

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting

SUBJECT:	10/18/2022	SUBMITTED BY:
Employee Benefits Renewal Contracts and Medical Plan Amendments for FY2023		Lauren Linares Director of Human Resources

SYNOPSIS

Resolutions have been prepared to authorize approval of employee benefits renewal contracts and plan amendments for FY2023.

STRATEGIC PLAN ALIGNMENT

The goals for 2021-2023 include *Steward of Financial, Neighborhood and Environmental Sustainability*.

FISCAL IMPACT

The proposed FY2023 health insurance budget includes \$1,313,305 for claims administration, stop loss contracts and Wellness Health Initiative. The vendors and contract amounts for FY2022 and FY2023 are itemized below:

Vendor	Contract Item	FY2023 Amount	FY2022 Amount
Blue Cross Blue Shield	Medical Claim Administration	(\$22,128)	(\$134,677)
Blue Cross Blue Shield	Specific and Aggregate Stop Loss	\$855,504	\$865,929
Subtotal		\$833,376	\$731,252
Blue Cross Blue Shield	Life Insurance	\$80,047	\$80,047
Blue Cross Blue Shield	Disability Benefits	\$24,732	\$24,732
MidAmerica	VEBA Health Savings	\$6,240	\$28,809
Humana	Retiree Carve Out	\$239,139	\$269,232
Professional Benefit Administrators	COBRA & Flexible Spending	\$10,385	\$9,276
Delta Dental	Dental Insurance Administration	\$20,490	\$20,092
Total		\$1,214,409	\$1,163,440

RECOMMENDATION

Approval on the October 18, 2022 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 \$8.1 million as shown in the FY2023 Proposed Budget. The budget also describes how the Village has positioned itself to effectively control health insurance costs.

A summary of the 2023 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 provided a renewal quote for 2023 for claims administration. Blue Cross also charges a fee to access their PPO network. The fee is offset by the significant savings the Village realizes through the Blue Cross PPO discounts. The Village health insurance plan is consumer centric, which includes an opportunity for employees to partake in a Wellness Screening initiative. Employee participation drives a Blue Cross one-time Wellness Credit to the plan. Total annual costs for medical claims administration for 2023 is a credit of \$22,128. Note, this credit diminished compared to FY2022, due to an increase in monthly administrative fees and a decrease in prescription drug rebate credit.
- *Stop Loss Coverage* – The Village purchases stop loss coverage to limit 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 2023, the consultant determined that the Village should remain at the current \$150,000 specific stop loss level. Despite a market Stop Loss premium increase of 9.9%, due to inflation, the Horton Group renegotiated our premium with a .8% savings compared to 2022 rates – a discount offered due to continued bundling of life insurance coverage with Blue Cross Blue Shield.
- *Vebe Health Savings* – Under the Village's medical program, employees may participate in a "VEBA Savings Plan" (oftentimes referred to as a health reimbursement account or HRA) by electing Blue Cross Blue Shield's 2500 deductible medical plan. In FY22, the Village contracted services with TASC for administration of the HRA. However, due to implementation issues with TASC's software upgrade in 2021, and other administrative issues throughout 2022, the Village's partnership with the vendor became burdensome. Encouraged by the Village's consultant, the Horton Group, the Village now

prepares to transition the “VEBA Savings Plan” to MidAmerica. This implementation will streamline administrative services, and also lower annual premium costs from \$28,809 to an estimated \$6,240.

- *Life Insurance* – Life Insurance is offered as an employee benefit and will continue at the same rate under Blue Cross Blue Shield through FY23.
- *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. In 2022, it was decided to change vendors to Blue Cross Blue Shield and will continue at the same rate through FY23.
- *Retiree Carve Out* – Village employees and their eligible spouses that are on the Village’s Health Insurance Plan go to the Retiree Carve Out when they become Medicare eligible at age 65. In 2012, the Village, through its Broker, found a Humana Supplement plan to offer Medicare eligible retirees, thereby transitioning this group away from the Village’s Self-Insurance Program. The Village pays the premium and invoices those premiums to the respective retirees. Employees that retired prior to the change in Village Ordinance on 9/9/2009, receive a credit of 50% of premium. The premium for 2023 is \$239,139. This premium amount decreased compared to FY22, totaling a savings of \$30,093. The cost savings is due to the Inflation Reduction Act, which will provide much needed financial relief and increase access to affordable drugs for those enrolled in Medicare.
- *COBRA & Flexible Spending* – Professional Benefit Administrators (PBA) provides medical and dependent flexible spending accounts for Village employees and the continuation of health coverage (COBRA) for separating employees and their families. Despite no change in rates for FY23, the premium is expected to increase by \$1,109 to account for COBRA fees related to employee turnover.
- *Dental Insurance* – 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 FY23 are \$20,490. This figure shows a slight increase of \$398, due to the increase in membership.

