



Milwaukee County

Department of Human Resources

INTER-OFFICE COMMUNICATION

Date: January 27, 2026

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Tony Maze, Director of Total Rewards, Department of Human Resources

Subject: **Report from the Director of Total Rewards, Department of Human Resources, requesting authorization for a five-year extension with UnitedHealthcare and Optum Rx for Third Party Administrative (TPA) services for Milwaukee County and Milwaukee County Transit System (MCTS) through December 31, 2030**

File Type: Action Report

REQUEST

Milwaukee County's current contract with UnitedHealthcare for TPA services for the Milwaukee County and Milwaukee County Transit System health plan and UnitedHealthcare's subsidiary, Optum Rx, for Pharmacy Benefit Manager current contract expired on December 31, 2025.

United Healthcare

- No change in medical plan administrative fees over current for 2026.
- Negotiated a 2% increase in medical plan administrative fees for 2027 through 2030 instead of paying 6% per year.
- Nurse liaison program provided at a discounted rate for Milwaukee County and MCTS, if they elect to use this service over the term of the agreement.
- Provide a list of optional services that are currently purchased by each organization, the current cost of those services and the rates that will apply over the term of the agreement to each organization that purchases or may purchase such services in the future.
- Provide a list of services available today but not purchased by any of these entities, the current cost and the cost if they are purchased by any or all the entities during the term of the agreement.
- Work with Milwaukee County and MCTS to explore ways to better engage and manage high-cost claimants and other members identified by your predictive modeling that might become high cost.
- Agree to process claims for the existing Milwaukee County clinic and the clinic claims of the other organizations during the term of the agreement at no cost.

Prescription Drugs:

1. Rebates – We were able to negotiate an additional \$4.6 million in rebates per year through 2030.
2. Discounts - discounts are generally expressed as a percentage off of actual wholesale price (AWP). This should be a fixed amount that is published by a single source. However, there is latitude with respect to how discounts are calculated. To the best of our ability, we have leveled the playing field on discounts.
3. Dispensing fees - under a traditional arrangement these typically represent the average amount which is passed on to individual pharmacies. These can also be manipulated via offsets from other revenue sources such as rebates and “spread.” Spread is the difference between the contracted guaranteed amount and what is actually reimbursed to the pharmacies.

ALIGNMENT TO STRATEGIC PLAN

Describe how the item aligns to the objectives in the [strategic plan](#):

1A: Reflect the full diversity of the County at every level of County government

UHC and Optum RX uses its tools and profession personal to ensure the County is receiving the best price and plans for all purchased services

1B: Create and nurture an inclusive culture across County government

All services contracted services are made in consideration of all County Employees

1C: Increase the number of County contracts awarded to minority and women-owned businesses

2A: Determine what, where, and how we deliver services to advance health equity

UHC and Optum RX has consistently demonstrated strong knowledge of the local health care provider and insurance market, as well as the Wisconsin regulatory environment.

2B: Break down silos across County government to maximize access to and quality of services offered

UHC and Optum RX has consistently demonstrated strong knowledge of the local health care provider and insurance market, as well as the Wisconsin regulatory environment.

2C: Apply a racial equity lens to all decisions

All services contracted services are made in consideration of all County Employees

3A: Invest “upstream” to address root causes of health disparities

3B: Enhance the County’s fiscal health and sustainability

Both UHC and Optum RX has provided services to the County for several years and has agreed to continue to provide Milwaukee County and Milwaukee Transit with additional savings and minimal increase in fees

3C: Dismantle barriers to diverse and inclusive communities

TERMS

Milwaukee County will continue to utilize the same account team. All contract terms remain the same with exception of the 2% increase in years 2027 through 2030 for UHC administration fees and the \$4.6 million in rebate savings with Optum RX and RXBenefits. Milwaukee County will also receive a \$200,000 credit in 2026 and a \$50,000 yearly credit for each of the remaining years of the contract. This amount equates to \$400,000 in savings.

BACKGROUND

Related File No's:	22-1065
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1C: Increase the number of County contracts awarded to minority and women-owned businesses

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FISCAL EFFECT

This will be a 5-year contract through December 31, 2030

VIRTUAL MEETING INVITES

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PREPARED BY:

Tony L. Maze, Director of Benefits Administration

APPROVED BY:

Tony L. Maze, Director of Benefits Administration

ATTACHMENTS:

Resolution

Fiscal Note

CC:

County Executive David Crowley

Mary Jo Meyers, Chief of Staff, County Executive's Office

Margo Franklin, Chief Human Resources Officer

Scott Brown, Corporation Counsel

Supervisor Willie Johnson, Jr., Chair, Finance & Audit Committee

Supervisor Patti Logsdon, Chair, Personnel Committee

Liz Sumner, Comptroller

Stephen Cady, Comptroller's Office

Aaron Hertzberg, Director, DAS

Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk