



George Latimer
County Executive

Department of Finance

Ann Marie Berg
Commissioner

[71211]

DATE: August 13, 2019

TO: Board of Acquisition and Contract

FROM: Ann Marie Berg
Commissioner, Department of Finance

SUBJECT: Authority to enter into an agreement with UMR, Inc., pursuant to which it will provide third party administrator services, for the period from January 1, 2020 through December 31, 2022, with the County having the sole option to extend the term of the agreement for up to two (2) periods of two (2) years thereafter.

Authority is requested for the County of Westchester (the "County") to enter into an agreement (the "Agreement") with UMR, Inc. ("UMR"), pursuant to which UMR will provide the County with third party administrator services for the health benefits that the County's employees and retirees receive (the "TPA Services"), for the period from January 1, 2020 through December 31, 2022 (the "Initial Term"), with the County having the sole option to extend the term of the agreement for up to two (2) periods of two (2) years thereafter (each an "Option Term").

As part of the TPA Services, UMR will, among other things, provide the County with the following: administration of health (medical, hospital, prescription), dental, and vision benefits; preferred provider organization (PPO) network access; enrollment and recordkeeping for all health plans and benefits; integration and coordination with the County's pharmacy benefit manager; administration and payment of Medicare Part "B" and Part "D" premium reimbursements; 'EGWP Plus Wrap' integration and support; administration of 'Flexible Spending Accounts'; file generation for Internal Revenue Service and Patient Protection and Affordable Care Act compliance; administration of 'COBRA'; administration of long-term disability benefits for managerial employees; utilization management and medical case management services; medical management services; sick waiver approvals; age reports; processing of applications concerning incapacitated children; monthly reporting; data mining services; and disease management services.

Under the Agreement, UMR will be paid an amount not-to-exceed the following for the TPA Services for each year of the Initial Term and each year of both Option Terms:

Initial Term — Year 1 (1/1/20 – 12/31/20):	\$2,660,485.76
Initial Term — Year 2 (1/1/21 – 12/31/21):	\$4,057,347.76
Initial Term — Year 3 (1/1/22 – 12/31/22):	\$4,057,347.76
First Option Term — Year 1 (1/1/23 – 12/31/23):	\$4,092,592.48
First Option Term — Year 2 (1/1/24 – 12/31/24):	\$4,092,592.48
Second Option Term — Year 1 (1/1/25 – 12/31/25):	\$4,128,241.48
Second Option Term — Year 2 (1/1/26 – 12/31/26):	\$4,128,241.48

The amount that will be payable to UMR will be determined in accordance with an approved budget. Under that budget, UMR will be paid specified per-member-per-month fees for the various component services of the TPA Services. The above-stated annual not-to-exceed amounts have been calculated by the Department of Finance (the “Department”) based upon, a.) the anticipated total annual cost of the TPA Services, in light of the fees specified in the budget, but with the intention that sufficient funds will be available under the Agreement each year even as the number of members receiving the various services varies from year to year, and b.) certain discounts made available to the County.

During the term of the Agreement, the County will also be responsible for paying to UMR the amounts the County owes for the provision of various healthcare services to members of the County’s indemnity health plan, in light of the County’s plan designs and the pricing made available to the County through the preferred provider organization (PPO) network access provided by UMR, as well as member co-payments and any other applicable cost off-sets.

On June 17, 2019, the County, acting by and through the Department, issued a request for proposals (the “RFP”) that solicited proposals from vendors to provide the County with the TPA Services. In response to the RFP, the Department received three (3) proposals. The Department had several individuals review the proposals and evaluate them based upon the evaluation criteria specified in the RFP. The result of this review and evaluation was that the proposal from UMR received the highest score and was, accordingly, ranked first. The Department conducted an analysis of the budget for the proposed Agreement and found that it is reasonable. Based on the Department’s review of the proposal from UMR and UMR’s performance under previous contracts involving the County, the Department is satisfied that it is a responsible vendor for the TPA Services.

The proposed Agreement will serve a public purpose by ensuring that the County receives third party administrator services for the health benefits that it offers to employees and retirees.

