Repl. #45

SEP 22 2011

CALENDAR YEAR 2012 AMENDMENT
TO THE MEMORANDUM OF AGREEMENT
BETWEEN THE CITY OF CHANDLER AND
BLUE CROSS BLUE SHIELD OF ARIZONA, INC.

This Amendment ("Calendar Year 2012 Amendment") is made and entered into this ___ day of _____, 2011 to the *Memorandum of Agreement Between the City of Chandler and Blue Cross Blue Shield of Arizona, Inc.* dated June 17, 2010 ("Agreement").

WHEREAS, the City of Chandler, hereinafter called the "City", and Blue Cross Blue Shield of Arizona, Inc., hereinafter called "BCBSAZ", entered into an Agreement effective June 24, 2010, with an initial term from January 1, 2011 through December 31, 2011; and

WHEREAS, on July 28, 2011 the Chandler City Council passed and adopted Resolution No. 4529, which directed the City to "make such necessary modifications to the group medical, dental and vision insurance programs for City employees to extend, as a Survivor benefit, eligibility for coverage to the spouse and eligible children of any employee killed in the line of duty or in the course and scope of City employment," and City and BCBSAZ want to amend the terms of the Agreement to extend such eligibility for medical insurance coverage; and

WHEREAS, this expanded medical insurance coverage eligibility shall then continue until the Surviving Spouse either remarries or is eligible to obtain Medicare, and also with the additional limitation that such coverage may be utilized by the employees' other dependents until the last day of the month in which such dependents reach the age of 26 years ("Surviving Spouse and Dependents' Insurance Coverage"); and

WHEREAS, the implementation and management of such Surviving Spouse and Dependents' Insurance Coverage requires additional specific provisions which will comport with the Resolution No. 4529 and A.R.S. § 38-1103 and will be set forth in a new City policy to be entitled "Employees' Survivors' Medical, Dental and Vision Care Insurance Coverage Policy" to be implemented shortly, and the City and BCBSAZ want to amend the Agreement to expand eligibility for medical coverage as will be set forth in that new policy; and

WHEREAS, the following documents: (1) Maximum Aggregate and Specific Liability Agreement (Contract Document F, item 2) and (2) the Administrative Services Agreement (Contract Document I) are subject to final negotiation and they shall be executed in a final form to be approved by the City Attorney; andWHEREAS, the City and BCBSAZ also want to amend the Agreement to extend the term to include the period from January 1, 2012 through December 31, 2012.

NOW, THEREFORE, in consideration of the mutual covenants and provisions contained herein and other good and valuable consideration, the parties agree as follows:

1. The *Memorandum of Agreement Between the City of Chandler and Blue Cross Blue Shield of Arizona, Inc.,* dated June 17, 2010, is incorporated herein by this reference.

2. Section 1 of the Agreement is hereby amended to extend the term to include the period from January 1, 2012 through December 31, 2012.

3. The Agreement is hereby amended to modify the group medical insurance program for City employees to extend, as a Survivor benefit, eligibility for coverage to the spouse and eligible children of any employee killed in the line of duty or in the course and scope of City employment, as set forth in the City's "Employees' Survivors' Medical, Dental and Vision Care Insurance Coverage Policy".

4. The Agreement is amended to include the following Contract Documents not previously executed: (a) Maximum Aggregate and Specific Liability Agreement (Contract Document F, item 2) and (b) the Administrative Services Agreement (Contract Document I) in the form approved by the City Attorney.

5. This Amendment is subject to and is effective only if, on or before December 31, 2011, the City of Chandler signs the BCBSAZ Rate Acceptance Form for the period January 1, 2012 to December 31, 2012.

6. Except for the provisions amended herein, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2012 Amendment Between the City of Chandler and Blue Cross Blue Shield of Arizona, Inc.,* to be duly executed this _____ day of, 2011.

CITY OF CHANDLER
an Arizona municipal corporation

By: _____
Mayor

BLUE CROSS BLUE SHIELD OF ARIZONA, INC.

By: _____
Title: Senior Vice President
Strategy, Sales and Marketing

APPROVED AS TO FORM:

_____
City Attorney

ATTEST: (If corporation)

_____
Assistant Secretary

ATTEST:

_____
City Clerk

APPROVED AS TO FORM
BCBSAZ Legal Division
By _____
Attorney
Date 9/21/11

45

SEP 22 2011

Chandler

2010

Chandler • Arizona
Where Values Make The Difference

MEMORANDUM

DATE: SEPTEMBER 22, 2011

TO: MAYOR AND CITY COUNCIL

THROUGH: RICH DLUGAS, CITY MANAGER
DEBRA STAPLETON, HUMAN RESOURCES DIRECTOR

FROM: VALERIE F. HERNANDEZ, BENEFIT PROGRAMS SUPERVISOR

SUBJECT: ADOPTION OF RESOLUTION NO. 4539 AUTHORIZING THE MAYOR TO EXECUTE THE CALENDAR YEAR 2012 AMENDMENT TO THE MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF CHANDLER AND BLUE CROSS BLUE SHIELD OF ARIZONA, INC.

