STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

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June 23, 2014

Nancy Dantzman
eflexgroup, Inc. (eflex)
2740 Ski Lane
Madison, WI 53713
nancyd@eflexgroup.com

RE: RFP for Third Party Administration for Employee Reimbursement Accounts (ERA) and Commuter Benefits (CB) – ETE0002
RFP for Third Party Administration for Health Savings Accounts (HSA) and Limited Flexible Spending Accounts (LFSA) – ETE0003

Dear Nancy Dantzman:

The Wisconsin Department of Employee Trust Funds would like for your company to answer a few more clarifying questions as it relates to the recent merger of eflex and TASC. Below are these questions.

1. Which entity (eflex, a division of TASC, or TASC) would ETF negotiate with for third party administrative services related to these RFPs?

2. Which entity would hold the contract?

3. What is the transition plan? Please share any aspects of transition that have been decided and defined.

4. What degree of autonomy will eflex have in operations going forward?
    a. For example, would eflex maintain its own call center or would that move to a corporate function?
    b. Would a new client start on the TASC platform and avoid a future transition from the eflex platform to that of TASC?

5. Will eflex as a division of TASC and TASC as the parent of eflex stand behind the eflex proposal?

6. Can eflex as a division of TASC demonstrate how they will fulfill each requirement of the proposal?

Please include one signed copy of this correspondence with your company's response. The Wisconsin Department of Employee Trust Funds would like one signature from eflexgroup, Inc. (eflex) and one signature from Total Administrative Services Corporation (TASC) acknowledging the responses to these questions. The signers below are individuals that are authorized to legally bind the vendor.

Nancy Dantzman
eflexgroup, Inc. – Signature

06.23.14
Date

Nancy Dantzman
eflexgroup, Inc. – Printed Name

Vice President Business Development
eflexgroup, Inc. – Title

Total Administrative Services Corporation – Signature

6/23/14
Date

Duane Chapman
Total Administrative Services Corporation – Printed Name

Executive Vice President; National Accounts
Total Administrative Services Corporation – Title

Please submit your response no later than **4:00 p.m. CST, Tuesday, June 24, 2014** to ETFProcurement@etf.wi.gov.

Respectfully,

Michael D. McNally, Jr.
Purchasing Agent - Senior
Wisconsin Department of Employee Trust Funds
Direct Line: (608) 261-9032
Email: ETFProcurement@etf.wi.gov

1. Which entity (eflex, a division of TASC, or TASC) would ETF negotiate with for third party administrative services related to these RFPs?

   eflex, a division of TASC, will be the primary point of contact for the negotiation with ETF for third party administrative services.

2. Which entity would hold the contract?

   TASC will hold the contract, administered through eflex, a division of TASC.

3. What is the transition plan? Please share any aspects of transition that have been decided and defined.

   Because the effective date for ETF is 01/01/15, we would immediately administer all plan types on the TASC platforms, avoiding the need for a transition.

4. What degree of autonomy will eflex have in operations going forward?
   a. For example, would eflex maintain its own call center or would that move to a corporate function?
   b. Would a new client start on the TASC platform and avoid a future transition from the eflex platform to that of TASC?

   Going forward, all administrative functions will be performed by the eflex division of TASC, including the call center. However it is important to note the eflex call center will be integrated into the TASC corporate call center and employees may be served by a representative from either pool. As noted above, ETF will be implemented onto the TASC software platform from the start of services to avoid a transition.

5. Will eflex as a division of TASC and TASC as the parent of eflex stand behind the eflex proposal?

   Yes. Both eflex and TASC will stand behind the proposal, and will be bound by the ETF agreement with eflex, a division of TASC. All services noted in the proposal will be honored through our Premium Services Division. Some services will be enhanced, see below.

6. Can eflex as a division of TASC demonstrate how they will fulfill each requirement of the proposal?

   As noted above, all services noted in the proposal will be provided. There may be variances, which are noted below.

   <u>Team Lead, Second Account Manager</u>: Nancy Dantzman will remain the lead account manager, with her team representing a second account manager available for engagement. Day-to-day administration will be administered by TASC.

