

# RESOLUTION OF THE CITY COUNCIL

No. 131

Approved April 15, 2016

RESOLVED, That the Members of the Providence City Council hereby Authorize Approval of the following Contract Extension Award, extending the award to December 31, 2016 only, by the Board of Contract and Supply, in accordance with Section 21-26 of the Code of Ordinances.

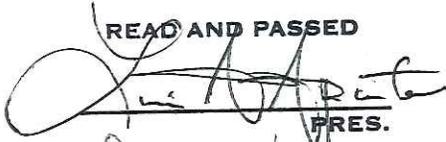
Mercer Health and Benefits, LLC  
(Human Resources)

\$660,000.00

IN CITY COUNCIL

APR 07 2016

READ AND PASSED

  
\_\_\_\_\_  
PRES.

  
\_\_\_\_\_  
CLERK

I HEREBY APPROVE.

  
\_\_\_\_\_  
Mayor

Date: 4/15/16

**MATTHEW M. CLARKIN, JR.**  
INTERNAL AUDITOR  
25 DORRANCE STREET, ROOM #307  
PROVIDENCE, RI 02903  
Phone: (401) 421-7740 EXT. 577  
Fax: (401) 351-1056  
mclarkin@providenceri.com



## City of Providence, Rhode Island Office of the Internal Auditor

November 25, 2015

Ms. Lori Hagen  
City Clerk's Office  
City of Providence  
25 Dorrance Street  
Providence, RI 02903

Dear Lori:

I am writing to request that the following requested contract awards be submitted to the City Council and the Finance Committee for approval.

- *Human Resources* – Approval of a two-year contract extension with Mercer Health and Benefits LLC as the city's health and benefits consultant in an amount of \$660,000.
- *Plannning & Development* – Approval of a sole-source contract with OpportunitySpace Inc. to assist the city in implementing and carrying out its objectives of the Every Home and Every Block initiatives in an amount not to exceed \$9,000.
- *School Department* – Approval of a contract with City Year Rhode Island in an amount not to exceed \$400,000 to provide educational support services to support four city schools.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew M. Clarkin, Jr.", written over a faint blue line.

Matthew M. Clarkin, Jr.  
Internal Auditor

Cc: Alan Sepe, Director of Operations  
Cyd McKenna, Chief of Staff – City Council  
James Lombardi, City Treasurer/Senior Advisor to the City Council  
Margaret Wingate, Manager of Employee Benefits  
Bonnie Nickerson, Director – Dept. of Planning & Development  
Judith Petrarca, Purchasing Administrator – School Dept.



## CITY OF PROVIDENCE

Jorge O. Elorza, Mayor

November 23, 2015

The Honorable Jorge O. Elorza  
Chairman, Board of Contract and Supply  
City Hall  
Providence, RI 02903

Dear Mayor Elorza:

The City has engaged the services of Mercer Health and Benefits LLC as our health and benefits consulting firm since 2008. We are respectfully requesting that we re-engage Mercer as our healthcare consultant for an additional twenty four (24) month period effective retroactively to July 1, 2015 and continuing through June 30, 2017 with an option to renew for an additional one year at the expiration of the twenty four months. We are seeking this approval for the reasons set forth below:

- Mercer has successfully negotiated competitive financial contracts with all of our carriers resulting in significant savings to the City.
- As a partner to the City's Benefits Department Mercer has historically guided and assisted us with the implementation of complex projects and initiatives that span multiple fiscal years. This year is no different as we are currently navigating through the complicated process of 1095C production under the Affordable Care Act as well as a comprehensive policies and procedures benefits manual and robust retiree communications.
- Mercer has played a critical role in assisting the City with shifting retirees to Medicare, COB (Coordination of Benefits), the Dependent Eligibility Audit, and carrier claims audits. They continue to be an ongoing valuable resource to the City's team as we continue the administration of these initiatives.
- Mercer has been instrumental in assisting the City Benefits Department as well as the Administration and City Council in advising and implementing the myriad of changes under the Affordable Care Act, including multiple reviews of plan designs and mandatory regulatory compliance.
- We have full access to Mercer's Compliance Department, staffed with teams of attorneys, paralegals, and researchers. We regularly tap into them for compliance inquiries, many of these inquiries lately have been related to healthcare reform.
- Mercer has become extremely knowledgeable of the City's complex union rules and multiple Collective Bargaining Agreements and assists the Administration and Benefits Department in plan design and savings analysis for contract negotiations. This historical knowledge is critical as we continue negotiations of multiple labor contracts.

