

July 9, 0215

Alderman Nik Kovac, Chairman  
City of Milwaukee Common Council Finance and Personnel Committee  
200 East Wells Street, Room 205  
Milwaukee, WI 53202

**File No: 150301 authorizing the Department of Employee Relations  
to comply with various aspects of the Affordable Care Act  
related to reporting requirements through a contract with Health e(fx)**

Dear Alderman Kovac and Finance Committee Members:

The City of Milwaukee Department of Employee Relations (DER) and other employers are required to comply with the Affordable Care Act (ACA) including the monitoring of employee eligibility for medical benefits coverage and reporting to both the employee and IRS regarding benefits coverage.

After meeting with staff in ITMD and the Comptroller's office and discussing the reporting requirements, DER has determined that it would be in the best interest of the City to contract with Health e(fx) to assist the DER in monitoring, preparation and reporting eligibility for medical benefits for all City employees. DER has explored other options to comply with the ACA requirements and finds this the best option.

DER staff will work closely with Health e(fx) to complete the following tasks:

- Eligibility tracking
- Workforce management
- Employee notifications
- Ongoing compliance, including alerts and reporting
- 1094 forms filing and 1095 forms distribution

Contracting with Health e(fx) will help the City to complete these ACA reporting requirements accurately and correctly without penalty. DER recommends authorization to enter into a one year contract with Health e(fx) at a not to exceed amount of \$60,000, with an option for up to two one year extensions.

Please contact me if you have any additional comments or questions regarding this file.  
Sincerely,

Michael Brady,  
Employee Benefits

CC: Maria Montegudo, DER  
Deborah Ford, Labor  
Renee Joos, DER  
Ellen Tangen, City Attorney's Office  
Dennis Yaccarino, Budget Office