



## Contract

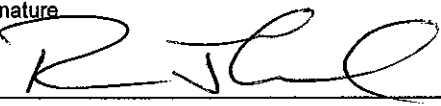
**Commodity or Service:** Third Party Administration for Health Savings Accounts (HSA) and Limited Flexible Spending Accounts (LFSA)

**Contract No./Request for Proposal No:** ETE0003

**Contract Period:** September 1, 2014 through December 31, 2016 with three (3) one (1) year renewal options

1. This Contract is entered into by the State of Wisconsin, Department of Employee Trust Funds (ETF) hereinafter referred to as the "Department", and between Total Administrative Services Corporation (TASC) administered through eflexgroup, Inc. a division of TASC, hereinafter referred to as the "Contractor", whose address and principal officer appears on page 2. The Department is the sole point of contact for this Contract.
2. Whereby the Department of Employee Trust Funds agrees to direct the purchase and the Contractor agrees to supply the Contract requirements cited in accordance with the State of Wisconsin standard 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, the Contractor agrees not to discriminate against any employees or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than fifty (50) employees are exempted from this requirement. Within fifteen (15) business days after the award of the Contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, 608.261.7952, or via e-mail at [ETFPurchasement@etf.wi.gov](mailto:ETFPurchasement@etf.wi.gov).
5. For purposes of administering this Contract, the Order of Precedence is:
  - A). This Contract with Total Administrative Services Corporation (TASC) administered through eflexgroup, Inc., a division of TASC;
  - B). Exhibit A and its Attachments 1-4;
  - C). Request for Proposal (RFP) Amendment 1 with revised cost proposal dated April 21, 2014;
  - D). Questions from vendors and ETF Answers dated April 21, 2014;
  - E). The RFP dated April 3, 2014;
  - F). Contractor's best and final offer dated June 16, 2014;
  - G). Questions from ETF and Contractors answers dated June 23, 2014;
  - H). Questions from evaluation team and Contractors answers dated June 2, 2014;
  - I). Contractor's e-mail acknowledgement of RFP Amendment 1 dated May 2, 2014, and;
  - J). Contractor's Proposal submitted by eflexgroup, Inc., and received by the Department on May 1, 2014.

**Contract Number & Service:** ETE0003 - Third Party Administration for Health Savings Accounts (HSA) and Limited Flexible Spending Accounts (LFSA)

<b>State of Wisconsin</b>	
<b>Department of Employee Trust Funds</b>	
By (Name)	
<b>Robert J. Conlin</b>	
Signature	
Title	
<b>Secretary</b> Department of Employee Trust Funds	
Phone	
608.266.0301	
Date (MM/DD/CCYY)	
11/3/14	

<b>Contractor to Complete</b>	
Legal Company Name	
<b>Total Administrative Services Corporation (TASC)</b>	
Trade Name	
eflexgroup, Inc., a division of TASC	
Taxpayer Identification Number	
39-1561025	
Company Address (City, State, Zip)	
<b>2302 International Lane</b> <b>Madison, WI 53704</b>	
By (Name)	
Steve Cable	
Signature	
Title	
Chief Financial Officer	
Phone	
608.316.2526	
Date (MM/DD/CCYY)	
10.22.14	

## Exhibit A

**Commodity or Service:** Third Party Administration for Health Savings Accounts (HSA) and Limited Flexible Spending Accounts (LFSA)      **Contract No./Request for Proposal No:** ETE0003

