



# Westchester Community College

State University of New York

65579

October 19, 2018

To: Board of Acquisition and Contract

From: Belinda S. Miles  
President

Re: Resolution to exempt from the operation of the Westchester County Procurement Policy an amendment and extension of an Agreement with UMR, Inc. for third party administrator (“TPA”) services and preferred provider organization (“PPO”) network services in connection with the College’s Employee Benefit Plans

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The County of Westchester, acting by and through Westchester Community College (the “College”), currently has an agreement with POMCO, Inc. for the provision of third party administrator (“TPA”) services and preferred provider organization (“PPO”) network services in connection with the College’s Employee Benefit Plans, for a term of two (2) years, commencing January 1, 2017 and terminating December 31, 2018.

POMCO has advised that effective July 1, 2018, POMCO was acquired by UMR, Inc. (“UMR”). A resolution has been simultaneously submitted to your Honorable Board requesting authority to: (i) amend the agreement in order to approve the assignment of the agreement from POMCO to UMR; (ii) extend the term of the agreement two (2) additional years to a new termination date of December 31, 2020; and (iii) increase the administrative fee for this additional two year period by \$790,000.00 for a new not to exceed amount of \$1,580,000.00.

The College has utilized POMCO’s TPA services and PPO network for over twenty (20) years, going back to when the College was a part of the Westchester County Employee Benefit Plan. The healthcare marketplace has been experiencing tremendous volatility over the last few years due to many factors, including effects of the Affordable Care Act and numerous consolidations of healthcare providers. Going forward, at least in the short-term, it is expected that this volatility will continue. In general, healthcare costs have dramatically increased during the last several years and the College is evaluating whether it would be cost effective to move from its existing self-funded health plan to a traditional health insurance plan. If the College ultimately decides to purchase health insurance and discontinue its self-funded plan, it is expected that the transition would be lengthy and complicated.

UMR has agreed to keep its administrative fee at the same level as POMCO in 2017-2018 if the College will extend the Agreement for an additional two years. In addition, UMR has advised that it has retained many of the former POMCO employees who directly serviced the College's health plan. In order to avoid the time, expense and complexity involved in issuing a request for proposals ("RFP") for TPA services, the College would like to continue with UMR, which would allow the College to thoroughly explore and investigate the models available to it. Given the past performance of POMCO and UMR's familiarity with the College due to its retainage of many POMCO employees, it is proposed that it would be in the best interest of the College to extend the agreement with UMR for an additional two years, with the provision that the College could terminate the agreement upon 60 days notice. The new termination date of the agreement shall be December 31, 2020, with the amount payable to UMR as an administrative fee shall not exceed \$790,000 for this two year extension period.

Pursuant to Section 3(a)xxi, the Westchester County Procurement Policy and Procedures are not applicable to any procurement for which this Honorable Board determines, by resolution passed prior to commencing such procurement, that compliance with the policy would not be in the best interests of the County. Accordingly, a resolution to exempt the procurement with UMR is hereby submitted for your consideration.

BSM/jpi  
Attachment

## **RESOLUTION**

Upon a communication from the President of 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 extension with UMR, Inc. for third party administrator (“TPA”) services and preferred provider organization (“PPO”) network services in connection with Westchester Community College’s Employee Benefit Plans

APPROVED BOARD OF ACQUISITION & CONTRACT - 11/15/2016 - SUSAN PIAJ, SECRETARY