task(s) and/or project work. The Contractor and the Department shall by mutual agreement select on-site dates and times while giving due regard to the needs of the Department's and Contractor's business.

5.0 Identification of Key Personnel and Personnel Changes.

5.1 The Contractor will designate an on-site professional services staff, the on-site project personnel, who shall have administrative oversight for performance of the Contractor's obligation under this Contract.

5.2 The State of Wisconsin reserves the right to approve the on-site project personnel assigned to manage the major tasks and project work activities of the programs under this contract.

5.3 The Contractor agrees to use its best effort to minimize personnel changes during the Contract term. The Contractor shall not change on-site project personnel without written notice to the Department at least

thirty (30) calendar days in advance of the personnel change unless the on-site project personnel voluntarily or involuntarily is terminated from employment.

5.4 The Contractor may not divert key on-site project personnel for any period of time except in accordance with the procedure identified in this section. The Contractor shall provide a written notice of proposed diversion or replacement to the on-site project personnel at least thirty (30) calendar days in advance, together with the name and qualifications of the person(s) who will take the place of the diverted or replaced on-site project personnel. At least fifteen (15) calendar days before the proposed diversion or replacement, the Department shall notify the Contractor whether the proposed diversion or replacement is approved or rejected, and if rejected shall provide reasons for the rejection. Such approval by the Department shall not be unreasonably withheld or delayed.

5.5 Replacement on-site project personnel shall be on-site within one (1) week of the departure date of the on-site project personnel being replaced. The Contractor shall provide the Department with reasonable access to any personnel diverted by the Contractor.

5.6 Replacement of key on-site project personnel shall be with individuals of equal ability and qualifications. The Department shall have the right to interview and provide input in writing on the replacement of key on-site project personnel. Such input shall not be unreasonably withheld. Failure of Contractor to promptly replace key on-site project personnel within thirty (30) Days after departure shall entitle the Department to terminate this Contract. The notice and justification must include identification of proposed substitute key on-site project personnel and must provide sufficient detail to permit evaluation of the impact of the change on the project and/or maintenance.

5.7 Any of the Contractor's personnel that the Department deems unacceptable for just cause shall be promptly and without delay removed by the Contractor from the assignment and replaced by the Contractor within thirty (30) Calendar Days by another employee with acceptable experience and skills subject to the prior approval of the Department. Such approval by the Department will not be unreasonably withheld or delayed.

6.0 Criminal Background Verification.

The criminal background verification language that appears in RFP Section 1.2.10 Criminal Background Verification of this Contract applies to Contractor personnel who will work on-site at the offices of the Department.

7.0 Standard of Conduct.

7.1 Contractor shall conform to high professional standards of work and business ethics.

7.2 Contractor and Department agree that their personnel, while working at or visiting the premises of the other party, shall comply with all internal rules and regulations of the other party, including security procedures, and all applicable federal, state, and local laws and regulations applicable to the location where said personnel are working or visiting.

7.3 Contractor is not authorized to speak for, represent, or obligate the Department in any manner without the prior express written authorization from the Department.

7.4 Contractor and Contractor personnel shall adhere to the Department's Confidential Information and HIPAA Business Associate Agreement of the Contract.

8.0 Contractor On-site Personnel.

8.1 Contractor shall be fully and exclusively responsible for the management and performance of Contractor Personnel under this Agreement.

8.2 Contractor shall be fully and exclusively responsible for payment for all Contractor Personnel wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension, or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, travel, temporary and permanent housing expenses, etc. and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

8.3 Contractor shall hold harmless the Department and the State of Wisconsin, and shall provide the Department and the State of Wisconsin with a defense against any and all claims including, but not limited to, the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.

8.4 Contractor Personnel shall at all times adhere to all applicable laws and all of the Department's written policies and procedures that have been provided related to data protection when it has the Department's Confidential Information in its possession and/or is accessing ETF Confidential Information, whether at the Department's premises or offsite.

8.5 While at the Department premises, Contractor personnel shall also adhere to the Department's reasonable supervision and all provided written Department Workplace Policies.

8.6 Contractor will refrain from soliciting any Department personnel for employment opportunities Contractor may have available. Department will refrain from soliciting on-site project personnel for employment opportunities Department may have available.