RECOMMENDATION: Staff recommends that City Council pass and adopt Resolution No. 4539 authorizing Mayor to execute the calendar year 2012 Amendment to the Memorandum of Agreement between the City of Chandler and Blue Cross Blue Shield of Arizona, Inc.

BACKGROUND/DISCUSSION: On May 28, 2010 the Mayor and Council approved Blue Cross Blue Shield of Arizona to provide medical and pharmacy benefit administration for the City of Chandler employees and dependents effective January 1, 2011, provided through an Administrative Services Only (ASO) program.

The City and Blue Cross Blue Shield of Arizona, Inc. have established a positive relationship over this past year. There are few outstanding items that need to be finalized prior to executing the final contract.

PROPOSED MOTION: Move to pass and adopt Resolution No. 4539 authorizing the Mayor to execute the calendar year 2012 Amendment to the Memorandum of Agreement between the City of Chandler and Blue Cross Blue Shield of Arizona, Inc.

RESOLUTION NO. 4539

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE CALENDAR YEAR 2012 AMENDMENT TO THE MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF CHANDLER AND BLUE CROSS BLUE SHIELD OF ARIZONA, INC.

WHEREAS, on June 24, 2010, the City of Chandler passed and adopted Resolution No. 4436, approving the *Memorandum of Agreement Between the City of Chandler and Blue Cross Blue Shield of Arizona, Inc.*, to provide for the administration of the City's group medical and pharmacy program, including administrative services, network contract, clinical programs, pharmacy benefit management service, and stop-loss coverage; and

WHEREAS, on July 28, 2011 the Chandler City Council passed and adopted Resolution No. 4529, which directed the City to "make such necessary modifications to the group medical, dental and vision insurance programs for City employees to extend, as a Survivor benefit, eligibility for coverage to the spouse and eligible children of any employee killed in the line of duty or in the course and scope of City employment," and City and Blue Cross Blue Shield of Arizona ("Contractor") want to amend the terms of the Agreement to extend such eligibility for medical insurance coverage; and

WHEREAS, the following documents: (1) Maximum Aggregate and Specific Liability Agreement (Contract Document F, item 2) and (2) the Administrative Services Agreement (Contract Document I) are subject to final negotiation and they shall be executed in a final form to be approved by the City Attorney; and

WHEREAS, the City and Contractor also want to amend the Agreement to extend the term to include the period from January 1, 2012 through December 31, 2012.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Chandler, Arizona, approves as follows:

1. The *Calendar Year 2012 Amendment to the Memorandum of Agreement Between the City of Chandler and Blue Cross and Blue Shield of Arizona, Inc.*

2. That the Mayor of the City of Chandler is hereby authorized to execute the *Calendar Year 2012 Amendment to the Memorandum of Agreement Between the City of Chandler and Blue Cross and Blue Shield of Arizona, Inc.*

3. That the Mayor of the City of Chandler is hereby authorized, on behalf of the City of Chandler, to execute: (1) the Maximum Aggregate and Specific

Liability Agreement (Contract Document F, item 2) and (2) the Administrative Services Agreement (Contract Document I) in the form to be approved by the City Attorney.

4. That the Mayor of the City of Chandler is authorized, on behalf of the City of Chandler, to execute any related documents required under the *Calendar Year 2012 Amendment to the Memorandum of Agreement Between the City of Chandler and Blue Cross and Blue Shield of Arizona, Inc.,* in the form as approved by the City Attorney.

5. That the various City officers and employees be and they hereby are authorized and directed to perform all acts necessary to give effect to this Resolution.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona this _____ day of _____, 2011.

ATTEST:

_____ _____

CITY CLERK MAYOR

APPROVED AS TO FORM:

_____

CITY ATTORNEY CH for

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4539 was duly passed and adopted by the City Council of the City of Chandler, Arizona at a regular meeting held on the ____ day of _____, 2011, and that a quorum was present thereat.

_____

City Clerk

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BETWEEN THE CITY OF CHANDLER AND
BLUE CROSS BLUE SHIELD OF ARIZONA, INC.

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WHEREAS, the implementation and management of such Surviving Spouse and Dependents' Insurance Coverage requires additional specific provisions which will comport with the Resolution No. 4529 and A.R.S. § 38-1103 and will be set forth in a new City policy to be entitled "Employees' Survivors' Medical, Dental and Vision Care Insurance Coverage Policy" to be implemented shortly, and the City and BCBSAZ want to amend the Agreement to expand eligibility for medical coverage as will be set forth in that new policy; and

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4. The Agreement is amended to include the following Contract Documents not previously executed: (a) Maximum Aggregate and Specific Liability Agreement (Contract Document F, item 2) and (b) the Administrative Services Agreement (Contract Document I) in the form approved by the City Attorney.

5. Except for the provisions amended herein, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2012 Amendment Between the City of Chandler and Blue Cross Blue Shield of Arizona, Inc.*, to be duly executed this ____ day of _____, 2011.

CITY OF CHANDLER, an Arizona municipal corporation	BLUE CROSS BLUE SHIELD OF ARIZONA, INC.
By: _____ Mayor	By: _____ Title: _____
APPROVED AS TO FORM:	ATTEST: (If corporation)
_____ City Attorney *CH for*	_____ Secretary