

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
10/18/2016

SUBJECT:	SUBMITTED BY:
Employee Benefits Renewal Contracts and Medical Plan Amendments for FY2017	Dennis Burke Director of Human Resources

SYNOPSIS

Resolutions have been prepared to authorize approval of employee benefits renewal contracts and plan amendments for FY2017.

STRATEGIC PLAN ALIGNMENT

The goals for 2015-2017 include *Steward of Financial, Environmental and Neighborhood Sustainability*.

FISCAL IMPACT

The FY17 health insurance budget includes \$1,065,095 for claims administration, stop loss contracts and Wellness Health Initiative. The vendors and contract amounts for FY16 and FY17 are itemized below:

Vendor	Contract Item	FY2016 Amount	FY2017 Amount	Difference
Blue Cross/Blue Shield	Medical Claim Administration	\$235,887.36	\$230,378.28	(\$5,509.08)
Blue Cross/Blue Shield	Specific and Aggregate Stop Loss	\$374,189.76	\$410,988.60	\$36,798.84
Delta Dental	Dental Program Claim Administration	\$20,602.44	\$20,602.44	_____
Subtotal		\$630,679.56	\$661,969.32	\$31,289.76
Humana	Medicare Advantage Program for Retirees over 65	\$241,381.92	\$241,381.92	_____
National Insurance Services Trust	Life Insurance	\$83,504	\$83,504	_____
National Insurance Services Trust	Disability Benefits	\$27,666	\$27,666	_____
Perspectives LTD	Employee Assistance Program	\$10,271	\$10,274	\$3.00
Total		\$993,502.48	\$1,024,795.24	\$31,292.76

RECOMMENDATION

Approval on the October 18, 2016 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 FY17 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 2017 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 2017 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 2017 which includes the PPO access fee are \$230,378.28.
- *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 2017 the consultant determined that the Village should remain at the current \$150,000 specific stop loss level. This means that the Village uses its own funds to pay the first \$150,000 of medical expenses for each individual on the plan. If a plan participant exceeds the \$150,000 threshold, the stop loss insurance policy provided by BCBS becomes activated and the bills are paid through an insurance policy. This year, four individuals exceeded the \$150,000 threshold thereby requiring BCBS to pay for their medical expenses. Therefore, BCBS could have increased the stop loss amount for these individuals to \$400,000 each, meaning that the Village could potentially have to pay up to \$400,000 of its own funds before the insurance policy would begin paying. Instead, BCBS has agreed to increase the overall premium for 2017 by \$30,000 thereby bringing the premium total to \$410,988.60. Ultimately, this will save the Village money, and is in the best interest of the Village's Health Plan.
- *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 2017 are \$20,602.

- *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 2017 are \$241,381. The Village will recover 50% of the cost through the premiums paid by the retirees.
- *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 FY17 are \$27,666.
- *Life Insurance* - Life Insurance is offered as an employee benefit. The premium for Life Insurance for 2017 is \$83,504.
- *Employee Assistance Program (EAP)* - is offered to assist employees for multiple issues including marital problems, children behavioral issues, finances, personal mental health issues and more. For 2017 Perspectives LTD is offering a 3 year contract at \$10,274 per year or a total for 3 years at \$30,822

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, 2017 through December 31, 2017, 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

Benefit Program Application (“ASO BPA”)

Applicable to Administrative Services Only (ASO) Group Accounts with Prescription Drug Benefits

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

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 named below. AN EMPLOYEE BENEFIT PLAN *MAY NOT BE NAMED.*)

ERISA Regulated Group Health Plan*: Yes No

Is your ERISA Plan Year* a period of 12 months beginning on the Anniversary Date specified below? Yes

If not, 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, 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

If not, 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: (Month/Day/Year) 01 / 01 / 2017

Anniversary Date: (Month/Day/Year) 01 / 01 / 2018

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

Administrative Contact: Dennis Burke

Title: Human Resource Director

Email Address: dburke@downers.us

Phone Number: 630-
434-5537

Fax Number: 630-434-5537

Wholly Owned Subsidiaries:

Affiliated Companies:

(If Affiliated Companies listed above are to be covered, a separate “Addendum to the ASO BPA Regarding Affiliated Companies” must be completed, signed by the Employer’s authorized representative, and attached to this ASO BPA.)

Blue Access for Employers (BAE) Contact: Mary Weisenburn

(The BAE Contact is the Employee authorized by the Employer to access and maintain the Employer’s account in BAE.)

Email Address: mweisenburn@downers.us

Phone Number: 630-434-
5538

Fax Number: 630-434-5484

The Employer or other company listed in this BPA is a public entity or governmental agency/contractor

Schedule of Eligibility

NO CHANGES

SEE ADDITIONAL PROVISIONS

Employer has made the following eligibility decisions:

1. Eligible Person means:

A full-time employee of the Employer.

