



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Text

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### TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 1, 2022

#### COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authorization to enter into an agreement for Contract 22-RFP-02 Medicare Advantage Plan, with UnitedHealthcare Insurance Company and its affiliates for a three-year period, effective January 1, 2023 to December 31, 2025, Account 101-25000-601250

Dear Sir:

Authorization is requested to enter into an agreement with UnitedHealthcare Insurance Company and its affiliates (UnitedHealthcare) to provide a fully-insured group Medicare Advantage (MAPD) Plan with prescription drug coverage for Medicare-eligible retirees for a three-year period.

On March 16, 2022, the request for proposal for Contract 22-RFP-02 Medicare Advantage Plan was publicly advertised. The purpose of this contract was to select a qualified carrier to provide a fully-insured group MAPD Plan including prescription drug coverage for Medicare-eligible retirees. The program will be a national PPO Plan as it is currently. The plan design including the deductibles, co-insurance and prescription drug co-payment structure will remain the same as under the current program. These services are currently provided by UnitedHealthcare. The current contract expires December 31, 2022.

Sixty (60) firms were notified of this contract and sixteen (16) requested proposal documents. On April 15, 2022, the District received three (3) responsive proposals from the following vendors: Blue Cross Blue Shield of Illinois, a division of Health Care Service Corporation; Humana Insurance Company; and UnitedHealthcare.

The proposals were evaluated by consultants from Deloitte Consulting, LLP and staff of the Human Resources and Procurement and Materials Management Departments. The criteria for these evaluations were outlined in request for proposal for Contract 22-RFP-02 and included: organizational stability; experience with group MAPD Plans; ability to match the current District plan design; network access, size, and quality; claims administration performance; member service performance; administrative performance; Center for Medicare and Medicaid Services (CMS) star rating; and financial considerations. In addition to these factors, the District continued to place particular weight on the level of disruption retirees might experience with providers and the drug formulary.

Following the technical evaluation of the proposals, excluding cost, all three vendors were invited to participate in finalist interviews conducted June 3 - 7, 2022. During the finalist interviews, the District was able to gather additional information regarding each vendor's MAPD product and ask clarifying questions around plan design, disruption, member services, population health management, and other key elements of the program.

A solicitation was sent to each vendor on June 13, 2022 for an unqualified "best and final" offer. The "best and final" offers were returned to the Director of Procurement and Materials Management on June 17, 2022.

Based on the evaluation of the proposals using the criteria described above and the pricing provided in the

“best and final” offer, it is recommended that a contract be awarded to UnitedHealthcare to provide a fully-insured group MAPD Plan for Medicare-eligible retirees. UnitedHealthcare is the largest and most experienced Medicare Advantage provider covering 6.8 million members, with 1.7 million of these members covered by employer group MAPD Plans. It has the largest national provider network which includes more than 653,000 contracted providers.

The group MAPD plan offered by UnitedHealthcare has received an overall Center for Medicare and Medicaid Services (CMS) star rating of 5.0 out of 5.0 stars for the 2022 plan year. UnitedHealthcare is the only major health plan to achieve a rating of 5.0 stars and the only vendor among those submitting proposals to the District to receive this rating. This rating allows the MAPD plan to maximize the financial subsidies available from CMS and ensures that the District retiree population receives a high-quality retiree health plan. UnitedHealthcare is proposing the same plan currently offered to retirees. It makes no changes to the plan design (i.e., deductibles, co-insurance, maximum out-of-pocket limit, pharmacy co-pays), the provider network, the pharmacy network or the drug formulary being utilized. The plan will also continue to offer all the added programs available today such as the HouseCalls program providing an in-home assessment by a Nurse Practitioner; the Renew Active fitness program; virtual visits; the Renew Rewards incentive program; the 24/7 NurseLine; a hearing aid discount program; the Solutions for Caregivers program; and a \$0 co-pay annual eye exam which will now include a \$100 allowance for eyewear. The plan also includes care management and clinical support programs for retirees dealing with short-term and long-term health issues. These programs include: condition management programs for diabetes, heart failure, chronic obstructive pulmonary disease (COPD), and hypertension; a new remote patient monitoring program for chronic conditions with on-demand digital health coaching; a new proactive virtual behavioral therapy counseling program targeting those at risk for depression but not currently seeking care; a new Healthy at Home program to provide meals and rides to appointments for those recently discharged and needing assistance; and a palliative care program offering in-home, digital and telephonic support to seriously ill retirees in the comfort of their home.

The proposed premium rates provided by UnitedHealthcare represent approximately a 31% decrease from the current rates for the same plan offered today. This would result in a projected annual savings of \$1.7 million to be shared by retirees and the District. The proposed pricing includes not-to-exceed rates for 2024 and 2025 ensuring the rates are stable and performance guarantees around key customer service and administrative metrics.

UnitedHealthcare continues to be a valued partner to the District providing a high-quality health plan to District retirees. UnitedHealthcare issues monthly communications bundles highlighting any featured programs and communicating other plan-related information to keep retirees up to date on the benefits offered under the plan. UnitedHealthcare also conducts age-in meetings twice each year for those retirees becoming eligible for Medicare and transitioning to the MAPD plan. These meetings are offered both in-person and virtually at no cost to the District. A continuation of the partnership with UnitedHealthcare will ensure there is no provider disruption and no changes to the prescription drug formulary helping maintain the continuity of care which is important to retirees.

Value-added programs offered through the UnitedHealthcare MAPD Plan continue to be well received by retirees with approximately 50% of retirees engaging in at least one clinical or health and wellness program. Since the inception of the program in 2017, the HouseCalls program has made 2,391 in-home visits to District retirees; key preventive services such as colorectal screenings, mammograms and diabetic retinal exams all exceed CMS targets for 5-star plans; and 2,577 renew rewards have been issued to retirees for participation in preventive health and wellness programs. As a result of these programs, 14,183 gaps in care have been closed improving the overall health of District retirees.

The Diversity Section has reviewed the proposal and has concluded that UnitedHealthcare has met the requirements for Appendix A. The Minority, Women and Small Business Enterprise goals for the above contract are 20% MBE, 10% WBE and 10% SBE.

It is requested that the Director of Procurement and Materials Management be authorized to enter into an agreement with UnitedHealthcare to administer a fully-insured group Medicare Advantage Plan for the Medicare-eligible retiree population for a three-year period from January 1, 2023 through December 31, 2025. Funds for 2023, 2024 and 2025 are contingent on the Board of Commissioners' approval of the District's budget for those years

Recommended, Beverly K. Sanders, Director of Human Resources

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for September 1, 2022

Attachment