

May 22, 2008

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

File No: 080167, City of Milwaukee Contract Extension for 2009 for HMO

Dear Alderman Murphy:

The City of Milwaukee Department of Employee Relations and the DER Review Team is recommending that the current contract with UnitedHealthcare UHC Choice Plan (FILE NO: 070308) for insured Health Maintenance Organization (HMO) Services be extended for a one year period.

UnitedHealthcare (UHC) will continue to provide insured health services through their UHC Choice Plan in 2009 at a 9.99% increase over the 2008 rates. The recommendation is made because:

- The rates are lower than other vendor's 2008 rates;
- This offer will cost the City less in 2009 than other options;
- The UHC Choice Plan includes a large network of providers in southeast Wisconsin as well as a national network of providers;
- The UHC Choice Plan provides city employees with the opportunity to continue the same health insurance plan for a second year;
- The UHC Choice Plan will continue to provide City employees with their Care24 wellness classes, their Know Your Numbers health risk assessment, access to their www.myuhc.com website;
- The UHC Choice Plan will continue to provide care management services to City members to help control the overall cost of healthcare;
- The City is not able to do a Request for Proposal for third-party-administrative services for a self-insured EPO benefit plan in 2009 based on existing labor agreements;

A resolution and a fiscal note will be prepared and attached for this file. In addition a letter from Willis of Wisconsin, the City's benefits consultant, urging passage of this file is attached. A letter from UnitedHealthcare will be attached to the file as well.

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

Sincerely,

Michael Brady
Employee Benefits

cc: Maria Monteagudo, DER
Troy Hamblin, DER