



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

April 19, 2011

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

**File No: 101500 a Request for Proposal for an Administrator
For the City's Basic Plan Health Insurance Benefit**

Dear Alderman Murphy:

The Department of Employee Relations (DER) with Willis of Wisconsin will prepare a request for proposal (RFP) for an administrator for the City's Basic Plan health insurance benefit. The City last did a request for proposal for the Basic Plan in 2008, and awarded Anthem Blue Cross Blue Shield a three-year contract, 2009-2011, to provide these services.

The City, in the RFP, will keep in mind the value of allowing certain flexibility if the benefits of the Basic Plan shall change, in order to better control health care costs. The City will also note the value of flexibility if there is an opportunity to work with other employers, or a need to terminate the contract because of collaboration with other employer or governmental groups.

The current City benefit design does not include "steerage" which is often required by the administrator in order to respond to the RFP. The City has noted this important change in benefit design needs to be made and/or negotiated in the future.

The City will review the responses to the RFP and report back to the Finance and Personnel committee with a recommendation regarding an administrator. Approval of this resolution allows the City to proceed with the RFP. There is no fiscal impact.

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
Dennis Yaccarino, Budget