


COUNTY OF MILWAUKEE
DAS – Division of Employee Benefits
INTER-OFFICE COMMUNICATION

DATE : August 23, 2011

TO : Supervisor Johnny L. Thomas, Chair, Finance & Audit Committee
Supervisor Joe Sanfelippo, Chair, Personnel Committee

FROM : Matthew Hanchek, Interim Director, Employee Benefits Division 

SUBJECT : **Informational Report from the Interim Director, Employee Benefits Division, Regarding Dependent Eligibility Audits. No action required.**

Background:

In the 2011 Operating Budget, the Department of Audit and the Employee Benefits Division were tasked with developing the process for an audit of dependent benefits eligibility and releasing an RFP to an external administrator to conduct the audit on the County's behalf.

The Employee Benefits Division published the finalized RFP on Milwaukee County's procurement website on August 26, 2011. Notice of the RFP ran in the August 27th – August 28th editions of the Journal Sentinel. The RFP follows the procedures outlined in Chapter 56.30 of the Milwaukee County Code of Ordinances, and the successful bidder will be required to comply with the Disadvantaged Business Enterprise (DBE) policy defined in CFR 49 Part 23 and 26 and Chapter 42 of the Milwaukee County Ordinances.

Amnesty Period:

Literature on dependent eligibility audits recommends offering an amnesty period to employees and retirees prior to the initial audit period. This places the focus on cleaning up eligibility records rather than the punitive aspect. Generally, the employer would waive any employment or financial ramifications related to past coverage for people who voluntarily remove ineligible dependents.

While typically recommended, the decision to offer an amnesty period is ultimately at the County's discretion and can be revisited for the initial audit or future audits. The Benefits Division will bring this issue back to the Board with the recommended Audit plan from the successful bidder.

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Division, Regarding Dependent Eligibility Audits

Page 2

Tentative Timeline:

Activity	Proposed Timeline
Release RFP	August 26, 2011
Intent to Bid and questions from bidders due	September 16, 2011
Proposals due to Milwaukee County	September 23, 2011
Notification of finalist selections	October 7, 2011
Finalist presentations	TBD
Final Vendor Selection	TBD
Approval of Scope / Contract	TBD
General Communication / Education	October 2011
Amnesty Period	November 2011
Audit Period / Procurement of Documents	February 2012 – March 2012
Conclusion	April 2012

Cc: Jerome Heer, Director of Audits
Patrick Farley, Director, Dept. of Administrative Services
Kimberly Walker, Corporation Counsel
Rick Ceschin, Senior Research Analyst, County Board
Steve Cady, Fiscal and Budget Analyst, County Board
Carol Mueller, Chief Committee Clerk
Jodi Mapp, Personnel Committee Clerk