1. The Department and Contractor agree that the Department will contract directly with TASC for third party administration for Health Savings Accounts (HSA) and Limited Purpose Flexible Spending Accounts (LPFSA) because of the merger of eflexgroup, Inc. and TASC. This Contract will be administered by eflexgroup, Inc., a division of TASC. 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 HSA and LPFSA 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. 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.
10. Both parties agree Limited Flexible Spending Account (LFSA) term shall be interchangeable with Limited Purpose Flexible Spending Account (LPFSA) term.
11. Both parties agree Employee Reimbursement Account (ERA) term shall be interchangeable with Flexible Spending Account (FSA) term.
12. Both parties agree Commuter Benefits (CB) term shall be interchangeable with the terms of Transit and/or Parking.
13. 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."
14. Contractor agrees the Department will author the Plan Document and Summary Plan Description.
15. Contractor will provide a three person relationship management team assigned to the Department for the term of the Contract. The relationship managers will be located in the Madison, Wisconsin area.
16. Contractor agrees to **\$3.00** per-participant-per-month fee for Health Savings Account (HSA). Fee increases will be provided annually by meeting the Performance Standards and Guarantees found in Attachment 1 of Exhibit A. First fee increase eligible to be effective January 2016. Fee increase up to three (3) percent to be determined by the Department.
17. Contractor agrees to **\$3.00** per-participant-per-month fee for Limited Purpose Flexible Savings Account (LPFSA). Fee increases will be provided annually by meeting the Performance Standards and Guarantees found in Attachment 1 of Exhibit A. First fee increase eligible to be effective January 2016. Fee increase up to three (3) percent to be determined by the Department.
18. Contractor agrees the "**\$0**" cost listed within the Contractor's Proposal means the service is included within the Contractors per-participant-per-month fee.

19. Both parties agree there are no investment or load fees included in the Contractor's per-participant-per-month fee.
20. The Department agrees if for any reason a participant requests a wire transfer, the Contractor may charge **\$25.00** per wire transfer.
21. Contractor agrees to the Department's Performance Standards and Guarantees in Attachment 1.
22. Contractor agrees to the Department's Contract Payment Terms in Attachment 2.
23. Contractor agrees to the Department's Conflict Resolution Process in Attachment 3.
24. Contractor agrees to the Department's Appeals Process in Attachment 4.

## Exhibit A - Attachment 1

### Performance Standards and Guarantees

Performance Standards and Guarantees		Reporting
<b>Customer Service: Provide prompt, knowledgeable, consistent and courteous customer service.</b>		<b>Performance Standards &amp; Guarantee Due Date</b>
1. First Call Resolution	A service issue is resolved on the first phone call 96% of the time. Reviewed at the corporate level; no reporting available specific to ETF participants.	Quarterly
2. Second Contact Resolution Note: this includes phone calls, email messages, online service requests, fax, and letters.	A response to an escalated first contact issue is completed within one (1) day. Two (2) business days is the average time to resolve service issues for second contact resolution. Measured specifically for ETF participants.	Quarterly
3. Written response to initial email messages, faxes and/or letters.	Three (3) business days or less is the average time to respond to written communication received from participants. Reviewed at the corporate level.	Biannually
4. Abandoned Calls	Four (4) percent or less of calls go unanswered or hang up before answered. Note: this measure is overall and not specific to ETF administered programs.	Quarterly
5. Wait Time/Speed of Answer	Calls are answered within thirty (30) seconds at least 90% of the time. Note: ETF participants will "leap" ahead of other callers. Measured specifically for ETF participants.	Quarterly
6. Complaints	Average time to respond to complaints is one (1) business day or less. Proposed resolution to be shared with ETF within three (3) business days. Measured specifically for ETF participants.	Quarterly
7. Change in Status	Process and/or respond to Change in Status requests in three (3) business days or less. Measured specifically for ETF participants.	Quarterly
8. Debit Cards	Provide participants debit cards in ten (10) business days or less. Measured specifically for ETF participants.	Quarterly
9. Enrollment Processing	Process enrollments accurately in two (2) business days or less. Measured specifically for ETF participants.	Quarterly
10. Notice of Security Breach	See Part 1, D of the Business Associate Agreement. Measured specifically for ETF participants.	Immediately
11. Subcontractor Metrics	Prior approval of any customer service subcontracted.	Prior to subcontract
<b>Claims: Provide accurate claims adjudication services.</b>		
1. Claim Turnaround Time	Number of days between claim submission and processing will be one (1) business day or less. Payment will be made within two (2) business days. Measured specifically for ETF participants.	Quarterly
2. Claim Accuracy	99% or more of claims paid with no financial errors; claim amount paid equals claim amount owed. Measured specifically for ETF participants.	Quarterly
<b>Contributions: Timely and accurately post payroll contributions.</b>		
1. Contributions	Process and post all payroll contributions correctly within three (3) business days or less. Measured specifically for ETF participants.	Monthly
2. Payroll Processing Centers	Work with each payroll processing center providing file specifications by November 15 <sup>th</sup> for the upcoming year.	By November 15 <sup>th</sup> each year

