



### AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:	Consider Resolution No. 2017-81 Authorizing Acceptance of the 2017 Employee Benefit Plan Renewal Effective November 1, 2017 for the City of Geneva, IL.		
Presenter & Title:	Lisa Bahry, Human Resources Manager		
Date:	August 14, 2017		
<b><i>Please Check Appropriate Box:</i></b>			
<input checked="" type="checkbox"/>	Committee of the Whole Meeting		Special Committee of the Whole Meeting
<input checked="" type="checkbox"/>	City Council Meeting		Special City Council Meeting
<input type="checkbox"/>	Public Hearing		Other -
Associated Strategic Plan Goal/Objective: Vision 5: Manage City resources and assets to effectively and efficiently deliver core services, provide for capital investment, and meet community needs and desires. Goal H: Maintain a standard of excellence for city personnel through retention and recruitment policies and practices.			
Estimated Cost:	Budgeted?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
<i>If NO, please explain how the item will be funded:</i>			
<b>Executive Summary:</b>			
<p>The employee health, dental, and life insurance coverages are due for renewal on November 1, 2017. The City currently utilizes Blue Cross Blue Shield (BCBSIL) for four options for health coverage (two HMO plans, a PPO plan, and a High Deductible PPO plan) and an HMO dental plan. The City also offers employees a PPO self-funded dental plan through Delta Dental of Illinois. Finally the City provides a life and AD&amp;D policy through Standard Life Insurance at no cost to the employee. Open enrollment for employees, retirees, and those on or eligible for COBRA is set to occur mid-September 2017. The FY 2017-2018 budget reflected no increase in group health insurance plan costs (for medical, dental or life).</p> <p>The initial BCBSIL renewal was sent to Lundstrom (the City's insurance broker) with an overall increase of 5.6%. They were successful in their request and BCBSIL agreed to lower the increase for the upcoming plan year to 3.8%.</p>			

For comparison purposes, the following chart depicts the City's renewal rates for the past five (5) years (including this renewal):

<b>Renewal Year</b>	<b>Percent Change</b>
2013	0.00%
2014	2.00%
2015	6.90%
2016	4.50%
2017	3.80%
<b><i>Average</i></b>	<b><i>3.4%</i></b>

The dental plans renew on November 1, 2017. The BCBSIL DHMO dental plan policy will see a 0% increase for the 2017-2018 plan year. There are currently six (6) participants in the DHMO dental plan, an option that provides orthodontia benefits. Delta Dental's renewal had a 2% increase in admin fees, but projected claims for the 2017/2018 plan year projects a decrease of approximately 8%. It is recommended to decrease funding to Delta Dental by -5.0%. The Standard Insurance Company provides the City with life, accidental death and dismemberment insurance is currently under a two-year rate guarantee.

The VSP voluntary vision program had a two-year policy period which runs from November 1, 2017 to October 31, 2019. The renewal has an increase of 5% which is good for two years. Employees who wish to participate in the plan fund the full cost. There is no additional cost to the City to provide this voluntary benefit.

It is important to note, that even with the proposed premium rate increases all coverages are coming in at or under budget based upon the current employee census.

Boomer Whipple, Partner and Senior Vice-President of Lundstrom Insurance, will be present at the Committee of the Whole meeting to answer any additional questions the Governing Body may have.

**Attachments:** *(please list)*

- Resolution

**Recommendation / Suggested Action:** *(briefly explain)*

Recommend Resolution No. 2017-81 authorizing acceptance of the 2017 Employee Benefit Program plan renewal effective November 1, 2017 for the City of Geneva, Illinois.

**RESOLUTION NO. 2017-81**

**RESOLUTION AUTHORIZING ACCEPTANCE OF THE 2017 EMPLOYEE BENEFIT PROGRAM PLAN RENEWAL EFFECTIVE NOVEMBER 1, 2017 FOR THE CITY OF GENEVA, ILLINOIS.**

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**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GENEVA, KANE COUNTY, ILLINOIS**, as follows:

**SECTION 1:** That the City Administrator is hereby authorized to accept the 2017 Employee Benefit Program plan renewal (Exhibit A) effective November 1, 2017.

**SECTION 2:** This Resolution shall become effective from and after its passage as in accordance with law.

**PASSED** by the City Council of the City of Geneva, Kane County, Illinois, this 21st day of August 2017.

**AYES: \_\_ NAYS: \_\_ ABSENT: \_\_ ABSTAINING: \_\_ HOLDING OFFICE: \_\_**

Approved by me this 21st day of August 2017.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

**City of Geneva  
2017 Employee Benefit Program Plan Renewal**

	<b>Total Monthly Premium (Employer + Employee Contribution)</b>		
	<b>Employee</b>	<b>Employee + 1</b>	<b>Family</b>
<b>Medical (BCBSIL)</b>			
<b>PPO</b>	\$ 667.93	\$ 1,622.34	\$ 1,968.11
<b>HSA</b>	\$ 644.47	\$ 1,565.30	\$ 1,899.02
<b>HMOI</b>	\$ 625.96	\$ 1,520.37	\$ 1,844.51
<b>BlueAdv HMO</b>	\$ 582.14	\$ 1413.50	\$ 1,715.43
<b>Dental</b>			
<b>BCBS DHMO</b>	\$ 36.85		\$ 98.60
<b>Delta Dental (Self-Funded)</b>	\$ 37.92		\$ 100.70
<b>Vision</b>			
<b>VSP</b>	\$ 8.00		\$ 17.20
<b>Life/AD&amp;D</b>			
<b>The Standard</b>	\$ 0.17 per \$1,000 of salary up to \$150,000		



BENEFIT PROGRAM APPLICATION ("BPA")

(All items are applicable to 151-Plus Grandfathered and Non-Grandfathered Insured Group Accounts unless otherwise specified.)

