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DATE: **June 17, 2026**

TO: **The Milwaukee County Board of Supervisors**

FROM: **Scott F. Brown, Corporation Counsel**
William G. Davidson, Deputy Corporation Counsel
James G. Davies, Assistant Corporation Counsel

SUBJECT: **File No. 26-279; United Healthcare Administrative Services Agreement (Approved February 2, 2026; Fully Executed March 6, 2026; Effective Date of January 1, 2026)**

I. Introduction

The purpose of this report is to explain the Office of Corporation Counsel's (OCC) role in the events leading up to the execution of the administrative services contract between Milwaukee County and United Healthcare (UHC). The foregoing report and the documents appended thereto provide a timeline and other relevant information that may be disclosed while complying with our obligations as attorneys to keep client information confidential. With these constraints, OCC provides a description of our role in Milwaukee County ("the County") contracting generally, and the UHC Contract specifically. Additionally, among the documents we are including with this report is a non-confidential memorandum Attorney Katherine Kratcha, a shareholder at Reinhart Boerner Van Deuren s.c. specializing in employee benefits plans and plan administration, prepared at our request. In preparing her memorandum, Attorney Kratcha independently reviewed the UHC contract as well as the County's decision to approve the contract as it was presented to the Board this spring. Collectively, these materials provide the fullest account of OCC's involvement that can be disclosed consistent with our legal and ethical obligations.

II. Rules of Professional Responsibility

Under the Wisconsin Supreme Court's Rules of Professional Responsibility, attorneys are obliged to keep information relating to client representation confidential.[1] Additionally, attorneys must protect confidential client information.[2] Given the longstanding importance placed on the protection of communications between attorneys and their clients, these sorts of records are even excepted from disclosure under

[1] *See* SCR 20:1.6(a).
[2] *See* Wis. Stat. § 905.03.

Wisconsin's Public Records Law.[3] Upon reviewing the records in OCC's possession that are relevant to the UHC Contract timeline, we have concluded that all the records material to establishing a timeline are communications where OCC was either providing legal advice or we were being asked for the same. Thus, it would be inconsistent with our professional obligations to present those documents in a public forum.

III. Contracting Process Overview

Milwaukee County has a semi-decentralized contracting process which grants to individual departments primary responsibility for conceptualizing, negotiating, drafting, and executing contracts. Whenever a department requests OCC's assistance in the contracting process, our assistance typically involves review of the legal sufficiency of the contract and the potential risks and liabilities associated with a particular contract.[4] Additionally, OCC provides input and support with respect to many process-related issues (e.g., serving on AMOP Committee, advising on the application of relevant ordinances, and by offering suggestions and sharing insight concerning the use and adoption of contract-related software platforms). Because no contract to which the County is a party is valid until signed by each of the County Executive, Comptroller, and Corporation Counsel[5], OCC will review all contracts sent for execution to ensure that the contract is legally sufficient and that both the County Executive and Comptroller have each already signed. In most instances, OCC has not previously reviewed a contract before it is sent to Docusign for execution. If during the review OCC completes during the execution process, we observe any legal deficiencies or other causes for concern, we will withhold our final signature and confer with the responsible department to work toward a resolution.

IV. OCC Involvement and Chronology of Events

As set forth in the attached timeline, OCC had been consulted by Human Resources (HR) and Audit Services Division (ASD) on questions relating to the proposed audit clause in the UHC Contract. On January 21, 2026, OCC became aware that the audit language in the UHC Contract had not been finalized. On January 22, 2026, based on conversations with HR and ASD, OCC became aware the UHC contract had expired on December 31, 2025. OCC continued to work with HR and ASD to resolve concerns relating to the audit clauses. During this time there were multiple emails exchanged, telephone calls, and meetings. OCC was primarily concerned with the expired status of the UHC Contract and were urging all parties involved to take all steps necessary to renew the agreement as soon as possible.