<b>Open Enrollment: Plan and conduct a quality open enrollment for the HSA and FSA (includes LPFSA, medical and dependent care FSA) and Commuter Benefits/Transit/Parking programs meetings ETF's needs.</b>		
1. Initial Planning Meeting	Conduct initial planning meeting by July 15 <sup>th</sup> of each year.	By July 15 <sup>th</sup> each year
2. Benefit Fair Representation	TASC representation at five (5) largest attended benefit fairs.	Annually for fall benefit fairs
3. Submit informational materials for review by September 1 <sup>st</sup> of each year.	ETF approves all material sent to ETF participants in advance of distribution.	Throughout year
4. Internet Enrollment System	Provide an internet enrollment system that functions smoothly and timely that is accessible 95% of each day during the annual open enrollment period. Measured specifically for ETF participants.	Annually reported related to Open Enrollment
5. Telephone Enrollment System	Provide a telephone enrollment system that functions smoothly and timely that is accessible 95% of each day during the annual open enrollment period. Measured specifically for ETF participants.	Annually reported related to Open Enrollment
6. Paper Enrollment Option	Provide a paper enrollment option during the annual open enrollment period. Measured specifically for ETF participants.	Annually reported related to Open Enrollment
<b>Plan Documents: Provide applicable plan documents complying w/ETFs expressed needs and applicable law. NOTE: Documents will be prepared by ETF. TASC's responsibility will be to review for compliance and administrative functions.</b>		
1. Health Savings Account (HSA)	The HSA plan document is included in the Section 125 plan document; pre-taxing HSA employee contributions and the employer contribution must be within the Section 125 Plan Doc.	Annually
2. LPFSA	Provide plan document prior to the start of the plan year.	Annually
3. FSA	Provide plan document prior to the start of the plan year.	Annually
4. Commuter Benefits/Transit/Parking	Provide plan document prior to the start of the plan year.	Annually
5. Administrative Manual	Provide an administrative manual for each plan prior to the start of the plan year.	Annually
<b>Reports: Provide accurate, complete and timely reports as specified below and requested by ETF.</b>		
1. Plan Participation Statistics	Provide quarterly enrollment statistics by plan (HSAs, LPFSA, FSA and Commuter Benefits) that include annual election amount, method of enrollment, date enrolled within fifteen (15) days of the end of the quarter.	Quarterly
2. Customer Service Summary	Provide a monthly report of Customer Service data noted above within fifteen (15) days of the end of each month. Note: Customer Service Summary relates to information in Customer Service category (page 1).	Monthly
3. Claim Summary	Provide a monthly report of Claim Summary Information noted above within fifteen (15) days of the end of each month.	Monthly
4. Payroll Discrepancy Reports	Compile and distribute a payroll discrepancy report to each payroll processing center following each payroll within seven (7) business days of receiving payroll data.	Each payroll
5. Summary Payroll Discrepancy Reports	For ETF, provide a weekly summary of payroll discrepancy reports sent to payroll processing centers including the date of the payroll, date a discrepancy report was sent, and date a response was received from the payroll processing center.	Weekly
6. Contributions/Payroll	Provide mutually agreed upon reports monthly to	Monthly

