

COMMISSION FILE NO: 28-156-11 **DATE INTRODUCED:** November 3, 2025

INTRODUCED BY: Executive Director (Signature on File in the Office of the Commission)

REFERRED BY COMMISSION CHAIRPERSON TO: Policy, Finance, and Personnel Committee

RELATING TO: Authorizing the Executive Director to Renew the Contract for Third Party Administration Services for District Group Health Insurance Benefits Effective January 1, 2026

SUMMARY:

The Commission is requested to authorize the Executive Director to renew with UMR to provide third party administration of the District's health insurance benefits for active employees and pre-Medicare retirees of the Milwaukee Metropolitan Sewerage District for the period of January 1, 2026, through December 31, 2028. The contract with UMR will include network administration with United Healthcare (UHC) Choice Plus network. The District's current contract with UMR will expire on December 31, 2025. To ensure continuation and administration of the District's health care benefits in a cost effective manner, the District's health care consultant, the Horton Group, solicited proposals in the spring of 2025. With Horton's assistance, the District received and evaluated proposals. As a result of the review, staff recommends that the Executive Director be authorized to enter into an agreement with UMR for health insurance administration for the period of January 1, 2026, through December 31, 2028, as well as provide network administration through UHC Choice Plus.

ATTACHMENTS: **BACKGROUND** ☒ **KEY ISSUES** ☐ **RESOLUTION** ☒
FISCAL NOTE ☒ **S/W/MBE** ☐ **OTHER** ☐ _____

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COMMITTEE ACTION: _____ **DATE:** _____

COMMISSION ACTION: _____ **DATE:** _____

BACKGROUND

Authorizing the Executive Director to Renew the Contract for Third Party Administration Services for District Group Health Insurance Benefits Effective January 1, 2026

The District has carried its third party administrative (TPA) services through UMR for the past 22 years. As the District's TPA, UMR is the organization that processes claims, handles the customer service, and owns the network that provides discounts on medical claims for the District and its members. Through the District's employee benefits broker, the Horton Group, staff sent a TPA request for proposal to eight vendors. Proposals were received from UMR and Centivo. The rest of the carriers declined to quote on the request for proposals. Some of the reasons the carriers declined to quote were the inability to carve out the pharmacy coverage, uncompetitive pricing, poor network fit, and federal reporting requirements.

When evaluating the TPA options, several categories of criteria were used to assess and rate each option. These categories included general information, claims processing, administration, adjudication and reporting, provider network, fees and conditions, and rating. A formal scoring evaluation and assigned a weighted scoring system based upon the relative importance of each category.

In the general information category, UMR and Centivo both scored highly. UMR did get a slight edge, as they are an entity with a lot of experience and are one of the best known and biggest TPA's in the country, while Centivo is a relatively new TPA that had their first customer in 2019. In the claims processing/administration and claim adjudication and reporting sections, UMR received the highest score, as they have a proven track record of timely and accurate claims adjudication and had the highest performance of accurately processing claims within 10 days of the two carriers. The UMR network (Choice Plus) is very strong and has negotiated some of the best provider discounts in the industry. On average, healthcare costs have been discounted at over 50% over the past several years through UMR. Centivo's proposal would have provided a large network of providers (not including Aurora) at a higher premium cost to employees.

The recommendation is to remain with UMR for the next three years. District members have been satisfied with the offerings, services, and network provided by UMR. Continuation with UMR as the District's TPA is the most cost effective and qualitative decision regarding the future of healthcare for the District.

UMR is offering significant credits for each of the three years of the contract, which provides additional cost savings. The 2026 per employee per month premium is 19.45% decrease from 2025 current costs. The 2027 and 2028 per employee per month premiums include a one percent decrease from 2025 current costs.

RESOLUTION

Authorizing the Executive Director to Renew the Contract for Third Party Administration Services for District Group Health Insurance Benefits Effective January 1, 2026

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the Executive Director is authorized to renew with UMR to provide third party administration of the District health insurance for District active employees and pre-Medicare retirees for the period of January 1, 2026, through December 31, 2028, with the 2026 premium per employee per month at \$44.77 and with the 2027 and 2028 premium per employee per month at \$55.04.