The goal and objective of the proposed Agreement is to ensure that the County receives third party administrator services for the health benefits that it offers to employees and retirees.

The goal and objective of the proposed Agreement is in the best interests of the County in terms of fiscal responsibility, as third party administrator services for the health benefits that the

County offers to employees and retirees will ultimately help ensure prudent, cost-effective, and otherwise fiscally-responsible operation of said benefits.

The goal and objective of the proposed Agreement will be tracked and monitored by the staff of the Department.

I respectfully recommend the adoption of the attached resolution.

AMB/AO/bdm/nn

APPROVED BOARD OF ACQUISITION & CONTRACT - 08/22/2019 - LISA MARIJAJ, SECRETARY

RESOLUTION

Upon a communication from the Commissioner of Finance, be it hereby

RESOLVED, that the County of Westchester (the “County”) is hereby authorized to enter into an agreement (the “Agreement”) with UMR, Inc. (“UMR”), pursuant to which UMR will provide the County with third party administrator services for the health benefits that the County’s employees and retirees receive (the “TPA Services”), for the period from January 1, 2020 through December 31, 2022 (the “Initial Term”), with the County having the sole option to extend the term of the agreement for up to two (2) periods of two (2) years thereafter (each an “Option Term”); and be it further

RESOLVED, that, as part of the TPA Services, UMR will, among other things, provide the County with the following: administration of health (medical, hospital, prescription), dental, and vision benefits; preferred provider organization (PPO) network access; enrollment and recordkeeping for all health plans and benefits; integration and coordination with the County’s pharmacy benefit manager; administration and payment of Medicare Part “B” and Part “D” premium reimbursements; ‘EGWP Plus Wrap’ integration and support; administration of ‘Flexible Spending Accounts’; file generation for Internal Revenue Service and Patient Protection and Affordable Care Act compliance; administration of ‘COBRA’; administration of long-term disability benefits for managerial employees; utilization management and medical case management services; medical management services; sick waiver approvals; age reports; processing of applications concerning incapacitated children; monthly reporting; data mining services; and disease management services; and be it further

RESOLVED, that, under the Agreement, UMR will be paid an amount not-to-exceed the following for the TPA Services for each year of the Initial Term and each year of both Option Terms.

Initial Term — Year 1 (1/1/20 – 12/31/20):	\$2,660,485.76
Initial Term — Year 2 (1/1/21 – 12/31/21):	\$4,057,347.76
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Second Option Term — Year 1 (1/1/25 – 12/31/25):	\$4,128,241.48
Second Option Term — Year 2 (1/1/26 – 12/31/26):	\$4,128,241.48

; and be it further

RESOLVED, that, the amount that will be payable to UMR will be determined in accordance with an approved budget, under which budget UMR will be paid specified per-member-per-month fees for the various component services of the TPA Services, less certain discounts; and be it further

RESOLVED, that, during the term of the Agreement, the County will pay to UMR the amounts the County owes for the provision of various healthcare services to members of the County’s indemnity health plan, in light of the County’s plan designs and the pricing made

available to the County through the preferred provider organization (PPO) network access provided by UMR, as well as member co-payments and any other applicable cost off-sets; and be it further

RESOLVED, that this Agreement is subject to County appropriations; and be it further

RESOLVED, that this Agreement is also subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Contractor, then the Contractor shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

RESOLVED, that the County Executive or his duly authorized designee is hereby authorized to execute any documents and take any actions reasonably necessary and appropriate to effectuate the purposes of this Resolution.

APPROVED BOARD OF ACQUISITION & CONTRACT ADMINISTRATION

SECRET

Account to be Charged/Credited

Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
617	61	0010	1680		\$10,775,182

Budget Funding Year(s): 2020-22 Start Date: 01/01/20 End Date: 12/31/22
 (must match resolution)

Funding Source \$ 10,775,182
 (must match resolution)

Tax Dollars: \$10,775,182
 State Aid: _____
 Federal Aid: _____
 Other: _____

APPROVED BOARD OF ACQUISITION & CONTRACT - 08/29/2019 - LISA MRIJAJ SECRETARY