

LRB-FISCAL REVIEW SECTION ANALYSIS

FINANCE AND PERSONNEL COMMITTEE

ITEM 8, FILE # 050929

NOVEMBER 30, 2005

MARK A. RAMION

File # 050929 is a resolution approving a contract between the City of Milwaukee and WPS for run out of claims from 2005 not processed until 2006 under the City's Basic Plan.

Background

1. This resolution will approve a contract between the City of Milwaukee and WPS through 2006.
2. WPS will no longer be the third party administrator for the Basic Plan after December 31, 2005. Claims incurred in 2005 and not billed until 2006 will be processed by WPS.

Discussion

1. The contract approved in this resolution has been reviewed and approved by the City Attorney.
2. The estimated cost of the contract is on a per medical employee basis through June 30, 2006. After June 30, 2006, WPS will process claims on a per claim basis.

Fiscal Effect

The estimated cost of this contract is \$375,000 in administrative fees paid to WPS for processing Basic Plan claims through 2006.

Prepared by: Mark A. Ramion, X8680
LRB-Fiscal Review Section
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Cc: Marianne Walsh
W. Martin Morics
Michael Brady