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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Agenda Item No. 11(A)(6)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: May 6, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Resolution requiring a report from the Mayor regarding the financial and operational status of the County's Self-Funded Medical Program

Resolution No. R-532-08

This resolution was amended by the Budget and Finance Committee to delete the words stricken through and to add the words underlined, as indicated in the item.

The accompanying resolution was prepared and placed on the agenda at the request of Commissioner Carlos A. Gimenez.

R. A. Cuevas, Jr.
County Attorney

RAC/bw

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: May 6, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 11(A)(6)

Please note any items checked.

_____ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised

_____ 6 weeks required between first reading and public hearing

_____ 4 weeks notification to municipal officials required prior to public hearing

_____ Decreases revenues or increases expenditures without balancing budget

_____ Budget required

_____ Statement of fiscal impact required

_____ Bid waiver requiring County Manager's written recommendation

_____ Ordinance creating a new board requires detailed County Manager's report for public hearing

_____ Housekeeping item (no policy decision required)

_____ No committee review

2

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(6)
5-6-08

RESOLUTION NO. **R-532-08**

RESOLUTION REQUIRING A REPORT FROM THE MAYOR OR HIS DESIGNEE REGARDING THE FINANCIAL AND OPERATIONAL STATUS OF THE COUNTY'S SELF-FUNDED MEDICAL PROGRAM, WHICH REPORT SHALL INCLUDE RECOMMENDATIONS FROM THE COUNTY'S INSURANCE CONSULTANTS, A STATEMENT CONCERNING THE NEED FOR AN ACTUARIAL STUDY, AND RECOMMENDATIONS FOR POTENTIAL COST-SAVINGS BY REBIDDING THE COUNTY'S LIFE, DENTAL AND/OR VISION PROGRAMS

WHEREAS, on July 10, 2007, the Commission adopted Resolution No. R-810-07 which authorized execution of an agreement with AVMED INC. d/b/a AVMED Health Plan(s) for Miami-Dade County's Self-Funded Medical Program (the " Self-Funded Program"); and

WHEREAS, the Self-Funded Program includes a Point-of-Service plan and a high and low Health Maintenance Organization (HMO) plan for County and Public Health Trust employees, dependents, and retirees; and

WHEREAS, at the time of the Commission's adoption of Resolution No. R-810-07, it was estimated that the Self-Funded Program would provide $19.4 million in non-claims (administrative) savings and $33 million in savings through rate re-tiering; and

WHEREAS, the Commission seeks to monitor the success of the Self-Funded Program's performance relative to the estimated savings targets to ensure that savings have been achieved and that premiums are sustainable in fiscal year 2008-2009 and beyond; and

WHEREAS, it is anticipated that on December 31, 2008, the County's group life, dental and vision programs will be: (i) as to the group life program, ending its initial 3-year term; (ii) as

to the group dental program, ending its first renewal option; or (iii) as to the group vision program, ending its second and final renewal option; and

WHEREAS, the Commission must begin consideration of cost savings that also may be obtainable by rebidding the County's group life, dental and/or vision programs,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. This Board hereby directs the County Mayor or his designee to submit a report to the Commission concerning the financial and operational status of the County's Self-Funded Program. The report required hereunder shall include, but not be limited to, the following:

> (i) a statement regarding the projected annual savings when the Commission authorized the program to be advertised for competitive selection and when the Self-Funded Program was awarded. The reported savings shall be stated in terms of those savings which were used for premium reductions benefiting County and Public Health Trust employees and retirees;
>
> (ii) using the experience through [1]~~March~~ July 31, 2008, a projection reflecting whether the projected savings will be achieved by the end of the first twelve months of the Self-Funded Program;
>
> (iii) a statement regarding the number of participants in the Self-Insurance Medical Program in relation number of participants in the previous program segmented by County employees, retirees and Public Health Trust employees;
>
> (iv) a statement regarding the closeout of the previous program and what funds might be available if any reserved amounts are unused and when these funds will be available. The statement required by this subsection (iv) shall also clarify how much money is in the health insurance trust fund and whether such amount or portion thereof will be available for funding the County's portion of the cost in fiscal year 2008-2009;

[1] Committee amendments are indicated as follows: words stricken through are deleted, words underlined are added.

(v) a statement from the County's insurance consultant regarding the first six months of program implementation and any recommendations they might make at this time;

(vi) a statement regarding the need for an independent actuarial report of the funding necessary for fiscal year 2008-2009; and

(vii) a statement on the condition of the County's group life, dental and vision programs. This statement shall include the Mayor's recommendations for additional cost savings that potentially are obtainable by the County's rebidding the County's group life, dental and vision programs.

Section 2. The report required by this resolution shall be submitted to the Commission ~~within thirty (30) days from the effective date hereof~~ on or before August 15, 2008.

The foregoing resolution was sponsored by Commissioner Carlos A. Gimenez and offered by Commissioner **Carlos A. Gimenez**, who moved its adoption. The motion was seconded by Commissioner **Barbara J. Jordan** and upon being put to vote, the vote was as follows:

Bruno A. Barreiro, Chairman **aye**
Barbara J. Jordan, Vice-Chairwoman **aye**

Jose "Pepe" Diaz	**absent**	Audrey M. Edmonson	**absent**
Carlos A. Gimenez	**aye**	Sally A. Heyman	**aye**
Joe A. Martinez	**absent**	Dennis C. Moss	**aye**
Dorrin D. Rolle	**absent**	Natacha Seijas	**aye**
Katy Sorenson	**absent**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**absent**		

The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of May, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **Kay Sullivan**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. ES

Eugene Shy, Jr.