

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL MEETING**  
**NOVEMBER 20, 2012 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Employee Benefits Renewal Contracts and Medical Plan Amendments for FY2013	✓ Resolution Ordinance Motion Discussion Only	Dennis Burke Director of Human Resources

**SYNOPSIS**

Resolutions have been prepared to authorize approval of employee benefits renewal contracts and plan amendments for 2013

**STRATEGIC PLAN ALIGNMENT**

The goals for 2011-2018 included *Steward of Financial Sustainability*.

**FISCAL IMPACT**

The FY13 health insurance includes \$900,000 for claims administration and stop loss contracts. The vendors and contract amounts are itemized below:

Vendor	Contract Item	FY12 Amount	FY13 Amount
Blue Cross/Blue Shield	Medical Claim Administration	\$345,495	\$311,992
Blue Cross/Blue Shield	Specific and Aggregate Stop Loss Coverage	\$396,425	\$400,086
Delta Dental	Dental Program Claim Administration	\$18,338	\$18,734
Delta Dental	Vision Program Claim Administration	\$43,571	\$45,000
National Insurance Services	Life/Accidental Death and Dismemberment and Long Term Disability	\$109,000	\$98,086
<b>TOTAL</b>		<b>\$912,829</b>	<b>\$873,898</b>

**RECOMMENDATION**

Approval on the November 20, 2012 consent agenda.

**BACKGROUND**

A summary of the 2013 employee benefits contracts is provided below:

- *Medical Claim Administration* – the Village of Downers Grove has a partially self-funded medical plan and contracts with an outside vendor to provide claim administration on behalf of the Village. Claim administration includes medical and prescription drug claim adjudication, pre-certification and medical case management services. On an annual basis, staff reviews the claim administration services received from the vendor. Also reviewed is the relationship the vendor has with preferred

provider organizations (PPO) to ensure the discounts received through the PPO contracts are cost effective to both the employee and the Village.

The Village conducted a bidding process for medical claims administration for the 2011 plan year, and subsequently contracted with Blue Cross/Blue Shield of Illinois for these services. Blue Cross has provided a renewal quote for 2013 for claims administration at \$42.04 per employee/per month which represents a 29% decrease over last year's administrative fee. Blue Cross also charges a fee to access their PPO network and for 2013 this fee is estimated at \$86,994. This fee is offset by the significant savings the Village realizes through the Blue Cross PPO discounts. Total annual costs for medical claims administration for 2013 which includes the PPO access fee are \$311,992.

- *Stop Loss Coverage* - As a partially self-funded health plan, the Village purchases stop loss coverage to limit its financial exposure. Stop loss coverage provides insurance for catastrophic medical claims of participants in the Village's group health care plan. There are two types of stop loss coverage: specific, which applies to individual's claims, and aggregate, which applies to the entire insured group's claims. As part of the annual review, staff directs the Village's consultant, the Horton Group, to recommend to the Village the most appropriate attachment point for specific stop loss coverage. For 2013 the consultant determined that the Village should remain at the current \$150,000 specific stop loss level. The Village does obtain alternative quotes on stop loss coverage on an annual basis. This year it was determined that the Village should remain with its current stop loss carrier, Blue Cross/Blue Shield (Blue Cross), as they provided the most competitive stop loss quote. Blue Cross's quote for stop loss including the aggregate coverage totaled \$400,085 annually.
- *Vision* – Vision services are administered by TruAssure Insurance Company, which is a subsidiary of Delta Dental. Employees use providers within TruAssure's EyeMed PPO network and, by doing so, pay a co-payment or receive discounted rates on various services. Employees also have the flexibility to go outside of the EyeMed network, but then receive a less comprehensive benefit. Premium costs for 2013 are \$45,000.
- *Dental* – The Village provides employees a dental program administered by Delta Dental Plan of Illinois. Under this program, employees utilize PPO network providers where services are received at discounted rates and benefits are primarily paid in full. Employees also have the flexibility of going out-of-network; however, they would receive coverage that is less comprehensive. Fees for administration of the Delta Dental program are \$18,734.
- *Life/Accidental Death & Dismemberment (AD&D) and Long Term Disability (LTD)* – The Village contracts with National Insurance Services (NIS) to provide term life/AD&D and LTD coverage to eligible Village personnel. Alternative quotes for this coverage were obtained this year by the Village's consultant, the Horton Group. A review of the alternative quotes indicates that NIS continues to provide the most competitive quote for 2013, with a decrease in premium over last year's rates. Costs for these benefits are anticipated to total \$98,086.

