

**APPROVE ENTERING INTO AN AGREEMENT WITH BLUECROSS BLUESHIELD OF ILLINOIS FOR  
HMO HEALTH CARE ADMINISTRATION SERVICES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Approve entering into an agreement with BlueCross BlueShield of Illinois, a division of Health Care Services Corporation, to provide administrative services including network access, claims administration, medical management oversight, and a health maintenance organization for the Board's self-funded medical plan, to the Office of Human Capital at a total cost not to exceed \$16,270,380 not including payments for hospital, medical, physician, clinical, and other healthcare costs. BlueCross BlueShield of Illinois was selected on a competitive basis pursuant to Board Rule 7-2 (Specification No: 11-250020). 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 120 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification Number : 11-250020

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

**VENDOR:**

- 1) Vendor # 36410  
HEALTH CARE SERVICE CORPORATION  
D/B/A BLUE CROSS BLUE SHIELD OF  
ILLINOIS  
300 E. RANDOLPH  
CHICAGO, IL 60601  
Cary Goldstein  
312 653-4581

312-653-4475

**USER INFORMATION :**

Contact:

11010 - Office of Human Capital

125 S Clark St - 2nd Floor

Chicago, IL 60603

Moyer, Mr. Dale Michael

773-553-1070

**TERM:**

The term of this agreement shall commence on January 1, 2012 and shall end December 31, 2014. This agreement shall have two (2) options to renew for periods of 12 months each at a cost not to exceed \$5,974,353.00 for the first option period and \$6,273,070.65 for the second option period.

**EARLY TERMINATION RIGHT:**

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

**SCOPE OF SERVICES:**

BlueCross BlueShield of Illinois will provide administrative services including network access, claims administration, medical management oversight, and a health maintenance organization for the Board's self-funded health plan.

**DELIVERABLES:**

BlueCross BlueShield of Illinois will provide network access to a network of medical providers, and a prepaid health maintenance organization, including monthly experience reports.

**OUTCOMES:**

BlueCross BlueShield of Illinois will result in comprehensive and affordable HMO healthcare for the Board's self-insured medical program for Chicago Public Schools employees.

**COMPENSATION:**

BlueCross BlueShield of Illinois will be paid according to the fees set forth in the written agreement; total for the term not to exceed the sum of \$16,270,380.00.

**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 Capital Officer to execute all ancillary documents required to administer or effectuate this agreement.

**AFFIRMATIVE ACTION:**

This agreement is in full compliance with the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts. The MBE/WBE requirements for this agreement are 25% total MBE and 5% total WBE participation.

The Vendor has identified and scheduled the following:

**Total MBE - 35%**

A&R Janitorial  
5234 West 25th Street  
Cicero, Illinois 60804

Sayers 40  
825 Corporate Woods Parkway  
Vernon Hills, Illinois 60061

Innovative Systems Group  
799 Roosevelt Road, Building 4 - Suite 109  
Glen Ellyn, Illinois 60137

**Total WBE - 5%**

Perez And Associates, Inc.  
13930 S. Kildare  
Crestwood, Illinois 60445

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

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

FY 2012 - \$2,580,750.00

FY 2013 - \$5,290,260.00

FY 2014 - \$5,554,440.00

FY 2015 - \$2,844,930.00

**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.

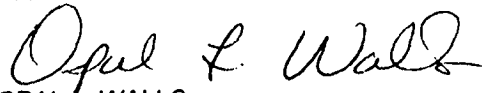
Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their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



OPAL L. WALLS  
Chief Purchasing Officer

Approved:



JEAN-CLAUDE BRIZARD  
Chief Executive Officer

Within Appropriation:



MELANIE A. SHAKER  
Interim Chief Financial Officer

Approved as to Legal Form:



PATRICK J. ROCKS  
General Counsel