

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village Council Meeting**

<b>SUBJECT:</b>	<b>SUBMITTED BY:</b>
Employee Benefits Renewal Contracts and Medical Plan Amendments for FY2016	Dennis Burke Director of Human Resources

**SYNOPSIS**

Resolutions have been prepared to authorize approval of employee benefits renewals contracts and plan amendments for FY16.

**STRATEGIC PLAN ALIGNMENT**

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

**FISCAL IMPACT**

The FY16 health insurance budget includes \$1,065,095 for claims administration, stop loss contracts and Wellness Health Initiative. The vendors and contract amounts for FY15 and FY16 are itemized below:

<b>Vendor</b>	<b>Contract Item</b>	<b>FY2015 Amount</b>	<b>FY2016 Amount</b>
Blue Cross/Blue Shield	Medical Claim Administration	\$245,438	\$265,887.36
Blue Cross/Blue Shield	Specific and Aggregate Stop Loss	\$429,723	\$386,137.76
Delta Dental	Dental Program Claim Administration	\$20,064	\$20,602.44
Eye Med	Vision Program Claim Administration	\$44,271 (Delta Vision/TruAssure)	\$33,254.04
<b>Subtotal</b>		\$739,496	\$705,881.60
Humana	Medicare Advantage Program for Retirees over 65	\$221,664	\$241,381.92
National Insurance Services Trust	Life Insurance	\$76,156	\$83,504
National Insurance Services Trust	Disability Benefits	\$27,666	\$27,666
<b>Total</b>		<b>\$1,064,982</b>	<b>\$1,058,433.52</b>

## RECOMMENDATION

Approval on the October 20, 2015 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 \$6.8 million as shown in the FY16 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 2016 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 2016 for claims administration at \$47.40 per employee/per month. Blue Cross also charges a fee to access their PPO network. 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 2016 which includes the PPO access fee are \$265,887.
- *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 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 2016 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 \$374,189 annually.
- *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 for 2016 are \$20,602.
- *Vision* – The Village will switch to Eye Med PPO for vision coverage in FY16, resulting in savings of \$11,000. With the assistance of the Village's Broker, the Village sought quotes for vision coverage. Eye Med will provide additional incentives which were not available with the Delta Vision program. Premium costs for 2016 are \$33,254.
- *Retiree Program* – 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 premium costs for 2016 are \$241,381.

- *Long Term Disability Insurance (LTD)* – LTD is a benefit for all full time employees except sworn Police or Fire employees who are covered through the pension plan. Premium costs for FY16 are \$27,666.
- *Life Insurance* - Life Insurance is offered as an employee benefit. The premium for Life Insurance for 2016 is \$83,504.

#### **ATTACHMENTS**

Resolutions

Contracts

**RESOLUTION NO. \_\_\_\_\_****A RESOLUTION AUTHORIZING EXECUTION OF A RENEWAL 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 Renewal (the "Renewal"), 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, 2016 through December 31, 2016, 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

# ASO

## 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, 0103, 0200, 0202, 0203,  
0300, 0302, 0303, 0400, 0402,  
0403, 0500, 0502, 0503, 0600,  
0602, 0603, 0700, 0702, 0703,  
0800, 0802, 0803, 8881, 8882,  
8883, 8884, 8885, 8886, 8887,  
8888 (0902, 0903 – P65061  
only)

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\*:

Plan Administrator's Address:

If you maintain that ERISA is not applicable to your group health plan, please give legal reason for exemption:  
Non-Federal Governmental Plan (Public Entity) ; 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: 01/01/2016

Anniversary Date: Month/Year 01 / 2017

### ACCOUNT INFORMATION

**NO CHANGES**  **SEE ADDITIONAL PROVISIONS**

Standard Industry Code (SIC): 9111

Employer Identification Number (EIN): 36-6005857

Address: 801 Burlington Avenue

City: Downers Grove

State: IL

Zip: 60515-4782

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-  
5538

Fax Number: 630-434-5484

## 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 1<sup>st</sup> 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 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. 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.*

