

ROLL CALL

PURCHASE RECOMMENDATIONS

The "Purchase Recommendations" are presented by University and a Summary from "Appropriated Funds" (i.e., from State appropriations to the University) and from "Institutional Funds" is included. The latter term is used here to designate funds received by the university under contracts with the United States Government; contracts with private corporations and other organizations, from foundation grants, and grants from corporations and other donors; and university revolving funds authorized by law. The Summary also indicates a total amount by university.

The Board action recommended in this item complies in all material respects with applicable State and Federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The Interim Assistant Vice President for Procurement Services has proposed, and the Vice President, Chief Financial Officer and Comptroller recommends, the following purchases. Unless otherwise specified, the purchase in each case is recommended on the basis of the lowest acceptable bid.

The President of the University concurs.

PURCHASES RECOMMENDED

University of Illinois at Chicago

1	Unit	UI Health – Patient Accounting
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Item	Electronic system that verifies patient eligibility and submits claims electronically as required by most third party payers for the period July 1, 2019 through December 31, 2021 with the option of twelve 1-month renewals. All renewals are subject to satisfactory performance, continuing need, availability of funds, and Board of Trustees' approval.
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Cost \$2,300,000

Vendor Experian Inc., Schaumburg, IL

Renewal Option:

January 1, 2022 through December 31, 2022

\$64,000 est. per month

Sole source procurement procedures were followed in accordance with the Illinois Procurement Code, 30 ILCS 500/20-25. This purchase is a sole source because this is the only vendor who can support the current system.

This request is for continued support and maintenance of the existing system because Experian has customized and integrated its software with UI Health systems, such as the patient registration system and accounts receivable. Until the conversion to the Epic System, UI Health needs to continue using this existing Experian system and may continue to need it for legacy information.

The University of Illinois Hospital, Clinics, Mile Square Health Center and the Outreach reference laboratory require the services of an electronic billing vendor that will provide a solution for all electronic billing, eligibility, and posting transactions.

Approximately 95% of all outbound claims are transmitted by the healthcare system electronically to third party payers. The electronic claims volume includes over \$1.8 billion dollars in gross revenue filed on an annual basis.

Most third party payers, including Medicare and Medicaid, require that the healthcare system check patient eligibility and submit claims electronically. As a result, the university healthcare system cannot verify patient eligibility or file claims without a vendor that provides this connectivity to payers.

2	Unit Extended campus
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Item	This contract is intended to generate new revenue for UIC through the development, marketing, and delivery of high-quality online programs in partnership with the UIC Extended Campus. The term of the contract will be for the period of July 1, 2019, through June 30, 2024, with the option to renew for five 12-month periods. All renewals are subject to the continuing need, satisfactory performance, Board of Trustees' approval, and availability of funds that result from the effective marketing and enrollment, thereby generating revenue to offset cost sharing with the contractor.
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Cost \$8,665,564 (estimated)

Vendor Academic Partnerships, LLC, Dallas, TX

Renewal options:

July 1, 2024 through June 30, 2025	\$2,921,625 estimated
July 1, 2025 through June 30, 2026	\$3,223,231 estimated
July 1, 2026 through June 30, 2027	\$3,533,775 estimated
July 1, 2027 through June 30, 2028	\$3,886,596 estimated
July 1, 2028 through June 30, 2029	\$4,275,033 estimated

Proposals Received

Point Summary of Proposals
(Maximum score of 1,000)

Academic Partnerships LLC	921
Pearson Education Inc.	690

Competitive selection procedures were followed in accordance with the Illinois Procurement Code 30 ILCS 500/20-25. Academic Partnerships, LLC has indicated they will utilize Techserv Corporation as a BEP firm to meet the 20% goal.

The university is expanding its impact and offering courses to both traditional and non-traditional students from across the country and around the globe. UIC has successfully developed and launched 38 online degree and certificate programs and needs a qualified vendor to support the development and implementation of additional online learning programs and certificates to meet the high demand.

The agreement is calculated based on an estimated enrollment target of 200 registered students per online degree offered, per fiscal year. Academic Partnerships will share revenue based on a percent of tuition collected per credit hour. For purposes of award the contract value is estimated using a base revenue of \$600 per credit hour adjusted for estimated tuition waivers, and a scaled revenue sharing percentage: 25% for Years 1 and 2; 40% for Year 3; and 50% for Years 4 and 5. The estimated revenue sharing reflects negotiated amounts based on best and final offer.

