

RESOLUTION NO. R-2011-128

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE THE ATTACHED TWO (2) YEAR AMENDMENT TO THE EXISTING AGREEMENT BETWEEN THE HIGHEST RANKED FIRM AND THE CITY OF HOLLYWOOD TO PROVIDE THIRD PARTY ADMINISTRATION SERVICES FOR MEDICAL AND DENTAL PLANS FOR AN ESTIMATED ANNUAL EXPENDITURE OF \$941,478.00.

WHEREAS, the City desires to contract with a qualified firm to provide Third Party Administration Services for the City's Employee Benefits Program – Group Medical, Prescription Drugs, Laboratory, Mental Health and Dental Plan; and

WHEREAS, on March 4, 2011, Notices of RFP Availability were mailed and the RFP was advertised on-line via the City's website and DemandStar; and

WHEREAS, RFP-4272-11-IS was opened at 3:00 P.M., April 7, 2011 and resulted in responses from four (4) firms:

- Aetna Life Insurance Company
- Blue Cross and Blue Shield of Florida, Inc./Florida Combined Life
- Delta Dental Insurance Company
- Humana Insurance Company ; and

WHEREAS, evaluation of the proposals received was based upon the criteria as established in the RFP: experience, quality and comprehensiveness of network, project understanding, proposed approach and methodology, financial advantage to the City, service capabilities and financial stability/rating of proposers; and

WHEREAS, each proposal was evaluated by a Committee consisting of the following individuals: the Director of Budget and Procurement Services, Director of Human Resources and Risk Management, Assistant Director of Human Resources and Risk Management, Director of General Accounting, and a representative from each of the following Unions: AFSCME, IAFF, and PBA; and

WHEREAS, the Evaluation Committee determined that the (3) proposals submitted by the following: Aetna Life Insurance Company, Blue Cross and Blue Shield of Florida, Inc., and Humana Insurance Company, included medical and dental plans; and

WHEREAS, Delta Dental Insurance Company submitted a dental plan only;
and

WHEREAS, Delta Dental Insurance Company's plan was combined and evaluated with each of the medical plans submitted by Aetna Life Insurance Company, Blue Cross and Blue Shield of Florida, Inc., and Humana Insurance Company; and

WHEREAS, the Committee's evaluation scores were compiled and ranked based upon highest score, first choice to sixth:

Blue Cross and Blue Shield of Florida, Inc./Florida Combined Life	1
Aetna Life Insurance Company	2
Humana Insurance Company	3
Blue Cross and Blue Shield of Florida, Inc. with Delta Dental	4
Aetna Life Insurance Company with Delta Dental	5
Humana Insurance Company with Delta Dental	6
	; and

WHEREAS, an award to the highest ranked proposer would result in the greatest annual savings of approximately \$167,000.00; and

WHEREAS, the highest ranked proposer, Blue Cross and Blue Shield of Florida, Inc./Florida Combined Life, will allow the City to begin the lower administrative fee upon award, thereby saving approximately \$83,000.00 in calendar year 2011; and

WHEREAS, the Evaluation Committee has recommended that the City Commission authorize the execution of the attached Amendment for a two (2) year period with an option to renew for two (2) additional two (2) year periods, with the highest ranked firm to provide Third Party Administrative Services for Medical and Dental Plans; and

WHEREAS, award is subject to the City receiving all insurance required and approved by the City's Risk Manager and other terms and conditions required by the City Manager and the City Attorney;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

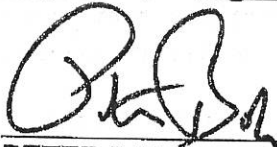
Section 1: That it hereby ranks the proposers for the contract to provide Third Party Administration Services for Medical and Dental Plans as follows:

- 1) Blue Cross and Blue Shield of Florida, Inc./Florida Combined Life
- 2) Aetna Life Insurance Company
- 3) Humana Insurance Company
- 4) Blue Cross and Blue Shield of Florida, Inc. with Delta Dental Plan
- 5) Aetna Life Insurance Company with Delta Dental Plan
- 6) Humana Insurance Company with Delta Dental Plan

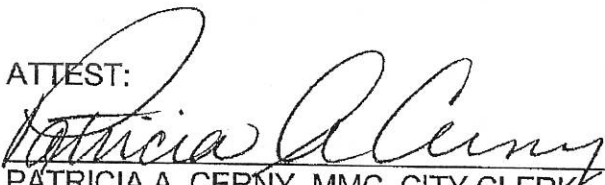
Section 2: That it hereby approves and authorizes the execution, by the appropriate City Officials, of the attached Amendment to the Existing Agreement between Blue Cross and Blue Shield of Florida, Inc./Florida Combined Life and the City of Hollywood, together with such nonmaterial changes as may be subsequently agreed to by the City Manager and approved as to form and legality by the City Attorney.