(All items are applicable to the HMO plan and the Non-HMO plan unless otherwise specified.)

Employer Account Number: 769669
HMO Illinois Employer Group Number(s): H56633
HMO Illinois Section Number(s): 0000, 0100, 0500
BlueAdvantage® HMO Employer Group Number(s): B56633
BlueAdvantage® HMO Section Number(s): 0000, 0500
Non-HMO Plan Employer Group Number(s): P74397, PE1181
Non-HMO Plan Section Number(s): 0000, 0500

Employer Name: City of Geneva
(Specify the employer, the employee trust or the association applying for coverage. List subsidiary or affiliated companies to be covered below. An employee benefit plan may not be named.)

Address: 22 South First Street City: Geneva State: IL Zip Code: 60134

Billing Address (if different from above): City: State: Zip Code:

Employer Identification Number ("EIN"): 36-6005893

Wholly Owned Subsidiaries:

Affiliated Companies:

(If Affiliated Companies to be covered are listed above, a separate "Addendum to the Benefit Program Application Regarding Affiliated Companies" must be completed, signed by the Employer's authorized representative, and attached to this BPA, and is made a part of the Policy.)

Administrative Contact: Lisa Bahry Phone: 630-232-0867 Fax: 630-262-0867 Email: lbahry@geneva.il.us

Blue Access for Employers ("BAE") Contact: Lisa Bahry

(The BAE Contact is the employee of the account authorized by the Employer to access and maintain its account via BAE.)

Title: Human Resources Manager Phone: 630-232-0867 Fax: 630-262-0867 Email: lbahry@geneva.il.us

Policy Effective Date: 11/01/2017

Policy Anniversary Date: 11 / 01 / 2018
Month Day Year

The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for employee benefit plans in the private industry. In general, all employer groups, insured or ASO, are subject to ERISA provisions except for governmental entities, such as municipalities and public school districts, and "church plans" as defined by the Internal Revenue Code.

ERISA Regulated Group Health Plan\*: Yes [ ] No [X]

If Yes, specify ERISA Plan Year\*: Beginning Date: End Date: (month/day/year)

ERISA Plan Sponsor\*:

(If the Employer is required to file Form 5500 Schedule A with the IRS, the following ERISA items must be completed):

ERISA Plan Administrator\*:

ERISA Plan Administrator's Address:

City: State: Zip Code:

ERISA Plan Administrator's Email: \_\_\_\_\_

Please provide your Non-ERISA Plan Month/Year: 11/2017

If you contend ERISA is inapplicable to your group health plan, please give legal reason for exemption\*:

- Federal Governmental Plan (e.g., the government of the United States or agency of the United States)
- Non-Federal Governmental Plan (e.g., the government of the State, an agency of the State, or the government of a political subdivision, such as a county or agency of the State)
- Church Plan (complete and attach a Medical Loss Ratio Assurance form)
- Other, please specify: \_\_\_\_\_

**For more information regarding ERISA, contact your Legal Advisor.**

\*All as defined by ERISA and/or other applicable law/regulations.

## ELIGIBILITY

### 1. Eligible Person:

Employer has decided that Eligible Person means: (For the HMO plan, an eligible person must reside in the Service Area of a Participating IPA.)

- A Full-Time Employee of the Employer.
- A Full-Time Employee who is a member of: \_\_\_\_\_ (name of union or association).
- Other (please specify): \_\_\_\_\_.

Full-Time Employee means:

- An Employee of the Employer who is regularly scheduled to work a minimum of 30 hours per week
- Other (please specify): \_\_\_\_\_
- An Eligible Person may also include a retiree of the Employer. Please specify: IMRF Guidelines.

The term "Employee" shall have the meaning set forth under ERISA and applicable law. HCSC reserve the right to audit Employer's initial and ongoing eligibility determinations.

### 2. Civil Union Partner Coverage:

A Civil Union partner, as defined in the Policy, and his or her dependents are automatically eligible to enroll for coverage and, once enrolled, eligible for continuation of coverage as described in the Certificate Booklet. The Employer as Policyholder is responsible for providing notice of possible tax implications to those Insureds with coverage for Civil Union partners.

### 3. Domestic Partner Coverage: Yes No

If Employer elects "Yes", a Domestic Partner, as defined in the Policy, shall be considered eligible for coverage. The Employer is responsible for providing notice of possible tax implications to those Insureds with Domestic Partner Coverage.

Continuation coverage for Domestic Partners: If Employer elects coverage for Domestic Partners, Domestic Partners are not eligible for continuation coverage under Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), but are eligible for continuation coverage similar to that available to spouses under COBRA continuation.

Domestic Partner Coverage Continuation (only available if Domestic Partners are covered)  Yes  No

### 4. The Limiting Age for covered children:

Hereafter, covered children means a natural child, a stepchild, an eligible foster child, an adopted child (including a child involved in a suit for adoption), a child for whom the Insured is the legal guardian, under twenty-six (26) years of age, regardless of presence or absence of a child's financial dependency, residency, student status, employment status (if applicable under the Policy), marital status, or any combination of those factors. If the covered child is eligible military personnel, the Limiting Age is thirty (30) years as described in the Certificate Booklet.

