

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
OCTOBER 14, 2014 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Employee Benefits Renewal Contracts and Medical Plan Amendments for FY2015	✓ 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 2015.

STRATEGIC PLAN ALIGNMENT

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

FISCAL IMPACT

The FY15 health insurance budget includes \$1,102,034 for claims administration and stop loss contracts. The vendors and contract amounts for FY14 and FY15 are itemized below:

Vendor	Contract Item	FY2014 Amount	FY2015 Amount
Blue Cross/Blue Shield	Medical Claim Administration	\$309,707	\$245,438
Blue Cross/Blue Shield	Specific and Aggregate Stop Loss	\$328,054	\$417,775
Delta Dental of Illinois	Dental and Vision Program Claim Administration	\$63,793	\$64,379
National Insurance Services of Wisconsin	Long Term Disability Benefits and Group Life Insurance	\$103,822.20	\$103,822.20
Humana	Medicare Advantage Program for Retirees over 65	\$206,856	\$221,664
Total		\$1,012,232.20	\$1,053,078.20

RECOMMENDATION

Approval on the October 14, 2014 consent agenda.

BACKGROUND

The recommended contracts provide the necessary administration and support for the Village's Health Insurance program, which has a total budget of \$7.1 million as shown in the FY15 Proposed Budget. The budget also describes how the Village has positioned itself well to effectively control health insurance costs and respond to the requirements of the Patient Protection Affordable Care Act.

A summary of the 2015 employee benefits contracts is provided below:

- *Medical Claim Administration* – The Village has a 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 has contracted with Blue Cross/Blue Shield of Illinois for these services since 2011. Blue Cross has provided a renewal quote for 2015 for claims administration at \$45.61 per employee/per month. Blue Cross also charges a fee to access their PPO network and for 2015 this fee is estimated at \$89,685. 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 2015 which includes the PPO access fee are \$245,438.

- *Stop Loss Coverage* - 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 and aggregate. Specific stop loss insurance provides a point at which time the insurance company becomes responsible for any claims after an individual insured reaches a pre-determined limit in the contract year. 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. The consultant reviews specific claim data on the Village's group and determines if it is cost effective for the Village to take on additional claim exposure. For 2015 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. Blue Cross's quote for stop loss totals \$417,775.
- *Dental and Vision* – The Village provides employees a dental and vision program administered by Delta Dental Plan of Illinois. For the dental program, employees utilize PPO network providers where services are received at discounted rates and benefits are primarily paid in full. For vision, employees use providers within the EyeMed PPO network and by doing so pay a modest co-payment or receive discounted rates on various services. 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 for 2015 are \$64,379.
- *Long Term Disability Insurance (LTD) and Group Life Insurance* - LTD is a benefit for all full time employees except sworn Police or Fire who are covered through their downstate pension plan. The Village purchases group life insurance which meets requirements from collective bargaining agreements and benefits non-bargaining employees. The premiums for both for 2015 total \$103,822.20.
- *Retiree Premiums* – Medicare Advantage Program for Retirees Over 65 – State law requires that the Village offer health insurance to retirees. Currently, retirees over 65 go into a fully insured carve-out plan through Humana. Retirees are expected to pay full premium except for those employees who retired prior to September 9, 2009 who pay 50% premium. The carve-out saves the Village in excess of \$150,000 annually. The premium for 2015 is \$221,664.

ATTACHMENTS

Resolutions

Contract Documents

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, 2015 through December 31, 2015, 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): P65060, P65061

Section Number(s):
0100,0102,0200,0202,0300,03
02,0400,0402,0500,0502,0600
,0602,0700,0702,0800,0802,0
902,8881,8882,8884,8885,888
6,8887,8888

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 Regulated Group Health* Plan: Yes No

If Yes, is your ERISA Plan Year a period of 12 months beginning on the Anniversary Date specified below? Yes No
If no, please specify your ERISA Plan Year*: Beginning Date __/__/__ End Date __/__/__ (month/day/year)

ERISA Plan Administrator*: N/A

Plan Administrator's Address:

If you maintain that ERISA is not applicable to your group health plan, please give legal reason for exemption:
Select legal reason ; if applicable, specify other: _____

Is your Non-ERISA Plan Year a period of 12 months beginning on the Anniversary Date specified below? Yes No
If no, please specify your Non-ERISA Plan Year: Beginning Date __/__/__ End Date __/__/__ (month/day/year)

For more information regarding ERISA, contact your Legal Advisor.

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

Effective Date of Coverage: 01/01/2015

Anniversary Date: Month/Year 01 / 2016

ACCOUNT INFORMATION

NO CHANGES SEE ADDITIONAL PROVISIONS

Standard Industry Code (SIC): 9111

Employer Identification Number (EIN): 366005857

Address: 801 Burlington Avenue

City: Downers Grove

State: IL

Zip: 60515

Administrative Contact: Dennis Burke

Title: Human Resource Director

Email Address: dburke@downers.us

Phone Number: 630-434-5537

Fax Number: 630-434-5484

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.)

Blue Access for Employers (BAE) Contact: Mary Weisenburn

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

Email Address: mweisenburn@downers.us

Phone Number: 630-434-5484

Fax Number: 630-434-5538

SCHEDULE OF ELIGIBILITY

NO CHANGES SEE ADDITIONAL PROVISIONS

1. Eligible Person means:
- A full-time employee of the Employer.
 - A full-time employee who is a member of: _____ (name of union)
 - Other: Pre 65 Retirees
2. Full-Time Employee means:
- A person who is regularly scheduled to work a minimum of 30 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 (skip to Question 6)
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.
- 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. **Select an effective date rule for a person who becomes an Eligible Person after the Effective Date of the Employer's health care plan** (The effective date must not exceed 91 calendar days from the date that a newly eligible person becomes eligible for coverage, unless otherwise permitted by applicable law.)

