Legislation Details (With Text)

File #:	16-1741	**Version:**	1	**Name:**	12/19/16 Blue Cross Blue Shield Renewal Resolution
Type:	Resolution			**Status:**	Passed
File created:	12/19/2016			**In control:**	City Council
On agenda:	12/19/2016			**Final action:**	12/19/2016
Enactment date:	12/19/2016			**Enactment #:**	R-16-493

Title: Resolution to Approve the Renewal Contracts with Blue Cross Blue Shield of Michigan to Provide Health Care Coverage, Third Party Administrator Services and Excess Insurance Coverage to City Employees and Retirees and Their Dependents and Authorize the City Administrator to Execute the Necessary Documentation ($1,442,114.00)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/19/2016	1	City Council	Approved	Pass

Resolution to Approve the Renewal Contracts with Blue Cross Blue Shield of Michigan to Provide Health Care Coverage, Third Party Administrator Services and Excess Insurance Coverage to City Employees and Retirees and Their Dependents and Authorize the City Administrator to Execute the Necessary Documentation ($1,442,114.00)
The attached Resolution authorizes the City Administrator to execute the renewal of health care services contracts with our health care service provider. The plan is administered by Blue Cross Blue Shield of Michigan for the period of January 1, 2017 through December 31, 2017.

Budget/Fiscal Impact: The necessary funds were appropriated as part of the FY17 approved budget through June 30, 2017. Required funding for the portion of the contract term from July 1, 2017 through December 31, 2017 will be budgeted in the FY18 budget. The estimated annual cost of the fixed premium for this employee benefit is $1,442,114.00.

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.

New fees and premium effective 1/1/17 through 12/31/17 are:
$57.96 total Base Administration (All inclusive fee)
$24.47 specific Stop loss premium ($350,000.00 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.

The benefit coverage levels will remain the same for the FY17 and FY18 as currently underwritten

with the addition of the new TEMP medical plan effective January 1, 2017 as required by the Affordable Care Act for full time temporary employees.
Prepared by: Jessica Hull, Employee Benefits Supervisor
Reviewed by: Robyn Wilkerson, Director of Human Resources & Labor Relations
Approved by: Howard S. Lazarus, City Administrator:
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 $13,075,510.00;

Whereas, The City's contract with Blue Cross Blue Shield of Michigan was due for renewal on January 1, 2017;

Whereas, Human Resources Services recommends renewal of this contract;

Whereas, There is an increase in the administrative fees for the 2017 plan year, as well as an increase in the stop loss premium;

Whereas, Necessary funding for the July 1, 2016 through June 30, 2017 portion of the contract term was approved as part of the FY17 budget and the remainder of the required funding will be budgeted in the FY18 budget; and

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

RESOLVED, That City Council approve renewal of the contract for the period January 1, 2017 to December 31, 2017, with Blue Cross Blue Shield of Michigan to provide administrator services, excess insurance coverage and 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.