To cover children age twenty-six (26) or over, you may select option (a) or (b) below:

- (a)  Limiting Age for covered children age twenty-six (26) or over,  who are married  who are unmarried

regardless of marital status, is \_\_\_\_\_ years (twenty-seven (27) – thirty (30) are the available options). If the covered child is eligible military personnel, the Limiting Age is thirty (30) years as described in the Certificate Booklet.

(b)  Limiting Age for covered children who are full-time students and age twenty-six (26) or over,  who are married  who unmarried  regardless of marital status, is \_\_\_\_\_ years (twenty-seven (27) – thirty (30) are the available options). If the covered child is eligible military personnel, the Limiting Age is thirty (30) years as described in the Certificate Booklet.

Coverage will terminate at the end of the period for which premium has been accepted. However, coverage shall be extended due to a leave of absence in accordance with any applicable federal or state law.

**5. Eligibility Date:** All current and new employees must satisfy the substantive eligibility criteria and required waiting period indicated below before coverage will become effective. No waiting period may result in an effective date that exceeds ninety-one (91) calendar days from the date that an employee becomes eligible for coverage, unless otherwise permitted by applicable law.

If a person is added to the Policy and it is later determined that the Policyholder reported a Coverage Date earlier than what would apply, based on the Waiting Period and eligibility conditions the Policyholder provided to the Plan, the Plan reserves the right to retroactively adjust the Coverage Date for such person.

- The date of employment.
- The 31st day of employment. **Note:** This may not exceed ninety-one (91) calendar days.
- The \_\_\_\_\_ day (select 1<sup>st</sup> or 15<sup>th</sup>) of the month following \_\_\_\_\_ month(s) (option of 1 or 2 months) of employment.
- The \_\_\_\_\_ day (select 1<sup>st</sup> or 15<sup>th</sup>) of the month following \_\_\_\_\_ days (option of up to 60 days) of employment.
- The \_\_\_\_\_ day of the month following the date of employment.
- Other (please specify): \_\_\_\_\_ **Note:** This may not exceed ninety-one (91) calendar days.
- This election applies only to the HMO plan: A full month's premium will be charged for the first (1<sup>st</sup>) month of coverage for those employees whose Coverage Dates fall between the first (1<sup>st</sup>) and fifteenth (15<sup>th</sup>) day of the Premium period. No premium will be charged for the first month of coverage for those employees whose Coverage Dates fall between the sixteenth (16<sup>th</sup>) day and the end of the Premium Period.

#### **Substantive eligibility criteria.**

Provide a representation below regarding the terms of any eligibility conditions (other than any applicable waiting period already reflected above) imposed before an individual is eligible to become covered under the terms of the plan. If any of these eligibility conditions change, Employer is required to submit a new BPA to reflect that new information.

Check all that apply:

An Orientation Period that:

- 1) Does not exceed one month (calculated by adding one calendar month and subtracting one calendar day from an employee's start date); and
- 2) If used in conjunction with a waiting period the waiting period begins on the first day after the orientation period.

A Cumulative hours of service requirement that does not exceed 1200 hours

An hours of service per period (or full-time status) requirement for which a Measurement period is used to determine the status of variable-hour employees, where the measurement period:

- 1) Starts between the employee's date of hire and the first day of the following month;
- 2) Does not exceed 12 months; and
- 3) Taken together with other eligibility conditions does not result in coverage becoming effective later than 13 months from the employee's start date plus the number of days between a start date and the first day of the next calendar month (if start day is not the first day of the month).

Other substantive eligibility criteria not described above; please describe: \_\_\_\_\_

**6. Special Enrollment:** An Eligible Person may apply for coverage, Family coverage or add dependents within thirty one (31) days of a Special Enrollment event if he/she did not apply prior to his/her Eligibility Date or when eligible to do so. Such person's Coverage Date, Family Coverage Date, and /or dependent's Coverage Date will be effective on the date of the Special Enrollment event or, in the event of Special Enrollment due to termination of previous coverage, the date of application for coverage. In the case of a Special Enrollment event due to loss of coverage under Medicaid or a state children's health insurance program, however, this enrollment opportunity is not available unless the Eligible Person requests enrollment within sixty (60) days after such coverage ends.

This election applies only to the Non-HMO plan: Annual Open Enrollment:  Yes  No

Annual Open Enrollment: Specify Annual Open Enrollment Period: September 15 to October 15 for a November 1<sup>st</sup> effective date. An Eligible Person may apply for coverage, Family coverage or add dependents if he/she did not apply prior to his/her Eligibility Date or did not apply when eligible to do so, during the Employer's Annual Open Enrollment Period. Such person's Coverage Date, Family Coverage Date, and/or dependent's Coverage Date will be a date mutually agreed to by Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company ("HCSC") and the Employer. Such date shall be subsequent to the annual open enrollment period.

**7. This Section applies only to the HMO plan:** The Effective Date of Termination for a person who ceases to meet the definition of an Eligible Person:

- The date such person ceases to meet the definition of Eligible Person.
- The last day of the calendar month in which such person ceases to meet the definition of an Eligible Person.
- Other (please specify): \_\_\_\_\_.

**8. Extension of benefits due to Temporary Layoff, Disability or Leave of Absence:**

Temporary Layoff: 30 days                      Disability: 30 days    Leave of Absence: 30 days

Other: (please specify): \_\_\_\_\_

However, benefits shall be extended for the duration of an Eligible Person's leave in accordance with any applicable federal or state law.

In the event of Total Disability at the time the group policy is terminated, an Extension of Benefits will be provided for a period of no more than twelve (12) months from the date of termination, to the extent required, and in accordance, with any applicable federal or state law.