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
FOR MEDICAL CLAIM ADMINISTRATION SERVICES**

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, 2023 through December 31, 2023, 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

administered by Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation,
a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association, hereinafter referred to as “Claim
Administrator” or “BCBSIL”

Group Status: Renewing ASO Account

Employer Account Number (6-digits): 365058

Group Number(s): P65060 P65061

Section Number(s): See account structure

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 Effective Date of Coverage 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:

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
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 / 2023

Anniversary Date: (Month/Day/Year) 01 / 01 / 2024

Retiree-Only Plan(s) Identification:

For more information regarding Retiree-only plans, contact your Legal Advisor.

Do you have one or more Retiree-only plan(s)? Yes No

If yes, please provide Benefit Agreement number, or group and section numbers of the Retiree-only plan(s):

Account Information

NO CHANGES

SEE ADDITIONAL PROVISIONS

Standard Industry Code (SIC): 9111

Employer Identification Number (EIN): 36-6005857

Address: 801 Burlington Ave

City: Downers Grove

State: IL

ZIP: 60515

Administrative Contact: Lauren Linares

Title: HR Director

Email Address: llinares@downers.us

Phone Number: 630-434-5538

Fax Number: 630-434-5484

Wholly Owned Subsidiaries to be covered:

Affiliated Companies to be covered:

Employer Identification Number (EIN):

(Affiliated Companies must be required or permitted to be aggregated per IRS Guidelines, Employer hereby confirms that Employer, Subsidiaries and Affiliates are treated as a single employer under Internal Revenue Code Section 414(b), or (c), or (m) or (o), or under applicable law.)

Proprietary and Confidential Information of Claim Administrator

Not for use or disclosure outside Claim Administrator, Employer, their respective affiliated companies and third-party representatives, except with written permission of Claim Administrator.

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Blue Access for EmployersSM ("BAESM") Contact: Pat Charnas

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

Email Address: PCharnas@downers.us

Phone Number: 630-434-5502

Fax Number: 630-434-548

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

Producer of Record Information

NO CHANGES SEE ADDITIONAL PROVISIONS

Effective: _____

If applicable, the below-named producer(s) or agency(ies) is/are recognized as Employer's Producer of Record (POR) to act as a representative in negotiations with and to receive commissions from BCBSIL, Claim Administrator's corporate subsidiaries, as applicable, for procuring Claim Administrator's claims administration services for Employer's employee benefit program(s). This statement rescinds any and all previous POR appointments for the Employer. The POR is authorized to perform membership transactions on behalf of the Employer. This appointment will remain in effect until withdrawn or superseded in writing by the Employer.

Are commissions to be paid? Yes No

Producer or Agency to whom commissions are to be paid*:

Illinois Producer#:

NPN:

Address:

City:

State:

Phone:

Fax:

Is Producer/Agency appointed with BCBSIL? Yes No

Commissions:

PCPM \$ Does a Monthly Cap Apply Yes No \$ (If cap is annual, divide by twelve)

Flat \$ Does a Monthly Cap Apply Yes No \$ (If cap is annual, divide by twelve)

Percentage of Stop Loss: %

ADDITIONAL COMMISSIONS:

* The Producer or agency name(s) above to whom commissions are to be paid must exactly match the name(s) on the appointment application(s).

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)
- A part-time employee of the Employer.
- A retiree of the Employer. Define criteria:
- 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: Any retiree with access to Medicare. In the event a pre 65 retiree loses access to Medicare they are able to come back and be insured under this plan.

2. Employee definitions:

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.

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Other:

Part-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:

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:

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.

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.

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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 and the Disabled Dependent provisions of this BPA. *The Employer will notify BCBSIL of such requirements.*

9. Disabled dependent: A disabled dependent means a dependent child who is medically certified as disabled and dependent upon the Employee or his/her spouse.

