



Department of Employee Relations

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January 26, 2022

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

File No: 211411 Authorizing DER to Issue a RFP for Health Plan and Pharmacy Benefits

Dear Alderman Murphy and Finance Committee Members:

The City of Milwaukee currently provides health insurance and prescription drug benefits to City employees and retirees. Health insurance benefits are administered by UnitedHealthcare and the City offers three plans to employees (PPO, EPO and HDHP) and two plans to retirees (PPO and EPO) with Pharmacy benefits carved out through OptumRx. Contracts for both UnitedHealthcare and OptumRx expire on December 31, 2022.

In the past the City has collaborated with other local public entities like Milwaukee County, Milwaukee Public Schools (MPS) and Milwaukee County Transit system (MCTS) to issue shared Requests for Proposals (RFP) for the administration of each entity's health plan and pharmacy benefits. Past collaboration was based on the timing of contract expiration dates and proposal issuance timeframes. Due to differences in timing and contract end dates, the City will not be able to partner with the County, MPS or MCTS for the current RFP process; however the City does intend to pursue future partnerships as timeframes allow.

The Department of Employee Relations (DER) will work with the City's Benefits Consultant, Gallagher Benefits Services, to execute the RFP process and a review team will be selected to evaluate the responses including a financial analysis of the terms offered. Once a decision is reached, the DER will provide the Finance and Personnel Committee with the results and recommendations for the City's 2023 health plan and pharmacy benefit administrator(s).

I am happy to answer any questions or comments regarding this file.

Sincerely,
Renee Joos
Employee Benefits