9.0 Legal Relations.

The Legal Relations language that appears in the Contract applies to Contractor Personnel who will work on-site at the offices of the Department.

10.0 On-site Location.

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

10.2 The Contractor is responsible to provide individual computers and office supplies to key personnel located on-site at the Department. All devices must comply with the Department's security policies before connection to the Department's local computer network.

10.3 The Department is responsible to provide printer access for normal day to day business to key personnel located on-site at the Department. Department printer access for mass printing is prohibited.

10.4 The Department is responsible to provide phone access for normal day to day business to key personnel located on-site at the Department. Phone access for non-business matters is prohibited.

10.5 The Contractor and the Contractor's personnel are responsible for all parking expenses. The Department will make every effort to provide Contractor parking in a reasonable location.

10.6 Contractor shall not use materials, equipment, or conference rooms of the Department without the prior written consent of the Department.

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

Exhibit F

Transition Plan Requirements

February 11, 2019

TRANSITION PLAN:

In the event the Contractor transitions to a new administrative system or in the event of Contract termination, the Contractor will fulfill the transition plan requirements specified in a transition plan as described herein (Transition Plan). The Contractor will provide a comprehensive Transition Plan to the Department no later than January 31, 2019, in a format mutually agreed upon by the Department and the Contractor, that provides a timeline of major tasks and activities to be performed, including the items identified by the Department below, to complete the transition of services to the Department and/or a succeeding contractor. The Transition Plan must be approved by the Department prior to the transition start date.

The Contractor's comprehensive Transition Plan must include, at a minimum, the following:

- Transition summary: description of the transition plan at a high level and what the plan will accomplish
- Transition approach: description of the Contractor's overall approach to the transition
- Transition team organizational chart: organizational chart showing all staff resources and their roles in the transition
- 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.
- A detailed description of the major tasks and activities that will be executed during the transition, to include but not limited to the following:
 - Transitional services
 - Management Support
 - Knowledge transfer
 - Data collection and transfer
 - Participant portal
 - Administrator portal
 - Customer service
 - Communication
 - Claims processing
 - Unsubstantiated claims
 - Debit card
 - Uncashed checks
 - Carryover
 - Disputes, complaints, and appeals
 - Forfeiture
 - Data and financial reconciliation
 - Plan year finalization
 - Audit
 - Property Transition
 - Other necessary major tasks identified by the Department
- Note: If the tasks and activities would vary between the change in administrative system and Contract termination, the Contractor should provide individualized transition plans for each instance.

TRANSITION PROJECT SCHEDULE:

In the event the Contractor transitions to a new administrative system or in the event of Contract termination, the Contractor will create a comprehensive transition project schedule that illustrates the timing of all transition tasks and activities to ensure a seamless transition to the Department and/or a succeeding contractor. If the tasks and activities would vary between a new administrative system or Contract termination, the Contractor should provide individualized transition project schedules for each instance. The Contractor must provide the transition project schedule to the Department in a format mutually agreed upon by the Contractor and the Department including a detailed timeline of all tasks and activities and the items identified by the Department. The transition project schedule

must be approved by the Department prior to the transition start date. Any changes to the transition project schedule will require review and approval by the Department.

ADMINISTRATIVE SYSTEM CHANGE OR CONTRACT TERMINATION:

In the event the Contractor transitions to a new administrative system or in the event of Contract termination, 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.

WORK EXECUTION DURING TRANSITION:

Throughout the transition, Contractor will continue to perform the services in accordance with the terms of the Contract. The Contractor's management team will ensure the Contractor's employees work alongside Department staff to guarantee all tasks and deliverables are met in accordance with the Department's expectations.

In the event of Contract termination, the Contractor will provide reasonable cooperation, assistance and services as specified in the Contract, and assist the Department to facilitate a seamless transition of the services under the Contract to the Department and/or a succeeding contractor.

