

## Management Committee

For the Metropolitan Council meeting of June 12, 2013

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**Subject:** Authorization to Amend Contract with Total Administrative Services, Inc. (TASC)

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### **Proposed Action**

That the Metropolitan Council authorize the Regional Administrator to amend the contract with TASC by the amount of \$100,000 to include billing services for those retirees with an employer subsidy towards medical coverage.

### **Summary of Committee Discussion/Questions**

Currently TASC performs COBRA administration for the Council, in addition to billing for 1200 retirees who are enrolled in retiree health and/or dental insurance who do NOT receive an employer subsidy for that coverage.

The amendment will result in TASC handling all retiree insurance billing, regardless of whether the retiree receives a subsidy from the Metropolitan Council. This is an additional 1355 retirees.

Currently the cost per transaction is .85 per active employee per month (\$3000/mo); the amended service will cost \$4 per retiree (1355) per month (\$5420/mo). In addition to the current COBRA administration services, the additional cost will cover the following services:

- Carrier coordination
- Age 65 plan changes to Medicare Supplement plans
- Death notifications
- Managing the subsidies (hundreds of permutations)
- Sending out Freedom Plan applications
- Mailing open enrollment materials
- Separate reporting for full insured and self-funded products
- Management of the retiree records

Retirees will now receive only one bill from TASC rather than one from TASC and another from Met Council, thereby simplifying and streamlining the process. Funding for this contract will come from the Human Resources budget and has been reviewed by Finance.

In 2012 there were 127 retirements within the Metropolitan Council, which is similar to the number of retirements experienced since 2009.

## Management Committee

Meeting date: May 22, 2013

For the Metropolitan Council meeting of June 12, 2013

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**Subject:** Authorization to Amend Contract with Total Administrative Services, Inc. (TASC)

**District(s), Member(s):** All

**Policy/Legal Reference:** Council Policy 3-4-3a Procurement – Amendments that are greater than 10% of the original contract value must be approved by the Council

**Staff Prepared/Presented:** Sandi Blaeser, 651-602-1582; Micky Gutzmann 651-602-1741

**Division/Department:** Human Resources

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### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to amend the contract with TASC by the amount of \$100,000 to include billing services for those retirees with an employer subsidy towards medical coverage.

### Background

Metropolitan Council outsourced COBRA administration and some retiree billing to TASC in July 2012 through an RFP process. The retiree billing that was moved to TASC was for insurance coverage paid in full by the retiree (dental, life, vision and some medical insurance). The current number of retirees being billed by TASC is approximately 1,200.

The remaining group of retirees that were not outsourced last July are those who qualified at retirement to receive an employer contribution towards the medical insurance premium. There are approximately 1,355 retirees that we are currently billing in-house. This amendment moves the group of retirees to TASC by August 1, 2013.

### Rationale

Moving all the retiree billing to TASC will simplify the billing process for retirees who now receive two invoices – one from TASC for dental, life and/or vision coverage and one from Metropolitan Council for medical coverage. It will also allow Benefits and Finance staff more time to devote to other important tasks.

### Funding

Funding is available through the Human Resources budget.

### Known Support / Opposition

No opposition is known at this time.