



Westchester Community College

State University of New York

36578

October 21, 2013

To: Board of Acquisition and Contract

From: Joseph N. Hankin
President

Re: Authority to enter into an agreement with POMCO, Inc. for the provision of health plan administrative services in connection with the College's Employee Benefit Plan for the period January 1, 2014 through December 31, 2016 in an amount not to exceed \$1,190,000

On June 6, 2013, Westchester Community College (the "College") issued a Request for Proposals ("RFP") for Third Party Administration and PPO Network Services in connection with the College's Employee Benefit Plan (the "Plan"). The RFP was placed on the County's website and the link to the RFP was sent to six (6) firms. The College received three (3) responses to the RFP. One response included management of only the vision care aspect of the Plan and was not considered because the College was looking for an organization to administer the entire Plan. Of the complete proposals received, POMCO, Inc., the current provider of third party administrator ("TPA") services and preferred provider organization ("PPO") network services was not only the lowest cost but was also deemed to be the superior offer when all factors were considered.

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.

The term of the proposed agreement will be three (3) years, commencing January 1, 2014 and terminating December 31, 2016. The College will pay POMCO monthly based on agreed upon fees payable on a per employee/retiree rate, along with hourly rates for certain, specialized services, as described in Schedule "A". The fees will remain flat for the first two years of the agreement and will be subject to an increase in the third year of the agreement equal to the lesser of the increase in the CPI or 3%. The total amount payable to POMCO as an administrative fee shall not exceed \$1,190,000.

The public purpose of the proposed Agreement is that it enables the College to ensure the provision of high quality and cost effective health care for employees, retirees and their respective families, in accordance with the College's health benefit plan.

Since health care expenses for employees and retirees are a significant cost to the College the goals and objectives will be measured by the College's Business Office and Health Benefits Office via on-going monitoring of the costs associated with the services provided.

Accordingly, I recommend to your Honorable Board that the County of Westchester acting by and through Westchester Community College enter into an agreement with POMCO for the provision of health plan administrative services in connection with the College's Employee Benefit Plans for the period January 1, 2014 through December 31, 2016.

JNH:lz
Attachment

APPROVED BOARD OF ACQUISITION & CONTRACT - 11/07/2013
DMARY WHERA, SECRETARY

RESOLUTION

Upon a communication from Joseph N. Hankin, President, Westchester Community College, be it hereby

RESOLVED, that the County of Westchester acting by and through Westchester Community College is hereby authorized to enter into an agreement with POMCO, Inc. ("POMCO") for the provision of health plan administrative services in connection with the College's Employee Benefit Plan for the period January 1, 2014 through December 31, 2016; and be it further

RESOLVED, that pursuant to the agreement, the College will pay POMCO monthly based on agreed upon fees as described in Schedule "A". The fees will remain flat for the first two years of the agreement and will be subject to an increase in the third year of the agreement equal to the lesser of the increase in the CPI or 3%. The total amount payable to POMCO as an administrative fee shall not exceed \$1,190,000; 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 authorized designee is hereby authorized to execute all instruments and take all actions reasonably necessary to implement this Resolution.