On January 29, 2026, the UHC Contract was on the Finance Commmittee's agenda for consideration. At that meeting, the Comptroller's Office raised certain concerns about the contract itself as well as the process that resulted in it being before the Finance Committee for consideration. While validating those concerns, OCC expressed that the necessary and prudent course of action was prompt approval and execution of the UHC Contract. The item was ultimately laid over to a Special Joint Meeting of the Personnel and Finance Committee on February 2, 2026. At that meeting, OCC reiterated its recommendation that the County

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[3] *See George v. Record Custodian*, 169 Wis.2d 573, 582, 485 N.W.2d 460, 464 (Ct. App. 1992); *Wis. Newspress, Inc. v. Sch. Dist. of Sheboygan Falls*, 199 Wis. 2d 768, 782–83, 546 N.W.2d 143, 148-49 (1996).
[4] Many of Milwaukee County's contract are based on standard template(s) that OCC has either drafted or substantively reviewed and approved for use. When used and not materially amended through negotiations with other parties to the agreement, the review process may be streamlined in many instances.
[5] *See* Wis. Stat. §§ 59.17(2)(b)4., 59.255(2)(e), and 59.42(2)(b)5.

urgently approve its execution. We emphasized that the risk to the County in delaying or declining to approve execution of the Contract far outweighed any risk to the County in moving the contract forward. During the joint committee meeting, OCC offered the following guidance and advice:

- Even though the contract had expired, no employee, eligible retiree, or covered dependent was ever without coverage; *coverage* was never an issue because the County is self-insured with respect to the provision of healthcare benefits.
- Because the County operates a self-insured healthcare benefits plan, the County's contract with UHC involves only claims administration and access to UHC's managed care network (i.e., in-network providers).
- The County would bear significant risk, which would include the possibility of significantly increased healthcare costs should the County fail to promptly execute the proposed UHC contract.
- Even though the proposed UHC contract did not include the County's current standard audit clause language, the language it contained was commercially reasonable.

The file was advanced to the Milwaukee County Board of Supervisors ("the County Board") with a recommendation that it be approved. On February 5, 2026, the County Board approved the UHC contract. On March 6, 2026, the contract was executed with an effective date of January 1, 2026.

V. Independent Review

Throughout this process, OCC received a number of questions from members of the County Board as to whether we should retain outside counsel for this matter. While we were confident in the advice we provided and remain so, we asked Attorney Kratcha to review the contract, assess whether renewal was prudent, and make recommendations for future negotiations. After completing her review of these items, Attorney Kratcha concluded, in part, that the most "prudent and protective" option for the County was to promptly execute the proposed UHC contract. OCC was also provided with additional review and observation of the UHC Contract that may be discussed in closed session if necessary. Upon request, OCC will prepare an informational file, notice it for closed session, and further review the findings.

VIRTUAL MEETING INVITATIONS

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William.Davidson@milwaukeecountywi.gov
James.Davies@milwaukeecountywi.gov

ATTACHMENTS

Attachment 1 (OCC Timeline of Events)
Attachment 2 (Reinhart Boerner Van Deuren s.c. Memo)

- **September 17, 2025**
  - Director Maze reached out to Office of Corporation Counsel (OCC) and Audit Service Division (ASD) for guidance on the UHC Audit Clause.

- **October 2, 2025**
  - ASD emailed OCC to ask for guidance on the UHC audit clause.

- **October 3, 2025**
  - OCC inquired as to what ASD's primary concerns.

- **October 7, 2025**
  - ASD emailed OCC their position on UHC's proposed audit language and ASD's standard language.

- **October 7-23, 2025**
  - ASD and OCC exchanged emails on possible solutions to the issues with the UHC audit clause.

- **January 21, 2026**
  - Director Maze shared UHC's standard audit language with ASD and OCC. This alerted OCC that the audit language had not been finalized.

- **January 22, 2026**
  - ASD met with OCC to discuss the UHC audit clause.
  - OCC discussed the audit clause internally.
  - OCC emailed ASD with advice regarding the execution of the amendment.
  - Director Maze emailed ASD and cced OCC asking for updates on the audit clause.
  - Through conversation with ASD and HR, OCC became aware the UHC contract had expired on December 31, 2025.

- **January 23, 2026**
  - OCC emailed ASD offering advice regarding the UHC contract.
  - OCC emailed Director Maze requesting a meeting to discuss the UHC contract.
  - The Comptroller's office communicated its concerns with the contract to OCC.

- **January 26, 2026**
  - Director Maze replied to OCC that he was open to meet.
  - OCC had a phone conversation with Director Maze about the UHC contract.
  - OCC emailed ASD with advice regarding the execution of the UHC contract.

- **January 27, 2026**
  - OCC continued advising ASD regarding the UHC Contract via calls and emails.
  - OCC and Director Maze cancelled their meeting having met via phone on January 26.
  - OCC asked Director Maze for documents relating to the UHC contract.

Attachment 1

- Director Maze provided the requested document.

- **January 28, 2026**
  - OCC emailed Director Maze and Chief HR Officer Franklin with advice concerning the UHC board file and the information contained therein.
  - OCC met with Director Maze and Chief HR Officer Franklin.
  - Director Maze emailed OCC following up on the advice given regarding the board file.

