



Legislation Text

File #: 19-0066, **Version:** 1

Resolution to Approve the Renewal of the City's Contract with Blue Cross Blue Shield of Michigan to Provide Administrative Claims Processing Services and Stop-Loss Coverage 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 (\$1,905,892.00)

The attached Resolution authorizes the execution of the renewal of the City's contract for administrative claims processing services for the City's health care plan and related stop-loss policy. 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, 2019 through December 31, 2019.

Budget/Fiscal Impact: The necessary funds were appropriated as part of the FY19 approved budget through June 30, 2019. Required funding for the portion of the contract term from July 1, 2019 through December 31, 2019 will be budgeted in the FY20 budget. The estimated annual cost for the calendar year of this employee benefit is \$1,732,629.

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 FY19 and FY20 as currently underwritten.

...Staff

Prepared by: Jessica Hull, Employee Benefits Supervisor
Reviewed by: Robyn Wilkerson, Director of Human Resources & Labor Relations
Approved by: Howard Lazarus, City Administrator

...Body

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 2019 annual cost of approximately \$14,628,857;

Whereas, The City's contract with Blue Cross Blue Shield of Michigan was due for renewal on January 1, 2019;

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 2019 as they were in 2018;

Whereas, Necessary funding for the July 1, 2018 through June 30, 2019 portion of the contract term was approved as part of the FY19 budget and the remainder of the required funding will be budgeted

in the FY20 budget;

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

Whereas, Human Resources Services recommends renewal of this contract;

RESOLVED, That City Council approve the renewal of the contract in accordance with the attached Schedule A with Blue Cross Blue Shield of Michigan to provide administrative claims processing services (and related stop-loss policy coverage) for the City's health care plan to City employees, their eligible dependents, retirees, and their eligible dependents, for the period January 1, 2019 to December 31, 2019;

RESOLVED, That the City Council approve a ten percent (10%) contingency to be expendable from the Risk Fund, subject to City Administrator approval;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator is authorized to take all necessary actions to implement this resolution including execution of related documentation.