## **ATTACHMENTS**

Contract Documents

Resolutions

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING EXECUTION OF AN  
AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE  
AND BLUE CROSS/BLUE SHIELD OF ILLINOIS**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Administrative Services and Claim Administrator Agreement (the "Agreement"), between the Village of Downers Grove (the "Employer") and Blue Cross/Blue Shield of Illinois (the "Claim Administrator"), for medical claim administration services, effective January 1, 2013 through December 31, 2013, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

\_\_\_\_\_  
Mayor

Passed:

Attest: \_\_\_\_\_

Village Clerk



## Benefit Program Application (“ASO BPA”)

### Applicable to Administrative Services Only (ASO) Group Accounts

administered by Blue Cross and Blue Shield of Illinois, a division of Health Care Service Corporation, a Mutual Legal Reserve Company, hereinafter referred to as “Claim Administrator” or “HCSC”

Group Status: Renewing ASO Account

If former HCSC Insured Group converting to ASO, on what basis? Not applicable

Employer Account Number (6-digits): 365058

Group Number(s):  
P65058, P65059, P65060,  
P65061

Section Number(s):  
0100,0102,0103,0200,0202,02  
03,0300,0302,0303,0400,0402  
,0403,0500,0502,0503,0600,0  
602,0603,0700,0702,0703,080  
0,0802,0803,0902,0903,8881,  
8882,8883,8884,8885,8886,88  
87,8888

Legal Employer Name: Village of Downers Grove

(Specify the employer or the employee trust applying for coverage. Names of subsidiary or affiliated companies to be covered must also be included. AN EMPLOYEE BENEFIT PLAN MAY NOT BE NAMED.)

ERISA Plan:  Yes  No

If yes, specify ERISA Plan Year: N/A

ERISA Plan Administrator: N/A

Plan Administrator's address: N/A

Effective Date of Coverage: N/A

Anniversary Date: N/A

## ACCOUNT INFORMATION

### NO CHANGES

Address: 801 Burlington Avenue

City: Downers Grove

State: IL

Zip: 60515

Standard Industry Code (SIC): 9111

Employer Identification Number (EIN): 366005857

Subsidiaries: N/A

Affiliated Companies: N/A

(If Affiliated Companies listed above are to be covered, 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 Benefit Program Application.)

Administrative Contact: Dennis Burke

Phone Number: 630-434-  
5537

Fax Number: 630-434-5484

Title: Human Resource Director

Email Address:  
dburke@downers.us

Blue Access for Employers (BAE) Contact: Mary  
Weisenburn

Phone Number: 630-434-  
5538

Fax Number: 630-434-5484

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

Email Address:  
mweisenburn@downers.us

## SCHEDULE OF ELIGIBILITY

### NO CHANGES

1. Eligible Person means:

A full-time employee of the Employer.

A full-time employee who is a member of:

(name of union)

Other: Retirees

2. Full-Time Employee means:
- A person who is regularly scheduled to work a minimum of 40 hours per week and who is on the permanent payroll of the Employer.
  - Other: Part-Time employees budgeted to work 1000 hours or more per year

3. The 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:

4. Civil Union Partners covered:

- i.  Yes. Check "Yes" if Employer is an Illinois county, municipality, the State of Illinois, subject to the Illinois School Code, a church plan or other non-ERISA plan. For such Employers, a Civil Union Partner and his or her dependents are automatically eligible to enroll for coverage and, once enrolled, eligible for continuation of coverage as described in the Employer's Plan. Skip to item 5 below.

- ii. For all other Employers,  Yes  No

*If yes: A Civil Union Partner and his or her dependents are eligible to enroll for coverage.*

*If yes, are Civil Union Partners and his or her dependents eligible for continuation of coverage?*  Yes  No

The Employer is responsible for providing notice of possible tax implications to those Covered Employees with coverage for Civil Union Partners.

