

M Management Committee

Meeting date: December 13, 2006

Metropolitan Council meeting: January 17, 2007

ADVISORY INFORMATION

Date:	December 13, 2006
Subject:	Authorization to make reimbursement to Medicare
District(s), Member(s):	All
Policy/Legal Reference:	
Staff Prepared/Presented:	Irene Koski, HR Director Jennifer Tvedten, Deputy HR Director Barbara Padrnos, HR Manager, Benefits
Division/Department:	Regional Administration

Proposed Action/Motion

That the Metropolitan Council authorize reimbursement to Medicaid Services for Medicare payments made for retirees who were rehired. The amount of the reimbursement is \$272,422.25.

Overview and Funding

In 1999 the Council was having difficulty hiring bus drivers. To help meet the staffing needs, the Council approved a program to rehire retirees. In 2004, the Council discovered that these working retirees had been enrolled in the wrong health plan and reported incorrectly on a Medicare form (since they were working they were no longer eligible for Medicare benefits as the primary payer). The result of the error is that Medicare paid for claims they should not have. Met Council is reimbursing Medicare for these claims. Because the Council identified and advised Medicare of the error, Medicare has not included penalty or interest charges in the calculation.

Funds are available in the operating budget.