**9. For the HMO Plan:**

Total Number of Employees (Please indicate the total number of actual employees, not enrollees):

Of the Employer: 187                      Illinois employees: 187                      National employees: 0

**10. FUNDING ARRANGEMENT**

- Standard Premium – Prospective
- Cost Plus Program

**11. STANDARD PREMIUM INFORMATION:**

**The following elections apply to both Grandfathered and Non-Grandfathered Groups:**

Premium Period:

- The first (1<sup>st</sup>) day of each calendar month through the last day of each calendar month. (This option applies to all coverages if the Employer has BlueCare<sup>®</sup> Dental HMO coverage.)
- The \_\_\_\_\_ day of each calendar month through the \_\_\_\_\_ day of the next calendar month. (This option is not available for any coverage if the Employer has BlueCare Dental HMO coverage.)

**12. MINIMUM PARTICIPATION AND EMPLOYER CONTRIBUTION INFORMATION:**

**(a) The following elections apply to both Grandfathered and Non-Grandfathered Groups:**

Employer contribution:

- One hundred percent (100%) of the Individual Coverage Premium and an amount equal to one hundred percent (100%) of the Individual Coverage Premium will be contributed toward the Family Coverage Premium.
- 90% of the Individual Coverage Premium and 50% of the Family Coverage Premium.
- Other (please specify): \_\_\_\_\_.

**(b) The following applies to both Grandfathered and Non-Grandfathered Groups:**

HCSC reserves the right to change premium rates when a substantial change occurs in the number or composition of subscribers covered. A substantial change will be deemed to have occurred when the number of subscribers covered

changes by ten percent (10%) or more over a thirty (30) day period or twenty five percent (25%) or more over a ninety (90) day period.

**(c) The following applies to Non-Grandfathered Groups:**

HCSC reserves the right to take any or all of the following actions: 1) initial rates will be finalized for the effective date of the policy based on the enrolled participation and employer contribution levels; 2) after the policy effective date the group will be required to maintain a minimum Employer contribution of 25%, and at least a 70% participation of eligible employees (less valid waivers). In the event the group is unable to maintain the contribution and participation requirements, then the rates will be adjusted accordingly; and/or 3) non-renew or discontinue coverage unless the 25% minimum employer contribution is met and at least 70% of eligible employees (less valid waivers) have enrolled for coverage. Employer will promptly notify HCSC of any change in participation and Employer contribution.

**(d) The following applies to Grandfathered Groups:**

It is understood that no Policy will be issued or renewed on a contributory basis unless at least 25% of the Eligible Persons, and for Family Coverage 75% of the Eligible Persons with eligible dependents, have enrolled for coverage.

**13. Essential Health Benefits ("EHB") Definition Election:**

Employer elects EHBs based on the following:

- a. EHBs based on a HCSC state benchmark:
- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Illinois ("IL") | <input type="checkbox"/> Oklahoma ("OK") |
| <input type="checkbox"/> Montana ("MT")             | <input type="checkbox"/> Texas ("TX")    |
| <input type="checkbox"/> New Mexico ("NM")          |  |

- b. EHBs based on benchmark of a state other than IL, MT, NM, OK and TX

In the absence of an affirmative selection by Employer of its EHBs, then Employer is deemed to have elected the EHBs based on the IL benchmark plan.

**STANDARD PREMIUM RATES**

**Yes**

**No**

	<i>For Internal Use Only - BlueStar Ben. Agree#:</i> <b><u>0012</u></b>  <b><u>H56633</u></b>	<i>For Internal Use Only - BlueStar Ben. Agree#:</i> <b><u>0013</u></b>  <b><u>B56633</u></b>	<i>For Internal Use Only - BlueStar Ben. Agree#:</i> <b><u>0001</u></b>  <b><u>P74397</u></b>	<i>For Internal Use Only - BlueStar Ben. Agree#:</i> <b><u>0014</u></b>  <b><u>PE1181</u></b>	<i>For Internal Use Only - BlueStar Ben. Agree#:</i>  <u>      </u>  <u>      </u>	<b>Total</b>
1. Employee only:	\$ <u>625.96</u>	\$ <u>582.14</u>	\$ <u>667.93</u>	\$ <u>644.47</u>	\$ <u>      </u>	\$ <u>      </u>
2. Employee plus one Dependent (i.e. Employee plus one spouse or one child):	\$ <u>1520.37</u>	\$ <u>1413.50</u>	\$ <u>1622.34</u>	\$ <u>1565.30</u>	\$ <u>      </u>	\$ <u>      </u>
3. Employee plus two or more Dependents:	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>
4. Employee plus Spouse:	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>
5. Employee plus Child(ren) (i.e. Employee plus one or more children):	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>
6. Employee plus Family / Family:	\$ <u>1844.51</u>	\$ <u>1715.43</u>	\$ <u>1968.11</u>	\$ <u>1899.02</u>	\$ <u>      </u>	\$ <u>      </u>
7. Other: <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>	\$ <u>      </u>
Single Tier Rate structure - Complete item 1.						
Two Tier Rate structure - Complete items 1. and 6.						
Three Tier Rate structure - Complete items 1., 2., and 3.						
Four Tier Rate Structure - Complete items 1., 4., 5., and 6.						
Indicate "N/A" in any rate field that does not apply.						
<b>Medicare Eligible Rates (When HCSC is Secondary Payer)</b>						
Single Coverage:	\$ <u>420.31</u>	\$ <u>390.89</u>	\$ <u>448.35</u>	\$ <u>432.73</u>	<u>      </u>	\$ <u>      </u>
Family Coverage:	\$ <u>840.58</u>	\$ <u>781.75</u>	\$ <u>896.97</u>	\$ <u>865.42</u>	<u>      </u>	\$ <u>      </u>

