



DEPARTMENT OF ADMINISTRATION & FINANCE
FINANCE DIVISION

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To: Common Council

From: Gary Schmid, City Comptroller 

Date: 11/12/08

RE: Communication requesting consulting services for the Medicare Part D program

I would like to request that I be permitted to solicit assistance from a third party to perform services surrounding the implementation and maintenance of the Retiree Drug Subsidy Program (RDS). The consultant would be available to address any concerns or issues surrounding the RDS program, to prepare a quarterly payment request, interact with the City's pharmacy administrator, maintain retiree records and address negative responses to the enrollment of the retirees, coordinate benefit option information with the actuary, maintain all retiree data transfer to carriers, review and respond to CMS notification files, prepare annual reconciliation for CMS, create a work paper trail in the event of an audit by Medicare, ensure that all the HIPPA rules are being followed and to review the gross cost data to assure the maximum reimbursement subsidy.

To demonstrate the complexity and specialization of the RDS Program, I would like to mention that even our health insurance carrier – Humana has made a company decision not to offer such services, so at this time I am having Willis Company (our health insurance consultant – formally know as Frank F Haack & Associates) investigate the cost and probability of hiring a firm to assist the City. I have only seen one official proposal, which quoted a price of approximately \$3.96 per month for the 577 individuals for a cost of \$27,420 annually and includes the actuarial attestation, but Willis Company believes we should be able to acquire such services for an amount less than what has been quoted.