

EFM SUBMISSION NO.: 2013EFM119

PRESENTED: 3-27-13

ADOPTED: 3-27-13

**BY THE EMERGENCY FINANCIAL MANAGER:**

**Resolution Authorizing Nyhart**

The City of Flint currently Participates in the federal RDS prescription drug subsidy program.

This program provides a subsidy payment to providers of prescription drug medical coverage upon completion of the appropriate application and reconciliation processes. To date, the City has received rebates totaling \$5,052,057.45. Part of the application process involves an annual Actuarial Attestation of the benefits.

Risk Management has utilized Nyhart to provide actuarial services for OPEB liability and is recommending Nyhart to provide the Attestation services as part of the July 1, 2013 to June 30, 2014 RDS application process given their familiarity with the City's recently changed health plans.

Funding for these services is to come from account 736-000.105-716.100 in an amount not to exceed \$1,850.00.

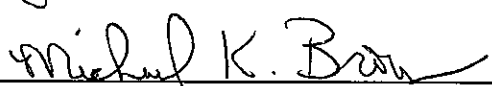
**IT IS RESOLVED**, that the appropriate city officials are authorized to engage Nyhart to provide RDS Actuarial Attestation services at a cost not to exceed \$1,850.00.

**APPROVED AS TO FORM:**

**APPROVED AS TO FINANCE:**

  
\_\_\_\_\_  
Peter M. Bade, City Attorney

  
\_\_\_\_\_  
Gerald Ambrose, Finance Director

  
\_\_\_\_\_  
Michael K. Brown, City Administrator

**EFM DISPOSITION:**

ENACT ☒ REFER TO COUNCIL ☐ FAIL ☐

  
\_\_\_\_\_  
Edward J. Kurtz, Emergency Financial Manager

DATED: 3-27-13

## RESOLUTION STAFF REVIEW

---

**DATE:** 3-20-13

**Agenda Item Title:** Nyhart Medicare Part D Attestation

**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. This program provides a subsidy payment to providers of self-insured prescription drug medical coverage upon completion of the appropriate application and reconciliation processes. To date, the City has received rebates totaling \$5,052,057.45. Part of the application process involves an annual Actuarial Attestation of the benefits. Risk Management has utilized Nyhart to provide actuarial services for OPEB liability and is recommending Nyhart to provide the Attestation services given their familiarity with the City's recently changed health plans.

**Financial Implications:** Failure to complete the Attestation would result in a loss of \$800,000.00 annually from the subsidy.

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

**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 Nyhart to provide actuarial attestation services in support of the RDS application for the period from July 1, 2013 through June 30, 2014 for an annual amount not to exceed \$1,850.00.

**Staff Person:** RE 3/20/13 **Approval:** [Signature]  
Risk Mgmt. & Benefits Administrator City Administration