**COST PLUS PROGRAM**

Yes  No

**Service Charges:**

For the HMO Plan:

a) Service Charges for Claim Payments:

- HMO Illinois: \_\_\_\_\_% of Claim Payments; or \$\_\_\_\_\_ per Enrollee per month for health Claim Payments.
- BlueAdvantage® HMO: \_\_\_\_\_% of Claim Payments; or \$\_\_\_\_\_ per Enrollee per month for health Claim Payments.

b) Physician's Services Fees:

- HMO Illinois: \$\_\_\_\_\_ per month per single Enrollee; or \$\_\_\_\_\_ per Month per Enrollee with one or more dependents.
- BlueAdvantage® HMO: \$\_\_\_\_\_ Per month per single Enrollee; or \$\_\_\_\_\_ Per Month per Enrollee with one or more dependents.

c)  HMO Managed Care Fee: \$\_\_\_\_\_ per HMO enrollee per month.

For the Non-HMO Plan:

- \_\_\_\_\_% of Net Claim Payments or \$\_\_\_\_\_ per employee per month.
- Applies to all coverage(s).

Different percentage(s) or amount(s) for the following types of coverage. Please specify below:

For \_\_\_\_\_ Coverage: \_\_\_\_\_% of \_\_\_\_\_ Claim Payments or \$\_\_\_\_\_ per employee per month.

For \_\_\_\_\_ Coverage: \_\_\_\_\_% of \_\_\_\_\_ Claim Payments or \$\_\_\_\_\_ per employee per month.

Other (please specify): \_\_\_\_\_

- Virtual Visits Program (Non-HMO Plan only)  Fee: \$\_\_\_\_\_ per covered employee per month for administration of the program.
- Fee is included in the Service Charges.

**Blue Care Connection® ("BCC") Program (For the Non-HMO Plan):**

**BCC Package (may select one):**

- Standard
- Enhanced
- Unbundled
- Selective In/Out
- Unique Package Design
- Stand-Alone

- Fee: \$\_\_\_\_\_ per covered employee per month for administration of the program.
- Fee is included in the Service Charges.

**BCC Package Upgrade(s):**

- Description: \_\_\_\_\_
- Fee: \$\_\_\_\_\_ per covered employee per month for administration of the package upgrade.

- Description: \_\_\_\_\_
- Fee: \$\_\_\_\_\_ per covered employee per month for administration of the package upgrade.

**Ancillary Program:**

- Health Dialog (**may select one**)  Health Dialog Fee: \$\_\_\_\_\_ per covered employee per month
  - Health Coach Line (In bound)
  - Health Coach Line (In and out bound)
  - Health Coach Line (With Disease Management)
  - Not applicable
- American Healthways (**may select one**)

- Package A
- Package B
- Package C
- Not applicable

American Healthways Program Fees, per participating Covered Person per month:

Conditions:	Package A - Fees	Package B - Fees	Package C - Fees
Diabetes:	\$ _____	\$ _____	\$ _____
Chronic Heart Disease:	\$ _____	\$ _____	\$ _____
Chronic Obstructive Pulmonary Disease	\$ _____	\$ _____	Not Applicable
Asthma:	\$ _____	\$ _____	Not Applicable
Impact Conditions:	\$ _____	Not Applicable	Not Applicable

**Payment Method:**  Transfer Payment  Post Payment

**If Transfer Payment, Method of Transfer Payment:**

Wire Transfer  Draft  Electronic Fund Transfer  Other (please specify): \_\_\_\_\_

**Payment Period:**

Daily  Weekly  Bi-Weekly  Monthly  Other (please specify): \_\_\_\_\_

**Claim Settlement Period:**  Monthly  Quarterly  Other (please specify): \_\_\_\_\_

**If Transfer Payment, Tentative Final Settlement Period:**

Transfer Payments to be made for the following time period after termination:

3 months  6 months  9 months  12 months  Other (please specify): \_\_\_\_\_

**For Cost Plus plans, Effective Date of Termination for a person who ceases to meet the definition of Eligible Person:**

- The date such person ceases to meet the definition of Eligible Person.
- The last day of the calendar month in which such person ceases to meet the definition of an Eligible Person.
- Other (please specify): \_\_\_\_\_

**Prescription Drug Program – Rebate Credit:** \$ \_\_\_\_\_ per Covered Employee per month or, for the HMO Plan, per Enrollee per month.

**Termination Administrative Charge**

As applies to the Run-Off Period indicated in the Payment Specifications section below:

- i. **For service charges (including, but not limited to, access fees) billed on a per Covered Employee basis at the time of termination**, the Termination Administrative Charge will be the amount equal to ten percent (10%) of the annualized charges based on the service charges in effect as of the termination date and the Policy participation of the two (2) months immediately preceding the termination date. Such aggregate amount will be due the Plan within ten (10) days of the Plan's notification to the Policyholder of the Termination Administrative Charge described herein.
- ii. **For service charges (including, but not limited to, access fees) billed on a basis other than per Covered Employee at the time of termination**, the Termination Administrative Charge will be such service charges in effect at the time of termination to be applied and billed by the Plan, and paid by the Policyholder, in the same manner as prior to termination.