CONTRACTOR ADMINISTRATOR SUPPORT:

In the event the Contractor transitions to a new administrative system, the Contractor will continue to provide prompt, knowledgeable, and consistently accurate services to the Department and the payroll processing centers. The Contractor will continue to maintain and support the dedicated relationship management support email box and phone number for the Department and payroll processing center personnel through the duration of the Contract. The Contractor will continue to maintain and support the dedicated processing specialist support email box and phone number for the Department and payroll processing center personnel. The Contractor will provide sufficient experienced transition personnel to ensure that the services are transitioned and maintained at the Department's required level of quality and proficiency. The Contractor's assigned project and transition personnel will be available for onsite project work as directed by the Department according to the terms of the Contract until acceptance of transition completion. See Exhibit E, Contractor On-site Professional Services Agreement and Exhibit F, Acceptance of Transition Completion section for more details. The Contractor and the Department will, by mutual agreement, select dates and times for onsite project work giving due regard to the business needs of the Department and the Contractor.

In the event of Contract termination, the Contractor will continue to provide prompt, knowledgeable, and consistently accurate service to the Department and the payroll processing centers. The Contractor will continue to maintain and support the dedicated relationship management support email box and phone number for the Department and payroll processing center personnel until the Department's acceptance of transition completion. The Contractor will continue to maintain and support the dedicated processing specialist support email box and phone number for the Department and payroll processing center personnel until the Department's acceptance of transition completion. The Contractor will provide sufficient experienced transition personnel to ensure that the services are transitioned 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 until the Department's acceptance of transition completion. See Exhibit E, Contractor On-site Professional Services Agreement and Exhibit F, Acceptance of Transition Completion section for more details. The Contractor and the Department will, by mutual agreement, select dates and times for onsite project work giving due regard to the business needs of the Department and the Contractor.

KNOWLEDGE TRANSFER:

Knowledge transfer will occur over the entirety of the transition. The Contractor will coordinate at least two formal training sessions to be conducted by the Contractor's transition lead. These sessions will focus on knowledge transfer, data transfer, property transfer, and reconciliation concerns related to the data, tasks, and activities. These sessions will be completed on the date specified by the Department.

In the event the Contractor transitions to a new administrative system, all Contractor personnel will work alongside Department staff and payroll processing center staff 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 under the Contract are vital to the Department and must be continued without interruption. The Contractor agrees to provide transition training and exercise its best efforts and cooperation to ensure an orderly, efficient, and seamless transition.

In the event of Contract termination, all Contractor personnel will work alongside Department staff, payroll processing center staff, and/or succeeding contractor counterparts 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 under the Contract are vital to the Department and must be continued without interruption and that, upon Contract termination, a successor, either the Department and/or a succeeding contractor, 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.

DATA TRANSFER:

All administrative reports, data files, and source documents that are specific to the Department are the property of the Department. The Contractor will provide the Department with all administrative reports, data files, and source documents requested by the Department by the due date specified by the Department.

The data and reports listed in Exhibit F, Acceptance of Transition Completion section and Exhibit A, Attachment 5 – Reporting Data Elements are not all-inclusive. 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.

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 requested by the Department, in the format specified by the Department, by the date specified by the Department.

PERFORMANCE STANDARDS AND GUARANTEES:

In the event the Contractor transitions to a new administrative system, the Contractor agrees to the Department's Performance Standards and Guarantees in Exhibit A, Attachment 1 dated December 28, 2018. The Contractor will continue to adhere to the Department's Performance Standards and Guarantees throughout the duration of the Contract.

In the event of Contract termination, the Contractor agrees to the Department's Performance Standards and Guarantees in Exhibit A, Attachment 1 dated December 28, 2018. The Contractor will continue to adhere to the Department's Performance Standards and Guarantees until the Department accepts transition completion. See Exhibit F, Acceptance of Transition Completion section.

ADMINISTRATOR ONLINE PORTAL:

In the event the Contractor transitions to a new administrative system, the Contractor will provide a seamless transition of online portal access to the Department and the payroll processing centers. The Contractor will provide the Department with the same level of administrator online portal access and support services of the old administrative system for one (1) year from the transition date. The Contractor will continue to maintain the data, reports, and resources within the old administrative system for one (1) year from the new administrative system transition 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 5 business days of the inquiry. Contractor's expense related to this section is covered in Exhibit A, Attachment 2 for additional details.

In the event of Contract termination, the Contractor will provide the Department with the same level of administrator online portal access and support services for one (1) year from the Contract termination date. The Contractor will continue to maintain the data, reports, and resources within the Department's administrator online portal access 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 5 business days of the inquiry. Contractor's expense related to this section is covered in Exhibit A, Attachment 2 for additional details.

