CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM
Council Bill 2025-536 – Approving an agreement with UMR to provide health insurance administration services for city employees

MEETING DATE
October 6, 2025

ORIGINATING DEPT
Finance

ATTACHMENTS
CB 2025-536 Ordinance; Exhibit "A" UMR Agreement

REVIEWED BY
Department Head: Leslie Haase; Human Resources Director: Michelle Ducre; City Attorney: Peter Edwards; City Manager: Nick Edwards

SUMMARY
This Council Bill approves an agreement with UMR to provide health insurance administrative services and EAP services for the City's health self-insurance coverage effective on January 1, 2026.

BACKGROUND
In February of 2025, the City issued an RFP, through our insurance consultant Segal, for employee insurance benefits including health, dental, vision, life, and long-term disability coverage. Bids were received in March. Segal assessed the bid results and presented the best overall recommendations, which were adopted by City Council. Vendors are selected for a five-year period which will begin on January 1, 2026. Within the five-year timeframe, contracts are updated depending upon the length of the rate guarantees.

UMR currently assesses an administrative fee of $39.84 per employee per month. The rate for 2026 will remain unchanged. The renewal rate for 2027 will be $40.84, then $41.73 for 2028. The City will receive a $5,000 administrative credit and a $15,000 wellness credit annually.

With the results of the insurance bid, Segal has set the insurance premiums for 2026. There will be no change in plan design again for 2026. Premiums will increase 1.1% for 2026. The City's ten-year health insurance trend is an increase of 4.8%. This represents an average of about 2.6% *below* national trend increases of 7.4% for the same time period. For those employees with family insurance coverage, the premium will increase $2.41 per pay period or $4.82 per month. The City's cost for single coverage will increase $6.88 per month, while family coverage will increase $14.44 per month.

FUNDING SOURCE
This item is included in all funds based on payroll.

RECOMMENDATION
Staff recommends approval of this council bill on first reading.

Brian Hunter
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Chicago, IL 60606-1722
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EXHIBIT "A"

September 9, 2025

Via E-Mail: jennifer_gales@umr.com

Ms. Jennifer Gales
Strategic Account Executive
UMR A UnitedHealthcare Company
13655 Riverport Drive
Maryland Heights, MO 63043

Re: City of Joplin, Missouri - Proposal Acceptance for Medical PPO Network, Pharmacy Benefit Management Services and Employee Assistant Program Services

Dear Jennifer:

The City of Joplin, Missouri (the City) has accepted the medical PPO network and pharmacy benefit management services proposal, as well as the Employee Assistance Program (EAP) renewal submitted by UMR, to be effective January 1, 2026. Below summarizes the terms UMR agreed to as a part of the RFP process, effective January 1, 2026.

Medical PPO ASO Coverage

The accepted terms and rates are shown in the following tables for January 1, 2026 through December 31, 2030.

UMR Proposed Fees - January 1, 2026 through December 30, 2030					
Administration and Access Fees	**Renewal Fees 1/1/2026**	**Renewal Fees 1/1/2027**	**Renewal Fees 1/1/2028**	**Renewal Fees 1/1/2029**	**Renewal Fees 1/1/2030**
Medical claims	$33.72	$34.72	$35.74	$36.63	$37.55
Medical client advisor commission	Net	Net	Net	Net	Net
Required stop loss interface fee	Included	Included	Included	Included	Included
UnitedHealthcare Choice Plus ® Network - Access Fee	Included	Included	Included	Included	Included
COBRA administration	$1.12	$1.12	$1.12	$1.12	$1.12
Utilization Management (UM)	Included	Included	Included	Included	Included
Complex Condition CARE	Included	Included	Included	Included	Included
Online Events and Challenges	$1.15	$1.15	$1.15	$1.15	$1.15
Medical and pharmacy integration - per participating employee per month	Included	Included	Included	Included	Included
Telemedicine (Teladoc)	Included	Included	Included	Included	Included
Plan Advisor	$2.95	$2.95	$2.95	$2.95	$2.95