Termination Administrative Charges assume the continuation of the Policy benefit program(s) and the administrative services in effect prior to termination. Should such Policy benefit program(s) and/or administrative services change, or in the event the average Policy enrollment during the three (3) months immediately preceding termination varies by ten percent (10%) or more from the enrollment used to determine the service charges in effect at the time of termination, the Plan reserves the right to adjust the rates for service charges (including, but not limited to, access fees) to be used to compute the Termination Administrative Charge.

**FOR NON-HMO COST-PLUS PROGRAMS ONLY:  
PLAN PROVIDER ACCESS FEE(S)**

Yes

No

**Group Number(s):** \_\_\_\_\_

% of ADP Savings: \_\_\_\_\_%

\$ Per Employee per Month: \$ \_\_\_\_\_

***Please complete for groups with multiple products (for example, Comprehensive Major Medical and PPO) with separate access fees:***

**Group Number(s):** \_\_\_\_\_

% of ADP Savings: \_\_\_\_\_%

\$ Per Employee per Month: \$ \_\_\_\_\_

Changes in state or federal law or regulations or interpretations thereof may change the terms and conditions of coverage.

The undersigned representative is authorized and responsible for purchasing insurance on behalf of the Employer, has provided the information requested in this BPA and, on behalf of the Employer, offers to purchase the benefit program as outlined in the Request For Proposal ("RFP") or, in the case of an HMO Plan, the proposal document submitted to the Employer by the Sales Representative. Any changes to the RFP are specified below. It is understood and agreed that the actual terms and conditions of the benefit program are those contained in the Policy. This BPA is subject to acceptance by HCSC. Upon acceptance, HCSC shall issue a Policy to the Employer and this BPA shall be incorporated and made a part of the Policy. Upon acceptance of this BPA and issuance of the Policy, the Employer shall be referred to as the Policyholder. In the event of any conflict between the RFP and the Policy, the provisions of the Policy shall prevail. No coverage will begin until receipt of the first (1<sup>st</sup>) premium by HCSC.

The undersigned representative acknowledges that any broker/producer is acting on behalf of the Employer for purposes of purchasing the Employer's insurance, and that if HCSC accepts this BPA and issues a Policy to the Employer, HCSC may pay the Employer's broker/producer a commission and/or other compensation in connection with the issuance of such Policy. The undersigned representative further acknowledges that if the Employer desires additional information regarding any commissions or other compensation paid the broker/producer by HCSC in connection with the issuance of a Policy, the Employer should contact its broker/producer.

The undersigned representative acknowledges that the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") establishes certain requirements for employee welfare benefit plans. As defined in Section 3 of ERISA, the term "employee welfare benefit plan" includes any plan, fund or program which is established or maintained by an employer or by an employee organization, or by both, to the extent that such plan, fund or program was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical, surgical or hospital benefits, or benefits in the event of sickness, accident or disability. The undersigned representative further acknowledges that: (i) an employee welfare benefit plan must be established and maintained through a separate plan document which may include the terms hereof or incorporate the terms hereof by reference, and that (ii) an employee welfare benefit plan document may provide for the allocation or delegation of responsibilities thereunder. However, notwithstanding anything contained in the employee welfare benefit plan document of the Employer (or any group member if the group is an association), the Employer agrees that no allocation or delegation of any fiduciary or nonfiduciary responsibilities under the employee welfare benefit plan of the Employer (or, for Non-HMO Plans, any group member if the group is an association) is effective with respect to or accepted by HCSC except to the extent specifically provided and accepted in this BPA or the Policy or otherwise accepted in writing by HCSC.

The Rebate Credit for the Prescription Drug Program is a per Covered Employee per month (or, for the HMO plan, per Enrollee per month) credit applied to the monthly billing statement. Rebate Credits shall not continue after termination of the Prescription Drug Program. (Further information about rebates, the Pharmacy Benefit Manager and the Rebate Credit is included in the governing Group Administrative Document to which this BPA is attached under the section titled "The Plan's Separate Financial Arrangements Regarding Prescription Drugs.").

**OTHER PROVISIONS:**

- (a) Reimbursement Provision for the HMO Plan: It is understood and agreed that in the event HCSC makes a recovery on a third-party liability claim, HCSC will deduct twenty five (25%) of the net recovery from the amount credited to the group's experience after attorneys' fees, if any, have been paid.

Reimbursement Provision for the Non-HMO Plan:  Yes  No

If yes: It is understood and agreed that in the event HCSC makes a recovery on a third-party liability claim, HCSC will retain twenty five (25%) of any recovered amounts (under cost-plus funding) or deduct twenty five (25%) of any recovered amounts from the amount credited to the group's experience (under premium funding), other than recovery amounts received as a result of, or associated with, any Workers' Compensation Law.

- (b) Summary of Benefits and Coverage ("SBC"):

1) HCSC will create SBC?

Yes. If Yes, please answer question #2. The SBC Addendum is attached.

No. If No, then the Policyholder acknowledges and agrees that the Policyholder is responsible for the creation and distribution of the SBC as required by Section 2715 of the Public Health Service Act (42 USC 300gg-15) and SBC regulations (45 CFR 147.200), as supplemented and amended from time to time, and that in no event will the Plan have any responsibility or obligation with respect to the SBC. The Plan may, but is not required to, monitor Policyholder's performance of its SBC obligations, audit the Policyholder with respect to the SBC, request and receive information, documents and assurances from Policyholder with respect to the SBC, provide its own SBC (or SBC corrections) to participants and beneficiaries, communicate with participants and beneficiaries regarding the SBC, respond to SBC-related inquiries from participants and beneficiaries, and/or take steps to avoid or correct potential violations of applicable laws or regulations. The Plan is not obligated to respond to or forward misrouted calls, but may, at its option, provide participants and beneficiaries with Policyholder's contact information. A new clause (e) is added to Subsection C. in the Additional Provisions as follows: "(e) the SBC". (Skip question #2.)

2) HCSC will distribute SBC to participants and beneficiaries?

No. The Plan will create SBC (only for benefits the Plan insures under the Policy) and provide SBC to the Policyholder in electronic format. Policyholder will then distribute SBC to participants and beneficiaries (or hire a third party to distribute) as required by law.

Yes. The Plan will create SBC (only for benefits the Plan insures under the Policy) and distribute SBC to participants and beneficiaries via regular hardcopy mail or electronically in response to occasional requests received directly from individuals. All other distribution is the responsibility of the Policyholder.

- (c) BlueEdge FSA (Vendor: ConnectYourCare) purchased:  Yes  No

- (d) BlueCare<sup>®</sup> Dental HMO Coverage purchased:  Yes  No (If yes, complete separate application.)

- (e) Dearborn National Life Insurance purchased:  Yes  No (If yes, complete separate application.)

- (f) Excess Loss Coverage purchased:  Yes  No (If yes, complete separate application.)

- (g) Blue Directions (Private Exchange) purchased:  Yes  No (if yes, The Blue Directions Addendum is attached and made a part of the Policy.)

- (h) For the Non-HMO Plan:

Case Management:  Yes  No

If Yes: The undersigned representative authorizes provision of alternative benefits for services rendered to Covered Persons in accordance with the provisions of the Policy.

- (i) For the Non-HMO Plan: Electronic Issuance: The Policyholder consents to receive, via an electronic file or access to an electronic file, a Certificate Booklet provided by HCSC to the Policyholder for delivery to each Insured. The Policyholder further agrees that it is solely responsible for providing each Insured access, via the internet, intranet or otherwise, to the most current version of any electronic file provided by HCSC to the Policyholder and, upon the Insured's request, a paper copy of the Certificate Booklet.

- (j) Massachusetts Health Care Reform Act: Notwithstanding anything to the contrary in this BPA, with respect to the Employer's employees who live in Massachusetts (if any) the Employer represents that it offers the health insurance benefits provided for herein to all full-time employees, and the Employer will not make a smaller premium contribution percentage to a full-time employee living in Massachusetts than to any other full-time employee living in Massachusetts who receives an equal or greater total hourly or annual salary. For purposes of

this representation, a "full-time employee" is defined by Massachusetts law, generally an employee who is scheduled or expected to work at least the equivalent of an average of thirty-five (35) hours per week.

## **ADDITIONAL PROVISIONS:**

- A. Grandfathered Health Plans:** Policyholder shall provide HCSC with written notice prior to renewal (and during the plan year, at least sixty (60) days advance written notice) of any changes in its Contribution Rate Based on Cost of Coverage or Contribution Rate Based on a Formula towards the cost of any tier of coverage for any class of Similarly Situated Individuals as such terms are described in applicable regulations. Any such changes (or failure to provide timely notice thereof) can result in retroactive and/or prospective changes by HCSC to the terms and conditions of coverage. In no event shall HCSC be responsible for any legal, tax or other ramifications related to any benefit package of any group health insurance coverage (each hereafter a "plan") qualifying as a "grandfathered health plan" under the Affordable Care Act and applicable regulations or any representation regarding any plan's past, present and future grandfathered status. The grandfathered health plan form ("Form"), if any, shall be incorporated by reference and part of the BPA and Group Policy, and Policyholder represents and warrants that such Form is true, complete and accurate. If Policyholder fails to timely provide HCSC with any requested grandfathered health plan information, HCSC may make retroactive and/or prospective changes to the terms and conditions of coverage, including changes for compliance with state or federal laws or regulations or interpretations thereof.
- B. Retiree Only Plans and/or Excepted Benefits:** If the BPA includes any retiree only plans and/or excepted benefits, then Policyholder represents and warrants that one or more such plans is not subject to some or all of the provisions of Part A (Individual and Group Market Reforms) of Title XXVII of the Public Health Service Act (and/or related provisions in the Internal Revenue Code and Employee Retirement Income Security Act) (an "exempt plan status"). Any determination that a plan does not have exempt plan status can result in retroactive and/or prospective changes by HCSC to the terms and conditions of coverage. In no event shall HCSC be responsible for any legal, tax or other ramifications related to any plan's exempt plan status or any representation regarding any plan's past, present and future exempt plan status.
- C.** Policyholder shall indemnify and hold harmless HCSC and its directors, officers and employees against any and all loss, liability, damages, fines, penalties, taxes, expenses (including attorneys' fees and costs) or other costs or obligations resulting from or arising out of any claims, lawsuits, demands, governmental inquiries or actions, settlements or judgments brought or asserted against HCSC in connection with (a) any plan's grandfathered health plan status, (b) any plan's exempt plan status, (c) any directions, actions and interpretations of the Policyholder, (d) any provision of inaccurate information, (e) the SBC, (f) any plan's design (including but not limited to any directions, actions and interpretations of the Policyholder, and/or (g) Employer's selection of EHB definition for the purpose of the Patient Protection and Affordable Care Act ("ACA"). Changes in state or federal law or regulations or interpretations thereof may change the terms and conditions of coverage.

The provisions of paragraphs A-C (directly above) shall be in addition to (and do not take the place of) the other terms and conditions of coverage and/or administrative services between the parties.