PARTICIPANT ONLINE PORTAL:

In the event the Contractor transitions to a new administrative system, the Contractor will provide a seamless transition of online portal access to participants. The Contractor will provide the same level of participant online portal access and online support services under the old administrative system for one (1) year from the transition date. The Contractor will continue to maintain the data and resources within the participant online portal access under the old

administrative system for one (1) years from the transition date. The Contractor will provide the participant with all information requested by the Participant within 5 business days of the inquiry. Contractor's expense related to this section is covered in Exhibit A, Attachment 2 for additional details.

In the event of Contract termination, the Contractor will provide the same level of participant online 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 participant online portal for one (1) year from the Contract termination date. The Contractor will provide the participant with all information requested by the Participant within 5 business days of the inquiry. Contractor's expense related to this section is covered in Exhibit A, Attachment 2 for additional details.

CUSTOMER SERVICE:

In the event the Contractor transitions to a new administrative system, the Contractor will continue to maintain and support the dedicated customer service phone number for Department participants. The Contractor will provide prompt, knowledgeable, consistently accurate customer service to the Department's participants. The Contractor will continue to audit and measure the Contractor's customer service department on a quarterly basis to ensure the services provided to the Department's participants meet the Department's quality of service expectations. See Exhibit A, Attachment 1 dated December 28, 2018 for additional details.

In the event of Contract termination, the Contractor will continue to maintain and support the dedicated customer service phone number for Department participants until acceptance of transition completion. See Exhibit F, Acceptance of Transition Completion section for more details. The Contractor will provide prompt, knowledgeable, consistently accurate customer service to the Department's 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 the Department's participants meets the Department's quality of service expectations. See Exhibit A, Attachment 1 dated December 28, 2018 for additional details. After twelve (12) months from the Contract termination date, the Contractor will provide customer service to Department participants, as necessary, for inquiries, disputes, escalations, complaints, or appeals for at least three (3) years from the Contract termination date.

COMMUNICATION:

The Contractor recognizes that communication to Department staff, payroll processing staff, employer benefit staff, and participants is vital to a seamless transition. The Department will determine the information to be communicated, audience, frequency, date(s), and delivery method of the communications.

In the event the Contractor transitions to a new administrative system, the Contractor will provide communication(s) as specified by the Department at no additional cost to the Department for the duration of the Contract.

In the event of Contract termination, the Contractor will provide communication(s) as specified by the Department at no additional cost to the Department until the Department's acceptance of transition completion. See Exhibit F, Acceptance of Transition Completion section for more details. Contractor's expense related to this section is covered in Exhibit A, Attachment 2 for additional details.

DISPUTES, ESCALATIONS, COMPLAINTS, or APPEALS:

Any complaints, disputes, or appeals about benefits or claims arising under the terms, conditions, and provisions of the Contract shall first be submitted for resolution through the Contractor's internal grievance process and may then, if necessary be submitted to the Department. See Exhibit A, Attachment 1 dated December 28, 2018 and Attachment 4 dated June 6, 2016.

CLAIMS PROCESSING:

The Contractor agrees to administer run-out claims through the run-out period, January 1, 2020 through March 31, 2020 (the "run-out period") in accordance with the terms of the Contract. "Run-out claims" means claims with dates of service prior to January 1, 2020. The Contractor will process claims and provide reimbursements for approved claims submitted on or before March 31, 2020 for services incurred between January 1, 2019 to December 31, 2019.

The Contractor will deactivate the participants' 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, 2020. After the end runout period, March 31, 2020 through the processing freeze date, the Contractor will provide claims processing services and customer support for unsubstantiated claims, denied claims, claims appeals, claims inquiries, and escalated claims matters identified by the Department.

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

UNSUBSTANTIATED CLAIMS:

The Contractor will adhere to the Department's five step substantiation process in the Contract and complete all Contractor assigned substantiation deliverables outlined in the Department's plan document, 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.

All unsubstantiated claim inquiries, disputes, or appeals received prior to the Department's acceptance of transition completion, the Contractor is responsible to resolve the matter under 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. See Exhibit F, Acceptance of Transition Completion section for more details.

