

RESOLUTION NO. 2013-65

RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, TO EXTEND SERVICES WITH THE PRIOR COMPETITIVELY BID AWARD THREE ADDITIONAL YEARS WITH A NO COST INCREASE AND AUTHORIZING THE MAYOR AND CITY CLERK, ON BEHALF OF THE CITY, TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH UNITED HEALTHCARE, INC., WHICH PROCESSES GROUP HEALTH CLAIMS FOR THE CITY, FOR A TERM OF THREE ADDITIONAL YEARS FOR CALENDAR YEARS 2014, 2015, AND 2016 FOR A FIXED MONTHLY RATE OF \$32.77 FOR EACH EMPLOYEE/RETIRED EMPLOYEE, FOR AN AMOUNT NOT TO EXCEED \$800,000.00 EACH YEAR, INCLUSIVE OF THE SHARED SAVINGS FEE, IN A FORM ACCEPTABLE TO THE CITY ATTORNEY.

WHEREAS, pursuant to Hialeah, Fla., Resolution 08-153 (Oct. 28, 2008), the City of Hialeah entered into a three-year agreement with United Healthcare, Inc. and United Healthcare, Inc. has satisfactorily performed thereunder; and

WHEREAS, pursuant to Hialeah, Fla., Resolution 11-39 (May 5, 2011), the City of Hialeah renewed its professional services agreement with United Healthcare, Inc. for a term of two additional years for calendar years 2012 and 2013, with a rate reduction from \$35.19 per employee/retiree per month to \$32.77 per employee/per month, and United Healthcare, Inc. has satisfactorily performed thereunder; and

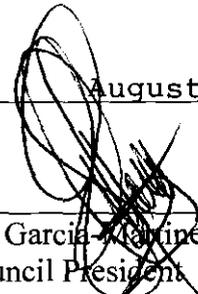
WHEREAS, the City of Hialeah finds that it is in its best interest to renew its professional services agreement with United Healthcare, Inc., which processes group health claims for the City, for a term of three additional years for calendar years 2014, 2015, and 2016, with a no cost increase rate of \$32.77 per employee/retired employee per month; and

WHEREAS, it is advantageous to the City to extend the prior competitively bid award with the rate reduction since services will continue and the cost savings with United Healthcare over the last three years have been significant.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, THAT:

Section 1: The Mayor and the City Council of the City of Hialeah, Florida hereby authorize the extension of the professional services agreement with United Healthcare, Inc., which processes group health claims for the City, for a term of three additional years for calendar years 2014, 2015, and 2016 for a fixed monthly rate of \$32.77 for each employee/ retired employee which represents an estimated amount of \$800,000.00 each year, based on 1,400 employees/ retired employees, in a form acceptable to the City Attorney.

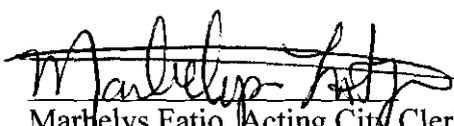
PASSED AND ADOPTED this 13 day of August, 2013.



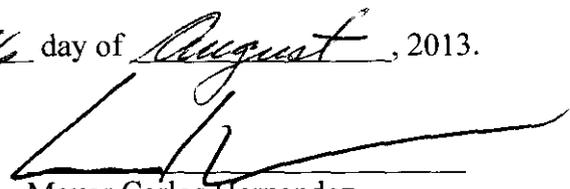
Isis Garcia-Martinez
Council President

Attest:

Approved on this 16 day of August, 2013.

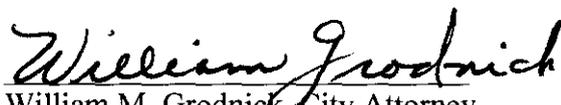


Marbelys Fatjo, Acting City Clerk



Mayor Carlos Hernandez

Approved as to form and legal sufficiency:



William M. Grodnick, City Attorney

Carlos Hernandez
Mayor

Isis Garcia-Martinez
Council President

Luis Gonzalez
Council Vice President



Council Members

Jose F. Caragol
Vivian Casals-Muñoz
Katharine E. Cue-Fuente
Paul B. Hernandez
Lourdes Lozano

City of Hialeah

July 29, 2013

Mayor Carlos Hernandez and
Members of the Hialeah City Council
501 Palm Avenue
Hialeah, Florida 33010

RE: Renewal of Professional Services Agreement with United Healthcare, Inc.