**ACA FEE NOTICE:** ACA established a number of taxes and fees that will affect our customers and their benefit plans. One of those fees is: the Annual Fee on Health Insurers or "Health Insurer Fee."

Section 9010(a) of ACA requires that "covered entities" providing health insurance ("health insurers") pay an annual fee to the federal government, commonly referred to as the Health Insurer Fee. The amount of this fee for a given calendar year will be determined by the federal government and currently involves a formula based in part on a health insurer's net premiums written with respect to health insurance on certain health risk during the preceding calendar year. This fee will go to help fund premium tax credits and cost-sharing subsidies offered to certain individuals who purchase coverage on health insurance exchanges.

In addition, ACA Section 1341 and/or other applicable laws may provide for the establishment of a temporary reinsurance program(s) that may be funded by reinsurance contributions or other amounts (collectively, the "Reinsurance Fees or Amounts") collected from health insurance issuers and/or self-funded group health plans. Federal and/or state governments may provide information as to how these Reinsurance Fees or Amounts are calculated. Federal regulations establish a flat, per member, per month fee. The temporary reinsurance programs funded by these Reinsurance Fees or Amounts will help stabilize premiums in the individual market.

Except for the Cost Plus Program, your premium, which already accounts for current applicable federal and state taxes, includes the effects of the Health Insurer Fees and Reinsurance Fees or Amounts, if any. There are no ACA fees included in the Cost Plus PPO premium. The Cost Plus HMO premium includes the Health Insurer Fee. These rates may be

adjusted on an annual basis for any incremental changes in Health Insurer Fees and Reinsurance Fees or Amounts, if any.

Notwithstanding anything in the Policy or Renewal(s) to the contrary, HCSC reserves the right to revise our charge for the cost of coverage (premium or other amounts) at any time if any local, state or federal legislation, regulation, rule or guidance (or amendment or clarification thereto) is enacted or becomes effective/implemented, which would require HCSC to pay, submit or forward, on its own behalf or on the Policyholder's behalf, any additional tax, surcharge, fee, or other amount (all of which may be estimated, allocated or pro-rated amounts).

**Renewals Only:** If this BPA is blank, it is intentional and this BPA is an addendum to the existing BPA. In such case, all terms of the existing BPA as amended from time to time shall remain in force and effect. However, beginning with the Policyholder's first renewal date on or after September 23, 2010, the provisions of paragraphs A-C (above) shall be part of (and be in addition to) the terms of the existing BPA as amended from time to time.

Any reference in this BPA to eligible dependents may include Domestic Partners or Civil Union partners, but will include dependent covered children under the Limiting Age of twenty-six (26), or election made above.

Any reference in this BPA to the Limiting Age for covered children means twenty-six (26) years, or election made above, regardless of presence or absence of a child's financial dependency, residency, student status, employment, marital status or any combination of those factors. If the covered child is eligible military personnel, the Limiting Age is thirty (30) years as described in the certificate booklet.

Any reference in this BPA to the "Employee plus one dependent" rate structure means "Employee plus one spouse (includes Civil Union partner and/or, if elected, Domestic Partner) or one child."

Any reference in this BPA to the "Employee plus Child(ren)" rate structure means "Employee plus one or more children."

Effective 11/01/2017: renewal with rate and the following benefit changes:

Adding Virtual Visits at PCP level of member share.

Tisha Kosarek

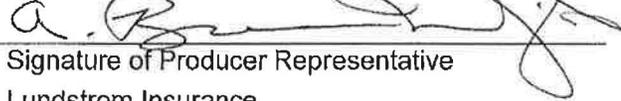
Sales Representative

890

District

A. Boomer Whipple

Producer Representative



Signature of Producer Representative

Lundstrom Insurance

Producer Firm

2205 Point Blvd

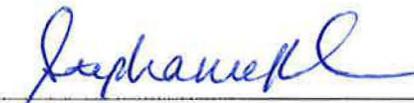
Suite 200

Elgin, IL 60123

Producer Address

36-2373740

Producer Tax I.D. No.



Signature of Authorized Purchaser

City Administrator

Title

23 August 2017

Date

Witness

\$ \_\_\_\_\_ Amount Submitted

**UNDERWRITING USE ONLY**

Date BPA approved:

Signature of Underwriter

# PROXY

The undersigned hereby appoints the Board of Directors of Health Care Service Corporation, a Mutual Legal Reserve Company, or any successor thereof ("HCSC"), with full power of substitution, and such persons as the Board of Directors may designate by resolution, as the undersigned's proxy to act on behalf of the undersigned at all meetings of members of HCSC (and at all meetings of members of any successor of HCSC) and any adjournments thereof, with full power to vote on behalf of the undersigned on all matters that may come before any such meeting and any adjournment thereof. The annual meeting of members shall be held each year in the corporate headquarters on the last Tuesday of October at 12:30 p.m. Special meetings of members may be called pursuant to notice mailed to the member not less than 30 nor more than 60 days prior to such meetings. This proxy shall remain in effect until revoked in writing by the undersigned at least 20 days prior to any meeting of members or by attending and voting in person at any annual or special meeting of members.

HCSC pays indemnification or advances expenses to a director, officer, employee or agent consistent with HCSC's bylaws then in force and as otherwise required by applicable law.

Group No(s): B/H56633  
P74397  
PE1181

By: Stephanie K. Dawkins

Print Signer's Name Here

→ Stephanie K. Dawkins, City Administrator  
Signature and Title

Group Name: City of Geneva

Address: 22 South First Street

City: Geneva State: IL Zip Code: 60134

Dated this \_\_\_\_\_ day of August, 2017  
Month Year