To administer medical certification of disabled dependents, you may select option (a) Standard Rules or (b) Custom Rules. BCBSIL will administer its standard process for administration of disabled dependent coverage if (a) below is selected by Employer, or at the Employer's direction memorialized below, BCBSIL will follow a customized process if Employer selects (b). If (b) is selected there are additional selections regarding age, proof of prior coverage, certification review, forms, and previous medical certification approvals.

(a) Disabled dependent administration will follow Standard Rules.

A disabled dependent is eligible to **continue** coverage beyond the limiting age, provided the disability began before the child attained the age of 26. A disabled dependent is eligible to **add** coverage beyond the limiting age, provided the disability began before the child attained the age of 26, and proof of coverage as a disabled dependent is provided. Administration of certification review is administered by BCBSIL; a disabled dependent certification form must be submitted to BCBSIL.

(b) Disabled dependent Administration will follow Custom Rules. Please make the following sections:

Age: *Please select one option regarding age of when the disability began.*

- The disability must have begun before the child attained the age of 26.
- All disabled dependents are covered regardless of when the disability began.

Proof of prior coverage: *Please select required or not required below:*

When **adding** coverage, proof of prior coverage as a disabled dependent is required not required.

Certification review: *Please select one option regarding the administration of certification review.*

- Certification review is administered by BCBSIL; a disabled dependent certification form must be submitted to BCBSIL.
- Certification review is administered by the Employer; there are no disabled dependent certification form requirements.

If certification review is administered by BCBSIL, please select one option regarding forms:

- Utilize BCBSIL disabled dependent certification forms.
- Utilize custom/other disabled dependent certification forms.

If Certification Review is administered by BCBSIL, please select allowed or not allowed below:

A disabled dependent approved certification from a prior insurance carrier is allowed not allowed.

A disabled dependent approved certification from a prior BCBS policy is allowed not allowed.

10. Will extension of benefits due to temporary layoff, disability or leave of absence apply?**Proprietary and Confidential Information of Claim Administrator**

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Yes (specify number of days below) NoTemporary Layoff: 365 daysDisability: 365 daysLeave 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 BCBSIL of such requirements.

11. 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 group coverage assistance under a state Medicaid or CHIP premium assistance program.

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 otherwise eligible to do so, during the Employer's annual 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 1st to November 30th for a January 1st effective date

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 otherwise 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.

Select one of the provisions below: Open Enrollment – Late applicants may only apply during Open Enrollment. Late Entrant – Late applicants may apply at any time – coverage effective date is determined by the receipt date and the rules governing off-cycle enrollments.12. * 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.*

CURRENT EMPLOYEE ELIGIBILITY INFORMATION

Current number of eligible subscribers at onboarding and/or annual renewal _____,395.