5. Domestic Partners covered:  Yes  No

*If yes: A Domestic Partner is eligible to enroll for coverage.*

*If yes, are Domestic Partners eligible for continuation of coverage?*  Yes  No

*If yes, are dependents of Domestic Partners eligible to enroll for coverage?*  Yes  No

*If yes, are dependents of Domestic Partners eligible for continuation of coverage?*  Yes  No

The Employer is responsible for providing notice of possible tax implications to those Covered Employees with coverage for Domestic Partners.

6. The Limiting Age for covered children is **Twenty-six (26) years**, regardless of presence or absence of a child's financial dependency, residency, student status, employment, marital status or any combination of those factors. For plan years beginning before January 1, 2014, an ASO grandfathered group health plan may exclude an adult child under 26 from coverage only if the child is eligible to enroll in an eligible employer sponsored health plan (as defined in Section 5000A(f)(2) of the Internal Revenue Code) other than a group health plan of a parent.

If Employer is an Illinois county, municipality, the State of Illinois, or subject to the Illinois School Code, this Limiting Age is extended to **thirty (30) years**, for unmarried eligible military personnel as described in the Employer's Plan.

To cover dependent children age twenty-six (26) and over other than unmarried eligible military personnel described above, you may select and complete option i. or ii. below:

- i.  The Limiting Age for covered children age twenty-six (26) or over,

who are unmarried

regardless of marital status,

is \_\_\_\_\_ years. (Twenty-seven (27) through thirty (30) are the available options.)

- ii.  The Limiting Age for covered children **who are full-time students** and age twenty-six (26) or over,

who are unmarried

regardless of marital status,

is \_\_\_\_\_ years (Twenty-seven (27) through thirty (30) are the available options.)

Coverage based on the Limiting Age(s) elected above terminates on:

The birthday on which the Limiting Age is reached.

The last day of the calendar month in which the Limiting Age is reached.

However, such coverage shall be extended in accordance with any applicable federal or state law.

7. The Eligibility Date for a person who becomes an Eligible Person after the Effective Date of the Employer's health care plan:
- The date of employment.
  - The \_\_\_\_\_ day of employment.
  - The 1st day of the month following 1 month(s) or \_\_\_\_\_ days of employment.
  - The \_\_\_\_\_ day of the month following the date of employment.
  - Other:

8. Enrollment:

*Special Enrollment:* An Eligible Person may apply for coverage, Family coverage or add dependents within thirty-one (31) days of a qualifying 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 the effective date of the qualifying event or, in the event of Special Enrollment due to termination of previous coverage, the date of application of coverage. In the case of a qualifying 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.

*Late Enrollment:* 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. Such person's Coverage Date, Family Coverage Date, and/or dependent's Coverage Date will be a date mutually agreed to by the Claim Administrator and the Employer.

*Open Enrollment:*  Yes  No

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 Open Enrollment Period.

- Specify Open Enrollment Period: November 15<sup>th</sup> to December 15<sup>th</sup> for a January 1<sup>st</sup> effective date

Such person's Coverage Date, Family Coverage Date, and/or dependent's Coverage Date will be a date mutually agreed to by the Claim Administrator and the Employer. Such date shall be subsequent to the Open Enrollment Period.

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

Temporary Layoff: 365 days      Disability: 365 days      Leave of Absence: 365 days

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

10. COBRA Auto Cancel?  Yes  No

*Member's COBRA/Continuation of Coverage will be automatically cancelled at the end of the member's eligibility period.*

**LINES OF BUSINESS**  
(Check all applicable products/services)

**NO CHANGES**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Participating Provider Option<br><input type="checkbox"/> Point of Service (BlueChoice)<br><input type="checkbox"/> Blue Choice Select<br><input type="checkbox"/> Comprehensive Major Medical<br><input type="checkbox"/> Base Plus<br><input type="checkbox"/> Stop Loss <i>(if purchased, complete separate Exhibit)</i> | <input checked="" type="checkbox"/> Outpatient Prescription Drugs:<br><input checked="" type="checkbox"/> Outpatient Prescription Drug Program<br><input type="checkbox"/> Covered under the medical benefit<br><input type="checkbox"/> Dental<br><input checked="" type="checkbox"/> Blue Care Connection®<br><input type="checkbox"/> Health Care Account (HCA) Administrative Services |
|---|--|