- The date of employment.
- The day of employment.
- The 1st day of the month following 1 month(s) of employment.
- The day of the month following 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 15th to December 15th for a January 1st 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. Will extension of benefits due to temporary layoff, disability or leave of absence apply? Yes (specify number of days below) No (skip to question 10)

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. **** Does COBRA Auto Cancel apply?** Yes No

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

*** Not recommended for accounts with automated eligibility.*

LINES OF BUSINESS
(Check all applicable products)

NO CHANGES **See Additional Comments**

Managed Care Coverage:

Participating Provider Option (PPO)

Point of Service (POS) (BlueChoice)

BlueChoice Select

Comprehensive Major Medical

Base Plus

Consumer Driven Health Plan:

Health Care Account (HCA) Administrative Services
(if purchased, complete separate HCA BPA)

BlueEdge FSA (Vendor: ConnectYourCare)

Outpatient Prescription Drugs:

Outpatient Prescription Drug Program

Covered under the medical benefit

Dental Coverage

Blue Care Connection[®]

Stop Loss *(if purchased, complete separate Exhibit to the Stop Loss Coverage Policy)*

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

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

Blue Directions (Private Exchange)

Additional Comments: _____

FEE SCHEDULE

Payment Specifications	
<input checked="" type="checkbox"/> NO CHANGES <input type="checkbox"/> SEE ADDITIONAL PROVISIONS	
Employer Payment Method: <input type="checkbox"/> Online Bill Pay <input type="checkbox"/> Electronic <input checked="" type="checkbox"/> Check	
Employer Payment Period: <input type="checkbox"/> Weekly (cannot be selected if Check is selected as payment method above) <input type="checkbox"/> Twice-Monthly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Other (please specify) _____	
Claim Settlement Period: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Other (please specify) _____	
Run-Off Period: Employer Payments are to be made for <u>12</u> months following end of Fee Schedule Period. <i>Standard is twelve (12) months.</i>	
Final Settlement: Final Settlement is to be made within <u>60</u> days after end of Run-Off Period. <i>Standard is sixty (60) days.</i>	

Fee Schedule Period
To begin on Effective Date of Coverage and continue for: <input checked="" type="checkbox"/> 12 Months <input type="checkbox"/> Other (please specify): _____ Months

Administrative Charge(s)
<input checked="" type="checkbox"/> NO CHANGES <input type="checkbox"/> SEE ADDITIONAL PROVISIONS

- 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.

Administrative Per Employee per Month (PEPM) Charges				
Product / Service	Medical			
Administrative Fee	<u>\$57.70</u>	\$ _____	\$ _____	\$ _____
Commissions	\$ _____	\$ _____	\$ _____	\$ _____
Dental	\$ _____	\$ _____	\$ _____	\$ _____
Fiduciary	\$ _____	\$ _____	\$ _____	\$ _____
Rx Administrative Fee	\$ _____	\$ _____	\$ _____	\$ _____
*Prescription Drug Rebate Credit	<u>\$10.07</u>	\$ _____	\$ _____	\$ _____
Other: Select Service Category List Service: <u>BVA</u>	<u>\$2.50</u>	\$ _____	\$ _____	\$ _____

Other: Select Service Category List Service: _____	\$ _____	\$ _____	\$ _____	\$ _____
Other: Select Service Category List Service: _____	\$ _____	\$ _____	\$ _____	\$ _____
Other: Select Service Category List Service: _____	\$ _____	\$ _____	\$ _____	\$ _____
Miscellaneous: _____	\$ _____	\$ _____	\$ _____	\$ _____
Miscellaneous: _____	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$50.13	\$ _____	\$ _____	\$ _____

*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 ("Agreement") to which this ASO BPA is attached under the section titled "CLAIM ADMINISTRATOR'S SEPARATE FINANCIAL ARRANGEMENTS WITH PHARMACY BENEFIT MANAGERS.")

Administrative Line Item Charges	Frequency	Amount
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
Miscellaneous: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
Miscellaneous: _____	Select Billing Frequency If applicable, describe other: _____	\$ _____
Total:		\$ _____

Note: Additional services and/or fees may be itemized in the "Miscellaneous" fields above or in the Additional Comments section below.

Legacy Carve Out Disease Management: Not applicable

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

Claim Administrator Provider Access Fee(s)	
<input checked="" type="checkbox"/> NO CHANGES <input type="checkbox"/> SEE ADDITIONAL PROVISIONS	
Group Number(s): P65060, P65061	
<input checked="" type="checkbox"/> % of ADP Savings: 2.51%	
<input type="checkbox"/> \$ 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): _____	
<input type="checkbox"/> % of ADP Savings: _____ %	
<input type="checkbox"/> \$ per Covered Employee per month: \$ _____	
BlueCard Program/Network access fees: Available upon request.	

Other Service and/or Program Fee(s)

NO CHANGES **SEE ADDITIONAL PROVISIONS**

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.

Alternative Compensation Arrangements (such as Accountable Care Organizations and Value-Based Programs; see Section 2 of the Agreement)

Local Only (Employer's Covered Persons live or reside in Illinois):

- Employer shall pay the Expected Payments on a per member per month basis. Expected Payments are calculated based on attributed members and estimated payments to Providers.
- Any surplus or deficit between the Expected Payments that Employer has made to Claim Administrator and actual Payments to Providers, and any related interest earned or incurred, will be factored into the calculation of future Expected Payments.

Modifications to the above amounts may occur from time to time. In the case of any such modifications, Claim Administrator shall provide Employer with notice. Employer will be deemed to have approved the modifications, which will become part of the Agreement, unless the Employer gives Claim Administrator notice otherwise.

National (Employer's Covered Persons may live and/or reside outside of Illinois): The Claim Administrator shall pass on to the Employer, and the Employer shall pay, either an amount included in the price of the claim or an amount charged separately in addition to the claim. Some Host Blues may retain interest earned. (Please see Section 16 of Exhibit 2 of the Agreement.)

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.