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Lines of Business (Check all applicable services)		<input type="checkbox"/> NO CHANGES <input type="checkbox"/> SEE ADDITIONAL PROVISIONS
<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><input type="checkbox"/> Blue High Performance NetworkSM (BlueHPNSM)</p> <p><u>Additional Services:</u></p> <p><input checked="" type="checkbox"/> Wellbeing Management</p> <p><input type="checkbox"/> Wellness Incentives</p> <p><input type="checkbox"/> Health Advocacy Solutions</p> <p><input type="checkbox"/> Mercer Health Advantage</p> <p><input type="checkbox"/> Custom Care Management Unit</p> <p><input type="checkbox"/> Blue DirectionsSM (Private Exchange) (If selected, the Blue Directions Addendum is attached and made a part of the parties' Administrative Services Agreement.)</p> <p><input type="checkbox"/> Limited Fiduciary Services for Claims and Appeals</p> <p><input type="checkbox"/> Other Select Product</p> <p><input type="checkbox"/> Other Select Product</p> <p><input type="checkbox"/> Other Select Product</p> <p><input type="checkbox"/> Other Select Product</p> <p><input type="checkbox"/> Other</p> <p><input type="checkbox"/> Other</p> <p><u>Ancillary Services:</u></p> <p><input type="checkbox"/> Dental Plan Services</p> <p><input type="checkbox"/> Vision Insurance (if selected, complete a separate application)</p> <p><input checked="" type="checkbox"/> Stop Loss (if selected, complete separate Exhibit to the Stop Loss Coverage Policy)</p> <p><input type="checkbox"/> Life, Disability, Critical Illness or Accident Insurance (if selected, complete a separate application for those coverages)</p> <p><input type="checkbox"/> COBRA Administrative Services (if selected, complete separate COBRA Administrative Services Addendum to the BPA)</p>	<p><u>Consumer Driven Health Plan:</u></p> <p><input type="checkbox"/> BlueEdgeSM HCA Administrative Services (if purchased, complete separate HCA BPA)</p> <p><input type="checkbox"/> BlueEdgeSM HSA Eligible Health Plan (vendor: Select Vendor)</p> <p><input type="checkbox"/> FSA (vendor: Select Vendor)</p> <p><input type="checkbox"/> HRA (vendor: Select Vendor)</p> <p><u>Prescription Drugs:</u></p> <p><input checked="" type="checkbox"/> Covered under a pharmacy benefit (If selected, the PBM Fee Schedule Addendum must be attached and is part of this BPA.)</p> <p><input type="checkbox"/> Covered under the medical benefit or Blue Script</p> <p><u>Pharmacy Network (Select one):</u></p> <p><input type="checkbox"/> Traditional Select Network</p> <p><input checked="" type="checkbox"/> Advantage Network</p> <p><input type="checkbox"/> Preferred Network (Not offered with Blue Script)</p> <p><input type="checkbox"/> Elite Network (Not offered with Blue Script)</p> <p><input type="checkbox"/> Network on PBM Fee Schedule Addendum</p> <p><input type="checkbox"/> Other (please specify):</p> <p><u>PPO Drug List:</u> Performance Drug List Other (please specify):</p> <p><u>PPO/HSA Preventive Drug List:</u> Please specify: Select Option</p> <p><u>Other Rx programs:</u> Please specify: Select Program</p> <p><u>Prescription Drug Program Clinical Programs</u></p> <p><input type="checkbox"/> Pharmaceutical Care Management (Retrospective) (Included with HAS)</p>	

Mercer Health Advantage is offered by Mercer, an independent company, and is administered by Blue Cross and Blue Shield of Illinois.

Custom Care Management Unit is offered by Willis Towers Watson, an independent company, and is administered by Blue Cross and Blue Shield of Illinois.

Medical and Dental benefits and services are administered by Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association.

Life, Disability, Critical Illness, Accident and Vision products are issued by Dearborn Life Insurance Company, 701 E. 22nd St. Suite 300, Lombard, IL 60148. Blue Cross and Blue Shield of Illinois is the trade name of Dearborn Life Insurance Company, an independent licensee of the Blue Cross and Blue Shield Association, BLUE CROSS[®], BLUE SHIELD[®] and the Cross and Shield Symbols are registered service marks of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans.

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FEE SCHEDULE

Employer shall pay amounts Claim Administrator bills Employer for benefit claims Claim Administrator processes on Employer's behalf as well as administrative fees as set forth in this Fee Schedule.

Payment Specifications <input type="checkbox"/> NO CHANGES <input type="checkbox"/> SEE ADDITIONAL PROVISIONS				
Employer Payment Method: <input type="checkbox"/> Online Bill Pay <input type="checkbox"/> Electronic <input type="checkbox"/> Auto Debit <input 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 (cannot be selected if Check is selected as payment method above)				
<input checked="" type="checkbox"/> Monthly				
Claim Settlement Period: <input checked="" type="checkbox"/> Monthly				
Run-Off Period: Employer payments are to be made for 12 months following end of Fee Schedule Period. Standard is twelve (12) months.				
Fee Schedule Period: To begin on Effective Date of Coverage and continue for 12 months. If other than 12 months, please specify: 12 months.				
Administrative Per Employee Per Month (PEPM) Charges <input type="checkbox"/> NO CHANGES <input type="checkbox"/> SEE ADDITIONAL PROVISIONS				
Administrative Fee	\$62.83	\$	\$	\$
Dental	\$	\$	\$	\$
Limited Fiduciary Services	\$	\$	\$	\$
Advanced Payment Review	25%	%	%	%
*Medical Drug Rebate Credit	\$(2.50)	\$()	\$()	\$()
*Rebate Credit for the Prescription Drug Program	\$(67.96)	\$()	\$()	\$()
Management of the Virtual Visits Program	\$	\$	\$	\$
Wellbeing Management	\$	\$	\$	\$
Health Advocacy Solutions	\$	\$	\$	\$
Pharmaceutical Care Management (Retrospective) (No cost if both HAS and Prescription Drug Program are elected)	\$	\$	\$	\$
Commissions: _____	\$	\$	\$	\$
Commissions: _____	\$	\$	\$	\$
Commissions: _____	\$	\$	\$	\$
Other: Product-Related Services List Service: Virtual Visits BH	\$0.52	\$	\$	\$
Other: Product-Related Services List Service: BVA	\$2.50	\$	\$	\$
Other: Select Service Category List Service:	\$	\$	\$	\$
Other: Select Service Category List Service:	\$	\$	\$	\$
Miscellaneous:	\$	\$	\$	\$
Miscellaneous:	\$	\$	\$	\$
Total	\$(4.61)	\$	\$	\$