UMR Proposed Fees - January 1, 2026 through December 30, 2030					
Administration and Access Fees	**Renewal Fees 1/1/2026**	**Renewal Fees 1/1/2027**	**Renewal Fees 1/1/2028**	**Renewal Fees 1/1/2029**	**Renewal Fees 1/1/2030**
Incentive Solutions: Live Well Reward$ Solution	$0.90	$0.90	$0.90	$0.90	$0.90
Flexible spending - health care account (HCA) - per participating employee per month	$4.93	$4.93	$4.93	$4.93	$4.93
Flexible spending - dependent care account (DCA) - per participating employee per month	$3.93	$3.93	$3.93	$3.93	$3.93
CRS Enhanced - % of Savings	20% with $50,000 cap per claim	20% with $50,000 cap per claim	20% with $50,000 cap per claim	20% with $50,000 cap per claim	20% with $50,000 cap per claim

Medical Allowances and Performance Guarantees

January 1, 2026 through December 30, 2030	
Fee Guarantee	5 Years, with Rate Increases from 2.5% - 3.0% each Year
Administrative Credit	$5,000 Annually
Wellness Credit	$15,000 Annually
Total Allowances and Credits	**$100,000**
Discount Guarantees	30% of Admin. Fees
Performance Guarantees	10% of Admin. Fees

January 1, 2026 through December 30, 2030	
Performance Standard	**Amount at Risk***
On average, calls will be answered in thirty (30) seconds or less	2% of fees at risk
On average, three percent (3%) or less of calls may be abandoned	2% of fees at risk
Ninety percent (90%) of all clean Claims will be processed within 10 business days from the date that the TPA receives all information necessary to adjudicate the Claim	3% of fees at risk
Claim payments, on an aggregated dollar basis, shall be ninety-nine percent (99%) accurate to the plan of benefit	3% of fees at risk
Claim Procedural Accuracy (accurate processing includes payment amount, communication to the claimant or provider, data entry errors affecting current or future benefit determinations and management reports) will be maintained at ninety-five percent (95%)	3% of fees at risk
Claim Payment Accuracy will be maintained at a level of ninety-eight percent (98%)	3% of fees at risk

*Total aggregate fees at risk will be capped at 10% for all medical claim and call performance guarantees

Prescription Drug Coverage

The accepted terms and rates are shown in the following tables based on its traditional pricing model:

	Year 1 1/1/2026	Year 2 1/1/2027	Year 3 1/1/2028
Retail			
Guarantee: Brand discount, plus dispensing fee	19.80% + $0.45	19.80% + $0.45	19.80% + $0.45
Guarantee: Net effective generic discount, plus dispensing fee	87.00% + $0.45	87.10% + $0.45	87.20% + $0.45
Retail 90 Rx (Optional)			
Guarantee: Brand discount, plus dispensing fee	23.00% + $0.00	23.00% + $0.00	23.00% + $0.00
Guarantee: Net effective generic discount, plus dispensing fee	90.00% + $0.00	90.10% + $0.00	90.20% + $0.00
Home Delivery			
Brand discount, plus dispensing fee	21.00% + $0.00	21.00% + $0.00	21.00% + $0.00
Net effective generic discount, plus dispensing fee	91.00% + $0.00	91.10% + $0.00	91.20% + $0.00
Rebate Guarantee			
	100% Pass-Through	100% Pass-Through	100% Pass-Through
Premium PDL			
Minimum Rebate Guarantee (Retail 30 - Excluding Specialty) - Per Net Paid Brand Claim	$410.00	$480.00	$535.00
Minimum Rebate Guarantee (Retail 90 - Excluding Specialty) - Per Net Paid Brand Claim	$1,250.00	$1,450.00	$1,650.00
Minimum Rebate Guarantee (Home Delivery - Excluding Specialty) - Per Net Paid Brand Claim	$1,250.00	$1,450.00	$1,650.00
Minimum Rebate Guarantee (Specialty) - Per Net Paid Brand Claim	$4,250.00	$4,700.00	$5,000.00
Select Comprehensive			
Minimum Rebate Guarantee (Retail 30 - Excluding Specialty) - Per Net Paid Brand Claim	$390.00	$455.00	$505.00
Minimum Rebate Guarantee (Retail 90 - Excluding Specialty) - Per Net Paid Brand Claim	$1,150.00	$1,350.00	$1,500.00
Minimum Rebate Guarantee (Home Delivery - Excluding Specialty) - Per Net Paid Brand Claim	$1,150.00	$1,350.00	$1,500.00
Minimum Rebate Guarantee (Specialty) - Per Net Paid Brand Claim	$3,900.00	$4,300.00	$4,550.00