A full-time employee of the Employer who is a member of: *(name of union)*

Other: Pre 65 Retirees

Are any classes of employees to be excluded from coverage? Yes No

If yes, please identify the classes and describe the exclusion: _____

2. Employee Definitions

Full-Time Employee means:

A person who is regularly scheduled to work a minimum of _____ 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. 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 be later than the 91st calendar day after 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:

Is the waiting period requirement to be waived on initial group enrollment? Yes No

Are there multiple new hire waiting periods? Yes No

If yes, please attach eligibility and contribution details for each section.

5. Domestic Partners covered: Yes No

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

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

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

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

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

6. Civil Union Partners covered:

i. The 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.

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.

7. Limiting Age for covered Children: Twenty-six (26) years, regardless of presence or absence of a child's financial dependency, residency, student status, employment status, marital status, eligibility for other coverage, or any combination of those factors. Other:

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.

8. Termination of coverage upon reaching the Limiting Age:
- The last day of coverage is the day prior to the birthday.
- The last day of coverage is the last day of the month in which the limiting age is reached.
- The last day of coverage is the last day of the billing month.
- The last day of coverage is the last day of the year (12/31) in which the limiting age is reached.
- The last day of coverage is the day prior to the Employer's Anniversary Date.

Will coverage for a child who is medically certified as disabled and dependent on the employee terminate upon reaching the limiting age even if the child continues to be both disabled and dependent on the employee?

Yes No

However, such coverage shall be extended in accordance with any applicable federal or state law. *The Employer will notify HCSC of such requirements.*

9. Will extension of benefits due to temporary layoff, disability or leave of absence apply?

Yes (specify number of days below)

No

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 an applicable federal or state law. The Employer will notify HCSC of such requirements.

10. Enrollment:

Special Enrollment: An Eligible Person may apply for coverage, Family coverage or add dependents within thirty-one (31) days of a Special Enrollment qualifying event if he/she did not previously apply prior to his/her Eligibility Date or when otherwise 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 marriage or termination of previous coverage, then no later than the first day of the Plan Month following the date of receipt of the person's application of coverage.

An Eligible Person may apply for coverage within sixty (60) days of a Special Enrollment qualifying event in the case either of a loss of coverage under Medicaid or a state Children's Health Insurance program, or eligibility for group coverage where the Eligible Person is deemed qualified for assistance under a state Medicaid or CHIP premium assistance program.

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: 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. 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.

Specify Open Enrollment Period: November 15th to December 15th for a January 1st effective date.

11. * 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 services)	NO CHANGES	See Additional Comments
<p><u>Medical Plan Services:</u></p> <p><input checked="" type="checkbox"/> Participating Provider Option (PPO)</p> <p><input type="checkbox"/> Blue Choice Select PPO</p> <p><input type="checkbox"/> Blue Choice Options</p> <p><u>Additional Services:</u></p> <p><input checked="" type="checkbox"/> Blue Care Connection®</p>	<p><u>Consumer Driven Health Plan:</u></p> <p><input type="checkbox"/> Health Care Account (HCA) Administrative Services (if purchased, complete separate HCA BPA)</p> <p><input type="checkbox"/> BlueEdge FSA (Vendor: ConnectYourCare)</p> <p><input type="checkbox"/> HSA Eligible Health Plan (Vendor:)</p> <p><u>Prescription Drugs:</u></p>	

<input type="checkbox"/> Wellness Incentives <input type="checkbox"/> Well onTarget® <input type="checkbox"/> Blue Directions (Private Exchange) <i>(If selected, the Blue Directions Addendum is attached and made a part of the Agreement.)</i> <input type="checkbox"/> Other Select Product <input type="checkbox"/> Other Select Product <input type="checkbox"/> Other Select Product <input type="checkbox"/> Other Select Product <input type="checkbox"/> Other <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Covered under a pharmacy benefit <input type="checkbox"/> Covered under the medical benefit or Blue Script Ancillary Services: <input type="checkbox"/> Dental Plan Services <input type="checkbox"/> Vision Plan Services <input checked="" type="checkbox"/> Stop Loss <i>(if selected, complete separate Exhibit to the Stop Loss Coverage Policy)</i> <input type="checkbox"/> Dearborn National Life Insurance <i>(if selected, complete separate Life application)</i> <input type="checkbox"/> COBRA Administrative Services <i>(if selected, complete separate COBRA Administrative Services Addendum to the BPA)</i>
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Additional Comments: _____

FEE SCHEDULE

Payment Specifications	NO CHANGES	SEE ADDITIONAL PROVISIONS
Employer Payment Method: <input type="checkbox"/> Online Bill Pay <input type="checkbox"/> Electronic <input type="checkbox"/> Auto Debit <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"/> Semi 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 12 months. If other than 12 months, please specify: _____ Months		