Once step four of the substantiation process has been completed for the 2019 plan year, the Contractor will provide the Department with a report of all unresolved unsubstantiated claims for 2015-2019 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. See Exhibit F, Acceptance of Transition Completion section for more details. Contractor will provide all reports in the format specified by the Department.

The Department will charge the Contractor a penalty of one thousand dollars (\$1,000) per incident per day for all Contractor assigned substantiation deliverable not met.

DEBIT CARD:

In the event the Contractor transitions to a new administrative system, the Contractor will deactivate the debit cards associated with the old administrative system and issue and activate the new debit cards associated with the new administrative system on the date specified by the Department. After debit card deactivation associated with the old administrative system, 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.

In the event of Contract termination, the Contractor will deactivate the debit cards on a date specified by the Department. The Contractor agrees to allow the Department to select a debit card deactivation date by benefit plan. After debit card deactivation, the Contractor will continue to provide standard plan year claims processing services via the online participant portal, mobile application, and manual process through the claims processing freeze date. See above Claims Processing section for additional detail. The Contractor will cease issuing new debit cards and reissuing debit cards on the date specified by the Department.

Once the Department sponsored Health Savings Account has been converted to an individually owned account, the participant is responsible for any fees associated with the debit card.

HEALTH SAVINGS ACCOUNT:

In the event the Contractor transitions to a new administrative system, the Department and the Contractor will identify all major tasks and activities to be completed to ensure a seamless transition to the new administrative system. The major tasks and activities (deliverables) will be completed on the date(s) specified by the Department. The HSA funds will remain with the Contractor's banking partner which is currently HealthcareBank. Contractor will notify the Department 60 days in advance of Contractor changing banking partners. Contractor will communicate with participants regarding any change in banking partner. The Department will charge the Contractor a penalty of one thousand dollars (\$1,000) per day for each day the deliverable(s) is not met.

In the event of Contract termination, the Department will determine if the Department sponsored HSA will be moved to an individually owned HSA with the Contractor or transferred to a succeeding contractor. The Department and the Contractor will determine a plan to move the Department sponsored HSA to an individually owned HSA with the Contractor or transferred to a succeeding contractor. The major tasks and activities (deliverables) will be identified by the Department and the Contractor. The major tasks and activities will be completed on the date(s) specified by the Department. The Department will charge the Contractor a penalty of one thousand dollars (\$1,000) per day for each day the deliverable(s) is not met.

If the Department sponsored HSA is moved to an individual owned account or transferred to a succeeding contractor, the Department is no longer financially responsible for any Contractor administrative fees on that account.

UNCASHED PARTICIPANT CHECKS:

The Contractor will send a formal mailer communication on May 1, 2020 to all participants with uncashed checks to alert the participant(s) of the uncashed check(s), explain how to claim, alert them to the deadline of June 30, 2020 to cash the check, and indicate the impact if not resolved by the deadline.

The Contractor must provide the Department with a copy of the uncashed check communication for approval prior to issuance to participant(s).

By July 5, 2020, the Contractor will provide the Department with a detailed report of all uncashed checks and refund the Department for the total amount of all uncashed checks. The Department will hold these funds and resolve through the Department's stale date check process. If a participant contacts the Contractor about the uncashed check, the Contractor will refer the participant to the Department for resolution.

The Department will charge the Contractor a penalty of one thousand dollars (\$1,000) per day for each day the deliverable(s) in this section is not met.

CARRYOVER:

The Department's benefit plan design allows up to five hundred dollars (\$500) carryover for the Health Care Flexible Spending Account and Limited Purpose Flexible Spending Account and unlimited carryover for the Commuter Fringe Benefits benefit programs. At the close of the plan year on March 31, 2020, the Contractor will generate a carryover report and complete an audit of the carryover report to ensure accuracy. A comprehensive error-free carryover report will be provided to the Department by April 15, 2020. The carryover report specifications and format will be specified by the Department.

Once the error-free carryover report is provided to the Department, any errors with a negative impact to the Department or participant will be the financial responsibility of the Contractor.

The Department will charge the Contractor a penalty of one thousand dollars (\$1,000) per day for each day the deliverable(s) in this section is not met.

