



Westchester Community College

State University of New York

23560

December 1, 2011

To: Board of Acquisition and Contract

From: Joseph N. Hankin
President

Re: Resolution to exempt from the Operation of the Westchester County Procurement Policy an Agreement with POMCO, Inc. for third party administrator ("TPA") services and preferred provider organization ("PPO") network services in connection with the College's Employee Benefit Plans

Westchester Community College's (the "College") currently has an agreement with POMCO, Inc. ("POMCO") whereby POMCO provides third party administrator ("TPA") services and preferred provider organization ("PPO") network services in connection with the College's Employee Benefit Plans. This agreement expires on December 31, 2011.

The College has utilized POMCO's TPA services and PPO network for over 20 years, going back to when the College was a part of the Westchester County Employee Benefit Plan. During this period, POMCO's PPO network has grown to over 13,000 providers and facility locations utilized by the College's employees/retirees. This network not only provides great access, but also allows POMCO to negotiate the lowest reimbursement rates among those providers when compared to area insurers. POMCO's provision of TPA services has been more than satisfactory. As your Honorable Board knows, the Department of Finance recently completed an extensive procurement process for the provision of TPA and PPO services in connection with the County's Employee Benefit Plans and selected POMCO as the organization that would be most beneficial to the County. By utilizing the results of the County's procurement rather than issuing its own RFP, the College will be sharing in and receiving the benefits of the work already done by the County. Another reason for continuing the contractual relationship with POMCO is that it provides a degree of certainty during a period of upheaval in the healthcare arena due to competing legislative agendas at the national and local levels.

The term of the proposed agreement will be two (2) years, commencing January 1, 2012 and terminating December 31, 2013. POMCO will charge the College the same rates as it is charging the County. In addition, POMCO will waive one month's administrative fee during the first year of the agreement, resulting in a savings of approximately \$29,000. As an additional incentive, in the second year of the agreement, POMCO will make available to the

College its Disease Management Program and will waive the fee for this service, saving the College approximately \$32,000. The amount payable to POMCO as an administrative fee shall not exceed \$ \$330,000 during the first year of the agreement and \$360,000 during the second year, for a total not to exceed amount for the two year agreement of \$690,000, which is less than any two year period of the existing agreement.

Based on the above, it is respectfully submitted that POMCO is uniquely qualified to provide this service to the College and that an exemption to compliance with the procedures of the Procurement Policy be granted by your Honorable Board in accordance with section 3(a)xxi of said Policy.

JNH:lz
Attachment

APPROVED BOARD OF ACQUISITION & CONTRACT - 12/22/2011 - DONALD VIEIRA, SECRETARY

RESOLUTION

Upon a communication from the President, Westchester Community College, be it hereby

RESOLVED, that pursuant to Section 3(a)(xxi) of the Westchester County Procurement Policy and Procedures, it is hereby determined that application of the procedural requirements contained therein, including the necessity of soliciting proposals, is neither cost effective nor expedient, and accordingly, not in the best interests of the County in connection with the procurement of an agreement with POMCO, Inc. for third party administrator (“TPA”) services and preferred provider organization (“PPO”) network services in connection with the College’s Employee Benefit Plans.