### HUMAN RESOURCES

Providence City Hall | 25 Dorrance Street, Room 401, Providence, Rhode Island 02903

401 421 7740 ph | 401 273 9510 fax

[www.providenceri.com](http://www.providenceri.com)

- The City spends approximately \$100M on healthcare every year. There are very few employers with this size of a health plan, and Mercer has extensive experience dealing with clients of our size.
- Mercer has a large team of actuaries, and offers services and tools that are unavailable from anyone other than the largest consulting firms.
- Mercer's team is local (Boston) and they have extensive experience in Rhode Island.
- Considering Mercer has over 20,000 employees, our local team has a significant number of people they can go to for advice and consultation.
- Mercer does not accept insurance company commissions, for work performed on our behalf. In cases where they receive compensation from a 3<sup>rd</sup> party source, they disclose it to us and they reduce our fee by the amount received.
- Their fees are highly reasonable and competitive to their industry. Additionally, they have provided significant value in the work that they do in partnering with the City's Benefits, Finance, and Administration Departments.
- Mercer has agreed to a no-increase in fee for the entire duration of the contract extension, currently at \$330,000 per year.

As the Benefits Department administers the benefits for 18,000+ employees, retirees and their dependents, Mercer has become a critical, trusted member of our team. We rely on their expertise in the healthcare industry, the resources of their expansive consultancy group and the good reputation and relationships they have built in this industry.

Account Code: 891-900-1010-1  
Amount: \$660,000

*Lawrence J. Mancini*

Respectfully Submitted,

Financial Approval:

*Margaret M. Wingate*

Margaret M. Wingate  
Manager of Employee Benefits

*Lawrence J. Mancini*

Lawrence J. Mancini  
Director of Finance

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*Lawrence J. Mancini*

Respectfully Submitted,

Financial Approval:

*Margaret M. Wingate*

Margaret M. Wingate  
Manager of Employee Benefits

*Lawrence J. Mancini*

Lawrence J. Mancini  
Director of Finance

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David Chamberlain  
Principal

99 High Street  
Boston, MA 02110  
+1 617 747 9342  
David.Chamberlain@mercer.com  
www.mercer.com

Margaret Wingate  
City of Providence  
Providence City Hall  
25 Dorrance Street  
Providence, RI 02903

July 8<sup>th</sup>, 2014

**Subject:** Health & Benefits Statement of Work ("SOW")

Dear Margaret:

The objective of this Statement of Work ("SOW") is to confirm the scope of our work and the compensation for this engagement. This SOW is subject to the terms and conditions contained in our existing engagement letter dated 7/11/13. All capitalized terms not defined in this SOW shall have the meanings ascribed to them in our existing engagement letter.

**Service Details**

1. Service name: Mercer H&B
2. Description of Mercer responsibilities: See attached Service Schedule

**Description of Mercer Stop Loss insurance coverage placement responsibilities:**

- Meet with you to develop a stop loss placement strategy that meets your stated objectives.
- Request and negotiate the terms and conditions of the stop loss insurance renewal from the current insurer and present the insurer's proposed renewal package to you.
- Conduct a stop loss marketing based on a list of stop loss carriers selected by you and your desired terms of coverage.
- Facilitate communication between your medical and prescription drug vendors and stop loss insurer to establish reporting responsibilities and timing of data required for the purpose of securing stop loss coverage.
- Follow up with insurance carrier for timely issuance of policies and contracts.
- Review policies and contracts for accuracy and conformity to specifications provided by you in the placement strategy meeting.
- We will assist you with access to the stop loss insurance marketplace and use our commercially reasonable efforts to place stop loss policies selected by you on your behalf, if so instructed.



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July 8, 2014  
Margaret Wingate  
City of Providence

- If requested, we shall transmit information and data supplied by you or on your behalf without independently verifying the accuracy, completeness or timeliness of the data to the stop loss insurer.

**Important Limitations on Mercer's Marketing of Client's Stop Loss Policy**

We do not make any representations about an insurer's or MGU's payment or claims denial practices. We do not warrant in any way that all claims submitted to the stop loss carrier will be approved and ultimately reimbursed. Also, the terms and conditions of covered claims for the stop loss insurance policy may not fully correlate with the benefits covered under your benefits program. We shall use all information and data supplied by you or on your behalf without independently verifying the accuracy, completeness or timeliness of it. We will not be responsible for any delays or liability arising from missing, delayed, incomplete, inaccurate or outdated information and data.

3. Description of client responsibilities:

- You agree to name Mercer as the broker-of-record for your stop loss coverage.
- You will provide all data/information as required by the stop loss insurer in a timely manner. You are responsible for the accuracy and completeness of such data and information.
- You are responsible for timely submission of claims requests and confirmation that appropriate reimbursements have been issued by the stop loss insurer.
- You are responsible for disclosing all potentially high exposure claims as defined by the stop loss insurer.
- You are responsible for reviewing and executing a confirmation of coverage letter before binding of coverage.

4. Period of time over which work will be performed: 7/1/14 – 6/30/15



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 July 8, 2014  
 Margaret Wingate  
 City of Providence

5. Compensation/fees:

Our compensation for the Services subject to this SOW will be professional fees in the following amounts (see Service Schedule for details):

7/1/2014 – 6/30/2015	<ul style="list-style-type: none"> <li>• Recurring Annual Services</li> <li>• One Time Services (as agreed to by Mercer and the City of Providence)</li> </ul>	<p>\$195,000</p> <p>\$155,000</p> <hr style="width: 100%;"/> <p><b>Total</b> <span style="float: right;"><b>\$350,000</b></span></p>
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We will bill you quarterly for recurring annual services. We will provide monthly bills for One Time Services as selected by the City of Providence pursuant to the H&B Service Schedule. Payments for invoices rendered are due within thirty (30) days of your receipt of the invoice. In the event that Mercer receives any commissions on any health and benefits programs covering employees of the City of Providence, these will be used as an offset to the above fees and the City will be invoiced for the remaining amount if any.

If any invoice remains unpaid after longer than ninety (90) days from the date of the invoice, we may either suspend the provision of the services until payment is received, or terminate this Letter with immediate effect.

In addition to other compensation listed, we also bill for necessary travel and other expenses related to the services requested.

In addition, we will receive the following base commissions from third parties for Services performed under this SOW:

Line(s) of Coverage/Service	Amount/Rate of Compensation
Stop Loss	5%

**Subcontractors**

We may need to utilize various subcontractors ("Subcontractors") in the course of our provision of the Services to assist us in such tasks as printing and mailing, development of interactive tools, graphic design, etc. You consent to our use of the Subcontractors and further acknowledge and agree that we may provide such Subcontractors with your Confidential Information, including Work, on a confidential and a need to know basis for the purposes contemplated by this SOW.

**Additional Terms**

1. We do not act on behalf of any insurer or other service provider, are not bound to utilize any particular insurer or service provider, and do not have the authority to make binding

commitments on behalf of any insurer or service provider. In addition, we do not guarantee or make any representation or warranty that coverage or service can be placed on terms acceptable to you. We are not responsible for the solvency or ability to pay claims of any insurance carrier or for the solvency or ability of any service provider to provide service. Insurance carriers or service providers with which your other risk or insurance coverage or other business is placed will be deemed acceptable to you, in the absence of contrary instructions from you.

2. You understand that the failure to provide, or cause to provide, complete, accurate, up-to-date, and timely documentation and information to us, an insurer, or other service provider, whether intentional or by error, could result in impairment or voiding of coverage or service. You agree to review all policies, endorsements and program agreements delivered to you by us and will advise us of anything which you believe is not in accordance with the negotiated coverage and terms within thirty (30) days following receipt.
3. Mercer and its Affiliates serve a wide array of clients, including clients who compete with or whose interests may be adverse to one another. In addition, Mercer interacts with insurance carriers and other service providers through numerous business and contractual relationships, including serving as a broker for its clients and receiving commissions from carriers, providing consulting or administration services to carriers, and auditing carriers' claims data. Mercer is committed to serving each of its clients in an objective manner and maintaining the confidentiality of each of its client's information.
4. You expressly acknowledge that, with respect to the provision of the Services, we are not, nor are any of our Affiliates or subcontractors, an "administrator" within the meaning under applicable law, including the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), nor, with respect to the provision of the Services, are we or any of our Affiliates or subcontractors a "fiduciary" within the meaning under applicable law or ERISA, unless provided otherwise herein or required by applicable law.
5. Title V of the Gramm-Leach-Bliley Act and related state laws and regulations establish limitations on the use and distribution of non-public information collected by financial institutions from their customers and consumers. Our insurance-related work qualifies us as a financial institution under this Act. Our Privacy Policy Notice and additional information regarding other compliance policies at Mercer, including our conflicts of interest policy, are available at [www.mercer.com/transparency](http://www.mercer.com/transparency). At this web address you will also find information regarding Marsh & McLennan Companies, Inc. and its subsidiaries' equity interests in certain insurers and contractual arrangements with certain insurers and wholesale brokers.

