

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS**

**DISTRICT AGREEMENT WITH BLUECROSS BLUESHIELD OF ILLINOIS
ADMINISTRATIVE FEES FOR THE PPO MEDICAL PLAN
(Amend Board Report 30278 Adopted May 12, 2010)**

THE CHANCELLOR

REPORTS

that in Board Report 30278 adopted May 12, 2010, approval was given to enter into a contract renewal with BlueCross BlueShield of Illinois with no increase in the monthly administrative fee of \$27.00 for the PPO Medical Plan claim payments per participating employees/retirees for the period January 1, 2011 through December 31, 2011 at an estimated annual cost not to exceed \$354,963.18 with a one year option to renew; and

that under the contract with BlueCross BlueShield of Illinois (BCBSIL), Prime Therapeutics, LLC, owned by BCBSIL, was the pharmacy benefit manager for the prescription drug plan under the PPO Medical plan for employees and retirees; and

that as part of its role as pharmacy benefit manager, Prime Therapeutics, LLC, contracted with pharmaceutical manufacturers for prescription drug rebates which resulted in a BCBSIL prescription drug Rebate Credit of approximately \$186,764.82 (\$12.38 per participating employee/retiree per month) under the contract; and

that in Board Report 30626 adopted October 7, 2010, the Board authorized the termination of the relationship with Prime Therapeutics, LLC for the management of the City Colleges of Chicago prescription drug plan under the PPO Medical plan effective December 31, 2010 and the execution of a contract with Caremark LLC under which the District will realize an estimated 2.5 million dollars in savings for the PPO Medical Plan prescription drug component over the terms of a three year contract; and

that due to the termination of the relationship with Prime Therapeutics LLC, it is necessary to amend Board Report 30278 to remove the BCBSIL prescription drug Rebate Credit of \$12.38 per participating employee/retiree per month provided under the contract with Prime Therapeutics LLC; and

that due to the removal of the BCBSIL prescription drug Rebate Credit of \$12.38 per participating employee/retiree per month under the now terminated contract with Prime Therapeutics LLC, it is also necessary to amend Board report 302778 to reflect an increase in the total estimated annual cost of the contract with BCBSIL by \$186,764.82 from \$354,963.18 to \$541,728.00; and

that all other terms and conditions provided in Board Report 30278 remain the same.

THE CHANCELLOR

RECOMMENDS that the Board of Trustees authorizes the appropriation of an additional \$186,764.82 and further authorizes the Chairman to amend the agreement with Blue Cross Blue Shield to reflect the changes to the prescription drug plan and the removal of the Rebate Credit per participating employee/retiree.

FINANCIAL Not to exceed \$541,728.00
FY2011 – Not to Exceed \$270,864.00-00003-0025006-00084-10001-0000000-521100
FY2012 – Not to Exceed \$270,864.00-00003-0025006-00084-10001-0000000-521100

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

December 2, 2010- Office of Human Resources – District Office