Administrative Per Employee Per Month (PEPM) Charges	NO CHANGES	SEE ADDITIONAL PROVISIONS
	Medical	
Administrative Fee	\$60.45	\$ _____
Dental	\$ _____	\$ _____
Claims Fiduciary	\$ _____	\$ _____
Management of the Virtual Visits Program	\$ _____	\$ _____
*Prescription Drug Program - Rebate Credit	\$16.23	\$ _____
Commissions	\$ _____	\$ _____
Other: Product-Related Services List Service: BVA	\$2.50	\$ _____
Other: Product-Related Services List Service: Virtual Visits	\$.45	\$ _____
Other: Select Service Category List Service:	\$ _____	\$ _____
Other: Select Service Category List Service:	\$ _____	\$ _____
Miscellaneous:	\$ _____	\$ _____

Miscellaneous:	\$	\$	\$	\$
Total	\$47.17	\$	\$	\$

*The Rebate Credit for the Prescription Drug Program is a per Covered Employee per month credit applied to the monthly billing statement. The Employer and Claim Administrator have agreed to the Rebate Credit and Employer agrees that it and its group health plan have no right to, or legal interest in, any portion of the rebates actually provided by the Pharmacy Benefit Manager (PBM) to Claim Administrator and consents to Claim Administrator's retention of all such rebates. The Rebate Credit will be provided from Claim Administrator's own assets and may or may not equal the entire amount of rebates actually provided to Claim Administrator by the PBM or expected to be provided. Rebate Credits shall not continue after termination of the Prescription Drug Program. Employer agrees that any provision in the governing Administrative Services Agreement to the contrary is hereby superseded.

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 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:		\$ _____

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

Claim Administrator Provider Access Fee(s)	NO CHANGES	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: \$		
<input type="checkbox"/> Group with multiple Provider Access Fees by services (e.g., CMM, and/or PPO 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
External Review Coordination: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, coordination fee: \$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. Employer elects the following process: <input checked="" type="checkbox"/> State of Illinois External Review Process <input type="checkbox"/> Federal Affordable Care Act Process		
Reimbursement Service: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes: The Employer has elected to utilize the reimbursement service offered by the Claim Administrator, the Corporate Reimbursement Subrogation department. 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: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, conversion fee: \$6,000 per conversion.		

Claim Administrator's Third Party Recovery Vendors and Law Firms (other than Reimbursement Services):

Employer will pay no more than 25% of any recovered amount made by Claim Administrator's Third Party Recovery Vendor. Employer will pay no more than 35% of any recovered amount made by Claim Administrator's third party law firm.

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.

Virtual Visits Program: Yes No If yes, Covered Persons would be able to obtain certain Covered Services remotely via video or audio only (where available) capability from Providers participating in the Virtual Visit program.

Termination Administrative Charge

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

- i. **For service charges (including, but not limited to, access fees) billed on a per Covered Employee basis at the time of termination of the Agreement or partial termination of Covered Employees,** 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 or date of partial termination and the Plan participation of the two (2) months immediately preceding the termination date or date of partial termination. 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 of the Agreement or partial termination of Covered Employees,** the Termination Administrative Charge will be such service charges in effect at the time of termination of the Agreement or partial termination of Covered Employees to be applied and billed by the Claim Administrator, and paid by the Employer, in the same manner as prior to termination of the Agreement or partial termination of Covered Employees.

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 skip question b and refer to the Administrative Services Agreement for further information.

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. Massachusetts Health Care Reform Act:

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? Yes No

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.

3. Case/Utilization Management Program: Yes No *If yes: The undersigned representative authorizes provision of alternative benefits for services rendered to Covered Persons.*
4. Employer acknowledges and agrees to utilize Claim Administrator's standard list of services and supplies for which pre-notification or preauthorization is required: Yes No If no, Employer authorizes Claim Administrator to post Employer's pre-notification or preauthorization requirements on Claim Administrator's Website: Yes No
5. Essential Health Benefits ("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 BPA is binding on both parties and 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.
7. Producer/Consultant Compensation

The Employer acknowledges that if any producer/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 producer/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 producer/consultant by the Claim Administrator in connection with services under the Agreement, the Employer should contact its producer/consultant.

Additional Provisions: Renewing effective 01/01/2017:

Rx is standard/Basic Formulary and the Broad Network (including CVS).

Moving to Retail lockout for Specialty medications.

Adding virtual visits at \$10.00 copay

Signature

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

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

Producer Phone & FAX Numbers

Producer Email Address

36-3672171

Tax I.D. No.

Signature of Authorized Purchaser

Print Name

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.

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

Group No.: P65060,
P65061

By:

Print Signer's Name Here



Signature and Title

Group Name: Village of Downers Grove

Address: 801 Burlington Avenue

City: Downers Grove State: IL ZIP : 60515

Dated this _____ day of _____
Month Year