



## Legislation Details (With Text)

**File #:** 18-0058      **Version:** 1      **Name:** 1/16/18 Blue Cross Blue Shield Resolution  
**Type:** Resolution      **Status:** Passed  
**File created:** 1/16/2018      **In control:** City Council  
**On agenda:** 1/16/2018      **Final action:** 1/16/2018  
**Enactment date:** 1/16/2018      **Enactment #:** R-18-007

**Title:** Resolution to Approve the Amendment and Renewal of the City's Contract with Blue Cross Blue Shield of Michigan to Provide Administrative Claims Processing Services for the City's Health Care Plan on Behalf of Employees and Retirees and Their Dependents, and to Authorize the City Administrator to Execute the Necessary Documentation (\$1,595,344.00)

**Sponsors:** Christopher Taylor

**Indexes:**

**Code sections:**

**Attachments:** 1. City of Ann Arbor 2018 ASC Amendment BB edits 1-9-18 CLEAN.pdf, 2. Schedule A REV 10.9.2017.pdf, 3. Schedule A\_Exhibit 1 2018.pdf

| Date      | Ver. | Action By    | Action   | Result |
|-----------|------|--------------|----------|--------|
| 1/16/2018 | 1    | City Council | Approved | Pass   |

Resolution to Approve the Amendment and Renewal of the City's Contract with Blue Cross Blue Shield of Michigan to Provide Administrative Claims Processing Services for the City's Health Care Plan on Behalf of Employees and Retirees and Their Dependents, and to Authorize the City Administrator to Execute the Necessary Documentation (\$1,595,344.00)

The attached Resolution authorizes the City Administrator to execute the amendment and renewal of the City's contract for administrative claims processing services for the City's health care plan. Blue Cross Blue Shield of Michigan will continue to provide administrative claims processing services for the City's health plan for the period of January 1, 2018 through December 31, 2018.

**Budget/Fiscal Impact:** The necessary funds were appropriated as part of the FY18 approved budget through June 30, 2018. Required funding for the portion of the contract term from July 1, 2018 through December 31, 2018 will be budgeted in the FY19 budget. The estimated annual cost for the calendar year of this employee benefit is \$1,595,344.00.

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.

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.

The benefit coverage levels will remain the same for the FY18 and FY19 as currently underwritten.

Prepared by: Jessica Hull, Employee Benefits Supervisor

Reviewed by: Robyn Wilkerson, Director of Human Resources & Labor Relations

Sponsored by: Mayor Christopher Taylor

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 \$14,196,368.00;

Whereas, The City's contract with Blue Cross Blue Shield of Michigan was due for renewal on January 1, 2018;

Whereas, For the renewal period, the administrative fees and stop loss premium will increase;

Whereas, Benefit coverage levels will be the same for the calendar year 2018 as they were in 2017;

Whereas, Necessary funding for the July 1, 2017 through June 30, 2018 portion of the contract term was approved as part of the FY18 budget and the remainder of the required funding will be budgeted in the FY19 budget;

Whereas, Blue Cross Blue Shield of Michigan complies with the requirements of the City's Non-Discrimination and Living Wage Ordinances;

Whereas, Human Resources Services recommends renewal of this contract; and

Whereas, The City Attorney's Office has recommended the proposed amendment to such contract through the renewal period;

RESOLVED, That City Council approve the amendment and renewal of the contract with Blue Cross Blue Shield of Michigan to provide administrative claims processing services for the City's health care plan to City employees, their eligible dependents, retirees, and their eligible dependents, for the period January 1, 2018 to December 31, 2018; and

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