PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: January 26, 2016	[X] Consent [] Ordinance	[]	Regular Public Hearing
Department: Risk Management	[] Oramanoo	r 1	· done riearing
Submitted By: Risk Management			
Submitted For: Risk Management			

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to authorize the County Administrator, or her designee, to electronically execute required documents as the Authorized Representative of the County's Plan Sponsor Agreement under the provisions of the Retiree Drug Subsidy Program as outlined in 42 CFR Part 423, Subpart R (Payments to Sponsors of Retiree Prescription Drug Plans) and in other guidance issued by the Centers for Medicare and Medicaid Services (CMS).

Summary: At its regular meeting on October 18, 2005, the Board granted former County Administrator Robert Weisman the authority to execute required documents as the Authorized Representative for the County's Plan Sponsor Agreement under the provisions of the Retiree Drug Subsidy Program. Final regulations for Title I and Title II of the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA) were published in 2005, and contained the provisions governing special retiree drug subsidies that were designed to encourage employers and unions to continue providing high quality prescription drug coverage to their retirees. The County has participated in this program since plan year 2006, and has received over \$215,000 to date in subsidies associated with the program. Following Mr. Weisman's retirement, it is necessary to reassign the role of Authorized Representative to the current County Administrator or her designee. Countywide (HH)

Background and Justification (or Policy Issues): The MMA was signed into law December 8, 2003 and was one of the most significant overhauls of the Medicare system since its inception. At the center of the law was the creation of the Medicare Part D prescription drug benefit. In order to encourage employers to continue offering prescription drug benefits to retirees, CMS created the subsidy program and established an application process through the Retiree Drug Subsidy (RDS) Service Center. Palm Beach County Board of County Commissioners extends prescription drug benefits (along with health insurance benefits) to retirees at the full premium costs, as required by F.S. 112.0801. In order to qualify for the subsidy, the County must annually prove its plan is actuarially equivalent or superior to the plan being offered under Medicare Part D, effective January 1 each year. The County's plan has qualified for the subsidy each plan year since 2006, but did not qualify for plan year 2016, as the increase in drug costs under the County's plan has caused a spike in the amount retires pay for the coverage. However, reconciliation of plans 2014 and 2015 are still outstanding and the County must complete the electronic processes established by CMS. The processes require the Authorized Representative to execute the Plan Sponsor and Reconciliation Agreements. The Board's grant of authority to the County Administrator, or her designee, in this role will allow for the electronic execution of required documents. The next reconciliation deadline is March 31, 2016.

Attachments:	
Recommended By: Nancy L. Bolton	12/28/15
/ Department Director	Date
Approved By: Phillips	1/7/16
County/Deputy/Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

Fisca	l Years	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	2020			
Operating External I Program In-Kind M	Revenues Income (County) latch (County)	*							
Net Fis	cal Impact				=				
	ONAL FTE NS (Cumulative)	0	0	0	0	0			
	•	ent Budget? No.: Fund No.: Fund	YesDeptDept	No Unit 700 Unit	Obj 7311_Obj	6999			
В.	. Recommended Sources of Funds/Summary of Fiscal Impact:								
	*Revenues are inde	eterminable at t	his time.						
C.	Departmental Fiscal Review:								
III. REVIEW COMMENTS									
Α.	A. OFMB Fiscal and/or Contract Dev. and Control Comments:								
	Shung /	3 B	Col	ntract Dev. an	d Control	<u> 5/16</u>			
B.	Legal Sufficiency:		ÐU	naces 143) (m				
	Assistant Coun	ty Attorney							
C.	Other Department	Review:							
	Department	Director							

REVISED 9/03 ADM FORM 01 (THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)