6. Without limiting the generality of Section 2 of our engagement letter, you will inform us at the commencement of our work under each SOW (and thereafter in the event of any change) as to whether or not you or any of your Affiliates are subject to any restrictions or obligations directly relevant to the Services as a result of or in connection with having received any federal financial assistance in connection with any federal law or program, including, but not limited to, the American Recovery and Reinvestment Act of 2009 and the Emergency Economic Stabilization Act of 2008, including the Troubled Assets Relief Program. In the event that you or your Affiliates are subject to such restrictions or obligations, you will also promptly describe such restrictions and obligations to us in writing in reasonable detail and make an expert (including internal or external counsel) available to us for additional clarification that we reasonably request regarding the analysis or interpretation of any such restrictions or obligations. You agree that we will be entitled to rely on, and have no liability for, the accuracy and completeness of the information, analysis or interpretation that is provided to us in connection with the foregoing.
  
7. Mercer is unable to provide insurance broking, risk consulting, claims or other services or provide any benefit to the extent that the provision of such services or benefit would violate applicable law or expose Mercer or its Affiliates to any sanction, prohibition or restriction under UN Security Council Resolutions or under other trade or economic sanctions, laws or regulations.

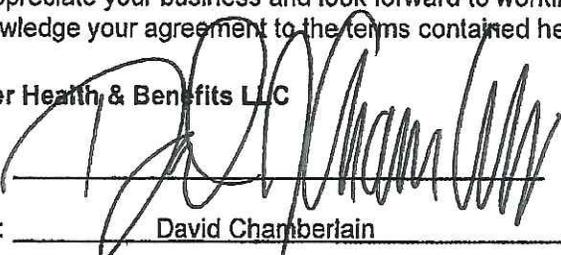
*[Remainder of this page left blank intentionally]*



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July 8, 2014  
Margaret Wingate  
City of Providence

We appreciate your business and look forward to working with you on this engagement. Please acknowledge your agreement to the terms contained herein by signing below.

Mercer Health & Benefits LLC

By: 

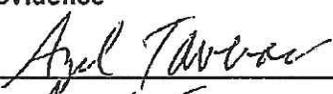
Name: David Chamberlain

Date: 7-8-2014

Title: Principal

ACCEPTED AND AGREED

City of Providence

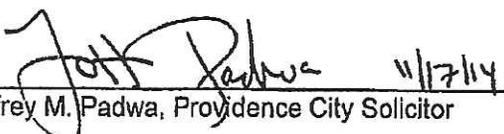
By: 

Name: Angel Taveras  
(Please Print)

Date: 11/25/14

Title: Mayor

Approved as to form and correctness:

  
Jeffrey M. Padwa, Providence City Solicitor



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July 8, 2014  
Margaret Wingate  
City of Providence

### H&B SERVICE SCHEDULE July 1, 2014

The following proposed services and fees would include a 1-year agreement

#### **Recurring Annual Services: Cost - \$195K**

- Renewal of Health, Rx, Life, Dental, Disability, FSA, and Reinsurance contracts - quarterly meetings with Health and Rx vendors; annual meetings for others.
- Day to Day assistance with issues as they arise under these contracts
- Support for collective bargaining
- Monthly Claims Analysis
- Projection of annual health care budget
- Development of working rates
- Benchmarking plan benefits
- Calculation of IBNR in the aggregate
- Medicare Part D RDS Actuarial Equivalency Report, Actuarial Attestation, and Assistance with Monthly Claims Submission and Annual Reconciliation
- MA Minimum Creditable Coverage Testing
- Access to actuary to review working rates and other financial exhibits as needed
- Vendor Management
- Compliance – Updating client on benefits related changes and ad hoc questions from client.
- Prepare and discuss cost savings analysis
- Plan design review and recommendations
- Analysis and verification of vendor proposed changes (i.e.: additional program offerings or cost savings analysis provided by vendors)

