

APPROVE ENTERING INTO AN AGREEMENT WITH UNITED HEALTHCARE SERVICES, INC. TO PROVIDE HMO (EXCLUSIVE PROVIDER ORGANIZATION) ADMINISTRATIVE SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an agreement with United HealthCare Services, Inc. to provide administrative services including network access, claims administration, utilization review, medical management oversight, and an HMO (exclusive provider organization) for the Board's self-funded health plan, to the Office of Human Capital at a total cost not to exceed \$4,226,460.00, not including payments for hospital, medical, physician, clinical, and other healthcare costs. United HealthCare Services 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 # 59915
UNITED HEALTHCARE SERVICES INC.
233 NORTH MICHIGAN AVE.
CHICAGO, IL 60601
Cary Goldstein
312 424-4880

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 \$1,551,879.00 for the first option and \$1,629,472.95 for the second option.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

United HealthCare Services, Inc. will provide administrative services including network access, claims administration, medical management oversight, and an HMO (exclusive provider organization) for the Board's self-insured health plan.

DELIVERABLES:

United HealthCare Services, Inc. will provide network access to a network of medical providers, claims administration, and monthly experience reports.

OUTCOMES:

Health care plan administration provided by United HealthCare Services, Inc. will result in comprehensive, quality, and affordable healthcare coverage for enrolled Chicago Public School employees.

COMPENSATION:

United HealthCare Services, Inc. will be paid according to the fees set forth in the written agreement; total for the original term not to exceed the sum of \$4,226,460.00.

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 - 25%

411 Computers, Inc.
6160 South East Avenue, Suite 300
LaGrange, Illinois 60525

Merchandise Distributors, Inc.
4141 North Rockwell, Unit N
Chicago, Illinois 60618

The Blackstone Group
360 North Michigan Avenue, 15th Floor
Chicago, Illinois 60601

Total WBE - 5%

Hernandez & Garcia LLC
7366 North Lincoln Avenue, Suite 201
Lincolnwood, Illinois 60712

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Budget Classification: Charge to sundry units, all operating funds, sundry programs, hospital Insurance (Account 57305)
FY 2012 - \$670,320
FY 2013 - \$1,374,240
FY 2014 - \$1,442,910
FY 2015 - \$738,990

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

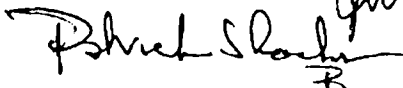
Approved:


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