

**AMEND BOARD REPORT 08-0827-PR23****AMEND BOARD REPORT 05-1026-PR12****AMEND BOARD REPORT 04-0324-PR20****APPROVE ENTERING INTO AN AGREEMENT WITH BLUE CROSS BLUE SHIELD OF ILLINOIS FOR HEALTH CARE ADMINISTRATION SERVICES****THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into an agreement with Blue Cross Blue Shield of Illinois to provide network access, claims administration, medical management oversight and a health maintenance organization for the Board's self-funded medical plan, at a cost not to exceed ~~\$70,000,000.00~~ \$81,000,000.00. Blue Cross Blue Shield of Illinois was selected on a competitive basis pursuant to a duly advertised Request for Proposal (Specification No. 03-250288). A written agreement 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 amended Board Report. Information pertinent to this agreement is stated below.

This amendment is necessary to change the original term of the health maintenance organization agreement, commencing July 1, 2004 and ending December 31, 2006, to end December 31, 2008. This extension will allow the Board to take advantage of guaranteed rates for calendar years 2007-2008.

This second amendment is necessary to change the ending date of the written agreement regarding the health maintenance organization (HMO) services to December 31, 2010, and to increase the dollar amount from \$50,000,000.00 to \$70,000,000.00 for all services. This extension is needed in order to provide sufficient time to complete a comprehensive RFP. A written amendment to this agreement is required. The authority granted herein shall automatically rescind in the event a written amendment is not executed within 120 days of this amended Board Report.

This November 2010 amendment is necessary to i) extend the ending date of the written agreement regarding health maintenance organization (HMO) services to December 31, 2011, ii) to increase the dollar amount from \$70,000,000.00 to \$81,000,000.00 for all services, and iii) revise the affirmative action section. This extension is needed in order to provide sufficient time to define the requirements, issue and evaluate a comprehensive RFP compliant with new federal healthcare reform legislation. A written amendment to this agreement is required. The authority granted herein shall automatically rescind in the event a written amendment is not executed within 120 days of this amended Board Report.

Specification Number : 03-250288  
 Contract Administrator : Pamela Seanior / 773-553-2254

**VENDOR:**

- 1) Vendor # 36410  
 HEALTH CARE SERVICE CORPORATION  
 D/B/A BLUE CROSS BLUE SHIELD OF  
 ILLINOIS  
 300 E. RANDOLPH  
 CHICAGO, IL 60601  
 Paul S. Boulis  
 312-653-7921

**USER:**

Office of Human Capital  
 125 S Clark St - 2nd Floor  
 Chicago, IL 60603

Contact : Dale Moyer  
Phone: 773-553-2818

**TERM:**

The term of each agreement shall commence on July 1, 2004 and shall end December 31, ~~2010~~ 2011 for the health maintenance organization agreement, and shall end on December 31, ~~2008~~ 2011 for any remaining agreements. Each agreement shall have (2) options to renew for 12 months each.

**DESCRIPTION OF SERVICES:** Blue Cross Blue Shield will provide network access and administrative services and provide a health maintenance organization for the Board's self-insured health plan.

**DELIVERABLES:**

Blue Cross Blue Shield will provide access to a network of medical providers, and a prepaid health maintenance organization, including monthly experience reports.

**OUTCOMES:**

Blue Cross Blue Shield will provide comprehensive and affordable healthcare coverage through contracted discounts and prepaid provider arrangements for the Board's self-insured medical program for Chicag Public School employees.

**COMPENSATION:**

Blue Cross Blue Shield shall be paid at the fees set forth in the written agreements for the entire term not to exceed ~~\$70,000,000.00~~ \$81,000,000.00.

**AUTHORIZATION:**

Authorize the General Counsel to include other relevant terms and conditions in the agreement and amendment ~~as amended~~. Authorize the President and Secretary to execute the agreement and amendment ~~as amended~~. Authorize the Chief Human Resources Capital Officer or the Director Officer of Benefits Management to execute all ancillary documents required to administer or effectuate this agreement as amended.

**AFFIRMATIVE ACTION:**

This contract is in full compliance with the goals required by the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/MBE Plan). The M/WBE Participation goals for the contract include: 35% total MBE, ~~10%~~ total Hispanic, ~~2%~~ total Asian and 5% total WBE. The vendor has identified and scheduled the following firms and percentages:

**Total MBE - 35%**

~~Total 22% African American:~~

~~Community Insurance Center \$1,176,000  
526 E. 87th Street  
Chicago, Illinois 60619~~

~~Minor's Unique Printing \$2,940,000  
333 W. Hintz Road  
Wheeling, Illinois 60090~~

~~Sayers Computer Source \$1,176,000  
825 Corporate Woods Parkway  
Vernon Hills, Illinois 60061  
1150 Feehanvill Drive  
Mt. Prospect, Illinois 60015~~

~~Tri-Tech Solutions-Karr, Inc. \$882,000  
5415 S. Ingleside  
Chicago, Illinois 60615~~

Total Hispanic 10%

~~A&R Janitorial Services \$1,764,000  
5234 W. 25th Street  
Cicero, Illinois 60804~~

~~Magic Lantern Studios \$588,000  
11381 Allison Ct.  
Huntley, Illinois 60142~~

~~MTG Productions \$588,000  
1580 N. Northwest Highway Ste. 312  
Park Ridge Illinois 60068~~

Total 3% Asian

~~Innovative Systems \$882,000  
799 Roosevelt Road  
Glen Ellyn, Illinois~~

**Total 5% WBE**

~~Perez & Associates, Inc.  
13930 S. Kildare Avenue  
Crestwood, Illinois 60445~~

~~Terrance Electric \$1,176,000  
1015 South Route 83  
Elmhurst, Illinois~~

~~MICRO III \$294,000  
1102 N. Garfield  
Lombard, Illinois~~

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

- Charge \$10,000,000.00 for Fiscal Year 2005
- Charge \$10,000,000.00 for Fiscal Year 2006
- Charge \$10,000,000.00 for Fiscal Year 2007
- Charge \$10,000,000.00 for Fiscal Year 2008
- Charge \$10,000,000.00 for Fiscal Year 2009
- Charge \$10,000,000.00 for Fiscal Year 2010
- Charge \$10,000,000.00 for Fiscal Year 2011
- Charge \$11,000,000.00 for Fiscal Year 2012

Budget Classification: Charge to sundry units, all operating funds, sundry programs, hospitals insurance ( ~~object 5680~~ account 57305)

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.

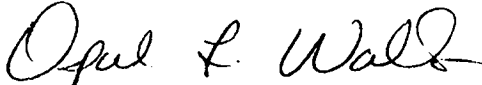
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



OPAL L. WALLS  
Chief Purchasing Officer

Approved:




RON HUBERMAN  
Chief Executive Officer

Within Appropriation:



DIANA S. FERGUSON  
Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS  
General Counsel