



Department of Employee Relations

July 19, 2018

Aldерwoman Milele Coggs, Chairwoman  
City of Milwaukee Common Council Finance and Personnel Committee  
200 East Wells Street, Room 205  
Milwaukee, WI 53202

**Tom Barrett**  
Mayor

**Maria Monteagudo**  
Director

**Renee Joos**  
Employee Benefits Director

**Nicole Fleck**  
Labor Negotiator

**File No: 180380 Resolution to Extend Current Contract with Health E(fx) for ACA Reporting**

Dear Alderwoman Coggs and Finance Committee Members:

The City of Milwaukee and other applicable large employers are required to comply with the Affordable Care Act (ACA) reporting requirements including monitoring employee eligibility for health insurance benefits and reporting to both the member and the IRS regarding coverage. The Department of Employee Relations (DER) has contracted with Health E(fx) since 2015 to comply with the complex ACA reporting regulations under IRS section 6055 and 6056.

Health E(fx) understands the complexities of managing ACA compliance and reporting for organizations that have self-administered health benefit plans and a multifaceted and variable workforce including eligibility requirements for health benefits coverage, timing of the offer of coverage and enrollment, the number of members and dependents enrolled by month, the number of members who waive coverage, the cost of the City and member premium share and issuance of IRS forms 1094 and 1095. In addition, Health E(Fx) assists the City with ongoing monitoring and auditing to ensure the City remains in compliance with ACA regulations.

Health E(fx) is a valuable partner in assisting the City with ACA reporting challenges and continues to provide exceptional service to the City. The DER is recommending a three year extension to the current contract and Health E(fx) has agreed to flat administration fees for the first year of the extension and a 2% increase for the following two years. The DER recommends that the Finance and Personnel Committee approve a three year contract extension with Health E(fx) through December 31, 2021.

I am happy to answer any questions or comments regarding this file.

Sincerely,  
Renee Joos  
Employee Benefits

CC: Ellen Tangen, City Attorney's Office  
Dennis Yaccarino, Budget Office