Dear Mayor Hernandez and
members of the Hialeah City Council:

In 2008, Risk Management advertised Request for Proposal (RFP No. 2008/09-0240-36-001) regarding group health claim administrative services and received 12 responses from various proposers. The highest ranked proposer was United Healthcare, Inc. which was awarded the bid for calendar years 2009, 2010, and 2011. The rate was \$35.19 per employee/retired employee per month for 2009, 2010, and 2011. The City renewed its professional service agreement with United Healthcare, Inc. for a term of two additional years for calendar years 2012 and 2013 with a 7% rate reduction from \$35.19 to \$32.77 per employee/retired employee per month.

Presently, United Healthcare, Inc. has provided a contract renewal proposal to the City with a no cost increase for the next three calendar years: 2014, 2015 and 2016. United Healthcare has also agreed to include the KAPHS 2.0 clinical program at no additional cost. The basic benefits of implementing this program include insight into the opportunities that deliver great health value and lower costs, cost savings as employees are empowered to access the right care from the right provider, additional assistance dedicated to case management both in-patient and out-patient, additional data sources for the predictive model, additional reporting of predictive model hits, and more proactive review of utilization (see attached).

It is advantageous to renew the City's agreement with United Healthcare, Inc. since the current services will continue, and there has been a significant cost savings to the City since United Healthcare began providing services in January 2009. United Healthcare provides a large discount rate with network providers along with performance guarantees. The company's size, experience, administrative case management and customer service, including its website and rating system of physicians, are excellent. The company is also at the forefront in implementing

health care reform legislation. United Healthcare, Inc. processes total claims in the amount of \$10,000,000-\$16,000,000 each year.

The City is requesting \$800,000.00 annually, inclusive of the shared savings fee, to pay for the services provided by United Healthcare, Inc., for years 2014, 2015, and 2016. The City does not expect that the total amount of \$800,000.00 will be needed, but the City has provided a conservative estimate in order to assure that there are sufficient funds and approval to pay for any increases in membership. The request is funded in account #001.8500.519.452. Moreover, it is charged to internal service fund account #520.8500.519.230 for tracking purposes.

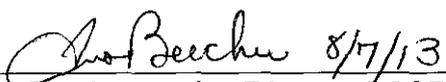
Respectfully submitted,

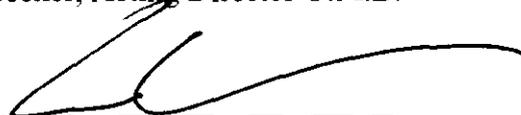


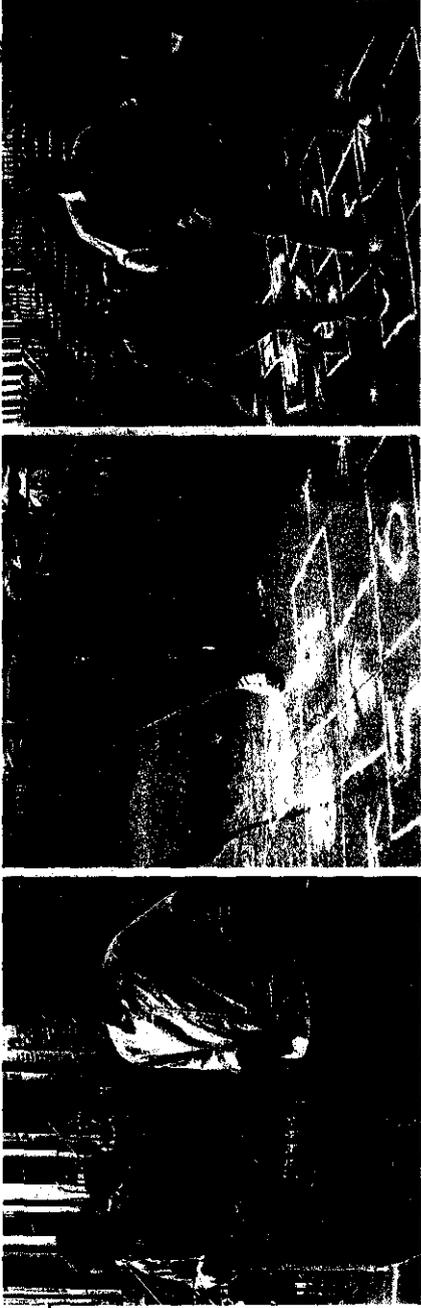
Robert Lloyd-Still
Risk Manager

APPROVED/DISAPPROVED
DATE _____

APPROVED/DISAPPROVED
DATE _____


Ines Beecher, Acting Director O.M.B.


