

AUTHORIZE A NEW AGREEMENT WITH HEALTH CARE SERVICE CORPORATION D/B/A BLUE CROSS BLUE SHIELD OF ILLINOIS FOR HMO MEDICAL PLAN SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with Health Care Service Corporation d/b/a Blue Cross Blue Shield of Illinois to provide HMO medical plan services to the Talent Department at an estimated annual cost set forth in the Compensation Section of this report. Vendor was selected on a competitive basis pursuant to Board Rule 7-2, via a joint RFP with the City of Chicago under specification number 131782. 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 the execution of their written agreement. The authority granted herein shall automatically rescind in the event their written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-3295

VENDOR:

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

Ownership: Mutual Legal Reserve Company
(Hcsc) There Are No Owners With Greater
Than 10% Ownership

USER INFORMATION :

Project
Manager: 11010 - Talent Office

42 West Madison Street

Chicago, IL 60602

Fairhall, Ms. Gail A

773-553-3807

TERM:

The term of this agreement shall commence on January 1, 2016 and shall end on December 31, 2018. This agreement shall have two (2) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT:

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

SCOPE OF SERVICES:

Vendor will provide administrative services including network access, provider (doctors and hospital) management, claims administration, medical management oversight, and a health maintenance organization (HMO) for the Board's self-funded health plan. This health plan includes inpatient and outpatient medical services.

DELIVERABLES:

Vendor will provide network access to a network of medical providers (doctors and hospitals) and a prepaid health maintenance organization (HMO), including monthly experience reports and quarterly performance analysis.

OUTCOMES:

Vendor's services will result in comprehensive and affordable HMO healthcare for the Board's self-insured medical benefits program for Chicago Public Schools employees. Additionally, it will lower the costs for the Board to provide medical benefits to employees.

COMPENSATION:

Estimated annual costs for the three (3) year term are set forth below:

\$2,250,000.00, FY16

\$4,500,000.00, FY17

\$4,500,000.00, FY18

\$2,250,000.00, FY19

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

AFFIRMATIVE ACTION:

Vendor is in full compliance with the CPS portion of MBE/WBE requirements assigned by the City for this joint RFP. The MBE/WBE goal assignment for this joint RFP were set at: 25% total MBE and 5% total WBE participation.

The Vendor has scheduled the following:

Total MBE 25%

Sayers Technology, LLC
825 Corporate Woods Parkway
Vernon Hills, Illinois 60061
Attn: Peggy Kerber

Innovative Systems Group, Inc.
799 Roosevelt Road, Building 4, Ste. 109
Glen Ellyn, Illinois 60137
Attn: Gerry Schoenneman

Perez & Associates, Inc.
13930 S. Kildare Ave.
Crestwood, Illinois 60445
Attn: Eugina McAuliffe

Total WBE 5%

A&R Janitorial Services
5234 West 25th Street
Cicero, Illinois 60804
Attn: Deborah Pintor

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Pension & Liability Insurance - City Wide, Unit #12470
\$2,250,000.00, FY16
\$4,500,000.00, FY17
\$4,500,000.00, FY18
\$2,250,000.00, FY19

Not to exceed \$13,500,000.00 for the three (3) year term.
Future year funding is contingent upon budget appropriation and approval.

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:



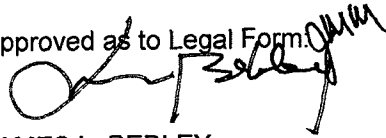
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



FORREST CLAYPOOL
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY
General Counsel