

COMMITTEE OF THE WHOLE

09-0627R

RESOLUTION AUTHORIZING EXECUTION OF AGREEMENTS WITH BLUE CROSS AND BLUE SHIELD OF MINNESOTA TO PROVIDE ADMINISTRATIVE SERVICES AND STOP LOSS INSURANCE TO THE CITY GROUP HEALTH PLAN DURING YEAR 2009 AT AN ESTIMATED TOTAL COST TO THE CITY OF \$1,063,486.

CITY PROPOSAL:

RESOLVED, that the city is hereby authorized to execute agreements with Blue Cross and Blue Shield of Minnesota, substantially the same as those on file in the office of the city clerk as Public Document No. _____, under which that company will provide administrative services, network access and stop loss insurance to the city group health plan during calendar year 2009 for an administrative fee of \$29.47 per single employee or per family per month and a fee for stop loss coverage of \$11.88 per single employee per month and \$31.73 per family per month, for a total estimated cost of \$1,063,486, which shall be paid from the group health fund.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

STATEMENT OF PURPOSE: This resolution authorizes the city of Duluth to execute agreements with Blue Cross and Blue Shield of Minnesota to provide administrative services, network access and stop loss insurance to the city's group health insurance plans for 2009. Blue Cross and Blue Shield has provided administrative services and stop loss insurance to the city's group health plans since 2000.

The cost of administrative services and network access will be \$29.47 per month for single employees and for families, for a total estimated cost for administrative services of \$602,607. The cost of providing stop loss coverage will be \$11.88 per month for single employees and \$31.73 per month for families, for a total estimated cost for stop loss coverage of \$460,879.