

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

CONTRACT RENEWAL
BLUECROSS BLUESHIELD OF ILLINOIS:
NO INCREASE IN ADMINISTRATIVE FEES FOR PPO MEDICAL PLAN

REPORTS

THE CHANCELLOR

that BlueCross BlueShield of Illinois has been the administrator for the Preferred Provider Organization (PPO) Medical Plan for employees and retirees of the City Colleges of Chicago since 2002; and

that the City Agency Healthcare Coalition received and evaluated competitive bids for PPO services from Aetna, BlueCross BlueShield of Illinois, CIGNA, Humana Inc. and United Healthcare, and recommends BlueCross BlueShield of Illinois as administrator for the PPO Medical Plan effective January 1, 2008 through December 31, 2010; and

that the contract with BlueCross BlueShield of Illinois expires on December 31, 2007 and the City Colleges of Chicago wishes to continue its relationship with BlueCross BlueShield of Illinois to offer PPO medical coverage to its employees and retirees at the reduced monthly administrative fee of \$27.00 per PPO participant originally negotiated by the City Agency Healthcare Coalition retroactive to July 1, 2006; and

that current and proposed BlueCross BlueShield of Illinois (BCBS) monthly administrative fees for medical claim payments per participating employee/retiree are as follows:

	Current Rate per PPO Participant	Proposed Rate per PPO Participant
Administrative Fee	\$27.00	\$27.00
Less BCBS Rx Rebate Credit	(\$13.68)	(\$13.31)
Net Administrative Fee	\$13.32	\$13.69

that the total dollars expended last year were \$375,109.80 and the estimated expenditure this year will not exceed \$354,639.45; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced contract renewal opportunity and BlueCross BlueShield of Illinois continues to be in compliance with the Board approved Participation Plan.

RECOMMENDS

THE CHANCELLOR

that the Board of Trustees hereby authorize the Chairman to execute the contract renewal with BlueCross BlueShield of Illinois for the Plan for the period January 1, 2008, through December 31, 2010, at an estimated annual cost not to exceed \$354,639.45.

FINANCIAL

Not to exceed \$354,639.45 per year

FY2008 - \$177,319.70 Education Fund - 00003-0025006-00084-10001-0000000-529099

FY2009 - \$354,639.45 Education Fund - 00003-0025006-00084-10001-0000000-529099

FY2010 - \$354,639.45 Education Fund - 00003-0025006-00084-10001-0000000-529099

FY2011 - \$177,319.70 Education Fund - 00003-0025006-00084-10001-0000000-529099

Respectfully submitted,

Wayne D. Watson
Chancellor