

08-0827-PR30

APPROVE ENTERING INTO AN AGREEMENT WITH ENCOMPASS HEALTH MANAGEMENT SYSTEMS FOR UTILIZATION MANAGEMENT AND CASE MANAGEMENT SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with Encompass Health Management Systems to provide utilization management and case management services for the Board's self-insured health care program at a cost not to exceed \$2,500,000.00. Vendor was selected on a competitive basis pursuant to Board Rule 5-4.1. A written agreement for Vendor's services is currently being negotiated. No payment shall be made to Vendor prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this agreement is stated below.

VENDOR:

1)
Encompass Health Management Systems
6000 Westown Parkway,
West Des Moines, Ia 50266-7771
Keith Vendr Kolk
515-223-2857
Vendor # 24539

USER:

Office of Human Resources
125 S Clark St - 2nd Floor
Chicago, IL 60603
Dale Moyer
773-553-2818

TERM:

The term of this agreement shall commence on January 1, 2009 and shall end December 31, 2011. This agreement shall have two options to renew for periods of one year each with the cost of each option period not to exceed \$2,000,000.00.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

Vendor will provide medical necessity, utilization review and case management services for the Board's self-insured health care program.

DELIVERABLES:

Vendor will provide utilization review, case management, quality of care evaluations, peer to peer consultations, and quarterly reports, including but not necessarily limited to evaluation reports.

OUTCOMES:

Vendor's services will result in comprehensive and affordable medical advisory services, which will result in program savings for the Board's self-insured medical program for Chicago Public Schools and Board's enrollees.

COMPENSATION:

Vendor's fees will be set out in the written agreement with maximum compensation for the original agreement term not to exceed \$2,500,000.00.

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 Human Resources Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

This contract is in full compliance with the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation (M/WBE Plan). The M/WBE participation goals for this contract include 35% total MBE and 5% total WBE. The vendor has identified and scheduled the following:

Total MBE = 35%

Seaway National Bank
645 E. 87th St.
Chicago, IL 60619

Highland Community Bank
1701 E. 87th St.
Chicago, IL 60620

Meadows Office Supply
880 Remington Road
Schaumburg, IL 60173

Total WBE = 5%

The Travel Gallery
6645 N. Oliphant
Chicago, IL 60631

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to the Department of Human Resources: \$2,500,000.00

Contract Year 1 (FY09-FY10): \$800,000.00

Contract Year 2 (FY10-FY11): \$830,000.00

Contract Year 3 (FY11-FY12): \$870,000.00

Budget Classification: Charge to sundry units, all operating funds, sundry programs, hospital insurance (account 57305)

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 June 23, 2004 (04-0623-PO4), 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
Chief Purchasing Officer

Approved:



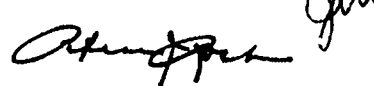
ARNE DUNCAN
Chief Executive Officer

Within Appropriation:



PEDRO MARTINEZ
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS
General Counsel