June 26, 2003

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

RE: Health, Dental and Flex Recommendations for 2004

Dear Members of the Finance and Personnel Committee:

Attached are reports regarding the recommendations for Health Maintenance Organization (HMO) for 2004, for Fee for Service Dental Provider for 2004, and for Flexible Benefits administrator for 2004. A six-person City team from LRB, Budget, Comptroller and DER reviewed all three requests for proposal responses. Willis Inc and GBG Inc assisted with the evaluation.

There were two responses to the HMO request for proposal. The team is recommending the proposal from CompcareBlue to provide two HMO's, **CompcareBlue Aurora Family Network** and **CompcareBlue Traditional** with increases of 9.55% in 2004. These are the current HMOs that are offered by the City. Willis Inc has prepared a report summarizing the responses and recommendation.

There were six responses to the Fee for Service Dental request for proposal. The team is recommending the proposal from **Delta Dental** and WPS. This is the City's current Fee for Service dental provider. The rates for Fee for Service dental would not change in 2004. This would be a three-year contract and rates will increase in the second and third years of the contract. Willis Inc has prepared a report summarizing the responses and the recommendation.

There were two responses to the Flexible Benefits request for Proposal. The team is recommending the proposal of **The Flex Company**. This is the City's current Flexible Benefits administrator. There is a one-time increase in the monthly administrative fee for the three-year contract. Willis Inc has prepared a report summarizing the responses and the recommendation.

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