

2012EM139

EM SUBMISSION NO.: 12-5078

PRESENTED: 2-29-12

ADOPTED: 3-1-12

**BY THE EMERGENCY MANAGER:**

**Resolution Authorizing Cornerstone Benefit Group**

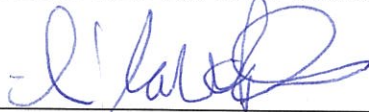
Risk Management solicited proposals from Meadowbrook Insurance Agency; McGraw Wentworth; and Cornerstone Municipal Advisory Group to provide consulting services for the City's health care benefit programs. Cornerstone Benefits Group of Liberty Center, 50 W. Big Beaver, Suite 220, Troy, MI 48084 submitted the lowest cost proposal with a fixed annual cost of \$120,000.00. If awarded the consulting contract Cornerstone will waive its current \$15,000.00 fee for the Medicare Part D application and reconciliation process for the prescription drug rebate program for a net additional cost of \$105,000.00.

The current RDS contract with Cornerstone Benefits has resulted in the successful completion of the FY-06 thru FY-11 RDS applications and reconciliation process which has resulted in rebates totaling \$4,387,485.19.

Risk Management is recommending that Cornerstone Benefits Group be retained to provide the requested consulting services and continue providing Medicare Part D application support for the FY-13 plan year. Funding for these services is to come from Risk & Benefits Management Professional Services account 736-000.105-716.100 in an annual amount of \$120,000.00.

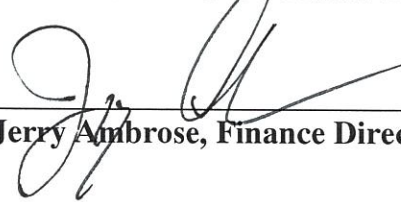
**IT IS RESOLVED**, that the appropriate city officials are authorized to enter into a contract with Cornerstone Benefits Group to provide Medical plan consulting and Medicare Part D application services at an annual amount not to exceed \$120,000.00.

**APPROVED AS TO FORM:**



Peter M. Bade, Chief Legal Officer

**APPROVED AS TO FINANCE:**



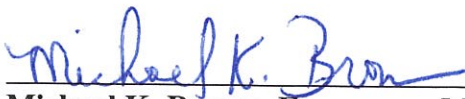
Jerry Ambrose, Finance Director

**EM DISPOSITION:**

ENACT

FAIL

DATED 3-1-12



Michael K. Brown, Emergency Manager

## RESOLUTION STAFF REVIEW

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**DATE:** 2-28-12

**Agenda Item Title:** Benefit Consulting and Medicare Part D Subsidy Application

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

**Background/Summary of Proposed Action:** In 2005 the Federal government created the Medicare Part D program which provides prescription drug coverage to eligible Medicare participants. The City utilized Cornerstone Group to assist in the application and reconciliation process for the January 1, 2006 thru June 30, 2011 plan periods resulting in rebates totaling \$4,387,485.19. The City is in need of Benefit plan consulting services and Cornerstone submitted the lowest cost proposal out of three organizations at a total cost of \$120,000.00. Cornerstone has indicated as part of its proposal that if they are awarded the consulting contract they would waive the separate \$15,000.00 RDS fee for a net consulting fee of \$105,000.00. Based upon their past performance and low cost proposal Risk Management is recommending Cornerstone Municipal Advisory Group be awarded the consulting agreement.

**Financial Implications:** Failure to enter into this contract could result in the loss of potential health care savings.

**Budgeted Expenditure?**  Yes  No **Please explain if no:** Medically related expenditures are budgeted and this contract would result in a net decrease upon completion of the contract.

**Account No.:** 736-000.105-716.100

**Pre-encumbered?** Yes  No **Requisition #**

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

**Staff Recommendation:** It is Risk Management and Benefit Administration's recommendation that the City of Flint enter into an agreement with Cornerstone Municipal Advisory Group to provide benefit consulting and Medicare Part D application and reconciliation services for the FY-13 benefit plan year for an annual amount not to exceed \$120,000.00.

**Staff Person:** RE 2/28/12  
Risk Mgmt. & Benefits Administrator

**Approval:** J. A.  
City Administration