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*The Rebate Credit 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, either under the pharmacy benefit or the medical benefit, actually provided by the Pharmacy Benefit Manager ("PBM") or a pharmaceutical manufacturer 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 or expected to be provided. Rebate Credits shall not continue after termination of the Prescription Drug Program. Employer agrees that any Rebate Credit provision in the governing Administrative Services Agreement to the contrary is hereby superseded.

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: _____	\$ _____
Miscellaneous: _____	Select Billing Frequency If applicable, describe other: _____	_____%
Total:		\$ _____

Claim Administrator Provider Access Fee(s)	<input type="checkbox"/> NO CHANGES <input type="checkbox"/> SEE ADDITIONAL PROVISIONS
Group Number(s): P65060, P65061	
<input checked="" type="checkbox"/> % of ADP Savings: 2.21%	
<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.	

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NO CHANGES SEE ADDITIONAL PROVISIONS

NSA Fees

In connection with the claims, items, and services that are subject to the No Surprises Act (“NSA”) and disputed by a Provider, Employer agrees to pay Claim Administrator the following fees:

- Fifty dollars (\$50) for each claim that is the subject of informal negotiation with a Provider (this fee will be charged in the event the Provider, in its sole discretion, determines that it will not accept the initial payment amount); and
- An additional seventy-five dollars (\$75) per claim for each independent dispute resolution process (“IDR”) where Claim Administrator represents Plan (this fee will be charged in the event the Provider, in its sole discretion, determines that it will initiate IDR after the informal negotiation period); and
- All costs imposed by the IDR entity or any state, federal or local government entity in connection with an IDR.

External Review Coordination: Yes 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:

State of Illinois External Review Process Federal Affordable Care Act Process

If no, provide name and address of administrator(s) of external review coordination and indicate if administrating medical claims and/or pharmacy claims:

Administrator: Medical claims: Pharmacy claims: Name: _____ Mailing Address: _____

Administrator: Medical claims: Pharmacy claims: Name: _____ Mailing Address: _____

Advanced Payment Review (APR): Yes No

APR is a suite of payment integrity offerings. Refer to the ABS. If Employer elects APR, indicate APR Savings Program or PEPM below:

APR Savings Program

PEPM

For APR capabilities other than Reimbursement Services: If Employer elects APR Savings Program, Claim Administrator will invoice the percentage indicated in the Fee Schedule of any savings amounts identified by Claim Administrator or third-party vendor.

Reimbursement Services: Yes No If yes, Claim Administrator will retain twenty-five percent (25%) of any recovered amounts made on third-party liability claims other than recovery amounts received as a result of or associated with any Workers’ Compensation Law.

FlexAccess™: Yes No

Claim Administrator will assess a program fee equal to 20% of the total shared savings. Total shared savings is calculated as follows:

The difference between Employer responsibility without the FlexAccess Program and Employer responsibility with the FlexAccess Program. The Employer responsibility with the FlexAccess Program is the cost of the drug minus: (1) the manufacturer copay assistance dollars that are allocated to the cost of the drug and (2) the member’s cost share for the member enrolled in the program. The Employer responsibility without the FlexAccess Program is the cost of the drug minus the member cost share if the member was not enrolled in the program.

Third-Party Law Firms Provisions (other than Reimbursement Services): Employer will pay no more than 35% of any recovered amount made by Claim Administrator’s third-party law firm or up to 35% of any recovered amount will be deducted from the amount distributed according to established allocation processes.

