

RESOLUTION NO. 2015-85

AUTHORIZING CONTRACT NO. 2015-084 WITH UNIVERSITY HOSPITALS HOLDINGS, INC. TO PROVIDE MANAGED HEALTHCARE AND PRESCRIPTION SERVICES THROUGH A HEALTH MAINTENANCE ORGANIZATION FOR A PERIOD OF ONE YEAR WITH TWO, ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$4,665,996.00 FOR THE BASE YEAR (GENERAL FUND, VARIOUS DEPARTMENT BUDGETS)

WHEREAS, the Authority provides healthcare coverage to its employees; and

WHEREAS, the proposal of University Hospitals Holdings, Inc. (UH), located at 3605 Warrensville Center Road, Shaker Heights, OH 44122, to provide managed healthcare and prescription services to the Authority for a period of one year with two, one-year options, was received on July 16, 2015; and

WHEREAS, negotiations with UH have resulted in an amount not to exceed \$4,665,996.00 for the base year based on the rates submitted and anticipated enrollment for year 2016; and

WHEREAS, the General Manager/Secretary-Treasurer deems the negotiated offer of UH to be the most advantageous to the Authority, price and all other factors considered, and recommends acceptance hereof by the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the proposal submitted by University Hospitals Holdings, Inc. (UH), as modified by negotiations, to provide a managed healthcare and prescription drug services plan (HMO) to the Authority's employees for a period of one year with two, one-year options, be and the same is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a contract with UH to provide a HMO to Authority employees for a period of one year commencing January 1, 2016 and ending December 31, 2016 with authority to exercise two, one-year options.

Section 3. That this procurement shall be payable from the General Fund, Various Department budgets, in an amount not to exceed \$4,665,996.00 for a period of one year. Projected costs are based on current enrollment and rates established for the plan year 2016.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon future funding and compliance by each contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution No. 2015-76; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

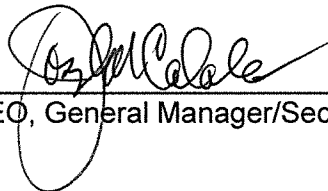
Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that UH will attempt to exceed the 12% DBE goal assigned to the estimated administrative costs for this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: September 15, 2015



President

Attest: 

CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: PROVIDE MANAGED HEALTHCARE AND PRESCRIPTION SERVICES FOR PERIOD OF ONE YEAR WITH TWO, ONE-YEAR OPTIONS VENDOR: UNIVERSITY HOSPITALS HOLDINGS, INC. AMOUNT: AMOUNT NOT TO EXCEED \$4,665,996.00 FOR BASE YEAR	Resolution No.: 2015-85
	Date: September 10, 2015
	Initiator: Human Resources Department
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 **PURPOSE/SCOPE:** This action will allow the Authority to enter into a contract to offer its employees accessibility to managed care and prescription services through a Health Maintenance Organization (HMO) for one year with two, one-year options.

- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority offers a managed healthcare and prescription drug services plan to its employees. Approximately 400 employees are currently enrolled in this plan. This action will enable the Authority to continue to provide these services through a Health Maintenance Organization (HMO) for the period January 1, 2016 through December 31, 2016, with an option for two, one-year renewals.

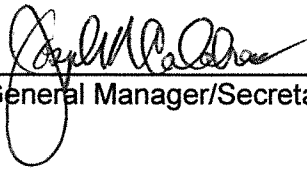
- 3.0 **PROCUREMENT BACKGROUND:** The Request for Proposals was posted on the GCRTA website and advertised in the local newspapers, as required. Proposals were received on July 16, 2015 for this solicitation. AJ Gallagher, the Authority's Benefits Consultant, and a panel of Authority employees evaluated the proposals in accordance with established Procurement Policies and Procedures. After negotiations, the proposal of University Hospitals Holdings, Inc. (UH), was determined to be the most advantageous to the Authority to provide managed care coverage. UH's proposed managed care capabilities, a wellness program and competitive prescription drug program are all seen as positive benefits to the Authority.

 Projected costs are based on current enrollment and rates established for each specific plan for the plan year 2016. A cost analysis has been performed by the Procurement Department and the proposal of UH, as modified by negotiations, has been determined to be fair and reasonable to the Authority.

- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. A 12% DBE goal was established for this procurement based on estimated administrative costs of \$190,000.00. University Hospitals Holdings, Inc. has committed to achieving the DBE participation goal through the utilization of Washington Enterprises, Inc. (African American) in the amount of \$23,000 or 12% of the contract administrative costs.

- 5.0 POLICY IMPACT: This procurement must be completed in order to permit the Authority to enroll employees in its managed health care benefits program in accordance with the Authority's personnel policies and contractual agreements with the labor unions.
- 6.0 ECONOMIC IMPACT: This procurement will be funded through the General Fund, Various Department budgets, in an amount not to exceed \$4,665,996.00 for a one year period. This is a 3.6% increase in the total projected costs for plan year 2016 based on anticipated enrollment.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer would risk not having these benefits available to the Authority's employees.
- 8.0 RECOMMENDATION: This contract was discussed by the Finance Committee at their September 1, 2015 meeting. It is recommended that the offer of UH be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.
- 9.0 ATTACHMENTS: None.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer