

**AMEND BOARD REPORT 04-0324-PR21
APPROVE ENTERING INTO AN AGREEMENTS WITH
UNITED HEALTH CARE OF ILLINOIS INSURANCE COMPANY AND UNITED BEHAVIORAL HEALTH
FOR HEALTH CARE ADMINISTRATIVE SERVICES, BEHAVIORAL HEALTH AND FLEXIBLE
SPENDING ACCOUNT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with United Health Care of Illinois Insurance Company to provide network access, claims administration, utilization review, medical management oversight, a health maintenance organization, ~~behavioral health services~~, and flexible spending accounts for the Board's self-funded medical plan at a cost not to exceed \$30,000,000.00 for a period of 30 months. Approve entering into an agreement with United Behavioral Health to provide mental health and substance abuse management services under the Board's healthcare program. The total cost for both vendors for a 30 month term shall not exceed \$30,000,000.00. United Health Care and United Behavioral Health was were selected on a competitive basis pursuant to a duly advertised Request for Proposal (Specification No. 03-250288). A Written agreements is are currently being negotiated. No payment shall be made to either vendor prior to the execution of ~~the~~ these written agreements. The authority granted herein shall automatically rescind as to each vendor in the event a written agreement for such vendor is not executed within 120 days of the date of this amended Board Report. Information pertinent to ~~this~~ these agreements is stated below.

This amended board report is necessary to add the name and information regarding an additional vendor and to correct the vendor name for United Health Care Insurance Company. United Behavioral Health, will provide the mental health and substance abuse services for this matter.

Specification No.: 03-250288

<p>VENDOR: 1. United Health Care of Illinois Insurance Company 233 North Michigan Avenue Shannon Taylor Chicago, Illinois 60601 (312) 424-6581 Vendor No.: <u>23320</u></p>	<p>2. United Behavioral Health 1900 East Golf Road, Suite 300 Steven D. Prepelica, M.S.W. Schaumburg IL 60173 (847) 585-4878 Vendor No.: <u>12796</u></p>
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USER: Bureau of Risk and Benefits Management
125 South Clark – 14th Floor
Chicago, IL 60603
Georgette Hampton, Director
(773) 553-2818

TERM: The term of ~~this~~ each agreement shall commence on July 1, 2004 and shall end December 31, 2006. ~~This~~ Each agreement shall have (2) two options to renew for 12 months each.

DESCRIPTION OF SERVICES: United Health Care will provide network access, claims administrative services, health maintenance organization, ~~behavioral health~~ and flexible spending accounts for a self-insured health plan. United Behavioral Health will provide mental and substance abuse management services and access to their network of mental health providers.

DELIVERABLES: United Health Care will provide access to a network of medical ~~and behavioral health~~ providers, who will provide claims administration services, conduct utilization review and management services, and administer flexible spending accounts, including monthly experience reports. United Behavioral Health will provide access to a network of behavioral health providers and will conduct utilization review, and management services, including monthly experience reports.

OUTCOMES: United Health Care, and United Behavioral Health will provide comprehensive and affordable healthcare coverage through contracted discount and prepaid provider arrangements for the Board's self-insured medical program for Chicago Public School employees.

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

COMPENSATION: United Health Care shall be paid an annual network access/administration fee not to exceed \$12,000,000.00; total cost not to exceed \$30,000,000.00 for the 30 month term. Vendors shall be paid fees in accordance with the compensation schedule set forth in each agreement, total cost not to exceed \$30,000,000.00 for both vendors for the 30 month term.

AFFIRMATIVE ACTION: The M/WBE goals for this contract include: 35% total MBE 22% total African American 10% total Hispanic 2% total Asian and 5% WBE.

However, the Wavier Review Committee recommends that a partial waiver of the M/WBE participation goals for this contract as required by the Revised Remedial Plan be granted because the contract scope is not further divisible.

Total MBE 22.8%

Total African American 9.4%

Angel Flight Marketing \$250,000 3.7%
222 S. Morgan Ave.
Chicago, IL. 60607

Merchandise Distributors \$350,000 5.2%
4253 N. Kedzie
CHICAGO ,IL. 60618

Corfran \$30,000 .5%
P.O. Box 498-495
Chicago IL. 60649

Total Hispanic 13.4%

Psychealth \$900,000 13.4%
922 Davis #1
Chicago, IL.

Total WBE .6%

Double Image Press \$41,756 .6%
151 N. Brandon Drive
Glendale Heights

LSC REVIEW: Local School Council approval is not applicable to this report

FINANCIAL: Charge \$12,000,000.00 for Fiscal Year 2005
 Charge \$12,000,000.00 for Fiscal Year 2006
 Charge \$6,000,000.00 for Fiscal Year 2007

Budget Classification: Charge to sundry units, 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.

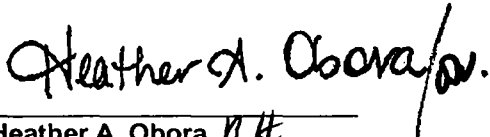
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their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



Heather A. Obora *B.H.*
Chief Purchasing Officer

Approved:



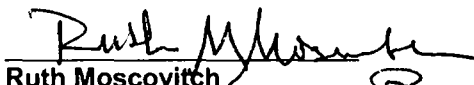
Arne Duncan
Chief Executive Officer

Within Appropriation:



John Maiorca
Chief Financial Officer

Approved as to legal form: 



Ruth Moscovitch
General Counsel 