



Department of Employee Relations

Tom Barrett
Mayor

Florence Dukes
Director

David Heard
Fire and Police Commission
Executive Director

Michael Brady
Employee Benefits Director

May 24, 2004

The Honorable Common Council
Finance and Personnel Committee Members
City Hall Room 200
200 East Wells Street
Milwaukee, WI 53202

RE: Health and Dental Recommendations for 2005

Dear Members of the Finance and Personnel Committee:

Common Council File No: 031424 authorized the Department of Employee Relations to prepare limited requests for proposals and to do contract extensions with current vendors for employee benefits in 2005. Please introduce a file to approve the recommendations for extension of employee benefit contracts for 2005.

The Department is recommending that contract extensions be executed with current vendors for the following three benefit programs: Health Maintenance Organizations (HMOs), the Basic Plan, the Pre-paid Dental services.

CompcareBlue Health Services currently provides the two HMOs for City employees and retirees. The Department is recommending a contract extension after a limited request for proposal was completed. The two health maintenance organizations are CompcareBlue Broad Network HMO and CompcareBlue Aurora Family Network HMO.

WPS Health Services provides third-party-administrative service, a Preferred Provider Organization service and the Value Care Review utilization review case management service associated with the City's Basic Plan.

Care-Plus Dental Plans, Dental Blue, and First Commonwealth (also known as Guardian Insurance Company) currently provide pre-paid dental services to the City.

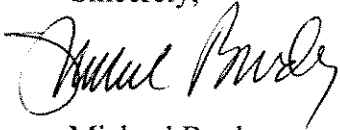
Attached are reports prepared by the City of Milwaukee consultant, Willis of Wisconsin, Inc, regarding the recommendations for contract extensions for Health Maintenance Organization (HMO) for 2005, for Pre-paid Dental Provider for 2005, and for Third-party-administration, Preferred Provider Organization and Utilization Review services for the City of Milwaukee Basic Health Insurance Plan.

There were two responses to the HMO limited request for proposal. The contract extension with CompCareBlue Health Services is recommended over the United Healthcare bid based on a \$12M net cost difference for the City. Humana, a third HMO, declined to respond to the RFP.

There were no limited request for proposals for the Basic Plan and Pre-paid Dental Services.

If you have any questions regarding the recommendations, feel free to contact me at 286-2317 or at mbrady@milwaukee.gov.

Sincerely,



Michael Brady
Employee Benefits

Cc: ✓ Debbie Fowler
Jim Owczarski
Ron Leonhardt
Barry Zalben
Mark Ramion
Dennis Yaccarino
Ellen Tangen