For the five years of the initial contract period, it is estimated that Academic Partnerships would receive \$8,665,564, with UIC generating approximately \$13,196,486. Should the contract be renewed, the tuition collected for each renewal period will be shared 50/50.

Academic Partnerships (AP) will collaborate with UIC to jointly market, promote, and deliver certain online programs, and to provide the following services:

- Market Research: Academic Partnerships will conduct a robust, technically sound analysis of prospective student markets for potential new online programs, as well as for existing programs that have the capacity to expand enrollment.
- Program development and implementation: For selected programs, Academic Partnerships will collaborate with UIC faculty to transform “on-campus” degree programs into high-quality online programs that promote both faculty and student engagement.

3 Unit	Health Enterprise Customer Care Center and UI Hospital & Health Sciences System
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Item	Provide centralized customer call center services to facilitate inbound scheduling and customer service activity for the term September 1, 2019 through August 31, 2022, with two 36-month renewal options.
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Cost	\$26,300,000 (estimated)
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Vendor	The Chicago Lighthouse for People Who Are Blind or Visually Impaired (CLH), Chicago, IL
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Renewal options:

September 1, 2022 through August 31, 2025	\$29,500,000 estimated
September 1, 2025 through August 31, 2028	\$29,500,000 estimated

This award is to a not-for-profit agency for persons with significant disabilities as allowed under 30 ILCS 500/45-35 (State Use). This contract qualifies for 100% Business Enterprise for Minorities, Females and Persons with Disabilities participation, and was the highest vendor with diversity expenditure representing 11% of the University of Illinois System BEP expenditures for FY18. For this contract, CLH has hired over 50% visually impaired, disabled and veterans for the UI Health call center.

The services include providing 24 hour a day, 7 day a week answering services for general information calls, nurse screeners calls, surge calls, outbound calls, and scheduling and registration for: Family Medicine Center, Dermatology Center, Mile Square Center, Orthopedic Center, Child and Youth Center, Craniofacial Center, ENT Clinic, EYE Center, Center for Women’s Health, Urology, and Psychiatry.

The current usages are projected to grow 37% over the original contract amount which ends on August 31, 2019. Call minutes are estimated at 26,014,013 for a three-year period with rates averaging \$1.01 per minutes for a total estimated cost of \$26,300,000. Negotiations on the per-minute rates resulted in a savings to the University of \$1,913,904.62 over a three-year period.

RENEWAL OPTIONS RECOMMENDED

University of Illinois at Urbana-Champaign

1	Unit	Campus Auxiliary Services
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Item	Renewal option for Student Health Insurance and routine administrative services, including claims adjudication and claim payments for the Urbana-Champaign campus students for the period August 21, 2019, through August 20, 2020.
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Cost	\$39,000,000.00 (estimated)
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Vendor	United Healthcare Services Inc., St. Petersburg, FL
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This transaction will exercise the fourth of eight renewal options to the original contract, approved by the Board of Trustees on March 12, 2015, for an estimated \$25,000,000 for the period August 21, 2015, through August 20, 2016. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

The vendor will continue to provide student health insurance as well as routine administrative services, including claims adjudication and claim payments through a Student Health Insurance Plan (SHIP) designed as a preferred provider organization (PPO) model that must offer two levels of coverage payment; 80% of usual and customary charges for non-network providers, and 80% of the preferred allowance for in-network providers.

The University requires all registered students either participate in the University of Illinois at Urbana-Champaign (UIUC) Student Health Insurance Plan (SHIP) or provide proof of comparable insurance, called a hard waiver. The University assesses the SHIP fee each semester and the University subsequently provides an electronic submission of eligible

students to the insurance company. The vendor will handle enrollment of spouse and dependents and premium collection.

The vendor has demonstrated satisfactory performance in fulfilling the terms and conditions of their contract. Renewal pricing is based on negotiations between the University and vendor and on the overall loss ratio and the estimated number of enrolled students for Fall 2019, Spring 2020 and Summer 2020 semesters based on historical data.

SUMMARY OF PURCHASES	
University of Illinois at Chicago	\$37,265,564
Recommended from Institutional Funds	
Grand Total	\$37,265,564
SUMMARY OF RENEWALS	
University of Illinois at Urbana-Champaign	\$39,000,000
Recommended from Institutional Funds	
Grand Total	\$39,000,000