Deductions	facilitate reconciliation between TASC and ETF within fifteen (15) days of the end of the month.	
7. Annual Report	Provide an annual report due June 30 <sup>th</sup> of each year including:	Annually
	A. Plan participation statistics	
	B. Estimated tax savings for ETF and collectively for participants (not specific to ETF participants)	
	C. Report of customer service activity	
	D. Year-to-date forfeiture for prior year (Note: Point of Claims, thus TASC will not hold funds. Finalization report is available online 24/7/365. TASC will audit by July 31 provided there is a ninety (90) day claims run out.)	
	E. Participant satisfaction survey report	
	F. TASC quality team to prepare an audit annually for ETF participants.	
8. Performance Standards and Guarantees	Provide a report summarizing the Performance Standards and Guarantees within forty-five (45) days of the end of the plan year.	Annually
9. Turnover Plan	Provide a turnover plan outlining transitions within thirty (30) days of being notified of non-renewal as plan third party administrator.	Upon non-renewal
<b>Disaster Recovery: Develop and maintain a disaster recovery plan.</b>		
1. Disaster Recovery Plan	Provide results of any material findings from simulation testing for the disaster recovery plan by January 30 <sup>th</sup> of each year. Provide updates and respond to questions from ETF consistent with protection of TASC's confidentiality needs and protection of participants' data and the BAA.	Annually by January 30 <sup>th</sup>
2. Disaster	Initiate the disaster recovery plan within twenty-four (24) hours of any event that causes a disruption of services impacting ETF's critical business functions. Any disagreement between ETF and TASC regarding declaring a disaster will be resolved by the second level of the conflict resolution process set forth in this Contract.	Within 24 hours

## Exhibit A - Attachment 2

### CONTRACT PAYMENT TERMS

Department of Employee Trust Fund, State of Wisconsin (ETF) agrees to pay TASC for services provided under this Agreement in accordance with the Exhibit A. Invoices for services will occur forty-five (45) days prior to the service period and are due prior to the first date of service being billed. ETF agrees to provide TASC the payment via ACH payment. TASC will not charge ETF for any ACH Fee for the use of ACH as a payment source. Fees for services outside the Services To Be Provided under this Agreement, or for additional services that become necessary due to the missing, incomplete or incorrect information will be invoiced separately and will be disclosed to ETF prior to incurring the expense. Fees are calculated on the number of participants in the plan(s) at the time of invoices. ETF has no responsibility for fees related to terminated HSA participants which will be collected directly from the participant. ETF is responsible for the Administration Fees for the entire plan year, including the 2.5 month Grace Period Extension and/or Claims Run Out Period. Only one administrative fee per participant per month will apply, even if a participant is simultaneously in an open plan year, a 2.5 month Grace Period and a Claims Run Out Period. Failure to remit payment for administration services of Limited Purpose Flexible Spending Account Administration and Health Savings Account Administration will be resolved through the agreed upon Conflict Resolution Process in Attachment 3.

ETF will provide TASC with advance funding equal to two (2) weeks of average annual election. The amount of advance funding may be reviewed and adjusted quarterly at the request of either party. TASC will invoice ETF weekly for paid claims. ETF will reimburse TASC via ACH payment within five (5) business days of receipt of the invoice.



## Exhibit A - Attachment 3

### CONFLICT RESOLUTION PROCESS

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	Sales, VP	Bureau Director	10 business days
Second	Director of Administration	Insurance Administrator	20 business days
Third	Executive VP of Customer Service	Secretary	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**

TASC will send the participant a denial letter specifying the IRS rules(s) regarding why a claim was denied. The letter will contain a statement that the participant may obtain documentation and information relevant to the denial and resubmit the claim for review.

Appeals of claim denials 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 claim denial. TASC will issue a decision within sixty (60) days, outlining the reason (s) and references to the Plan provisions governing the decision.

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 the TASC decision. If the participant requests an informal review by ETF, the results of that review will be sent 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, and P. O. Box 7931, Madison, WI 53707-7931.