

**APPROVE THE RENEWAL OF THE EXISTING AGREEMENT WITH MAGELLAN
BEHAVIORAL HEALTH TO PROVIDE MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the renewal of the existing Administrative Services Agreement with Magellan Behavioral Health to continue providing mental health/substance abuse services for the Board of Education's self-funded medical plan, at a cost not to exceed \$500,000.00 for a period of 6 months. A written renewal agreement is currently being negotiated. No payment shall be made to vendor during the renewal period prior to the execution of the written renewal agreement. The authority granted herein shall automatically rescind in the event a written renewal agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this renewal agreement is stated below.

Specification No.: 99-25041

<p>VENDOR: Magellan Behavioral Health Marjorie Ackerman 6920 Columbia Gateway Drive Columbia, MD (312) 279-4000 Vendor No. 31700</p>	<p>USER: Bureau of Risk and Benefits Management 125 South Clark – 14th Floor Georgette Hampton, Director (773) 553-2818</p>
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ORIGINAL AGREEMENT The original agreement (authorized by Board Report 99-1215-PR37) is for a term commencing January 1, 2000, and ending December 31, 2001, with the Board having two options to renew for 12-month periods. Renewal option costs shall not exceed \$871,200.00 per year. Both options to renew were exercised for a term commencing January 1, 2002 and ending December 31, 2003, in the amount of \$871,200.00 per year (authorized by Board Report 01-0926-PR31). Magellan Behavioral Health was selected pursuant to a Request for Proposals as a "carve-out" for the administration of the Board's mental health/substance abuse program in the self-funded health plan, Blue Cross/Blue Shield in 1998.

RENEWAL TERM: The Administrative Services Agreement shall be renewed for a term commencing on January 1, 2004, and ending June 30, 2004. The six month renewal is needed to complete a Request for Proposal for the Boards Self-Insurance Medical Program to accommodate the re-design of the Program.

SCOPE OF SERVICES: Magellan will continue to provide behavioral health services to Chicago Public School employees who elect to participate in the Blue Cross Blue Shield POS insurance program. The Magellan Service Center network includes practitioner's offices, psychologists, social workers, and other licensed behavioral healthcare professionals in inpatient facilities, partial day hospitals intensive outpatient programs, outpatient rehabilitation programs, and other community-based ambulatory centers, and the members home.

DELIVERABLES: Magellan will provide access to discounted Provider Network, monthly experience reports, claims adjudication and administrative services for self insured mental program

OUTCOMES: Magellan will continue to provide savings in health insurance cost.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the renewal agreement. Authorize The President and the Secretary to execute the renewal agreement. Authorize the Director of Risk and Benefits Management to execute all ancillary documents required to administer or effectuate this renewal agreement.

COMPENSATION: Magellan Behavioral Health shall be paid a fee not to exceed \$500,000.00.

AFFIRMATIVE ACTION: Contract Amount \$500,000.00.

The vendor has agreed to maintain the originally proposed participation and has identified the following firms and percentages.

Waiver approved 6/22/01

.3% African American:

Green Gallery Plus	1541 W. Division, Chgo., IL 60622	\$1,500.00/.3%
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.6% Hispanic:

Canal Port Vending	2635 S. Wabash, Chgo., IL 60616	\$3,000.00/.6%
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.2% Asian:

David Mee-Lee	4228 Boxeider Pl., Davis CA 95616	\$1,000.00/.2%
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17% Woman Owned:

Remedy Staffing	6 N. Michigan Ave., Chgo., IL 60606	\$35,000.00/7%
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Banner Personnel	122 S. Michigan Ave., Ste. 1510, Chgo., IL 60603	\$30,000.00/6%
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Arrow Messenger	1322 W. Walton, Chgo., IL 60622	\$2,000.00/.4%
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LSC REVIEW: Local School Council approval is not applicable to this report

FINANCIAL: Charge to Risk and Benefits Management: \$500,000.00 Fiscal Year: 2004

Budget Classification: Charge to sundry units, all operating funds, sundry programs, hospital insurance (object 5680)

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.

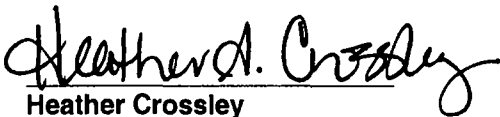
Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

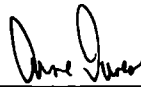
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

Approved:



**Heather Crossley
Chief Purchasing Officer**



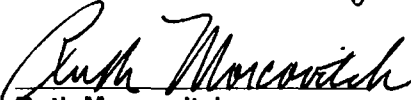
**Arne Duncan
Chief Executive Officer**

Within Appropriation:



**John Maiorca
Chief Financial Officer**

Approved as to legal form:



**Ruth Moscovitch
General Counsel**