



Legislation Details (With Text)

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Title: Resolution to Approve Amendment No. 2 of the City’s Contract with Part D Advisors, Inc. to Fulfill Administrative and Actuarial Services Related to Medicare Part D Subsidies for the City and to Authorize the City Administrator to Execute the Necessary Documentation

Sponsors:

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Attachments: 1. (PartExec) Second Addendum - City of Ann Arbor and Part D Advisors.pdf, 2. Executed Contract.pdf

Date	Ver.	Action By	Action	Result
12/18/2017	1	City Council	Approved	Pass

Resolution to Approve Amendment No. 2 of the City’s Contract with Part D Advisors, Inc. to Fulfill Administrative and Actuarial Services Related to Medicare Part D Subsidies for the City and to Authorize the City Administrator to Execute the Necessary Documentation
The attached Resolution authorizes the City Administrator to execute the amendment and renewal of the City’s contract for administrative and actuarial services with Part D Advisors, Inc. Part D Advisors, Inc. keeps a percentage of the funds reimbursed to the City by Medicare.

Budget/Fiscal Impact: This does not adversely impact the FY18 budget and will not adversely impact the FY19 budget, as the City receives a refund from Medicare, from which the consultants will receive their fees. Further, receipt of the subsidy has a favorable impact for the City for GASB 45 purposes.

The Medicare Part D program added voluntary outpatient prescription drug benefits to the Medicare program effective January 1, 2006. Medicare pays an employer a subsidy of up to 28% of its prescription drug costs if its retirees covered under the retiree medical plan do not participate in the Medicare Part D program.

Prepared By: Jessica Hull, Employee Benefits Supervisor
Reviewed By: Robyn Wilkerson, Director of Human Resources and Labor Relations
Approved By: Howard S. Lazarus, City Administrator

Whereas, The City provides retiree medical and prescription drug coverage to eligible retired City employees and their eligible dependents in accordance with the employee benefits program and various labor contracts;

Whereas, The Federal Government enacted a new provision to the Medicare program, Medicare Part D to provide outpatient prescription drug benefits effective January 1, 2006;

Whereas, The City-provided benefit is more generous than that offered under Medicare Part D;

Whereas, Medicare will pay employers a subsidy to have retirees not participate in the Part D program;

Whereas, Receipt of the subsidy will have favorable financial impact to the City with respect to GASB 45 disclosure requirements;

Whereas, The City approved the contract with Part D Advisors, Inc. on October 17, 2005, and subsequently approved an addendum to such contract on May 21, 2010;

Whereas, The City Attorney's Office has recommended the proposed amendment to such contract through the renewal period;

Whereas, Part D Advisors, Inc. will provide the same services for the same administrative fees for the renewal period; and

Whereas, Part D Advisors complies with the requirements of the City's Non-Discrimination and Living Wage ordinances;

RESOLVED, That City Council approve Amendment No. 2 of the contract for the period January 1, 2018 to December 31, 2018, with Part D Advisors, Inc., which amends and renews the service contract;

RESOLVED, That the City Administrator is authorized and directed to execute the necessary contract documentation after approval as to form by the City Attorney and take any further necessary administrative actions to implement this resolution; and

RESOLVED, That the City Council appoints Robyn Wilkerson as the Authorized Representative for purposes of the City performing its obligations under the contract.