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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 between the Claim Administrator and the Employer.

Virtual Visits Program: Yes No

If yes, Covered Persons would be able to obtain certain Covered Services remotely via interactive video and/or interactive audio/video (where available) capability from Virtual Visits powered by MDLIVE.

MDLIVE® is a separate company that operates and administers Virtual Visits for persons with coverage through Blue Cross and Blue Shield of Illinois. MDLIVE is solely responsible for its operations and for those of its contracted providers. MDLIVE® and the MDLIVE logo are registered trademarks of MDLIVE, Inc., and may not be used without permission.

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 Administrative Services 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 Administrative Services 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 Administrative Services 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 Administrative Services 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 and 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 (SBC) to Covered Persons?

No. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Administrative Services Agreement) and provide SBC to Employer in electronic format. Employer will then distribute SBC to Covered Persons (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 Administrative Services Agreement) and distribute SBC to plan participants and beneficiaries via regular hardcopy mail or electronically. Distribution Fee for hardcopy mail is one dollar and fifty cents (\$1.50) per package.

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 if required by the Massachusetts Health Care Reform Act.

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3. Alternative Care Management Program (applicable to the purchased medical management program): Yes No

The undersigned representative authorizes provision of alternative benefits for services rendered to Covered Persons for Utilization Management, Case Management, including but not limited to Behavioral Health, and other health care management programs.

4. Prior Authorization (applicable to the purchased medical management program): Employer acknowledges and agrees to utilize Claim Administrator's standard list of services and supplies for which Prior Authorization (also called pre-notification or preauthorization) is required.**5. Essential Health Benefits ("EHB") Election:****Employer elects EHBs based on the following:**

1. EHBs based on a Claim Administrator state benchmark:
 Illinois Montana New Mexico Oklahoma Texas
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 between the parties with both such documents to be referred to collectively as the "Administrative Services Agreement" unless specified otherwise.**7. Producer/Consultant Compensation:**

The Employer acknowledges that if its POR 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 POR a commission and/or other compensation in connection with such services under the Administrative Services Agreement. If the Employer desires additional information regarding commissions and/or other compensation paid to the POR by the Claim Administrator in connection with services under the Administrative Services Agreement, the Employer should contact its POR.

Additional Provisions: Effective 01.01.2023:Renewing with no changes

Wellness Credit: BCBSIL will provide a one-time wellness credit of \$75,000 for the twelve-month period beginning on the Contract Effective Date, to be used to cover costs and expenses associated with implementation and/or operation of a wellness program. [For ERISA plans: Employer is accepting the wellness credit on behalf of the wellness program, which is or is part of an ERISA plan. Employer hereby certifies that it will only use it for purposes consistent with the administration of the plan.] If Employer cancels coverage before policy period, Employer will be required to refund BCBSIL the full amount of the wellness credit.

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The administrative charges shown in this BPA reflect a volume-based discount in the amount up to \$3 PEPM for the twelve-month period beginning on the Contract Effective Date. If any of the qualifying ancillary coverage (BlueCare Dental, Basic Life, STD, LTD, Accident, Critical Illness and/or Vision product(s)) lapses during this 12 month period, BCBSIL reserves the right to remove the volume-based discount attributable to the lapsed product on medical administration fees. In such event, upon 60 days prior written notice to Employer, the administrative fee premium payment will be adjusted to reflect the removal of the discount attributable to the lapsed product.

Signature

Dee Mastro Holzkopf

Sales Representative

890

630-824-5558

District

Phone & FAX Numbers

Michael E. Wojcik

Producer Representative

The Horton Group

Producer Firm

10320 Orland Parkway, Orland Park, IL

Producer Address

708-845-3126 & 708-845-4126

Producer Phone & FAX Numbers

mike.wojcik@thehortongroup.com

Producer Email Address

36-3672171

Tax I.D. No.

Signature of Authorized Purchaser

Print Name

Title

Date

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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 is scheduled to be held each year in the HCSC corporate headquarters on the last Tuesday of October at 12:30 p.m. Special meetings of members may be called pursuant to notice provided 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 either 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 its directors, officers, employees or agents consistent with HCSC's bylaws then in force and as otherwise required by applicable law.

Group No.: P65060 By: _____
P65061 _____
 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

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