



MEMORANDUM

To: Mayor and City Council

From: Justin Vaughn, Assistant Director of Human Resources

Through: Vivyon V. Bowman, Director of Human Resources

Date: September 16, 2020

Reference: Approval of renewal proposal for Administrative Services Agreement with UMR, Inc.

2030: Top Quality City Workforce

Introduction:

Consider approval of renewal proposal with UMR, Inc for third-party administrative services. The renewal will be completed by amending the existing Administrative Services Agreement in the annual amount of \$206,609 based on 381 covered employees as budgeted and authorizing the City Manager to sign all necessary documents.

Analysis:

The City Insurance Committee is recommending that we renew our existing contract with UMR for third party administrative services. This will be the 14th year for the City of Coppell to retain UMR to administer our Medical and Rx plan and the City has been served well by the discounts in claims costs afforded by our relationship with UMR and access to their PPO network.

The estimated annual administrative fees for this contract year with UMR are \$206,609 based on 381 covered employees which equals a 2% decrease over the current year. UMR administrative services include medical, health reimbursement arrangement (HRA), claims processing, utilization review, ID card generation, internet-based web portal for employees to access claims utilization, and run-out claims administration. UMR also provided an option for their ACO/Limited network option which will not apply for the new plan year since the City intends to offer the most comprehensive PPO network that is currently offered. The City's Medical plan is a self-insurance plan where all medical claims are processed and adjudicated on behalf of the City's plan through a third-party administrator. The consequences on not approving this proposal would result in the City either going back to the market for these services or finding a fully insured carrier to cover the City's workforce, and abandoning the Self –insurance funding method.

Legal Review:

This renewal proposal will be an addendum to the main agreement.

Fiscal Impact:

The cost is budgeted in the City's Medical Self-Insurance Fund.

Recommendation:

The city staff recommends the Mayor and City Council approval of the UMR renewal proposal as outlined above.