*to the Stop Loss Coverage Policy)*

*(if purchased, complete separate HCA BPA)*

Dearborn National Life Insurance *(if purchased, complete separate Life application)*

BlueEdge FSA (Vendor: ConnectYourCare)  
*(available 1/1/2013)*

HCSC COBRA Administrative Services *(if purchased, complete separate COBRA Administrative Services Addendum)*

## FEE SCHEDULE

### Fee Schedule Period

To begin on Effective Date of Coverage and continue for:

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

### Administrative Charge(s)

NO CHANGES

Applies to all coverages

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

Subscriber Share Methodology for Illinois Network Provider Claims Applies:  Yes     No

(If no, a letter declining Subscriber Share Methodology for Claims processing must be attached to this Benefit Program Application.)

#### Administrative Charge Chart:

Each column can be used to differentiate rates between product types or employee tiers. All columns do not need to be used. All fees listed are per employee per month.

Product / Service				
Administrative Fee	<b>\$55.98</b>	\$	\$	\$
Choose an Item	\$	\$	\$	\$
Choose an Item	\$	\$	\$	\$
Choose an Item	\$	\$	\$	\$
Choose an Item	\$	\$	\$	\$
Prescription Drug Rebate Credit per Covered Employee per month is the guaranteed Prescription Drug Rebate savings reflected as a Prescription Drug Rebate credit. Expected rebate amounts to be received by the Claim Administrator are passed back to the Employer with one hundred percent (100%) of the expected amount applied as a credit on the monthly billing statement on a per Covered Employee per month basis. Rebate credits are paid prospectively to the Employer and shall not continue after termination of the Prescription Drug Program. (Further information concerning this credit is included in the governing Administrative Services Agreement to which this ASO BPA is attached under the section titled "CLAIM ADMINISTRATOR'S SEPARATE FINANCIAL ARRANGEMENTS WITH PHARMACY BENEFIT MANAGERS.")	<b>\$13.94</b>	\$	\$	\$
<b>Blue Care Connection® ("BCC") Program: Enhanced</b>	<b>\$0</b>	\$	\$	\$
<b>BCC Program Buy Up(s):</b>				
Description: Choose an Item	\$	\$	\$	\$
Description: Choose an Item	\$	\$	\$	\$
Description: Choose an Item	\$	\$	\$	\$
Other: _____	\$	\$	\$	\$
Other: _____	\$	\$	\$	\$
Other: _____	\$	\$	\$	\$
Other: _____	\$	\$	\$	\$
Other: _____	\$	\$	\$	\$

**Legacy Carve Out Disease Management:** Not applicable



Additional Comments (Provide any additional details regarding the fee structure):

### Claim Administrator Provider Access Fee(s)

NO CHANGES

Group Number(s): P65058, P65059, P65060, P65061

% of ADP Savings: 2.51%

\$ per Covered Employee per month: \$

**Complete for Groups with multiple Provider Access Fees by products (i.e., CMM, PPO and/or POS plans):**  
Group Number(s):

% of ADP Savings: %

\$ per Covered Employee per month: \$

BlueCard Program/Network access fees: Available upon request.

### Other Service and/or Program Fee(s)

NO CHANGES

Not applicable to Grandfathered Plans

**External Review Coordination:**

If selected, Employer acknowledges and agrees: (i) to a fee of \$700 for each external review requested by a Covered Person that the Claim Administrator coordinates for the Employer in relation to the Employer's Plan; (ii) that the Claim Administrator's coordination shall include reviewing external review requests to ensure that they meet eligibility requirements, referring requests to accredited external independent review organizations, and reversing the Plan's determinations if so indicated by external independent review organizations; and (iii) that the external reviews shall be performed by an independent third party entity or organization and not the Claim Administrator. Amounts received by Claim Administrator and external independent review organizations may be revised from time to time and may be paid each time an external review is undertaken. Further, Employer elects for external reviews to be performed under the process selected below (select one):

State of Illinois External Review Process  Federal Affordable Care Act Process

**Reimbursement Provision:**  Yes  No

If yes: It is understood and agreed that in the event the Claim Administrator makes a recovery on a third-party liability claim, the Claim Administrator will retain 25% of any recovered amounts other than recovered amounts received as a result of or associated with any Workers' Compensation Law.