CLIENT MEMORANDUM

To: Milwaukee County Board of Supervisors
Scott F. Brown, Corporation Counsel

From: Attorney Katherine R. Kratcha, Reinhart Boerner Van Deuren s.c.

Date: June 18, 2026

Subject: UHC Administrative Services Agreement Review

BACKGROUND

Milwaukee County's contract term with United Healthcare Services, Inc. ("UHC") for third-party administrative ("TPA") services for the Milwaukee County and Milwaukee County Transit System ("MCTS") self-funded health plans (the "Administrative Services Agreement" or "Agreement") last expired on December 31, 2025. In February 2026, Milwaukee County entered into a renewal extending the term of the Agreement (the "2026 Renewal"). The Office of Corporation Counsel requested that Reinhart Boerner Van Deuren s.c. review the Agreement, as amended and renewed.

The Agreement was originally entered into effective as of January 1, 2009 (the "2009 Agreement"). The initial term extended through December 31, 2011. The Agreement has since been amended and renewed for additional terms, as follows:

- January 1, 2012 through December 31, 2014 (File #11-346)
- January 1, 2015 through December 31, 2016 (File #14-401)
- January 1, 2017 through December 31, 2019 (File #16-459)
- January 1, 2020 through December 21, 2022 (File #19-931)
- January 1, 2023 through December 31, 2025 (File #22-1065)
- January 1, 2026 through December 31, 2030 (File #26-272)

EXECUTIVE SUMMARY

Based on our review, renewing the Agreement with UHC was prudent and protective for the County. The County negotiated favorable terms in the original 2009 Agreement, which has continued through renewals with limited amendments. These include advantageous termination provisions, enhanced reporting rights, strong network adequacy protections, and custom County requirements such as Disadvantaged Business Enterprise utilization.

Attachment 2

Deciding not to renew with UHC would have forced an immediate transition to a new TPA. Transitioning the administration of self-funded health plans is an involved process. Transitioning to a new TPA without advanced planning would have severely weakened the County's negotiating position. Entering into the 2026 Renewal ensured uninterrupted services and preserved contractual advantages that protect the County operationally, financially, and legally.

DISCUSSION

Contracts between TPAs and self-funded health plan sponsors commonly are updated only by amendment over the years of the relationship. If a sponsor of a self-funded health plan requests an updated contract, other than one that simply incorporates amendments, the TPA often will provide its current template contract. Typically, these include terms that are favorable to the TPA. As a result, it may be necessary to renegotiate terms that were negotiated successfully under the initial contract and the subsequent amendments. Sometimes, plan sponsors have a difficult time doing so. TPAs are not always willing to agree to all the same terms that they accepted previously. It can therefore be beneficial to continue to maintain the initial contract with a TPA, if it was negotiated well. The 2009 Agreement was negotiated well.

We believe the decision to enter into the 2026 Renewal and extend the Agreement was prudent and reasonable. Absent a renewal, UHC could have ended its services for claims incurred after December 31, 2025, with a "runout" period during which UHC would have administered claims incurred on or before that date. Although this outcome was unlikely—UHC does engage in contract negotiations after the effective date of services—it was possible. This outcome would have been more likely if the County had stopped paying UHC's fees or other amounts owed, in which case UHC would not then have provided the runout services.

Not having continuous TPA services for health plan administration would be catastrophic for the County, its employees and their dependents. Had the County decided not to renew the Agreement with UHC, a new contract with another TPA would have been necessary. Even cooperative, planned, and orderly transitions of TPA service providers can take weeks to months. The County also would have lost significant bargaining power in negotiating a contract with the new TPA in such a situation. Entering into the 2026 Renewal ensured that the terms of the 2009 Agreement, as amended, will continue, thus maintaining the County's position with UHC and not exposing the County to new risks.

Further, in our estimation, the terms of the Agreement, as amended, are commercially reasonable. The 2009 Agreement was clearly negotiated aggressively in favor of the County. Many of the terms are better for the County than would have been included in UHC's standard contract from the time. Many are also better than are included in UHC's standard contract today. The County might not be able to successfully renegotiate some of these terms with UHC, if the County requests a new agreement with UHC rather than amendments to the 2009 Agreement.

We identified for Corporation Counsel particular sections of the Agreement that support our above conclusions. We also provided our views regarding future negotiations. These details are subject to confidentiality requirements under the Agreement, as amended, and under applicable law for the negotiation of contracts. We therefore have not included them in this memorandum, in the event it is made publicly available. They may be discussed in closed session.