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 SEE ADDITIONAL PROVISIONS

1. Summary of Benefits & Coverage:

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

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. Will Claim Administrator distribute the 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 \$1.50 per package. The distribution fee will not apply to SBCs that Claim Administrator sends in response to the occasional request received directly from individuals.

2. 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.

3. 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

4. Does Employer have any Employees that reside in Massachusetts? Yes No

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. Does the Employer direct 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.

5. **EHB Election:**

Employer elects EHBs based on the following:

1. EHBs based on a HCSC state benchmark:

- | | |
|--|-----------------------------------|
| <input checked="" type="checkbox"/> Illinois | <input type="checkbox"/> Oklahoma |
| <input type="checkbox"/> Montana | <input type="checkbox"/> Texas |
| <input type="checkbox"/> New Mexico | |

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

If so, indicate the state's benchmark that Employer elects: ____

3. Other EHB, as determined by Employer

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

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 inquires 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, (e) the SBC, and/or (f) selection of employer's EHB benchmark for the purpose of ACA. 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.

Cancel P65059 (BA0002 & 0006) on 1/1/15.

The 2 plans left will have the following changes:

P65060 (BA0003 & 0007)

1/1/15 Adding BVA

1/1/15 adding separate RX opx \$3000/\$6000.

P65061 (BA0004 & 0008)

1/1/15 Adding BVA

1/1/15 adding separate RX opx \$2000/\$4000.

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.: P65060, By: _____
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

RESOLUTION NO. _____

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

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 Stop Loss Coverage Policy (the "Agreement"), between the Village of Downers Grove (the "Policyholder") and Blue Cross/Blue Shield of Illinois, (the "Company"), for stop loss insurance coverage effective January 1, 2015 through December 31, 2015, 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

EXHIBIT TO THE
STOP LOSS COVERAGE POLICY

(ASO Accounts Only)

Employer Group Name: Village of Downers Grove
Employer Group Address: 801 Burlington Ave
City: Downers Grove State of Situs: IL Zip Code: 60515
Account Number: 365058
Employer Group Number(s): P65060,P65061
Effective Date of Policy January 1, 2015
Policy Period: These specifications are for the Policy Period commencing on January 1, 2015 and ending on December 31, 2015

The specifications below shall become effective on the first day of the Policy Period specified above and shall continue in full force and effect until the earliest of the following dates: (1) The last day of the Policy Period; (2) The date the Policy terminates; or (3) The date this Exhibit is superseded in whole or in part by a later executed Exhibit.

A. Aggregate Stop Loss Insurance: Yes No
If yes, complete items 1. through 9. below.

1. New Coverage Renewal of Existing Coverage

2. Stop Loss Coverage Period:

New Coverage (Select one from below):

Standard: Claims incurred and paid during the Policy Period.

Standard with "Run-in" included: Claims incurred on or after _____ and paid during the Policy Period.

"Run-in" includes claims paid by Policyholder's prior claim administrator: Yes No

If yes, such claims must be reported by the Policyholder to the Company (Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company) within 12 months of the Effective Date of Policy and paid by the Policyholder's prior claim administrator within 6 months after the Effective Date of Policy.

Renewal of Existing Coverage:

Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

3. Aggregate Stop Loss Insurance shall apply to:

Medical Claims Vision Claims

Outpatient Prescription Drug Claims Dental Claims

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company
an Independent Licensee of the Blue Cross and Blue Shield Association

For Hospital Employer Groups only: Excludes _____% of Home Hospital Medical claims

Other (please specify): _____

4. Average Claim Value: 972.94 (per employee per month)

Includes Claim Administrator's Provider Access Fee

Excludes Claim Administrator's Provider Access Fee

Attachment Factor: 125% of the Average Claim Value

5. Aggregate Attachment Claim Liability:

Employer's Claim Liability for each Policy Period shall be the sum of the Monthly amounts obtained by multiplying the number of Individual and Family Coverage Units for each Month by the following factor:

\$1216.18 for each Coverage Unit

6. Aggregate Stop Loss Coverage includes coverage of Run-Off Paid Claims: Yes No

Run-Off Attachment Claim Liability Factors:

Employer's Run-Off Claim Liability shall be an amount equal to 15% of the annualized Employer Claim Liability based on the participation of the two calendar months immediately preceding termination. Settlement for the final accounting period will be described in the section of the Policy entitled SETTLEMENTS.

7. Aggregate Stop Loss Coverage:

a. The amount of Paid Claims during the current Policy Period, less Individual (Specific) Stop Loss Claims, if any, that exceed the Point of Attachment. The Point of Attachment shall equal the sum of the Employer's Claim Liability amounts calculated Monthly as described in Item 5. above for the indicated Policy Period. However, for the indicated Policy Period the minimum Point of Attachment shall be \$5,358,961.

b. The following applies if the answer to item 6. above is "Yes-" (Aggregate Stop Loss Coverage includes coverage of Run-Off Paid Claims):
In the event of termination at the end of a Policy Period, Aggregate Stop Loss Coverage shall equal the amount of Final Settlement Paid Claims that exceed the Final Settlement Point of Attachment. Final Settlement Paid Claims shall equal the sum of the Paid Claims during the Final Policy Period and the Paid Claims during the Run-Off Period, less Individual (Specific) Stop Loss Claims, if any. The Final Settlement Point of Attachment shall equal the sum of the Employer's Claim Liability amount for the Final Policy Period and the Employer's Run-Off Claim Liability calculated as described in items 5. and 6. above. However, for the Final Settlement Period the minimum Point of Attachment shall be the minimum Point of Attachment in item 7.a. above increased by 15%.

8. Premium (Select one):

Annual Premium (Due on the first day of the Policy Period): \$13,338.

The following applies if the answer to item 6. above is "Yes-" (Aggregate Stop Loss Coverage includes coverage of Run-Off Paid Claims): In the event of termination at the end of a Policy Period, an additional premium amount equal to 15% of the Annual Premium will be due within 10 calendar days of receipt of the billing.

Monthly Premium shall be equal to the amounts obtained by multiplying the number of Individual and Family Coverage Units for a particular Month by:

\$ _____ for each Coverage Unit

The following applies if the answer to item 6. above is "Yes-" (Aggregate Stop Loss Coverage includes coverage of Run-Off Paid Claims):

In the event of termination at the end of a Policy Period, an additional premium amount equal to 15% of the annualized Premium based on the participation of the two months immediately preceding termination will be due within 10 calendar days of receipt of the billing.

9. The premium is based upon a current membership of 143 Individual Coverage Units and 265 Family Coverage Units.

B. Individual (Specific) Stop Loss Insurance: Yes No

If yes, complete items 1. through 6. below.

1. New Coverage Renewal of Existing Coverage

2. Stop Loss Coverage Period:

- New Coverage (Select one from below):

Standard: Claims incurred and paid during the Policy Period.

Standard with "Run-in" included: Claims incurred on or after _____ and paid during the Policy Period.

"Run-in" includes claims paid by Policyholder's prior claim administrator: Yes No

If yes, such claims must be reported by the Policyholder to the Company (Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company) within 12 months of the Effective Date of Policy and paid by the Policyholder's prior claim administrator within 6 months after the Effective Date of Policy.

- Renewal of Existing Coverage:

Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

3. Individual (Specific) Stop Loss Insurance shall apply to:

Medical Claims Vision Claims

Outpatient Prescription Drug Claims Dental Claims

For Hospital Employer Groups only: Excludes _____% of Home Hospital Medical claims

Other (please specify): _____

4. Individual (Specific) Stop Loss Coverage

- a. Individual Stop Loss Coverage equals the amount of Paid Claims for a Covered Person during the current Policy Period in excess of the Point of Attachment of \$150,000 per Covered Person. Such amount shall apply for the Policy Period.

Point of Attachment Includes Claim Administrator's Provider Access Fee

Excludes Claim Administrator's Provider Access Fee

- b. Employer's Claim Liability equals the sum of Paid Claims for a Covered Person during the Policy Period up to the Point of Attachment specified in 4.a. above.

5. Individual Stop Loss Coverage includes coverage of Run-Off Paid Claims: Yes No

The following applies if the answer to item 5. above is "Yes" (Individual Stop Loss Coverage includes coverage of Run-Off Paid Claims):

- a. In the event of termination at the end of the Policy Period, Individual Stop Loss Coverage shall equal the amount of Final Settlement Paid Claims that exceed the Point of Attachment specified in 4.a. above. Final Settlement Paid Claims shall equal the sum of Paid Claims for a Covered Person during the Final Policy Period and the Run-Off Period.

- b. In the event of termination at the end of the Policy Period, Employer's Final Settlement Claim Liability equals the sum of Paid Claims for a Covered Person during the Final Policy Period and Run-Off Period up to the Point of Attachment specified in Item 4.a. above.

Settlement for the final accounting period will be described in the section of the Policy entitled SETTLEMENTS.

6. Premium (select one):

Annual Premium (Due on the first day of the Policy Period): \$ _____.

The following applies if the answer to item B.5. is "Yes" (Individual Stop Loss Coverage includes coverage of Run-Off Paid Claims): In the event of termination at the end of a Policy Period, an additional premium amount equal to 20% of the Annual Premium will due within 10 calendar days of receipt of the billing.

Monthly Premium shall be equal to the amounts obtained by multiplying the number of Individual and Family Coverage Units for a particular Month by:

\$85.33 for each Coverage Unit

The following applies if the answer to item B.5. above is "Yes" (Individual Stop Loss Coverage includes coverage of Run-Off Paid Claims): In the event of termination at the end of a Policy Period, an additional premium amount equal to 20% of the annualized Premium based on the participation of the two months immediately preceding termination will be due within 10 calendar days of receipt of the billing.

7. The premium is based upon a current membership of 143 Individual Coverage Units and 265 Family Coverage Units.

Additional Provisions:

The undersigned person represents that he/she is authorized and responsible for purchasing stop loss coverage on behalf of the Employer Group. It is understood that the actual terms and conditions of coverage are those contained in this Exhibit and the Stop Loss Coverage Policy into which this Exhibit shall be incorporated at the time of acceptance by Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company ("HCSC"). Upon acceptance, HCSC shall issue a Stop Loss Coverage Policy to the Employer Group. Upon acceptance of this Exhibit and issuance of the Stop Loss Coverage Policy, the Employer Group shall be referred to as the "Policyholder."

Dee Mastro-Holzopf
Sales Representative

Signature of Authorized Purchaser

Lucy Oakwood
Name of Underwriter

Title of Authorized Purchaser

Date

INTERNAL USE ONLY	Date Application approved by Underwriting: Name of Underwriter:
-------------------	--

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING RENEWAL OF A
GROUP DENTAL AND VISION CONTRACT BETWEEN
THE VILLAGE OF DOWNERS GROVE
AND DELTA DENTAL 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 Proposed Renewal (the "Renewal"), between the Village of Downers Grove (the "Village") and Delta Dental of Illinois ("DDIL"), for renewal of the employee dental and vision insurance program effective January 1, 2015, as set forth in the form of the Renewal 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 Renewal, 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 Renewal.

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



**Renewal Package
for
VILLAGE OF DOWNERS GROVE**

**Presented By
Delta Dental of Illinois (DDIL)**

**Stacy Beitzel
Senior Account Manager
Delta Dental of Illinois
111 Shuman Boulevard
Naperville, IL 60563
630-718-4742
sbeitzel@deltadentalil.com**

**This renewal is effective
January 1, 2015
through
December 31, 2015**

Confidentiality Agreement

By accepting this renewal, you agree that all information is confidential and has been provided by Delta Dental of Illinois for your use or that of the specified client only. Therefore, you agree not to disclose any information (except to the specified client, broker, consultant or agent) without the express written permission of Delta Dental of Illinois. It is acknowledged that information to be furnished in this renewal is in all respects confidential in nature, other than information that is available in the public domain through other means. Use or disclosure of information contained in this plan is strictly forbidden without obtaining written consent of Delta Dental of Illinois.