PLAN FINALIZATION REPORT:

The Contractor will provide the Department with a comprehensive error-free 2019 plan year plan finalization report by May 31, 2019. The plan finalization report will be error free and include the following information for each participant:

- Participant name
- Participant identifier
- Employment status
- Payroll center
- Benefit plan type
- Benefit plan effective date
- Benefit plan termination date
- Annual election amount
- Participant deposit amount
- Incoming carryover
- Outgoing carryover
- Claim paid amount
- Pending claim amount (all pending claims will be resolved and all amounts zero)
- Refund amount
- Refund reason
- Adjustment amounts
- Cash balance amounts
- Year-to-date forfeitures

If a participant is enrolled in multiple benefit plans, the participant shall be listed on separate lines by benefit plan.

The Contractor will complete an audit by November 1, 2019 to ensure that participant deposits are on target to meet annual election amount for the 2019 plan year. The Contractor will work with the Department and the payroll

processing centers to address and resolve any participants identified as being at risk of meeting or exceeding their annual election amount.

The Contractor will complete a carryover audit. See Exhibit F, Carryover section for more details.

The Contractor will assist the Department in completing a fully reconciled audit of the data and financial information in the plan finalization report to the Department's records. See Exhibit A, Attachment 1 dated December 28, 2018 for more details.

The Department will charge the Contractor a penalty of one thousand dollars (\$1,000) per day for each day the deliverable(s) in this section is not met.

DATA AND FINANCIAL RECONCILIATION AUDIT:

In the event the Contractor transitions to a new administrative system, the Contractor will complete a fully reconciled audit by the date determined by the Department of data and financial information transferred from the old administrative system to the new administrative system 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.

In the event of Contract termination, the Contractor will assist the Department in completing a fully reconciled audit by the date determined by the Department of data and financial information transferred from the Contractor to the Department and/or succeeding contractor 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.

The Department will charge the Contractor a penalty of one thousand dollars (\$1,000) per day for each day the deliverable(s) in this section is not met.

NON-DISCRIMINATION TESTING:

The Contractor will complete annual Internal Revenue Code (IRC) compliant nondiscrimination testing for all Section 125 Cafeteria Plan eligible benefit programs offered by the Department for the 2015-2019 plan years. The nondiscrimination testing will be completed timely according to the timeline established by the Department. See Exhibit A, Attachment 1 – Performance Standards and Guarantees.

In the event of Contract termination, the Contractor will provide nondiscrimination testing file specifications, data compilation guidance, nondiscrimination testing report results, and necessary transition documentation to the Department in a mutually agreed upon format and by the date determined by the Department.

The Department will charge the Contractor a penalty of one thousand dollars (\$1,000) per day for each day the deliverable in this section is not met.

AUDIT:

The Contractor agrees to comply with the Department (including the Office of Internal Audit), the independent contract compliance auditor, and the Legislative Audit Bureau on any 2015 through 2019 plan year requests made according to the terms of the Contract. See Exhibit A, Attachment 1 and Exhibit C.

The Contractor will implement agreed upon actions arising from any findings and/or recommendations identified in a SOC Report(s), Contract Compliance Audit, Department Internal Audit, and Legislative Audit Bureau audit. The agreed upon actions will be completed timely, according to the timeline established by the Department. The Department will charge the Contractor a penalty of one thousand dollars (\$1,000) per day for each day the deliverable(s) in this section is not met.

SUBCONTRACTORS:

The Contractor shall not subcontract any of its responsibilities under the Contract without the prior written consent of the Department. The Department's consent will not be unreasonably denied or delayed. See Exhibit A, Attachment 1 dated December 28, 2018, and Exhibit D - Data Security and Privacy.

AMOUNTS OWED BY CONTRACTOR:

Contractor will pay the Department all funds and penalties owed to the Department within thirty (30) calendar days from the date of the Department's notification to Contractor that funds or penalty fees are owed. The Contractor has thirty (30) calendar days to document any dispute of amounts owed. After thirty (30) days, the Department may collect owed funds or penalty fees by deducting the amounts from payments owed to the Contractor.

ACCEPTANCE OF TRANSITION COMPLETION:

In the event the Contractor transitions to a new administrative system or in the event of Contract termination, the Department will determine when the transition is completed and will provide a formal acceptance indicating such. To do this, the Department will review the requirements in the agreed upon Transition Plan and the transition project 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.