



OFFICE OF VINCENT C. GRAY
CHAIRMAN, COMMITTEE ON HEALTH
COUNCIL OF THE DISTRICT OF COLUMBIA

MEMORANDUM

TO: Chairman Phil Mendelson

FROM: Councilmember Vincent C. Gray, Chairperson

DATE: June 30, 2020

SUBJECT: Request to Place Emergency Measures on the Agenda for July 7, 2020 Legislative Meeting

This memo is to request that the following measures be placed on the agenda for the July 7, 2020 Legislative Meeting:

- Modifications to Contract No. CW40699 with Mercer Health & Benefits, LLC Approval and Payment Authorization Emergency Declaration Resolution of 2020
- Modifications to Contract No. CW40699 with Mercer Health & Benefits, LLC Approval and Payment Authorization Emergency Act of 2020

The contract modification is through the Department of Health Care Finance with Mercer Health & Benefits, LLC for actuarial consulting services. Mercer Health's capitation rates have been developed in accordance with generally accepted actuarial principles and practices, and are appropriate for the populations to be covered and the services to be furnished under the contract. The based period amount of the contract was approved by Council for \$1.3 million (CA21-295). Option Years 1-3 were all approved by Council for approximately \$1.8 million each (CA21-588, CA22-383, CA23-12, respectively). The contract is currently in Option Year 4 (February 1, 2020 – January 31, 2021). By Modification No. 15, a partial Option Year 4 was executed for the period from February 1, 2020 through March 31, 2020, in the amount of \$642,166.67. By Modification No. 16, the term of the contract was extended from April 1, 2020 through April 30, 2020 for \$321,083.34. By Modification No. 17, the remainder of Option Year 4 was exercised the period from May 1, 2020 through January 31, 2021 in the amount of \$2,889,749.50, bringing the total value of Option Year 4 to \$3.8 million.

Approval of modification is necessary for payment of additional services to support DHCF's request for actuarially sound rate adjustments due to the fee-for-services population now being included in the managed care organization program.

Copies of the legislation, contract summary, and accompanying documents are attached. For any questions or concerns, please contact Malcolm Cameron, Legislative Analyst, at (202) 727-7774.