



Department of Employee Relations

July 14, 2011

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

Alderman Michael Murphy, Chairman
City of Milwaukee Common Council Finance and Personnel Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

File No: 110175 Basic Plan type health insurance or Preferred Provider Organization (PPO) health plan recommendation for Administrator

Dear Alderman Murphy:

The Department of Employee Relations (DER) recommends that the City enter into a three-year contract with an option to extend with UnitedHealthcare to administer the City Basic Plan type health insurance, or Preferred Provider Organization type plan. The contract would begin on January 1, 2012 and extend through December 31, 2014, with the option of extending for one or two years.

The DER did a request for proposal process and had five vendors bid to be the administrator of the City Basic Plan type health insurance. The Basic Plan is a self-funded plan that allows members to see any provider both in-network and out-of-network. The new in-network and out-of-network benefit designs are described in File #110300.

The contract with UnitedHealthcare will result in lower costs to the City than the other four vendors. The other vendors were Anthem, the current administrator, Humana, Wisconsin Public Service and the WEA. There was a five person team that reviewed the proposals under the direction of staff from Willis of Wisconsin, the City's benefit consultant. The team included Troy Hamblin, Labor Relations; Renee Joos, Budget; Jim Michalski, Comptroller's; Matt Hanchek, Milwaukee County Benefits; and Michael Brady, Employee Benefits. The attached sixteen page document from Willis indicates the reason the team recommends UHC and the 2012 premiums.

If you have any questions or comments regarding this file, please contact me at mbrady@milwaukee.gov or 286-2317 if you have any questions.

Sincerely,
Michael Brady
Employee Benefits

CC: Maria Monteagudo, DER
Troy Hamblin, DER
Renee Joos, Budget