

Request for City Council Action

Date: March 3, 2015

Agenda Section: Consent Agenda No. 5	Originating Department: City Manager
Item: A Resolution Authorizing the City Manager to Execute a Professional Services Contract with Blue Cross Blue Shield to Provide Health Insurance Coverage for City Employees, Retirees, and Their Dependents No. 5.10	Approved:

Background and Summary:

On March 20, 2012, the City Council authorized the City Manager to enter into a contractual agreement with Health Alliance to provide healthcare insurance for City Employees and Retirees for the contract year beginning May 1, 2012, ending April 30, 2013. The City has continued to work with Health Alliance to provide healthcare insurance for subsequent fiscal years.

In February 2015, Health Alliance notified the City that the contractual agreement between Health Alliance and HealthLink would be ending effective March 31, 2015. HealthLink provided “in-network” coverage for employees, retirees, and their dependents who utilized regional health care providers outside of southern Illinois. In addition Health Alliance proposed increasing monthly premiums by 35% for FY 2016.

With this late notice the City was able to contact two additional companies to provide quotes for coverage for the upcoming year. Blue Cross Blue Shield presented the most balanced benefit option with the lowest increase in cost. The plan chosen is one that includes a Health Reimbursement Account method of paying claims similar to the program utilized currently.

Additionally due to the change in benefits provided by Health Alliance the City believes that it is in our best interest to begin the contract with Blue Cross Blue Shield effective April 1, 2015 so that the members of the group do not lose the ability to go to their normal providers outside of southern Illinois at their expected benefit levels.

A not to exceed amount is not available due to nature of the cost of insurance. Total premiums are dependent on the choices of the members of the group as to how many lives are insured. Based on the current plan census the premium is expected to cost approximately \$2,638,749 in FY 2016.

Recommended Action:

It is recommended that the City Council approve a Resolution authorizing the City Manager to execute a Professional Services Contract with Blue Cross Blue Shield to provide Health Insurance coverage for City employees, retirees and their dependants to be effective April 1, 2015 through April 30, 2016.

Engineering Approval Obtained	Finance Approval Obtained	Legal Approval Obtained	Approval Obtained	Manager's Approval Obtained
Council Action: Motion by: _____			2nd by: _____	to: _____

RESOLUTION NO. 2015-R-_____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH BLUE CROSS BLUE SHIELD FOR EMPLOYEE HEALTH INSURANCE

WHEREAS, the City of Carbondale, Illinois, is a municipal corporation created under the laws of the State of Illinois; and

WHEREAS, the City of Carbondale, Illinois, is a home rule unit of local government under the Illinois Constitution, 1970, Article VII, Section 6; and

WHEREAS, pursuant to Article VII, Section 6(a), of the Illinois Constitution, 1970, the City of Carbondale may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public, health, safety, morals and welfare; and

WHEREAS, the City of Carbondale provides health insurance for its employees and their families; and

WHEREAS, the City has had insurance with Health Alliance which included Healthlink; and

WHEREAS, Health Alliance has notified the City of changes and premium increases; and

WHEREAS, the City has received an insurance proposal for Blue Cross Blue Shield; and

WHEREAS, it is in the best interest of the City of Carbondale to enter into a contract with Blue Cross Blue Shield to provide health insurance for city employees.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CARBONDALE, ILLINOIS, AS FOLLOWS:

SECTION 1. That the City Council deems it is in the best interest of the citizens of the City of Carbondale to enter into a health insurance contract from April 1, 2015 until April 30, 2016, with Blue Cross Blue Shield.

SECTION 2. That the City Manager is authorized to enter into a Contract with Blue Cross Blue Shield health insurance for city employees.

SECTION 3. That the City Manager and Staff are hereby authorized to take any and all necessary, reasonable and proper actions to carry out the intent and purpose of this Resolution.

SECTION 4. That this Resolution be spread at length upon the minute records of the City Council of the City of Carbondale, Illinois.

SECTION 5. That this Resolution shall take effect upon its passage, approval, recording, and publication in pamphlet form in accordance with law.

APPROVED: _____
Donald D. Monty, Acting Mayor

ATTEST: _____
Jennifer R. Sorrell, City Clerk

APPROVED AS TO LEGALITY AND FORM:

P. Michael Kimmel, City Attorney