#### **One time Services (to be completed over 1 year contract at client's direction):**

- Bidding of Insurance
  - Health (\$100K)
  - Rx (\$75K)
  - Dental (45K)
  - Life (\$35K)
  - FSA (\$15K)
  - Stop loss (\$30K)
- Employee open enrollment materials with plan changes, including home-mailing (\$70K)
- New-hire materials (\$40K)
- Benefit statements (\$60K)
- Benefits policy and procedure manual, including training (\$40K)
- Claim audit performed on the BC/BS RI self-insured plan (\$55K)



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- Claim audit performed on CVS Caremark plan (\$45K)
- Dependent Eligibility Audit performed on the BC/BS of RI self-insured plan (\$100K)
- Review of COBRA process for effectiveness (\$20K)
- Workers' Compensation – WC is done internally with BC/BS of RI paying claims and Caremark; research whether this can be done more efficiently (\$40K)
- Health Care Reform – advice on Cadillac plan as well as consulting on current plans and how they will they be impacted by ongoing changes (\$40K)
- HIPAA Audit – (\$30K)
- Compliance Audit (\$40K)



# City of Providence Commission Confirmation

## Client

Margaret Wingate  
City of Providence  
Mwingate@providenceri.com

## Consultant

Monty Sanders  
Analyst  
Mercer  
monty.sanders@mercer.com  
Phone: 617-747-9452

The following identifies our understanding of your coverage selections.  
Please see our transparency documents for additional information.

Line of Coverage	Carrier	Plan Description/ Location	Current Plan	Coverage Start	Coverage End	Base Commission	Supplemental ECC or MSR Compensation
Medical	Blue Cross Blue Shield of RI	Medical Administration	Y	07/01/2015	06/30/2016	0%	
Stop Loss	Blue Cross Blue Shield of RI	Medical stop loss	Y	07/01/2015	06/30/2016	0%	
Stop Loss	Blue Cross Blue Shield of RI	WRI stop loss	Y	07/01/2015	06/30/2016	0%	
Basic Life	The Standard	Basic Life	Y	07/01/2015	06/30/2017	0%	
AD&D	The Standard	AD&D	Y	07/01/2015	06/30/2017	0%	
Supplemental Life	The Standard	Voluntary Life	Y	07/01/2015	06/30/2017	0%	
Medical	Blue Cross Blue Shield of RI	Plan 65	Y	07/01/2015	06/30/2016	0%	
Dental	Delta Dental of RI	Dental	Y	07/01/2015	06/30/2016	0%	