Proposed Self Insured Renewal -- Current Plan

Delta Dental PPO With Delta Dental Premier "Safety Net"			
	Current Rate	Proposed Rate	% Change
Admin Fee	\$4.27	\$4.40	3.0%
Administration fee is guaranteed 1/1/2015 through 12/31/2015			

	Current Premium Equivalent	Recommended Premium Equivalent	% Change
Single	\$39.06	\$39.55	1.3%
Family	\$120.58	\$122.09	1.3%

Fully Insured DeltaVision® (Per Enrollment Unit Per Month)

	Current Rate	Proposed Rate	% Change
Single (111)	\$4.50	\$4.50	0.0%
Family (261)	\$12.59	\$12.59	0.0%

Underwriting Assumptions

1. The proposed renewal fees are in effect **01/01/15** through **12/31/15**
2. Projections are based on 114 Singles, 266 Families.

Projected Annual Incurred Claims:	\$424,181
Projected Annual Administration Fee:	\$20,108
Projected Total Annual Cost:	\$444,289

3. All of our standard processing policies, limitations and exclusions apply.
4. During the current experience period, VILLAGE OF DOWNERS GROVE averaged 379 enrollees. If enrollment changes by more than 10% we reserve the right to revise our ASO fee.
5. Please acknowledge your acceptance of these terms and rates by signing below and returning this page.

You can fax this letter to 630-983-4242, or mail attn: Stacy Beitzel, Delta Dental of Illinois, 111 Shuman Boulevard, Naperville, IL 60563

If we do not receive notification from you at least 30 days prior to your renewal date, Delta Dental of Illinois will assume you agree to the proposed ASO fees and renew your current dental benefit plan.

AGREED AND ACCEPTED:
VILLAGE OF DOWNERS GROVE, Contract #8338

By: _____ Date: _____

Title: _____

Contact Sheet

For questions about your renewal, please contact:

Stacy Beitzel, Senior Account Manager
630-718-4742
sbeitzel@deltadentalil.com

Your Account Specialist will be able to assist you with any account-related questions you may have, as well as enrollment activities and fulfillment. **For questions about ongoing account administration, claims and other account inquiries, please contact:**

Erma McGahee
Account Specialist
630-718-4768
emcgahee@deltadentalil.com

Your enrollees can reach Delta Dental of Illinois' Customer Service department by calling

1-800-323-1743

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING RENEWAL OF
AN AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE AND
NATIONAL INSURANCE SERVICES OF WISCONSIN, INC.
(Long Term Disability Insurance)**

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 Agreement (the "Agreement"), between the Village of Downers Grove (the "Village") and National Insurance Services of Wisconsin, ("NIS"), for long term disability insurance, effective January 1, 2015 through December 31, 2015, 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 Mayor 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

**NATIONAL INSURANCE SERVICES INSURANCE TRUST
JOINDER AGREEMENT FOR
LONG-TERM DISABILITY INSURANCE**

DOWNERS GROVE VILLAGE (the "Employer") hereby requests application for participation in National Insurance Services Trust (the "Trust") for group long-term disability insurance benefits under a master group policy underwritten by Madison National Life Insurance Company, Inc. (the "Insurer"). The "Group Policy" means only the provisions of the master group policy that apply to the Employer, based upon the coverage requested under this Joinder Agreement.

A. Administrative

- | | |
|------------------------------------|---|
| 1. Employer: | DOWNERS GROVE VILLAGE
Civic Center
801 Burlington Ave
Downers Grove, IL 60515-4776 |
| 2. Plan Number: | 1190 |
| 3. Nature of Business: | Government |
| 4. Frequency of Billing: | Monthly |
| 5. Original Plan Effective Date: | May 1, 2006 |
| 6. Revised Joinder Effective Date: | January 1, 2015 |
| 7. Revised Renewal Date: | January 1, 2016 |

B. Class and Benefit Summary

Class Number:	01
Eligible Class:	All Employees, excluding Police and Fire Collective Bargaining Units
Employer Premium Contribution:	100%
Initial Premium Rate:	.200% of covered payroll
Initial Premium Rate Guarantee:	12 months until January 1, 2016
Elimination Period:	90 consecutive calendar days
Minimum Hourly Work Requirement:	30 hours per week
Waiting Period:	30 days
Evidence of Insurability:	Required for Late Enrollees, Increases and amounts exceeding the Guarantee Issue
New Employee Eligibility Date:	First of month following completion of the Waiting Period
Minimum Participation Required:	100%
Leaves and Sabbaticals:	Coverage with premium payment while on FMLA leave; Coverage with premium payment for up to 12 months while on Paid or Unpaid Leave

Class Number:	01
Eligible Class:	All Employees, excluding Police and Fire Collective Bargaining Units
Definition of Disability:	Zero Day
Own Occupation Period:	36 months following the end of the Elimination Period
Any Occupation Period:	From the end of the Own Occupation Period to the end of the Maximum Benefit Period
Cumulative Elimination Period:	15 Calendar Days
Recurrent Disability:	6 months
Predisability Earnings:	Base pay only
Maximum Monthly Covered Salary:	\$16,250
LTD Benefit Percentage:	60%
Maximum Monthly Benefit:	\$9,750
Guarantee Issue:	\$9,750
Minimum Monthly Benefit:	\$100
Work Incentive Period:	First 12 months of Disability with Work Earnings
Some Sources Threshold:	70%
Some Sources Period:	Duration of benefits
Sick Pay:	Pays in addition to Sick Pay
Social Security Integration:	Full Family
Freeze Type:	General Freeze
Pre-Existing Condition Exclusion:	3 months/3 months/12 months
Pre-Existing Condition on a Macs Increase:	3 months/12 months
Mental Disorder Limitation:	24 Months Lifetime unless hospital confined, with recovery
Substance Abuse Limitation:	24 Months Lifetime unless hospital confined, with recovery
Claim Payment Method:	Monthly
Child-Family Care Expense Adjustment:	Included
Conversion Benefit:	Included
Rehabilitation Benefit:	Included
Survivor Benefit:	Included

Maximum Benefit Period:

Age at Disablement	Benefit Duration*
Less than age 60	to age 65
60 - 64	to age 65 or 36 months, whichever is longer
65 - 67	24 months
68 - 69	18 months
70 - 71	15 months
72 or older	12 months
*To the later of: 1) the specified length of time as stated above, or 2) the day before attaining the Social Security Normal Retirement Age under the United States Social Security Act, as revised.	