**Conversion Privilege:**  Yes  No *If yes, conversion fee: \$6,000 per conversion.*

**Claim Administrator's Third Party Recovery Vendor:**

It is understood and agreed that in the event the Claim Administrator's Third Party Recovery Vendor makes a recovery on a claim, the Employer will pay no more than 25% of any recovered amount.

### 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 Plan participation of the two (2) months immediately preceding the termination date. Such aggregate amount will be due the Claim Administrator within ten (10) days of the Claim Administrator's notification to the Employer 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 Claim Administrator, and paid by the Employer, in the same manner as prior to termination.

Termination Administrative Charges assume the continuation of the Plan benefit program(s) and the administrative services in effect prior to termination. Should such Plan benefit program(s) and/or administrative services change, or in the event the average Plan 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 Claim Administrator 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.

### Payment Specifications

NO CHANGES

**Employer Payment Method:**  Online Bill Pay  Electronic  Check

**Employer Payment Period:**  Weekly (*cannot be selected if Check is selected as payment method above*)

Twice-Monthly  Monthly  Other (please specify):

**Claim Settlement Period:**  Monthly  Other (please specify):

**Run-Off Period:** Employer Payments are to be made for **12** months following end of Fee Schedule Period.  
*Standard is twelve (12) months.*

**Final Settlement:** Final Settlement is to be made within 60 days after end of Run-Off Period.  
*Standard is sixty (60) days.*

### Broker/Consultant Compensation

The Employer acknowledges that if any broker/consultant acts on its behalf for purposes of purchasing services in connection with the Employer's Plan under the Administrative Services Agreement to which this ASO BPA is attached, the Claim Administrator may pay the Employer's broker/consultant a commission and/or other compensation in connection with such services under the Agreement. If the Employer desires additional information regarding commissions and/or other compensation paid the broker/consultant by the Claim Administrator in connection with services under the Agreement, the Employer should contact its broker/consultant.

### OTHER PROVISIONS

NO CHANGES

1. Certificate of Creditable Coverage:  Yes  No

*If yes: The Employer directs the Claim Administrator to issue to individuals, whose coverage under the Plan terminates during the term of the Administrative Services Agreement to which this ASO BPA is attached, a Certificate of Creditable Coverage. The Certificate of Creditable Coverage shall be based upon information required for issuance of a Certificate of Creditable Coverage to be provided to the Claim Administrator by the Employer and coverage under the Plan during the term of the Administrative Services Agreement.*

2. Summary of Benefits & Coverage:

a. Claim Administrator will create Summary of Benefits & Coverage (SBC)?

Yes. If yes, please answer question b. The SBC Addendum is attached.

No. If No, then the Employer acknowledges and agrees that the Employer 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 Claim Administrator have any responsibility or obligation with respect to the SBC. The Claim Administrator is not obligated to respond to or forward misrouted calls, but may, at its option, provide participants and beneficiaries with Employer's contact information. A new clause (e) is added to Subsection C. in the Additional Provisions as follows: "(e) the SBC". (Skip question b.)

b. Claim Administrator will distribute Summary of Benefits & Coverage (SBC) to participants and beneficiaries?

No. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and provide SBC to Employer in electronic format. Employer will then distribute SBC to participants and beneficiaries (or hire a third party to distribute) as required by law.

Yes. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and provide SBC to Employer in electronic format. Employer will then distribute to participants and beneficiaries as required by law, except that Claim Administrator will send the SBC in response to the occasional request received directly from individuals.

Yes. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and distribute SBC to participants and beneficiaries via regular hardcopy mail or electronically. Distribution Fee for hardcopy mail is \$1.30 per package. The distribution fee will not apply to SBCs that Claim Administrator sends in response to the occasional request received directly from individuals.