**Board of Contract & Supply Letter (11-23-15) Illustrated 03.31.16**

Rationale	Topic	Examples
<p>1 Mercer has successfully negotiated competitive financial contracts with all of our carriers resulting</p>	<p>Contract Negotiation</p>	<p><b>Medical:</b> BCBSRI Admin, Stop Loss, WC Stop Loss, Performance Guarantees, HSA  <b>Pharmacy:</b> CVS Caremark full contract, rebates, Performance Guarantees  <b>FSA:</b> TASC Out of Pocket Medical &amp; Dependent Care  <b>Life:</b> The Standard Group &amp; Supplemental Life  <b>Vision:</b> Davis Voluntary Vision &amp; BCBSI Riders  <b>Dental:</b> Delta Dental</p>
<p>2 As a partner to the City's Benefits Department, Mercer has historically guided and assisted us with the implementation of complex projects and initiatives that span multiple fiscal years. This year is no different as we are currently navigating through the complicated process of 1095c production under the Affordable Care Act as well as comprehensive policies and procedures benefits manual and robust retiree communications</p>	<p>Current Projects &amp; Initiatives</p>	<p><b>1095c:</b> The City HR/Benefits, IT, and Finance Departments have been working closely with Mercer for the past 8+ months on the complicated navigation of the 1095c process. As a large self-insured employer the City is required to send 1095c forms to all employees and Pre-65 retirees indicating they have been offered affordable coverage. Mercer has assisted in the following:</p> <ul style="list-style-type: none"> <li>➤ Navigation &amp; interpretation of complex IRS regulations</li> <li>➤ Establishing measurement and look back period methodology</li> <li>➤ Attending multiple meetings over 8+ months educating key stakeholders</li> <li>➤ Coordinated multiple calls with specialized Mercer ACA compliance attorney</li> <li>➤ Has been contacted frequently to address specific form issues</li> <li>➤ Helped the City successfully meet our deadline – March 31, 2016 to avoid large penalty</li> </ul> <p><b>2015 Benefits Survey RI/MA Cities &amp; Towns</b>  <b>2015-2016 Comprehensive Benefits Policies &amp; Procedures Manual-In Process</b>  <b>2016 Retiree Benefit Communications – Pre and Post 65</b>  <b>2016 Ongoing Litigation</b> - Mercer provides research, data analysis, &amp; vendor management of data requests, and Law Department discovery requests:</p> <ul style="list-style-type: none"> <li>➤ Ongoing Police &amp; Fire Retiree Opt Out Trial 04.04.16</li> <li>➤ Ongoing Antitrust Litigation <ul style="list-style-type: none"> <li>● Litoderm Litigation Deposition 03.23.16</li> <li>● Actos &amp; Actosplus Met Litigation pending 2016</li> <li>● Loestrin Litigation pending 2016</li> <li>● Niaspan Litigation pending 2016</li> <li>● Solodyn Litigation pending 2016</li> <li>● Suboxone Litigation pending 2016</li> <li>● Provigil Litigation pending 2016</li> <li>● Thalomid and Revlimid Litigation pending 2016</li> </ul> </li> </ul>

3	<p>Mercer has played a critical role in assisting the City with shifting retirees to Medicare, Coordination of Benefits, the Dependent Eligibility Audit and carrier claims audits. They continue to be an ongoing valuable resource to the City's team as we continue the administration of these issues</p>	<p>Completed &amp; Ongoing Projects &amp; Initiatives</p>	<p><b>2012/2013 Post 65 Shift to Medicare</b> (\$10.6M+ in annual savings)  <b>2014 Dependent Audit</b> (\$2.2M in annual savings)  <b>2012-Current Coordination of Benefits</b> (\$3.5M+ in annual savings)  <b>FY2015 Pharmacy Initiatives</b> (\$1.95M savings in FY2015)  <b>Carrier Claims Audits:</b></p> <ul style="list-style-type: none"> <li>➤ BCBSRI - 2015</li> <li>➤ CVS Caremark – Planned for FY16/17</li> </ul>
4	<p>Mercer has been instrumental in assisting the City Benefits Department as well as the Administration and City Council in advising and implementing the myriad of changes under the Affordable Care Act, including multiple reviews of plan designs and mandatory regulatory compliance AND</p>	<p>Compliance</p>	<p><b>Affordable Care Act:</b></p> <ul style="list-style-type: none"> <li>➤ Age 26 Dependents</li> <li>➤ Grandfathering of Plans</li> <li>➤ Transitional Reinsurance Fee</li> <li>➤ PCORI Fee</li> <li>➤ Cadillac Tax</li> <li>➤ FSA Plan Limits</li> <li>➤ Production &amp; Distribution of Summary of Benefits &amp; Coverage (SBC's)</li> <li>➤ Removal of pre-existing condition limits and waiting periods</li> <li>➤ Research &amp; Analysis of Healthcare Exchanges</li> <li>➤ Analysis and Impact of Preventative Changes under the ACA</li> <li>➤ Maximum Out of Pocket (MOOP) Limits</li> <li>➤ HIPPA: Creation of HIPPA Privacy &amp; HIPPA Security Policies</li> <li>➤ HIPPA Privacy &amp; Security Staff Training conducted by Mercer annually</li> </ul> <p><b>Assistance with OPEB compliance</b></p>
5	<p>We have full access to Mercer's Compliance Department, staffed with teams of attorneys, paralegals, and researchers. We regularly tap into them for compliance inquiries, many of these inquiries lately have been related to healthcare reform</p>		
6	<p>Mercer has become extremely knowledgeable of the City's complex union rules and Collective Bargaining Agreements and assists the Administration and Benefits Department in plan design and savings analysis for contract negotiations. This historical knowledge is critical as we continue negotiations of multiple labor contracts</p>	<p>Benefit Savings Analysis related to CBA negotiations &amp; Calculation of Working Rates</p>	<ul style="list-style-type: none"> <li>- <b>Local 1033 Laborer's International</b> (City &amp; School)</li> <li>- <b>Annual Local 1033 Working Rate Calculations</b> (per CBA) (City &amp; School)</li> <li>- <b>Local Union 1339</b> – School Clerks</li> <li>- <b>Annual Local 1339 Working Rate Calculations</b> (per CBA) School</li> <li>- <b>Providence Teachers Union (PTU)</b></li> <li>- <b>Providence Police FOP</b></li> <li>- <b>Providence Fire – Local 799</b></li> </ul>
7	<p>The City spends approximately \$100M on healthcare every year. There are very few employers with this size of a health plan and Mercer has extensive experience in dealing with clients of our size</p>		
8	<p>Mercer has a large team of actuaries, and</p>		