Disaster Recovery: A change in Disaster Recover is needed due to the change in administrative software. ETF will have access to our Corporate Emergency Management Plan which describes the general procedures in the event of an emergency. The Plan addresses four key areas of emergency management: mitigation, preparedness, response and recovery. In addition to the corporate plan, each functional area maintains a Team Emergency Plan which outlines specific tasks and activities that are set in motion in the event the Emergency Management Plan is activated. The following activities are addressed in the plan:

- Hazard identification and vulnerability analysis
- Employee training
- Facility Security
- Data Protection
- Annual Plan updates
- Biannual simulation exercises

All system capacity/calculations take in to account this year's projected peak usage, but peak usage from projected growth in the coming two-five years, depending on the system. This is a question that applies to all areas of operations, software architecture, hardware architecture, security, administration, project management, facilities, etc. All of these areas have significant corridors of excess capacity. We rely on high-capacity processing architecture as well as process automation to reduce demand on staff, leading to a lower resource draw exponent while always maintaining more actual staff resources than are currently needed at peak. The other way is that we consciously limit our growth to what we know we can handle with integrity through the usage of a combination of internally developed and licensed components. Where we use licensed components, we carefully select software from recognized software companies with a strong history of good customer support and internal stability, as well as a commitment to updating applications for legal changes and technological advances, in the eligibility management arena. Our enterprise-level programmers have diverse backgrounds with success as developers, senior developers, or architects for other major companies. We build applications to accommodate future growth engineering-in the necessary enterprise scalability and reliability. Applications as well as data are backed-up so that, in the unlikely event of catastrophic damage to our facility, we can replicate essential elements of our operational processing matrix within a few days through a commercially contracted emergency operations facility.

We also employ geographically dispersed customer care associates across the nation to serve each time zone and back up our services in case of severe weather conditions. We now have access to approximate 70 Customer Care Representatives year round instead of our 20. The number of Customer Care Representatives will double during peak volume periods in order to continue providing excellent customer service during the critical times in the plan year.

Availability: Customer Care is available via toll-free telephone 7a-5p M-F, and online via our Contact Us to answer employee's questions throughout the Plan Year. Participants are provided with a unique 12-digit ID to identify themselves when calling or signing into our website.

Participants have easy access to their FlexSystem account through the MyTASC Website, Interactive Voice Response (IVR) phone system, MyTASC Text Messaging (SMS), and the MyTASC Mobile App – providing participants with access to their accounts from anywhere at any time.

Customer Care Cases: Escalations initiated by participants are immediately addressed with a Customer Care supervisors. Situations that require follow up are routed to our Customer Satisfaction & Quality Systems Department. A dedicated Relationship Manager will be the first line of contact for ETF.

Escalations are immediately addressed by Senior Customer Care Representatives and unresolved issues are entered into the Corrective Action Program (CAR). Any CAR received will be sent to our specialized area of operations “Customer Satisfaction & Quality Systems. The Specialist assigned to the CAR works with all parties internally and externally to ensure that the Correction Action occurs and is communicated, the Root Cause is identified and that the Preventative Action is documented. All Preventative Action is monitored by specialists and reported on as needed, or in the bi-weekly Quality Assurance Committee meeting. We also offer MyService Center which provides service level reporting that gives a transparent view into service performance. MyService Center provides a comprehensive summary of plan activity, showcasing Service Requests, reports and service activity for each of our products.

Employee Online Access: Participants may easily submit requests for reimbursement along with substantiation via the employee portal or the Mobile App as noted in the RFP response. The online employee portal offers:

- Account Summary – Details the plan year, dates of run out and grace periods, available funds, annual election, total contributions and total reimbursements.
- Reimbursements /FSA Claim Status Information– Details all reimbursement requests for plan year. Provides reimbursement date, amount, method, status and substantiation status.
- Contributions – Details all anticipated plan contributions including date, benefit type, amount and status.
- Special Transactions – Details any special contribution or reimbursement transactions processed to participant.
- Debit Card Transactions including outstanding transactions In addition to our robust online platform we also offer participants access to their account information through our Mobile Application for Smart Phones, our friendly Customer Care Center, Interactive Voice Response (IVR) system and text messaging.
- Up-to-the-minute account status information via text messaging is available for smart phone users.
- Traditional communication methods are also available, including On Demand Audio and Video Materials, Blogs and auto notification. Participants may also access the following beneficial plan information through our online portal:
- Frequently Asked Questions (FAQs)
- Listing of Allowable Expenses
- Rejection Codes definition
- Plan design
- Ability to request debit card for dependent
- Ability to activate debit card
- Ability to terminate debit card and request new card