C. Payment of Premiums

1. **Premium Due Date.** Premium is due on the 1st of the month to which coverage for such premium applies (e.g., premium for coverage in October would be due October 1st).
2. The premium due on each Premium Due Date is the sum of the premiums for all Insured Persons under the Group Policy. Premium rates for each Employer covered under the Group Policy are shown in the Employer's Joinder Agreement.
3. The Employer determines the amount, if any, of each Insured Person's contribution toward the cost of insurance.
4. Each premium is payable on or before its Premium Due Date directly to the Insurer at their home office.
5. Premium is due for an Insured Person for each month in which such employee is covered under the Group Policy. The Employer must notify the Insurer immediately whenever an employee becomes eligible or ceases to be eligible for coverage. Effective dates of coverage or termination dates which occur mid-month will be billed as follows:
 - a) If the effective date of coverage is between the 1st of the month and 15th of the month, premium for an entire month will be due to the Insurer. If the effective date of coverage is between the 16th of the month and the end of the month the Employer will be billed for the next full month of coverage. The Insurer does not prorate premium.
 - b) If the date coverage ends is between the 1st of the month and the 15th of the month, no premium will be due for that month. If the date of termination is between the 16th of the month and the end of the month the Employer will be responsible for an entire month's premium.
6. All premiums will be based upon information provided by the Employer in the Census Reports.

D. Changes in Premium Rates.

1. Special Circumstances. The Insurer may change premium rates, to be effective on the next Premium Due Date, if any of the following occur:
 - a) A change or clarification in a law or governmental regulation affects the amount payable under the Group Policy. Any such change in premium rates will reflect only the change in the Insurer's obligations.
 - b) One or more changes occur in the factors material to the underwriting risk the Insurer assumed under the Group Policy with respect to the Employer, including, but not limited to, the number of persons insured, age, Predisability Earnings, gender and occupational classification.
 - c) The premium contribution arrangement for insured employees changes or varies from that stated in the Employer's Joinder Agreement when issued or last renewed.
 - d) Plan design changes are requested by the Employer.
 - e) The Insurer and the Employer mutually agree to change premium rates.
2. In all other cases, and subject to a period for which the Insurer has provided the Employer with a written rate guarantee, the Insurer may change premium rates upon 60 days advance written notice to the Employer. Any such change in premium rates may be made effective on any Premium Due Date, but no such change will be made more than once in any Contract Year. Contract Years means successive 12-month periods computed from the end of the initial rate guarantee period, or from a time agreed to in writing by the Employer and Insurer.

E. Premium Adjustments. Premium adjustments involving a return of unearned premiums to an Employer will be limited to the 12 months just before the date the Insurer receives a request for premium adjustment.

F. Information Required from Employer

1. The Employer will furnish all information reasonably necessary to administer the Group Policy, including but not limited to the following:
 - a) At least one Census Report during each plan year, no later than six months prior to the next plan renewal date. The Census Report means a written report providing the following information for each Employee insured under the Group Policy: name, social security number, date of birth, gender, occupational class, annual Pre-disability Earnings as defined under the Group Policy and the amount of coverage.
 - b) A list of all eligible employees and documentation supporting employee eligibility under the Group Policy.
 - c) Information about employees who become eligible, whose amounts of coverage change and/or whose coverage ends.
 - d) Occupational information and any other information that may be required to manage a claim.
 - e) Notification of an Employer's change in legal status, expansion of business, dissolution, merger, buyout or any other significant business operational change.
 - f) Notice of any additional eligible employee segment(s).
 - g) Any other information that may be reasonably required.

2. The Employer must provide such information to the Insurer or its agents in a regular and timely manner as may be reasonably specified by the Insurer and/or its agents. The Insurer and its agents have the right at all reasonable times to inspect the payroll and other records of the Employer which relate to insurance under the Group Policy.

G. Grace Period and Termination for Nonpayment

1. If a premium is not paid on or before its Premium Due Date, it may be paid during the Grace Period. The coverage under the Group Policy will remain in force during the Grace Period.
2. Grace Period means the 31 days following the Premium Due Date.
3. If the premium for coverage is not paid during the Grace Period, the coverage under the Group Policy will terminate automatically at the end of the Grace Period.
4. The Employer is liable for premium for coverage during the Grace Period. The Insurer may charge interest at the legal rate for any premium which is not paid during the Grace Period, beginning with the first day after the Grace Period.

H. Termination for Other Reasons

1. The Policyowner may terminate the Group Policy and the Employer may terminate coverage under the Group Policy by giving the Insurer at least 31 days written notice. The effective date of termination will be the later of:
 - a) The date stated in the notice; or
 - b) The Premium Due Date immediately following date the Insurer receives the notice.
2. The Insurer may terminate coverage under the Group Policy as follows:
 - a) On any Premium Due Date if the number of persons insured is less than the minimum participation number or less than the minimum participation percentage provided for under Employer's Joinder Agreement.
 - b) On any Premium Due Date if the Insurer determines that the Employer has failed to promptly furnish any necessary information requested or has failed to perform any other obligations relating to the Group Policy or coverage under the Group Policy.
 - c) On any Premium Due Date by giving the Employer at least 31 days advance written notice.
 - d) On the date the Employer breaches any part of the Entire Contract.
- I. Certificates. The Insurer will prepare Group Long Term Disability Certificates of Coverage setting forth the main features of the Group Policy applicable to each Insured Person. The Insurer and Employer may agree to distribute the Certificates to Insured Persons in paper format, or to make the document available and accessible for review by Insured Persons on the Employer's website. The Employer will be responsible for providing sufficient notice to the Insured Person of the existence and availability of the Certificate, including instructions on how to view the document, and a statement that a paper copy of the document will be made available upon request. Upon receiving such a request from either the Employer or Insured Person, the Insurer will provide a written copy of the Certificate to the Employer for distribution to the Insured Person. If the terms of the Certificate of Coverage differ from the terms of the Employer's coverage under the Group Policy, the latter will govern.