	offers services and tools that are unavailable from anyone other than the largest consulting firms		
9	Mercer's team is local (Boston) and they have extensive experience in Rhode Island	Relationship Management	<p>City meets with, has conference calls and contact with Mercer frequently:</p> <ul style="list-style-type: none"> <li>➤ Weekly Open Items Meetings</li> <li>➤ Monthly Financial Meetings</li> <li>➤ Monthly Carrier Meetings</li> <li>➤ Daily contact on all of the issues/projects listed above</li> <li>➤ Regular ACA Meetings</li> <li>➤ Mercer staff regularly attend employee/retiree meetings as required (Retiree, Open Enrollment, HSA Education Sessions, Voluntary Benefit Enrollment Meetings, Union delegate (Teachers) meetings etc.</li> </ul>
10	Considering Mercer has over 20,000 employees, our local team has a significant number of people they can go to for advice and consultation		<p>Examples:</p> <ul style="list-style-type: none"> <li><b>All Compliance Matters</b></li> <li><b>Pharmacy Experts</b></li> <li><b>Exchange Analysis</b></li> <li><b>Worker's Compensation</b></li> <li><b>Retiree Benefit Strategies (Chicago, Detroit)</b></li> </ul>
11	Mercer does not accept insurance company commissions for work performed on our behalf. In cases where they receive compensation from a 3 <sup>rd</sup> party source, they disclose it to us and they reduce our fee by the amount received		
12	Their fees are highly reasonable and competitive to their industry. Additionally, they have provided significant value in the work that they do in partnering with the City's Benefits, Finance & Administration Departments	Financial & actuarial services & vendor management	<p><b>Recurring Services (\$175k-\$195k):</b></p> <ul style="list-style-type: none"> <li>➤ Renewal of Health, RX, Life, Dental, FSA, Vision and Reinsurance Contracts</li> <li>➤ Day to day assistance with issues as they arise under these contracts</li> <li>➤ Support for collective bargaining</li> <li>➤ Monthly claims analysis</li> <li>➤ Projection of annual healthcare budget</li> <li>➤ Development of working rates</li> <li>➤ Benchmarking plan benefits</li> <li>➤ Calculation of IBNR in the aggregate</li> <li>➤ Massachusetts Minimum Creditable Coverage Testing</li> <li>➤ Actuarial review of working rates and other financial exhibits as needed</li> <li>➤ Vendor Management</li> <li>➤ Compliance-Update client on benefits related changes and ad hoc questions</li> </ul>

		<ul style="list-style-type: none"> <li>➤ Prepare and discuss cost savings analysis</li> <li>➤ Plan design review and recommendation</li> <li>➤ Analysis and verification of vendor proposed changes</li> </ul> <p><b>One time Services (\$135k-\$150k)</b></p> <ul style="list-style-type: none"> <li>➤ Agree to projects as discussed in annual project plan</li> </ul>
13 Mercer has agreed to a no-increase in fee for the entire duration of the contract extension at \$330,000 per year	Cost	<p>FY14, Mercer contract approved for \$330K, Actual spend: \$216,145  FY15, Mercer contract approved for \$330k, Actual spend: \$285,022  FY16, Mercer contract pending, Actual spend: \$94,939</p>