



Date of Memo: July 09, 2024
Current Meeting: July 18, 2024
Board Meeting: July 25, 2024

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation (IPTC) Board of Directors
THROUGH: President/CEO Jennifer Pyrz
FROM: Director of Governance & Audit Brian Atkinson
SUBJECT: Consideration and approval of Healthcare Cost Review

ACTION ITEM A – 8

RECOMMENDATION:

Review and receive Governance & Audit Healthcare Costs Review Report

- See Reference Item 2024-02

BACKGROUND:

The FY 2024 Internal Audit Work Plan approved by the Governance and Audit Committee included a Healthcare Cost Review.

DISCUSSION:

The objective of this review was to update the understanding of IPTC’s processes and controls related to managing healthcare, dental and clinic costs and related contracts.

The scope of this report includes:

- Review key processes and test selected transactions, related to:
 - Contract scope, terms and conditions
 - Financial, operational, or reporting requirements
 - IPTC’s monitoring of agreements
 - Expenditure trends and provider payments
- Assess the effectiveness of design and operation of internal controls
- Identify potential opportunities for process and control improvements or revenue enhancements

This overall report rating was considered “Medium” based on three observations that could enhance the management, cost effectiveness and delivery of IPTC employee benefits.

1. Health clinic costs, performance, and utilization
2. Health plan benefit levels
3. Internal controls over health care claims

ALTERNATIVES:

N/A

FISCAL IMPACT:

N/A

DBE/XBE DECLARATION:

N/A

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Governance & Audit Committee on July 18, 2024 and will be recommended for the Consent Agenda.