- J. Agency and Release. Individuals selected by the Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them and do not represent or act on behalf of Madison National Life Insurance Company. The Policyowner, Employer and such individuals have no authority to alter, expand or extend the Insurer's liability or to waive, modify or compromise any defense or right the Insurer may have under the Group Policy. The Policyowner and Employer hereby release, hold harmless and indemnify Madison National Life Insurance Company from any liability arising from or related to any negligence, error, omission, misrepresentation or dishonesty of the Policyowner or Employer respectively, or any of their respective representatives, agents or employees.
- K. Notice of Suit. The Policyowner and Employer shall promptly give the Insurer written notice of any lawsuit or other legal proceedings arising under the Group Policy.
- L. Entire Contract and Changes
1. The Group Policy, the Group Long Term Disability Insurance Certificate of Coverage, the Employer Joinder Agreement, the applications of the Policyowner, Employers and employees and any applicable riders, addenda and/or amendments constitute the Entire Contract.
 2. The Group Policy may be changed in whole or in part. No change in the Group Policy will be valid unless it is approved in writing by one of the Insurer's executive officers and given to the Policyowner for attachment to the Group Policy. No change in an Employer's coverage under the Group Policy will be valid unless it is approved in writing by one of the Insurer's executive officers and given to the Employer for attachment to their Joinder Agreement. No agent has authority to change the Group Policy or an Employer's coverage under the Group Policy or to waive any provisions thereof.
- M. Effect on Workers' Compensation, State Disability Insurance. The coverage provided under the Group Policy is not a substitute for coverage under a Workers' Compensation or state disability income benefit law and does not relieve the Employer of any obligation to provide such coverage.
- N. The undersigned Employer adopts and agrees to be bound by the terms and conditions of National Insurance Services Trust Agreement, as amended from time to time (the "Trust Agreement") and master group policy. Copies of these documents are available for employer review at Madison National Life Insurance Company, 1241 John Q. Hammons Drive, Madison, WI 53717.
- O. The Trust is a vehicle for obtaining group insurance plans in which employers join together as a single policyholder for the purchase and maintenance of group insurance policies.
- P. The Trust's Administrator shall provide participating employers the necessary information for applicable State and Federal compliance reporting requirements.

Q. The signatures below constitute acceptance of the undersigned employer as a participating member of the Trust.

Signed into effect this _____ day of _____, 20____.

Signature of Authorized Employee of Employer

Printed Name & Title of Authorized Employee

Signature of Authorized Employee of Employer

Printed Name & Title of Authorized Employee

Administrator:
National Insurance Services of Wisconsin, Inc.

By: 

Bruce A. Miller, President
September 12, 2014

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING AN AMENDMENT TO A JOINDER
AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE AND
NATIONAL INSURANCE SERVICES OF WISCONSIN, INC.
(Group Life Insurance)**

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 Amendment to a Joinder Agreement (the "Agreement"), between the Village of Downers Grove (the "Village") and National Insurances Services of Wisconsin, ("NIS"), for group life insurance, effective January 1, 2015 through December 31, 2015, 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 Mayor 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

AMENDMENT TO
NATIONAL INSURANCE SERVICES TRUST
JOINER AGREEMENT FOR
GROUP LIFE INSURANCE

Carrier No.: 4116

Carrier ID: MNL

Amendment No: 1

Group Name: Village of Downers Grove

State: IL

Employee Classification: All Insured Classification

Effective Date: January 1, 2015

Benefit Change: None

Rate Change: •Basic Life: Rate shall remain unchanged at \$0.12/\$1,000.
•Basic AD&D: Rate shall remain unchanged at \$0.03/\$1,000.

The above rates are guaranteed until December 31, 2015. This rate guarantee does not apply to adjustments in premium rate due to amendments requested by the Employer.

IN ALL OTHER RESPECTS, COVERAGE UNDER THIS POLICY REMAINS UNCHANGED.

Accepted this ____ day of _____, 20____, for the above-named Employer.

By: _____
Signature

By: _____
Signature

Print Name and Title

Print Name and Title

Accepted for National Insurance Services Trust by Administrator, National Insurance Services of Wisconsin, Inc.



Bruce A. Miller, President
September 30, 2014

This signed and executed Amendment must be returned within 20 working days of the date of the Administrator's signature in order to ensure acceptance of the Amendment as outlined.

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING RENEWAL OF AN
AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE
AND HUMANA**

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 Medicare Advantage Employer Plan (the "Agreement"), between the Village of Downers Grove (the "Policy Holder") and Humana (the "Company"), for Medicare Advantage insurance for retirees over 65, effective January 1, 2015 through December 31, 2015, as set forth in the form of the documents 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

Acceptance of Your Humana Medicare Advantage Employer Plan

In signing this document, you are accepting the renewal agreement for the Group Medicare plan(s) submitted by your Humana Account Executive and included in this packet.

I accept the enclosed rate renewal, effective January 1, 2015, on behalf of

Organization: _____

Signature: _____

Title: _____

Date: _____

Important reminder: Please sign and return your acceptance right away to ensure we receive it by **September 1, 2014**. Be sure to keep a copy for your records

Humana is a Medicare Advantage organization with a Medicare contract.
Enrollment in a Humana plan depends on contract renewal.