3. Case Management Program/Medical Services Advisory:  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 Administrative Services Agreement to which this ASO BPA is attached and the Employer's plan document.*
4. Employer acknowledges and agrees to utilize Claim Administrator's standard list of services and supplies for which pre-certification is required:  Yes  No If no, Employer authorizes Claim Administrator to post Employer's pre-certification requirements on Claim Administrator's Website:  Yes  No
5. The Massachusetts Health Care Reform Act requires employers to provide, or contract with another entity to provide, a written statement to individuals residing in Massachusetts who had "creditable coverage" at any time during the prior calendar year through the employer's group health plan and to file a separate electronic report to the Massachusetts Department of Revenue verifying information in the individual written statements.
- a. The Employer directs Claim Administrator to provide written statements of creditable coverage to its Covered Employees who reside, or have enrolled dependents who reside, in Massachusetts and file electronic reports to the Massachusetts Department of Revenue in a manner consistent with the requirements under the Massachusetts Health Care Reform Act. Such written statements and electronic reporting shall be based on information provided to the Claim Administrator by the Employer and coverage under the Plan during the term of the Administrative Services Agreement. The Employer hereby certifies that, to the best of its knowledge, such coverage under the Plan is "creditable coverage" in accordance with the Massachusetts Health Care Reform Act. The Employer acknowledges that the Claim Administrator is not responsible for verifying nor ensuring compliance with any tax and/or legal requirements related to this service. The Employer or its Covered Employees should seek advice from their legal or tax advisors as necessary.
- Yes  No
- b. If no: The Employer acknowledges it will provide written statements and electronic reporting to the Massachusetts Department of Revenue as required by the Massachusetts Health Care Reform Act.
6. This ASO Benefit Program Application (ASO BPA) is incorporated into and made a part of the Administrative Services Agreement with both such documents to be referred to collectively as the "Agreement" unless specified otherwise.

### ADDITIONAL PROVISIONS:

- A. **Grandfathered Health Plans:** Employer shall provide Claim Administrator with written notice prior to renewal (and during the plan year, at least 60 days advance written notice) of any changes that would cause any benefit package of its group health plan(s) (each hereafter a "plan") to not qualify as a "grandfathered health plan" under the Affordable Care Act and applicable regulations. Any such changes (or failure to provide timely notice thereof) can result in retroactive and/or prospective changes by Claim Administrator to the terms and conditions of administrative services. In no event shall Claim Administrator be responsible for any legal, tax or other ramifications related to any plan's grandfathered health plan status 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 Agreement, and Employer represents and warrants that such Form is true, complete and accurate.
- B. **Retiree Only Plans, Excepted Benefits and/or Self-Insured Nonfederal Governmental Plans:** If the BPA includes any retiree only plans, excepted benefits and/or self-insured nonfederal governmental plans (with an exemption election), then Employer 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 Claim Administrator to the terms and conditions of administrative services. In no event shall Claim Administrator be responsible for any legal, tax or other ramifications related to any plan's exempt plan status or any representation regarding any plan's exempt plan status.
- C. Employer shall indemnify and hold harmless Claim Administrator 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 Claim Administrator in connection with (a) any plan's grandfathered health plan status, (b) any plan's exempt plan status, (c) any plan's design (including but not limited to any directions, actions and interpretations of the Employer), (d) any provision of inaccurate information, and/or (e) the

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

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 administrative services between the parties.

1/1/13 The following medications are covered at \$0 copay retail and mail order: Atorvastatin, Lovastatin, Pravastatin, Simvastatin, Lansoprazole, Omeprazole, Pantoprazole.

Dee Mastro-Holzkopf

Sales Representative

890

630-824-5558

District

Phone & FAX Numbers

Producer Representative

The Horton Group

Producer Firm

10320 Orland Parkway, Orland Park, IL

Producer Address

708-845-3126, 708-845-4126 - fax

Producer Phone & FAX Numbers

Producer Email Address

36-3672171

Tax I.D. No.

Signature of Authorized Purchaser

Title

Date

# 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 thirty (30) nor more than sixty (60) days prior to such meetings. This proxy shall remain in effect until revoked in writing by the undersigned at least twenty (20) days prior to any meeting of members or by attending and voting in person at any annual or special meeting of members.

Group No.: P65058 By: \_\_\_\_\_  
P65059  
P65060  
P65061  
Print Signer's Name Here  
➔  
Signature and Title

Group Name: Village of Downers Grove  
Address: 801 Burlington Ave  
City: Downers Grove State: IL Zip Code: 60515  
Dated this \_\_\_\_\_ day of \_\_\_\_\_  
Month Year