

**AUTHORIZE NEW AGREEMENT WITH UNITED HEALTHCARE SERVICES, INC.
FOR PPO MEDICAL PLAN SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with United HealthCare Services, Inc. ("Vendor") to provide Preferred Provider Organization (PPO) medical plan services to the Talent Office at a cost of approximately \$2,100,000.00 annually, total cost not to exceed \$6,300,000.00 for the three year term. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification Number : 13-250041

Contract Administrator : Seanior, Miss Pamela Dorcas / 773-553-2280

CONSULTANT:

- 1) Vendor # 59915
UNITED HEALTHCARE SERVICES INC.
233 NORTH MICHIGAN AVE.
CHICAGO, IL 60601
Scott Behnke
312 424-4880

USER INFORMATION:

Project
Manager: 11010 - Office of Human Capital
125 S Clark St - 2nd Floor
Chicago, IL 60603
Wolter, Mr. William R.
773-553-3807

TERM:

The term of this agreement shall commence on January 1, 2014 and shall end December 31, 2016. This agreement shall have two options to renew for periods of one year each with the cost of each option not to exceed \$2,500,000.00.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

Vendor will provide PPO medical plan administrative services to eligible CPS employees including, but not limited to, network access to medical providers and facilities, health plan claims administration, comprehensive customer service, and health plan enhancement services.

DELIVERABLES:

Vendor will provide the following deliverables to CPS and eligible employees and dependents covered by the health plan:

- Maintain a PPO network of health providers and facilities that offer contractual discounts for the benefit of plan members and the Board.
- Adjudicate health plan claims pursuant to the Board plan of benefits.
- Provide comprehensive customer service to plan enrollees including a toll free customer service phone number available 24 hours, seven days a week, and a customer website that offers member-specific enrollment and plan usage information.
- Provide experience reports including, but not limited to, claims, usage, and cost reports on a monthly basis or as requested by the Board.
- Notify the Board regarding legislative changes that potentially impact medical plan design and implement changes as requested by the Board.
- Receive, maintain, and process the medical plan participant and dependent eligibility files in an accurate and timely manner, and in a format and time frames established by the Board.
- Develop employee communication brochures, pamphlets and materials.
- Undertake all other necessary tasks to properly administer the services, including but not limited to, recording eligibility based upon the provided eligibility information, sending I.D. cards, communications and brochures to employees, reviewing claims appeals, and directing employees to the appropriate use of medical plan benefits and services.
- Attend open enrollment or special enrollment meetings as required.
- Provide continuation coverage to employees who are on inactive status due to medical leave of absence, suspension, Workers' Compensation, pension disability or a temporary lay-off in accordance with the Agency's continuation of coverage programs.
- Analyze and recommend various medical plan initiatives with the goal of enhancing benefits and reducing medical plan costs, present such initiatives to stakeholders at the request of the Board, and implement initiatives at the direction of the Board.

OUTCOMES:

Vendor's services will result in comprehensive and cost effective healthcare coverage for eligible CPS employees through contracted discounts with preferred providers and healthcare facilities.

COMPENSATION:

Vendor shall be paid as follows: at an agreed upon per employee per month administrative fee as stated in the written agreement; approximately \$2,100,000 annually, total not to exceed \$6,300,000.00 for the three year term.

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Talent Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

The MBE/WBE goals for this agreement include 25% total MBE and 5% total WBE participation. However, the Waiver Review Committee recommends that a partial waiver of the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, be granted; as the scope of services is not further divisible.

The Vendor has identified the following:

Total MBE: 12%
Risk Management Solutions of America
309 W. Washington, Suite 200
Chicago, IL 60606
Contact: Bennie Jones

Total WBE: 3%
Risk Management and Information Systems, Inc.
151 N. Michigan Ave., Suite 2404
Chicago, IL 60601
Contact: Celeste S. Watts

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to the Talent Office:
FY2014 - \$1,050,000.00
FY2015 - \$2,100,000.00
FY2016 - \$2,100,000.00
FY2017 - \$1,050,000.00

Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



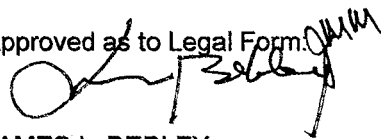
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY
General Counsel