Humana Medicare Employer Plan – Premium Information

VILLAGE OF DOWNERS GROVE - PPO

Date: 6/13/2014
Plan Year: January 1, 2015 through December 31, 2015
 Humana Medicare Employer Plan
Plan Names: Passive LPP0 079 066 with Rx66 \$10/\$30/\$60/33% from \$0 to Catastrophic
 Passive Waiver 079 066 with Rx66 \$10/\$30/\$60/33% from \$0 to Catastrophic
Rx Formulary: Group Plus Formulary - 15800

Blended Rate	\$355.23 Per Member Per Month *
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Medical and Rx Benefit Blended Overview Passive LPP0 079 066

	(In-Network Benefits match Out-of-Network Benefits)
Deductible	None
Inpatient Acute Hospital	\$0 Copayment per Admission
Skilled Nursing	\$0 Copayment (Days 1-100)
Physician	\$10 Copayment
Specialist	\$20 Copayment
Outpatient Surgical	\$0 Copayment
Ambulance	\$0 Copayment
Emergency Room	\$0 Copayment
Maximum Out of Pocket	\$1,000 Combined
Pharmacy	Rx66 \$10/\$30/\$60/33% from \$0 to Catastrophic

Medical and Rx Benefit Blended Overview Passive Waiver 079 066

	(In-Network Benefits match Out-of-Network Benefits)
Deductible	None
Inpatient Acute Hospital	\$0 Copayment per Admission
Skilled Nursing	\$0 Copayment (Days 1-100)
Physician	\$10 Copayment
Specialist	\$20 Copayment
Outpatient Surgical	\$0 Copayment
Ambulance	\$0 Copayment
Emergency Room	\$0 Copayment
Maximum Out of Pocket	\$1,000 Combined
Pharmacy	Rx66 \$10/\$30/\$60/33% from \$0 to Catastrophic

*ACA Industry Fee included in premium.
 See attached sheet for rating assumptions and stipulations



Humana Medicare Employer Plan – Rating Assumptions and Stipulations

VILLAGE OF DOWNERS GROVE - PPO

The following items apply to the rates provided:

The quoted rates are valid only for the specified effective date and are offered for the time period specified if the following conditions are met.

In the event that the effective date is other than 01/01/2015-12/31/2015, the rates are subject to change.

Humana reserves the right to change the rates and benefits 90 calendar days after 06/13/2014.

In order to implement this plan effectively, an implementation meeting must be held with Humana 90 days prior to the effective date.

The premium(s) and plan(s) quoted cannot be altered or adjusted in any way, up or down, without Humana's approval.

The quoted rates do not include a possible reduction for those eligible for the Center for Medicare and Medicaid Services (CMS) regulated low income subsidy. If applicable, the rate reductions will be made available at a later date upon CMS releasing the new subsidies.

This proposal assumes all members are retired and enrolled in Medicare Part A and Part B.

This quote is on an incurred basis. Humana will be responsible for all eligible claims incurred on or after the effective date through the end of the contract period.

These rates are based on the assumption there is no secondary plan wrapping around Humana's Medicare Advantage plan and/or Rx plan.

This proposal is based on a minimum Employer contribution to premium of 76%.

Humana follows CMS rules and regulations regarding enrollment and eligibility into the Medicare Employer plans. CMS has strict guidelines in regards to a carrier's ability to accept members with a diagnosis of End Stage Renal Disease (ESRD). Outside of the initial open enrollment period and "aging-in" to the plan, there are very few times when Humana can accept Medicare members with an ESRD diagnosis.

The benefits presented on the previous page are a high-level summary. Please consult the summary of benefits for a more detailed list of benefits provided in the Humana MA plan and or the prescription drug plan (MAPD and PDP). Due to annual changes in CMS mandated benefits, 2014 and 2015 benefits may differ for certain service categories.

Although this proposal may include multiple plans/options for the employer sponsored plan, Humana reserves the right to limit the number of plans/options based on the offering environment and the total number of Medicare eligible retirees. Final plan selection requires approval by underwriting prior to implementation.

The rates are contingent upon the retiree residing in the service areas of the quoted Medicare Advantage (MA) or PDP plan. The enrollment will be based on the retiree's primary residence as defined by CMS.

The information and materials provided for evaluation of this quote were assumed to be correct. If material errors or omissions are found after the quote is issued, Humana reserves the right to revise or rescind the quote.

Humana requires a minimum of 10 enrolled members per standard product offering to renew an Employer Sponsored plan.



Humana Medicare Employer Plan – Rating Assumptions and Stipulations

VILLAGE OF DOWNERS GROVE - PPO

Humana has quoted our Group Plus formulary. This proposal assumes a Humana Pharmacy solutions standard Group Plus drug list, managing dispensing limits, and standard clinical programs (i.e. step therapy and prior authorization). Humana updates its list and limits on an annual basis and ensures these updates are in accordance with CMS regulations. Pricing is subject to change in the event the group elects to deviate from the above assumptions.

Should there be any changes in the Patient Protection and Affordable Care Act or other federal regulations or CMS instructions or interpretation that affect Medicare Advantage (and/or Part D) products and/or reimbursements, or the Medicare Advantage or Part D revenue or claims assumptions on which this quote is based, Humana reserves the right to adjust the proposed rates and/or benefits in order to preserve the parties' economics of this quote.

Effective January 1, 2014, the group/member premium will include an ACA Industry Fee imposed by the Patient Protection and Affordable Care Act.

The Waiver plan option is only available to Medicare eligible retirees that live outside Humana's MA PPO service areas.

Due to the richness of this plan design, you must meet the following criteria:

The quoted rates are based on the Humana MA plan being the only option for Medicare eligible retirees.

If the enrolled membership differs from the pricing census by more than 10%, Humana reserves the right to review and change the pricing if necessary. This proposal's benefits must be similar to those currently offered.