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ADOPTED – BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
NOVEMBER 3, 2011

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

HEALTH MAINTENANCE ORGANIZATION (HMO)
MEDICAL HEALTH PLAN
BLUECROSS BLUESHIELD OF ILLINOIS
OFFICE OF HUMAN RESOURCES AND STAFF DEVELOPMENT, BENEFITS DIVISION

THE CHANCELLOR RECOMMENDS:

that the Board authorizes the Chairman to execute a professional services agreement with BlueCross BlueShield of Illinois for the Health Maintenance Organization (HMO) Plan for the employees and retirees of the City Colleges of Chicago for the period January 1, 2012 to December 31, 2012, at an annual total cost not to exceed \$11,727,907.

VENDOR: BlueCross BlueShield of Illinois
P.O. Box 1186
Chicago, IL 60690-1186

USER: All Eligible Employees, Retirees and their dependents

TERM:

The terms of this agreement shall begin on January 1, 2012 and ended on December 31, 2012.

SCOPE OF SERVICES:

BlueCross BlueShield of Illinois (BCBS IL) will provide the HMO medical plan for eligible active and retired employees of City Colleges of Chicago.

	<u>2012 HMO IL</u>	<u>2012 HMO BA</u>	<u>2012 HMO BA</u>
	<u>Monthly</u>	<u>Monthly</u>	<u>Monthly</u>
	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>
	<u>15.3%</u>	<u>11%</u>	<u>4.7%</u>
	<u>Increase</u>	<u>Increase</u>	<u>Increase</u>
<u>Employees:</u>			
Single	\$466.09	\$448.80	\$423.44
Family	\$1,340.30	\$1,290.56	\$1,217.64
<u>Retirees:</u>			
Single Non-Medicare	\$736.97	\$709.63	\$669.54
Couple Non-Medicare	\$2,122.60	\$2,043.84	\$1,928.36
Family Non-Medicare	\$2,122.60	\$2,043.84	\$1,928.36
Single Medicare	\$241.13	\$232.19	\$219.07
Couple Medicare	\$482.28	\$464.38	\$438.14

Couple (1 w/Medicare; 1 w/o Medicare)	\$978.10	\$941.82	\$888.61
Family (1 w/Medicare; 2+ w/o Medicare)	\$2,122.60	\$2,043.84	\$1,928.36
Family (2 w/Medicare; 1 w/o Medicare)	\$1,219.25	\$1,174.01	\$1,107.68

BENEFIT TO CITY COLLEGES OF CHICAGO:

City Colleges of Chicago initially received an increase of 16.4% for the HMO 2012 renewal. Working with BCBS IL, it was determined that CCC could reduce its renewal by making several changes. Some of those changes included a network change to Blue Advantage and retaining BCBS IL as our exclusive medical carrier. As a result, 80% of the insurable population will receive an 15% - 11% increase. For the remaining 20% of the insurable population, several consumer driven health plan designs were reviewed to bring CCC’s health plan in alignment with the marketplace and promote employee ownership. As a result of selecting an alternative plan design, this population will receive a 4.7% increase.

As a result of these changes, our overall insurance increase is anticipated to be 10.1%.

VENDOR SELECTION CRITERIA:

The City Colleges of Chicago participated in the City’s Agency Healthcare Coalition HMO Request For Proposal (RFP) for medical coverage. Chicago Public Schools retained Molloy Consulting Services to conduct the RFP process on behalf of the Coalition. Aetna, BlueCross BlueShield of Illinois, CIGNA, Humana, Inc. and United HealthCare were the health insurance carriers that responded to the RFP. BlueCross BlueShield of Illinois was the only insurance carrier that was able to meet the RFP scope of services and retain overall cost. The evaluation criteria required that vendors provide the following:

- Ability to duplicate CCC’s current plan design for HCR and CBA compliance
- Provide alternative network with minimum disruptions
- Competitive pricing and plan design options

MBE/WBE COMPLIANCE:

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

MBE Vendors:

Innovative Systems 799 Roosevelt Rd Glen Ellyn, IL 60137	Indirect Participation	City Certification
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Creative Printing 1701 Birchwood	Indirect Participation	City Certification
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Des Plaines, IL 60018

WBE Vendor:

A&R Janitorial
5324 W 25th
Cicero, IL 60804

Indirect Participation

City Certification

GENERAL CONDITIONS:

Inspector General – It shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General’s authority under Article II, Section 2.6.4(b) of the Board Rules for Management and Government.

Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions of the Board’s Ethics Policy adopted January 7, 1993, and as amended by the Board.

FINANCIAL:

Total: \$11,727,907

Charge to: Office of Human Resource and Staff Development, Benefits

Source of Funds: Educational Fund

FY12 - \$5,600,000: 00003-0025006-00084-10010-0000000-521100

FY13 - \$6,127,907: 00003-0025006-00084-10010-0000000-521100

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

November 3, 2011 – Office of Human Resources and Staff Development – District Office