

**49479**

DATE: November 17, 2015

TO: Honorable Members of the Board of Acquisition and Contract

FROM: Ann Marie Berg  
Commissioner of Finance

RE: Resolution Authorizing the County of Westchester to exercise its third renewal options to enter into agreements with the following two health maintenance organizations: Health Insurance Plan of Greater New York and AETNA Health Inc., for the provision of health maintenance organization services under the Westchester County Employee Health Benefit program, for a one year term commencing January 1, 2016 and terminating December 31, 2016, at a total aggregate cost not-to-exceed \$6,900,000, pursuant to an approved budget and subject to future appropriation.

The County of Westchester, acting by and through its Department of Finance (the "Department"), has in the past entered into agreements with Health Insurance Plan of Greater New York ("HIP") and AETNA Health Inc. ("AETNA"), collectively the ("HMO's") to provide health maintenance organization services to County employees. The availability of an HMO option is guaranteed by various County collective bargaining agreements and has been a part of the County Health benefit program since 1978. With consideration given to premium costs, benefit level provided, geographic service area covered, customer service provided, and their willingness to abide by the County's underwriting and benefit policy requirements, we are satisfied with the performance records of these referenced HMO's.

By resolution approved on December 6, 2012, Your Honorable Board authorized the department to enter into agreements with the aforementioned HMOs for a one-year term commencing January 1, 2013, and terminating December 31, 2013, with the County having the option to renew for four additional one-year terms. The 2013 agreements were subsequently executed.

Authority is hereby requested from Your Honorable Board for the County to exercise the third of four renewal options with the referenced HMO's for the term January 1, 2016 through December 31, 2016. The total aggregate cost for both agreements will be an amount not-to-exceed \$6,900,000, at the rates indicated in the attached resolution (the "Resolution"), pursuant to an approved budget and subject to future appropriation. It should be noted that the ultimate cost will be a function of the enrollment experienced by each of these HMO's during the 2016 benefit plan year.

It should additionally be noted by Your Honorable Board that the agreements are exempt from the requirements of the Westchester County Procurement Policy pursuant to Section 3(a) viii thereof, as they constitute “contracts for medical or health-related services and contracts with healthcare workers or agencies....”.

The subject agreements serve a public purpose in that they enable the County to ensure the provision of high quality health care for certain of its employees and retirees and their respective families, in accordance with the County’s health benefit plan.

I believe it is in the best interest of the County to exercise its third options to enter into the above described agreements and accordingly I recommend that Your Honorable Board approve the annexed Resolutions.

AMB/DCK  
Attachment

APPROVED BOARD OF ACQUISITION & CONTRACT - 12/10/2014 - JOAN LOCCIARDI SECRETARY

## RESOLUTION

UPON A COMMUNICATON FROM THE COMMISSIONER OF FINANCE, BE IT HEREBY

RESOLVED that the County of Westchester is hereby authorized to exercise its third renewal options to enter into agreements (the "Agreements") for the provision of health care maintenance organization services for eligible County employees for a one year term commencing January 1, 2016, and terminating December 31, 2016, with the below referenced health maintenance organizations (the "HMO"s) at the monthly premium rates as follows:

<u>Health Maintenance Organizations</u>	<u>Individual Rate</u>	<u>Family Rate</u>
Health Insurance Plan of Greater New York	\$ 836.28	\$2,048.87
AETNA Health Inc. (New York Metro)	\$1,057.90	\$2,952.97
AETNA Health Inc. (New Jersey North)	\$ 942.13	\$2,636.36

And be it further

**RESOLVED**, that the total aggregate cost of the two Agreements shall be in an amount not-to-exceed \$6,900,000, pursuant to an approved budget and subject to future appropriations, noting that the ultimate cost will be a function of the enrollment experienced by each of the two HMO's during the 2016 benefit plan year; and be it further

**RESOLVED**, that the Agreements are subject to County appropriations; and be it further

**RESOLVED**, that the Agreement are 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 the Agreements. 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 impact of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate any or all of the Agreements or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to an HMO, the HMO shall have the right to terminate the Agreement upon reasonable prior written notice; and be it further

**RESOLVED**, that the County Executive or his duly authorized designee is authorized and empowered to execute all documents and to take all action necessary to accomplish the purposes thereof.

Account to be Charged/Credited					
Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
617	61	0010	1680	N/A	\$6,900,000

Budget Funding Year(s) 2016 Start Date 1/1/16 End Date 12/31/16  
 (must match resolution)

Funding Source Tax Dollars \$6,900,000  
 State Aid \_\_\_\_\_  
\$6,900,000 Federal Aid \_\_\_\_\_  
 (must match resolution) Other \_\_\_\_\_

APPROVED BOARD OF ACQUISITION & CONTRACT ADMINISTRATION - JOAN COCCIARDI, SECRETARY