	Year 1	Year 2	Year 3
	1/1/2026	1/1/2027	1/1/2028
Specialty drugs are priced on an individual drug basis, with an estimated average aggregate specialty discount of the following:			
LDD - Brand & Generic Discount	*15.00%*	*15.00%*	*15.00%*
Non-LDD - Brand Discount	*19.50%*	*19.50%*	*19.50%*
Non-LDD - Generic Discount	*72.00%*	*72.00%*	*72.00%*
Compound Drug Claim Pricing: AWP less Standard Contracted Discount + $7.50 Dispensing fee			

Pharmacy Management Allowance January 1, 2026 thru December 30, 2028	
Allowance	$3.00 per Participant Annually

Member Assistance Program

The following are the administrative services Optum has agreed to provide to the City at the rates set forth herein.

Product	Hours	Rate Type	Rate Period	2026 Fee	2027 Fee	2028 Fee
Employee Assistance Program - EAP – 6 Sessions	N/A	Per Employee	Per Month	$2.38	Up to 3% increase	Up to 3% increase
Bank of Hours for Training & Critical Incident (CIRS)	5	Per Employee	Per Month	Included in EAP Fee	Included in EAP Fee	Included in EAP Fee

Additional On-Site Support Service hours are available on a fee-for-service basis. Services are billed at an hourly rate plus travel time. Any onsite or training hours can be purchased according to the rates in the grid below.

On-Site Support Service	Fee for Service
Management Development Programs	$275/on-site hour
Employee Development Programs	$275/on-site hour
Wellness Seminars	$275/on-site hour
Information Resource Events	$275/on-site hour
Critical Incident Response Services	$275/on-site hour
Travel Time & Trainer Downtime	$275/hour

Contract and Administration

Please confirm that you will allow a minimum of 180 days' renewal notification in all forthcoming years. Please finalize the contract and any other applicable documentation, matching the information detailed above, corresponding to your firm's proposal, and send one copy to me and one to each of the following:

Ms. Leslie Haase, CPA
Finance Director
City of Joplin, MO
602 South Main Street
Joplin, MO 64801
(417) 624-0820 x251
lhaase@joplinmo.org

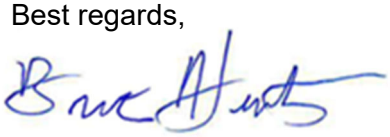
Ms. Kimberly Wixson
Senior Vice President & Health Consultant
Segal
3001 West Big Beaver Road, Suite 320
Troy, MI 48084-3104
(248) 606-1435
kwixson@segalco.com

All ongoing correspondence and routine matters regarding billing and administrative issues should be directed to Ms. Haase.

The City also requires timely execution of the PBM Participation Agreement, which must reflect the pricing as presented in your PBM RFP proposal as well as any follow-up or clarifying question responses. Please forward the Participation Agreement to all included in this notice for review.

Please feel free to reach out to me if you have any questions regarding the above. The City looks forward to continuing its relationship with UMR and OptumRx.

Best regards,



Brian Hunter
Associate Health Consultant

cc: Ms. Kim Wixson
Ms. Kari Tvedt
Ms. Leslie Haase
Mr. Kenny Waytashek – OptumRx Kenny.waytashek@optum.com
Mr. Bob Burnett – UMR bob.burnett@umr.com

COUNCIL BILL NO. 2025-536 **ORDINANCE NO.**

AN ORDINANCE approving an Agreement by and between the City of Joplin and UMR to provide health insurance administration services for City employees on behalf of the employer, the City of Joplin; authorizing the City Manager to execute said renewal agreement by and on behalf of the City of Joplin; and setting a date when this Ordinance shall become effective.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

Section 1. That the Agreement by and between the City of Joplin, Missouri and UMR to provide health insurance administration services for City employees on behalf of the employer, the City of Joplin, a true and accurate copy of said agreement being attached hereto and incorporated herein by reference as Exhibit "A", be, and the same is, hereby approved.

Section 2. That the City Manager, or his designee, is hereby authorized and directed to execute said Renewal Agreement by and on behalf of the City of Joplin, Missouri.

Section 3. That this Ordinance shall become effective on October 21, 2025.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, this _____ day

of _____, 2025, by a _____vote.

_____
Keenan T. Cortez, Sr., Mayor

ATTEST:

_____
Holly Nagy, City Clerk

APPROVED AS TO FORM:

_____
Peter C. Edwards, City Attorney