Carlos Hernandez, Mayor



Personal Health Support 2.0

Better information. Better decisions. Better health.

Personal Health Support 2.0

OFFERING IMPROVED MEMBER ENGAGEMENT AND SUPPORT

Designated Nurse Team

Treatment Decision Support

Case management for 50+ conditions

Health & Wellness tab on myuhc.com®

HealthNotes

HealthNote Reminders

Healthy Pregnancy Program

Transplant Resource Services

Congenital Heart Disease (CHD)
Resource Services



**THIS
MATTERS**

Personal Health Support 2.0 is integrated with other UnitedHealthcare programs.

Personal Health Support 2.0 Summary

Comprehensive Case Management

- Case management for 50+ conditions
- Transplant Resource Services program
- Congenital Heart Disease (CHD) Resource Services program
- Healthy Pregnancy Program
- Health care analytics and performance review
- Optional disease management programs available

Designated Nurse Team

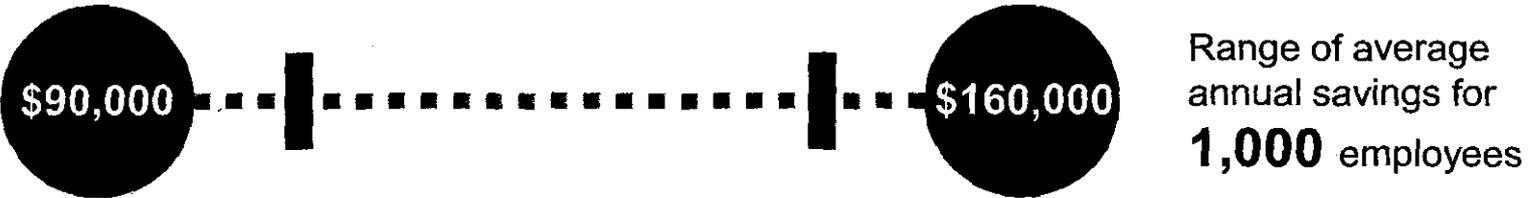
- One nurse assigned to your health benefit plan members
- A “nurse in the family” model used to assign the same nurse to a member and their entire family
- Nurse and clinical manager understanding of clinical, condition and Rx utilization needs of your population
- Nurse and clinical manager assessment of your population’s health awareness/educational needs

Member Engagement

- HealthNotes – mail-based and online health messages for members and providers related to gaps in care indicated by evidence-based medicine
- HealthNote Reminders – mail-based outreach on preventive care reminders
- Health & Wellness tab on myuhc.com
- Optional health incentive programs available

The potential of better health decisions

PHS 2.0 SCREENS ALL MEMBERS TO IDENTIFY POTENTIAL GAPS IN CARE TO DELIVER SAVINGS



Staying healthy

- Wellness tools/ discounts/ resources
- Health & Wellness tab on myuhc.com[®]
- 24 hour access to NurseLineSM
- HealthNotes and HealthNote Reminders

Getting healthy

- Utilization Management
- Healthy Pregnancy Program
- Easy-to-access network resources
- UnitedHealth Premium[®] program
- Treatment Decision Support
- Client-specific health resources
- Nurse-in-the-Family model

Living with a health condition

- Centers of Excellence networks
- Nurse-in-the-Family model
- Integrated Condition Management (50+ diseases)
- High-risk/specialty case management

Source: UnitedHealthcare and OptumHealth claims data analysis, 2010-2011. 80% or more of our clients experienced savings in this range. Factors driving variation include, but are not limited to: illness burden in client population, turnover in population; pharmacy claims integration, case and contract size. All figures in the presentation are based on historical experience and are not guarantees of future performance. Actual results will vary.

