

LRB-FISCAL REVIEW SECTION ANALYSIS

FINANCE AND PERSONNEL COMMITTEE

ITEM 9, FILE # 051030

NOVEMBER 30, 2005

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File # 051030 is a resolution approving a contract between the City of Milwaukee and Blue Cross Blue Shield CMS to provide administrative services related to the City of Milwaukee Basic Plan health insurance claims account from 2006 through 2008.

Background

1. This resolution will approve a contract between the City of Milwaukee and Blue Cross Blue Shield CMS to provide administrative services related to the City of Milwaukee Basic Plan health insurance claims account from 2006 through 2008.
2. File # 050300 approved the recommendation of the Department of Employee Relations to enter into a contract with Blue Cross Blue Shield of Wisconsin and Claim Management Services, Inc. (CMS), a subsidiary of Blue Cross Blue Shield, for administrative services associated with the City of Milwaukee's Basic Health Plan for active and retired employees for 2006, 2007 and 2008.

Discussion

1. Three contracts, reviewed and approved by the City Attorney, have been prepared by Blue Cross Blue Shield CMS and the Department of Employee Relations.
2. These contracts related to administrative services and the payment of claims for Basic Plan members outside of southeastern Wisconsin, for Medicare retirees and for CompCareBlue members in southeastern Wisconsin.

Fiscal Effect

The estimated cost of this contract is \$1,300,000 in administrative fees paid to Blue Cross Blue Shield CMS for processing Basic Plan claims in 2006. Basic Plan claims are estimated at \$34,200,000 in 2006 for a total of \$35,500,000.

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LRB-Fiscal Review Section
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