<b>LINES OF BUSINESS</b> (Check all applicable products)	
<input checked="" type="checkbox"/> <b>NO CHANGES</b>	<input type="checkbox"/> <i>See Additional Comments</i>
<b>Managed Care Coverage:</b>	
<input checked="" type="checkbox"/> Participating Provider Option (PPO)	
<input type="checkbox"/> Point of Service (POS) (BlueChoice)	
<input type="checkbox"/> BlueChoice Select	
<input type="checkbox"/> Comprehensive Major Medical	
<input type="checkbox"/> Base Plus	
<b>Consumer Driven Health Plan:</b>	
<input type="checkbox"/> Health Care Account (HCA) Administrative Services <i>(if purchased, complete separate HCA BPA)</i>	
<input type="checkbox"/> BlueEdge FSA (Vendor: ConnectYourCare)	
<b>Outpatient Prescription Drugs:</b>	
<input checked="" type="checkbox"/> Outpatient Prescription Drug Program	
<input type="checkbox"/> Covered under the medical benefit	
<input type="checkbox"/> <b>Dental Coverage</b>	
<input checked="" type="checkbox"/> <b>Blue Care Connection®</b>	
<input checked="" type="checkbox"/> <b>Stop Loss</b> <i>(if purchased, complete separate Exhibit to the Stop Loss Coverage Policy)</i>	
<input type="checkbox"/> <b>Dearborn National Life Insurance</b> <i>(if purchased, complete separate Life application)</i>	
<input type="checkbox"/> <b>HCSC COBRA Administrative Services</b> <i>(if purchased, complete separate COBRA Administrative Services Addendum to the BPA)</i>	
<input type="checkbox"/> <b>Blue Directions</b> (Private Exchange) <i>(If selected, the Blue Directions Addendum is attached and made a part of the Policy.)</i>	

**Additional Comments:** \_\_\_\_\_



## FEE SCHEDULE

### Payment Specifications

**NO CHANGES**     **SEE ADDITIONAL PROVISIONS**

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

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

### Fee Schedule Period

**To begin on Effective Date of Coverage and continue for:**

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

### Administrative Charge(s)

**NO CHANGES**     **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>\$59.20</u>	\$ _____	\$ _____	\$ _____
Commissions	\$ _____	\$ _____	\$ _____	\$ _____
Dental	\$ _____	\$ _____	\$ _____	\$ _____
Fiduciary	\$ _____	\$ _____	\$ _____	\$ _____
Rx Administrative Fee	\$ _____	\$ _____	\$ _____	\$ _____
*Prescription Drug Rebate Credit	<u>\$14.30</u>	\$ _____	\$ _____	\$ _____
Other: Product-Related Services 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: _____	\$ _____	\$ _____	\$ _____	\$ _____
<b>Total</b>	<b>\$47.40</b>	\$ _____	\$ _____	\$ _____

\*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: _____	\$ _____
<b>Total:</b>		<b>\$ _____</b>

**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): \_\_\_\_\_

<b>Claim Administrator Provider Access Fee(s)</b>	
<input checked="" type="checkbox"/> NO CHANGES	<input type="checkbox"/> SEE ADDITIONAL PROVISIONS
<b>Group Number(s): P65060, P65061</b>	
<input checked="" type="checkbox"/> % of ADP Savings: <b>2.51%</b>	
<input type="checkbox"/> \$ per Covered Employee per month: \$ _____	
<b>Complete for Groups with multiple Provider Access Fees by products (i.e., CMM, PPO and/or POS plans):</b>	
<b>Group Number(s):</b>	
<input type="checkbox"/> % of ADP Savings: _____ %	
<input type="checkbox"/> \$ per Covered Employee per month: \$ _____	
<b>BlueCard Program/Network access fees:</b> 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:

Employer acknowledges and agrees that Claim Administrator has Alternative Compensation Arrangements with contracted Providers, including but not limited to Accountable Care Organizations and other Value Based Programs. Further information concerning Employer's payment for Covered Services under such Arrangements is described in the Administrative Services 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:

Illinois  Oklahoma  
 Montana  Texas  
 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 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, (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.

Renewal effective 01/01/2016:1) Rate changes as shown above.2)

Dee Mastro Holzkopf

Sales Representative

890

630-824-5558

District

Phone &amp; FAX Numbers

Producer Representative

The Horton Group

Producer Firm

10320 Orland Parkway, Orland Park, IL.

Producer Address

P: 708-845-3126, F: 708-845-4126

Producer Phone &amp; 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: Vilage of Downers Grove  
 Address: 801 Burlington Avenue  
 City: Downers Grove State: IL Zip Code: 60515-  
4782  
 Dated this \_\_\_\_\_ day of \_\_\_\_\_  
 Month Year