Section 3: That this resolution shall be in full force and effect immediately upon its passage and adoption.

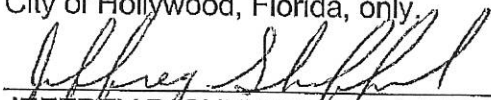
PASSED AND ADOPTED this 1 day of June, 2011.


PETER BOBÉR, MAYOR

ATTEST:


PATRICIA A. CERNY, MMC, CITY CLERK

APPROVED AS TO FORM AND LEGALITY
for the use and reliance of the
City of Hollywood, Florida, only.


JEFFREY P. SHEFFEL, CITY ATTORNEY *ct7*

AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT

THIS AMENDMENT, entered into on May 6, 2011 is by and between Blue Cross and Blue Shield of Florida, Inc. (hereinafter called the "Administrator") and City of Hollywood, Florida (hereinafter called the "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between the Administrator and the Employer (hereinafter "Agreement") effective January 1, 2006 is amended as follows:

1. Section I, subsection 1.1, is hereby amended to extend the term of the Group Health Plan until December 31, 2016 unless the Agreement is terminated earlier in accordance with the terms of the Agreement.
2. Exhibit B to the Agreement is hereby amended, effective June 1, 2011. The revised Exhibit B is attached to this Amendment and replaces the Exhibit B previously attached to the Agreement.
3. Exhibit E, Performance Guarantees, which is attached to this Amendment, is hereby added to the Agreement.
4. Exhibit F, Discount Guarantees, which is attached to this Amendment, is hereby added to this Agreement.
5. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed by the duly authorized representatives of the parties.

BLUE CROSS AND BLUE SHIELD
OF FLORIDA, INC.

By: 

Title: Director of Business Mgmt.

Date: 6-1-11

CITY OF HOLLYWOOD, FLORIDA

By: 

Title: Director of Human Resources and Risk Management

Date: 6-1-11

EXHIBIT "B"
to the
ADMINISTRATIVE SERVICES AGREEMENT
between
BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.
and
CITY OF HOLLYWOOD, FLORIDA
FINANCIAL ARRANGEMENTS

I. Effective Date

The effective date of this Exhibit is June 1, 2011.

II. Monthly Payments.

- A. Each month, BCBSF will notify the Employer of the amount due to satisfy the previous month's paid claims liability. BCBSF also will provide the Employer with a detailed printout of the previous month's claims payments. The Employer agrees to pay the full amount of the bill within fifteen (15) days of the written notification. If the payment is not received by BCBSF by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.
- B. The Employer agrees to pay to BCBSF, each month during and after the term of this Agreement, an administrative fee, as set forth below. The Employer agrees to pay to BCBSF, each month, the administrative fee within fifteen (15) days of the written notification of the amount due. If payment is not received by BCBSF by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, BCBSF will immediately suspend claims until payment is received by BCBSF.

III. Funding Information

- A. Method of Funding Transfer: ACH

IV. Administrative Fees:

A. Administrative fees during the term of the Agreement:

\$36.05 per contract per month from June 1, 2011 through December 31, 2013

\$37.20 per contract per month from January 1, 2014 through December 31, 2015

\$38.40 per contract per month from January 1, 2016 through December 31, 2016

Fees for June 1, 2011 through December 31, 2016 include \$1.25 per contract per month discount credit given for retaining Prime with BCBSF as their pharmacy benefits manager and \$1.25 per contract per month discount given for retaining Dental coverage through Florida Combined Life. If the client terminates BCBSF pharmacy benefits manager or Dental through Florida Combined Life during June 1, 2011 through December 31, 2016, the fee may be re-evaluated and the discount credit removed.

B. Administrative fees after the termination of the Agreement: 15% of claims paid.

V. Late Payment Penalty

A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

A. The administrative fees referenced above are based on a minimum enrollment of 1,400 employees.

B. After initial enrollment, if the actual enrollment is materially different from this expected enrollment, BCBSF reserves the right to adjust the administrative fees as set forth in the Agreement. Actual administrative fees will be charged based on actual enrollment.

VII. Group Member Wellness

A. BCBSF agrees to contribute a wellness contribution to the City of Hollywood in the amount of \$50,000 per year for three years, not to exceed \$150,000 in total contributions.