Stacked Debit Card: Each participant will receive a debit card holding both the FSA and Commuter elections. If a HSA is elected, a separate card will be sent. The employee will have a single sign on to view all accounts in which they are enrolled.

Claims: Complete and accurate claims requests received by FlexSystem prior to Noon CST will be processed that business day, with funds deposited in participant’s MyCash account, checks mailed or direct deposits initiated the following business day. Participant’s MyCash funds are available at the time of deposit for use with the participant’s debit card.

Employer online access: Transparent MyService Center is an online service portal that will provide ETF with an easy access to plan activity, service level reports, and status to service requests. MyService Center features:

- MyService Reports _ an assortment of statistics and dashboard reports to help monitor how participants are using FlexSystem This information illuminates areas of efficiency as well as areas needing attention.
- Service Dashboard _ view the average speed it takes for a call to reach a member of our Customer Care team; check out how many people are self-served through our Interactive Voice Response system; learn how many MyService Requests occurred per month over the past six months. These service snapshots can help ETF determine how the participants are being cared for.
- Feature Dashboard _ the dashboard spotlights management tools, including the debit card, E-Pay, Plan Funding and Educational Materials to inform prospective participants of the savings afforded them when implementing a medical tax advantaged plan including payroll stuffers, flyers, online communications and tax savings calculators.
- MyService Activity _ provides insight on how participants are submitting their reimbursement requests. Client's can ascertain whether their employees are using their debit card, an online form, mail, or fax. If many participants use mail or fax, ETF can guide them to methods that are more efficient for requesting and receiving their reimbursements, namely the debit card and MyTASC Mobile App. will be given consideration without "Yes" being checked to each of the following
- MyService Requests _ an efficient and innovative online messaging tool that contextualizes communications as they occur, based on the selected product and topic. A series of Frequently Asked Questions (FAQs) will pop up, in many cases answering the question and eliminating the need for a service request altogether. When a request or inquiry is necessary, once submitted it is directed to the Customer Care team that can best service the request. This expedites the request and ensures aresponse that is accurate and thorough. From MyService Center, you will be able to track the quantity and status of MyService Requests. Click on Open Requests to view inquiries and requests that are currently pending. Click on Closed Requests to see which requests have been completed.

Employer Reports: The following standard reports are available 24/7/365 through our online portal.

- Plan Management – Shows the previous and current Plan Year details of the benefits offered and provides a Summary Plan Description (SPD) for each Plan Year.
- Payroll Verification Report (PVR) – The PVR details each enrollee and their election amount(s) for each scheduled payroll date.
- Participant List – Details each Participant in the Plan and their account status. Also allows the Client to access each Participants individual account.
- Balances and Exposures – Current Participant Account balances compared to Contributions received to date and claims paid to date.
- Plan Contribution Payments – List of all PVR payments received for each scheduled payroll date.
- Plan Finalization – Final report of Participant Accounts for the current and previous Plan Years.
- Point of Claims Report – Shows any participant claims paid within the elected client funding time frame.

Advanced Funding: Based on the type of payroll funding ETF requests, we will advance funding throughout the plan year if payroll based funding is needed. This will allow you to plan funding based on employee contributions, and not be concerned with funding of negative balances.

Performance Measures:
Claim Turn-Around Time: 24-48 hours
Financial Accuracy: 99%
Processing Accuracy: 99%
Average Speed to Answer Calls: 2 minutes
Call Abandonment Rate 5%
Same-day Call Resolution: 99%
Member Satisfaction 90%
Plan Change Requests: 90% within 5 days
New enrollments: 95% within 24 hours
Payroll Fund Postings: 98% within 24 hours