City of Jacksonville, Florida

Lenny Curry, Mayor

Employee Services Department
City Hall, 117 West Duval St., Suite 150
Jacksonville, Florida 32202

ONE CITY. ONE JACKSONVILLE.

MEMORANDUM

TO: Greg Pease, Chairperson
Professional Services Evaluation Committee

FROM: Mary DiPerna, Division Chief, Compensation and Benefits

SUBJECT: P31-17 Medical, Stop Loss and Pharmacy Services
Amendment #1

DATE: October 30, 2018

This is to recommend that the City approve the first amendment to the contract with Florida Blue for Medical, Stop Loss and Pharmacy services. The contract shall be for a one-year period effective January 1, 2019 through December 31, 2019; rates will remain the same and the total indebtedness for CY 2019 shall not exceed $3,800,000.00; the maximum indebtedness shall not exceed $7,600,000.00.

All other terms and conditions shall remain the same as proposed. Nothing contained herein shall be amended, modified, or otherwise revised, without prior approval from the PSEC and the Mayor.

Thanks.

Attachment: Letter of Renewal 2019

Andy Carroll
Strategic Account Executive, Public Sector
Telephone: 904-905-8068 • Facsimile: 904-301-1605

Florida Blue
In the pursuit of health

May 24, 2018

Mary DiPerna
117 West Duval Street
Suite 150
Jacksonville, FL 32202

RE: 1-1-19 ASO INFORMATION

Dear Mary:

Florida Blue has committed to the following fees and parameters effective 1/1/19.

- Administrative Fee
  - 1-1-19 – 12-31-19 $27.70

The Administration Fees to be charged after the termination of this contract will be billed as follows:

- 1-1-19 – 12-31-19 0% of Run-off Claims

The $650,000 Specific StopLoss Premium based on a 48/12 contract is as follows:

- TBD – This will be provided as we get closer to the middle of summer 2018.

We will also agree to continue the $200,000 wellness contribution in 2019 to support the City's Wellness Initiatives.

Please review these details and let me know if you need anything else.

Thank you for your continued support of Florida Blue.

9618-05

SERVICES CONTRACT
BETWEEN
CITY OF JACKSONVILLE
AND
BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.
FOR
MEDICAL ASO, STOP LOSS AND PHARMACY SERVICES

THIS CONTRACT is made and entered into as of this 1st day of January, 2018 (the "**Effective Date**"), by and between the **CITY OF JACKSONVILLE** (the "**CITY**"), a municipal corporation existing under the Constitution and the laws of the State of Florida, and **BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC., d/b/a FLORIDA BLUE,** and its wholly owned subsidiary, **HEALTH OPTIONS, INC.,** each a Florida corporation with its principal offices at 4800 Deerwood Campus Parkway, Jacksonville, Florida 32246 (collectively, the "**CONTRACTOR**").

WHEREAS, the CITY issued a Request for Proposal No. P31-17 (the "**RFP**") for an Medical ASO, Stop Loss and Pharmacy Services; and

WHEREAS, based on CONTRACTOR'S response to the RFP dated May 17, 2017 (the "**Response**"), the CITY has negotiated and awarded this Contract to CONTRACTOR, as approved by CITY's Professional Services Evaluation Committee and Mayor on November 9, 2017; and

WHEREAS, simultaneously with the execution of this Contract, CITY and CONTRACTOR are entering into the Administrative Services Agreement between CITY and CONTRACTOR attached to this Contract as Exhibit A (the "ASA")

NOW THEREFORE, in consideration of the premises and the mutual covenants contained below, the parties agree as follows:

1. **Performance of Services**. CONTRACTOR shall provide the Services as specified in the ASA, the RFP and the Response (the "**Services**").

2. **Compensation**. CITY will pay CONTRACTOR for the Services as specified in Exhibit B to the ASA. The fees shown in Exhibit B shall remain fixed for the Initial Term and each Renewal Term (as defined below) except as specifically provided in this Contract.

3. **Maximum Indebtedness**. As required by Section 106.431, *Ordinance Code,* the CITY's maximum indebtedness for all products and services under this Contract shall be a fixed monetary amount not-to-exceed **THREE MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS ($3,800,000.00)**. Any renewal by the Employer must be accompanied by a contract amendment increasing the Maximum Indebtedness. The Maximum Indebtedness (i) is based on the City's representation that it will have no more than 8,100 eligible employees in 2018; (ii) includes all Administrative Fees, Network Access Fees and EAP Program Fees under this Contract; (iii) includes the premium for Stop Loss Insurance; (iv) does not include any PCORI and Transitional Reinsurance Fees due under the Affordable Care Act, which shall be Employers' obligation to pay directly; and (vi) does not include any amounts reimbursed to CONTRACTOR for claims paid under the Group Health Plan.

If at any time the Maximum Indebtedness is determined to be insufficient to pay the amount otherwise due to CONTRACTOR under this Contract through the end of 2018, the parties will

amend this provision to provide for additional funding to cover the difference, subject to appropriation by the City Council.

4. **Term of Contract**. The term of this Contract shall commence on the Effective Date and shall continue through December 31, 2018 (the "**Initial Term**"), unless sooner terminated by either party in accordance with the terms of the RFP. CITY shall have the option, in its sole discretion, to renew this Contract for up to four (4) additional terms of one year each (each a "**Renewal Term**").

5. **Incorporation of Documents**. This Contract consists of the following documents which are hereby incorporated as if fully set forth herein and which, in the case of conflict, shall have priority in the order listed:

- This document, as modified by any subsequent signed amendments
- The ASA
- Any amendments to the RFP
- The RFP as originally issued
- The Response, provided that any terms in the Response that are prohibited under the RFP shall not be included in this Contract

CITY and CONTRACTOR acknowledge and agree as follows:

(1) In the Response, CONTRACTOR provided certain information as of a certain date or in response to a request for "current" information. Any changes to such information during the Term shall not affect the rights and obligations of the parties under this Contract unless such information was inaccurate as of the date the information was provided.

(2) CONTRACTOR will not provide any Services related to the UF Health Plan under this Contract. If CITY desires to purchase, and CONTRACTOR agree to provide, Services related to the UF Health Plan at a later date, CITY and CONTRACTOR will negotiate and execute an amendment to this Contract containing terms mutually agreeable to CITY and CONTRACTOR.

(3) If CONTRACTOR included more than one option for certain Services in its Response, the option chosen by the CITY shall control. If the CITY decides to change to a different option during the Term, CITY and CONTRACTOR will negotiate and execute an amendment to this Contract containing terms mutually agreeable to CITY and CONTRACTOR.

(4) CONTRACTOR's personnel described in the Response may change from time to time. Notwithstanding the immediately preceding sentence, CONTRACTOR will make every effort to ensure the consistency of CONTRACTOR employees assigned to work with the CITY and, as of the date of this Agreement, CONTRACTOR is not aware of any planned or pending personnel changes to the personnel assigned to CITY's account.

6. **Notices**. All notices under this Contract shall be in writing and shall be delivered by certified mail, return receipt requested, or by other delivery with receipt to the following:

As to the CITY:
CITY of Jacksonville
117 West Duval Street
Jacksonville, Florida 32202
Attn: Bob Parr, Chief of Compensation and Benefits

As to the CONTRACTOR:
Blue Cross and Blue Shield of Florida, Inc.
4800 Deerwood Campus Parkway
Jacksonville, Florida 32246
Attn: Andy Carroll

7. **Contract Managers.** Each party will designate a Contract Manager during the term of this Contract whose responsibility shall be to oversee the party's performance of its duties and obligations pursuant to the terms of this Contract. As of the Effective Date, CITY'S Contract Manager is Bob Parr, rparr@coj.net, 904-630-1212, ext. 7583 and the CONTRACTOR'S Contract Manager isAndy Carroll, 904-905-8068. Each party shall provide prompt written notice to the other party of any changes to the party's Contract Manager or his or her contact information; provided, such changes shall not be deemed Contract amendments and may be provided via email.

8. **Amendments.** All changes to, additions to, modifications of, or amendment to this Contract, or any of the terms, provisions and conditions hereof, shall be binding only when in writing and signed by the authorized officer, agent or representative of each of the parties hereto.

9. **Counterparts.** This Contract, and all amendments thereto, may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. The parties further agree that electronic transmission of all signatures, with originals to follow, shall constitute and be evidence of an executed Contract.

[Signature page follows immediately.]

IN WITNESS WHEREOF, the parties have executed this Contract as of the Effective Date.

WITNESS:

BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.

By: _____
Print Name: Lynn Esposito
Title: VP, Sales Operations

ATTEST:

CITY OF JACKSONVILLE

By: _____
James R. McCain, Jr.
Corporation Secretary

By: _____
Lenny Curry
Mayor

Sam E. Mousa
Chief Administrative Officer
For: Mayor Lenny Curry
Under Authority of:
Executive Order No. 2015-05

In accordance with the *Ordinance Code*, of the CITY of Jacksonville, I do hereby certify that there is an unexpended, unencumbered, and un-impounded balance in the appropriation sufficient to cover the foregoing agreement; and that provision has been made for the payment of monies provided therein to be paid.

_____
Director of Finance
CITY Contract Number: 9618-05

Form Approved:

_____
Office of General Counsel

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Appendix A

ADMINISTRATIVE SERVICES AGREEMENT

between

BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE

and

HEALTH OPTIONS, INC.

and

THE CITY OF JACKSONVILLE

This Administrative Services Agreement (the "Agreement"), made as of this 1st day of January , 2018 (the "Effective Date") is by and between Blue Cross and Blue Shield of Florida, Inc. d/b/a Florida Blue and Health Options, Inc., both Florida corporations having their principal place of business at 4800 Deerwood Campus Parkway, Jacksonville, Florida 32246 ("Florida Blue" and "HOI" respectively) and the City of Jacksonville located at 117 West Duval Street, Jacksonville, Florida 32202 (the "Employer").

WHEREAS, the Employer issued a Request for Proposal Medical ASO, Stop Loss and Pharmacy Services No.P-31-17 (the "RFP") for certain employee health insurance services and Florida Blue responded with a proposal dated May 17, 2017 (the "Response"); and

WHERAS, this Agreement is being executed simultaneously with, and is made a part of, that certain Services Contract for Medical ASO, Stop Loss and Pharmacy Services between the Employer, Florida Blue and HOI dated January 1, 2018 (the "Services Contract"); and

WHEREAS, the Employer has established and currently sponsors a self-insured Employee Welfare Benefit Plan (attached hereto as Exhibit "A" and as such plan may be amended from time to time by the Employer, the "Group Health Plan") to provide certain benefits to its eligible employees and retirees and their dependents; and

WHEREAS, except as otherwise specifically provided herein, the Employer is to retain all liabilities as Plan Sponsor under the Group Health Plan, and Florida Blue and HOI are to provide the agreed upon services to the Group Health Plan without assuming any such liability; and

WHEREAS, the Employer desires that, with respect to the Group Health Plan, Florida Blue and HOI furnish certain claims processing and administrative services.

NOW, therefore, in consideration of the mutual promises contained herein, and other good and valuable consideration, the parties agree as follows: