



Legislation Details (With Text)

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Title: Resolution to Approve the Renewal Contracts with Blue Cross Blue Shield of Michigan to Provide Health Care Coverage to City Employees and Retirees and their Dependents and Authorize the City Administrator to Execute the Necessary Documentation (\$1,288,076.00)

Sponsors:

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Date	Ver.	Action By	Action	Result
6/21/2010	1	City Council	Approved	Pass

Resolution to Approve the Renewal Contracts with Blue Cross Blue Shield of Michigan to Provide Health Care Coverage to City Employees and Retirees and their Dependents and Authorize the City Administrator to Execute the Necessary Documentation (\$1,288,076.00)

The attached Resolution authorizes the City Administrator to execute the renewal of health care services contracts with our health care service provider. Employees and retirees, through their labor agreements or in accordance with the City’s employee benefit plans, have the availability of using the Blue Cross Blue Shield Community Blue Preferred Provider Network for their health care service needs. The plan is administered by Blue Cross Blue Shield of Michigan.

The Blue Cross Blue Shield Community Blue Preferred Provider Network (or its equivalent) is provided for under our current labor agreements and our employee benefits program. This contract continues services now in effect.

In July 2010, the City received a BCBSM renewal offer of “business as usual”. Instead, the City made one (1) significant change to the previous contracts with BCBSM. Analysis indicated the \$200,000.00 Stoploss deductible was too low. Thus, the following change was made:

The City moved to \$275,000.00 deductible under the specific Stoploss contract

- New fees and premium effective 7/1/10 through 6/30/11 are:
- \$58.05 total combined ASC fee (administration plus AAC)
- \$15.42 specific Stoploss premium (\$275,000.00 deductible)

The overall costs for the program will fluctuate monthly depending both on the number of employees and retirees enrolled in the program during any given month, and the amount of incurred claims actually paid during any given month.

Blue Cross Blue Shield of Michigan received Human Rights approval on May 3, 2010.

The above referenced cost projections are in accordance with the approved Fiscal Year 2010 - 2011 budget, barring any unforeseen circumstances.

Prepared by: Kelly Beck, Employee Benefits Supervisor

Reviewed by: Robyn Wilkerson, HR and Labor Relations Director

Whereas, The City provides Health Care coverage to City employees, their eligible dependents, and retirees and their eligible dependents, in accordance with the employee benefits program and various labor contracts at an estimated annual cost of approximately \$12,889,507.00;

Whereas, The City's contract with Blue Cross Blue Shield of Michigan is due for renewal on July 1, 2010;

Whereas, Human Resources Services recommends renewal of this contract;

Whereas, Funds have been appropriated in the Fiscal Year 2010 - 2011 budget to cover projected costs associated with the provision of health care; and

Whereas, Blue Cross Blue Shield of Michigan received Human Rights approval on May 3, 2010;

RESOLVED, That City Council approve renewal of the contract for the period July 1, 2010 to June 30, 2011, with Blue Cross Blue Shield of Michigan to provide health care coverage to City employees, their eligible dependents, retirees, and their eligible dependents, and

RESOLVED, That the City Administrator be authorized and directed to execute the necessary contract documentation after approval as to form by the City Attorney and take any further necessary administrative actions to implement this resolution.