HealthNotes program

WE PROACTIVELY MONITOR FOR POTENTIAL GAPS IN CARE FOR 100% OF OUR MEMBERS

8-12%

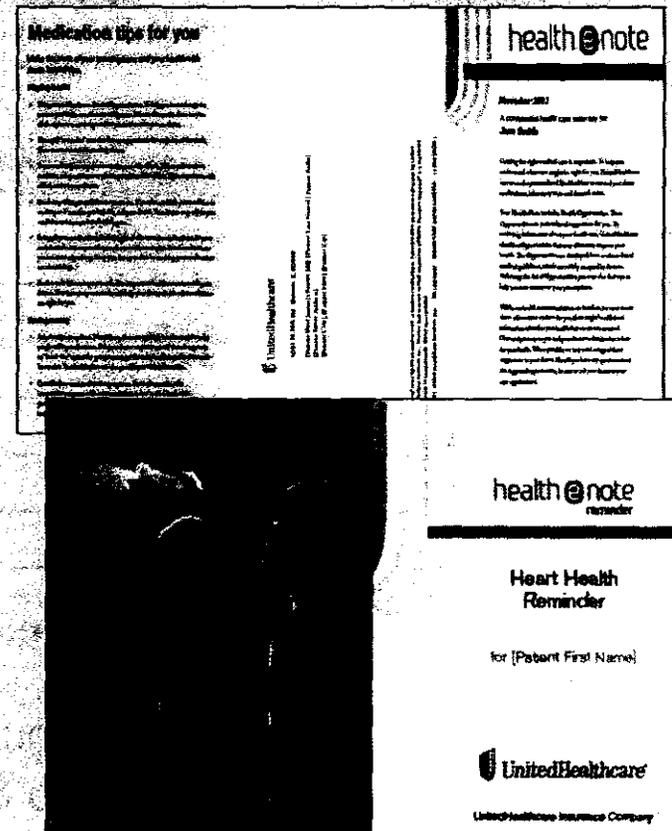
of members and their physicians
receive a personalized
HealthNote

49%

of identified disease monitoring gaps
were closed

When the physician was also engaged,
gap closure increased to

64%



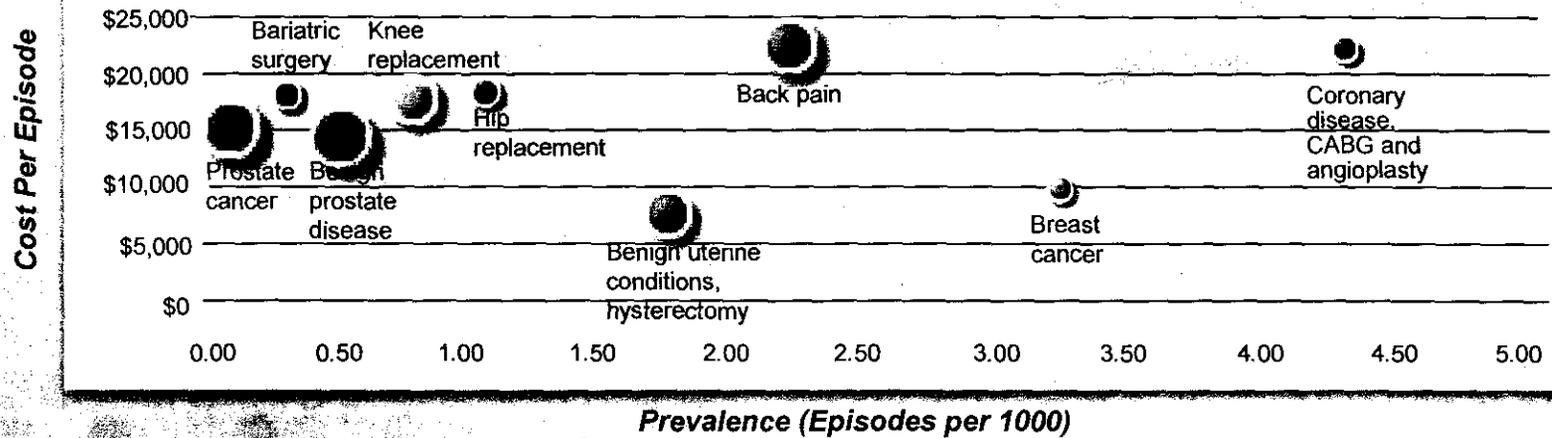
Source: UnitedHealthcare HealthNotes gap-closure analysis as compared to a control group. Updated April 2011. Note that HealthNotes is not measured as an individual product; and reach is defined at the solution level for the client. Actual savings depend upon the illness burden, program adoption and any customization a client has purchased. All figures in the presentation are based on historical experience and are not guarantees of future performance. Actual results will vary.

Personal Health Support 2.0 also includes Treatment Decision Support



TDS empowers employees by focusing on specific conditions and driving treatments for maximum cost impact

Treatment Variation for Targeted Condition (Bubble Size) Distributed by Prevalence and Cost Per Episode



Musculoskeletal

- Back pain
- Knee and hip replacement

Men's health

- Benign prostate disease
- Prostate cancer

Women's health

- Breast cancer
- Benign uterine conditions, hysterectomy

Heart disease

- Coronary disease, CABG and angioplasty

Obesity

- Bariatric surgery

Treatment Decision Support - Identification & Enrollment

