

**LRB-FISCAL REVIEW SECTION ANALYSIS**

**FINANCE AND PERSONNEL COMMITTEE**

**ITEM 7, FILE # 050738**

**OCTOBER 12, 2005**

**MARK A. RAMION**

File # 050738 is a substitute resolution authorizing the Department of Employee Relations to contract with Willis of Wisconsin to complete a Medicare Part D Subsidy application.

**Background**

This resolution authorizes the Department of Employee Relations to contract with Willis of Wisconsin to complete a Medicare Part D subsidy application.

**Discussion**

1. The Medicare Modernization Act of 2003 was created by the United States Congress and provided for Medicare Part D including a prescription drug benefit that will be available to Medicare participants effective in 2006.
2. A Retiree Drug Subsidy of up to 28% is available from the United States Centers for Medicare and Medicaid to employers who provide a prescription drug benefit equivalent to the Medicare Part D plan.
3. An application process, including an actuarial determination, is required in order to verify that the City of Milwaukee's prescription drug benefit is equivalent to Medicare Part D.
4. Willis of Wisconsin, as a health care benefits consultant to the City of Milwaukee is in a position to complete this application process and the required actuarial determination of the City's eligibility for the drug subsidy.

**Fiscal Effect**

The total amount of this resolution is, up to, \$5,000 from the 2005 Health Care SPA, Cost Control sub-account for the purpose of conducting this application process.

Prepared by: Mark A. Ramion, X8680  
LRB-Fiscal Review Section  
October 10, 2005

Cc: Marianne C. Walsh  
W. Martin Morics  
Maria Monteagudo  
Michael Brady  
Edwin Reyes