EFM SUBMISSION NO.: 2012EFM012

PRESENTED: 8/17/12

ADOPTED: 8/17/12

BY THE EMERGENCY FINANCIAL MANAGER:

RESOLUTION AUTHORIZING ACTUARIAL SERVICES COMPANY

Actuarial Services Company has provided the City of Flint with the annual Actuarial Attestation required by the federal government for participation in the Medicare Part D prescription drug reimbursement program since the inception of the program. Participation in this program has resulted in rebates totaling $4,913,373.11 since 2007.

As a result of ongoing changes to Employee and Retiree health care benefits it is necessary to provide two Actuarial Attestations for the benefit plan year application covering July 1, 2012 through June 30, 2013. Based upon Actuarial Services Company's experience in providing this required attestation Risk Management is recommending that they be utilized to perform the multiple attestations required for the FY-13 plan year. Funding for these services is to come from Professional Services account 736-000.105-716.100 in an amount not to exceed $3,600.00.

IT IS RESOLVED, that the appropriate city officials are authorized to engage Actuarial Services Company to provide Medicare Part D actuarial attestation at a cost not to exceed $3,600.00.

APPROVED AS TO FORM:

for _____
Peter M. Bade, City Attorney

APPROVED AS TO FINANCE:

_____
For **Gerald Ambrose, Finance Director**

EFM DISPOSITION:

ENACT ✓ **REFER TO COUNCIL** _____ **FAIL** _____

_____ **DATED:** 8/17/12
Edward J. Kurtz, Emergency Financial Manager

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RESOLUTION STAFF REVIEW

DATE: 8-15-12

Agenda Item Title: Actuarial Attestation – Actuarial Services Company

Prepared By: Robert C. Erlenbeck – Risk Management and Benefits Administrator

Background/Summary of Proposed Action: The Centers for Medicare & Medicaid Services (CMS') requires and annual actuarial attestation as part of the Retiree Drug Subsidy (RDS) application process. Actuarial Services Company has provided the City of Flint with the annual Actuarial Attestation required by the federal government for participation in the Medicare Part D prescription drug reimbursement program since the inception of the program. To date, participation in this program has resulted in rebates totaling $4,913,373.11 since 2007.

As a result of ongoing changes to Retiree health care benefits it is necessary to provide two Actuarial Attestations for the benefit plan year application covering July 1, 2012 through June 30, 2013. Based upon Actuarial Service Company's experience with the City of Flint it is Risk Managements recommendation that they be utilized to perform both of these attestations at a cost not to exceed $3,600.00.

Financial Implications: Failure to perform this step would result in the City's RDS application being denied and loosing reimbursement of $600,000.00 to $700,000.00 for qualified Retiree prescription drug expenses.

Budgeted Expenditure? Yes x☐ No Please explain if no: Funds available

Account No.: 736- 000.105-801.000

Pre-encumbered? Yes x☐ No Requisition # Budgeted .

Other Implications (i.e., collective bargaining): None.

Staff Recommendation: It is Risk Management and Benefit Administration's and the Finance Department's recommendation that the City enter into a contract with Actuarial Services Company in the amount of $3,600.00 to provide these actuarial services.

Staff Person: 8/15/12 **Approval:**
Risk Mgmt. & Benefits Administrator for Gerald Ambrose, Finance Director