

SEP 22 2011

**CALENDAR YEAR 2012
AMENDMENT TO
THE VISION SERVICES PLAN CONTRACT
BETWEEN THE CITY OF CHANDLER AND
VISION SERVICE PLAN INSURANCE COMPANY
FOR GROUP VISION CARE POLICY**

This Amendment ("Calendar Year 2012 Amendment"), is made and entered this 16th day of September, 2011 to the *Vision Service Plan Contract Between the City of Chandler and the Vision Service Plan Insurance Company*, with an effective date of January 1, 2004 ("Contract").

WHEREAS, the City of Chandler and Vision Service Plan Insurance Company ("Company") entered into a Contract effective January 1, 2004, and have subsequently extended that Contract, annually since 2004 through calendar year 2011, subject to the same terms and conditions except: 1) as amended by the *Calendar Year 2007 Amendment to the Vision Services Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy* (the "2007 Calendar Year Amendment"); 2) as amended by the *Calendar Year 2008 Amendment to the Vision Services Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy* (the "Calendar Year 2008 Amendment"); 3) as amended by the *Calendar Year 2010 Amendment to the Vision Services Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy* ("the Calendar Year 2010 Amendment"); and 4) as amended by the *Calendar Year 2011 Amendment to the Vision Service Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy*; 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 Company want to amend the terms of the Agreement to extend such eligibility for vision 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 Company want to amend the Agreement to expand eligibility for vision coverage as will be set forth in that new policy; and

WHEREAS, the City and Company want to amend this Contract beginning January 1, 2012 to: 1) extend coverage to employees’ dependents consistent with the “Employees’ Survivors’ Medical, Dental and Vision Care Insurance Coverage Policy”; 2) amend the benefit allowances to include increased coverage as set forth in VSP’s Option II choices, attached hereto as Attachment 1 and incorporated herein by this reference; 3) allow covered benefits per Plan Year, rather than per each 12-month period; and 4) extend the term of the Agreement to include the period beginning 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 do agree as follows:

1. Exhibit B of the Contract, referred in § 4.02 of the Contract and titled “Schedule of Premiums, Enhanced Plan B,” which was amended by Calendar Year 2008 Amendment, reading as follows, shall remain in full force:

VSP shall be entitled to receive premiums for each month on behalf of each Enrollee and his/her Eligible Dependents, if any, in the amounts specified below:

\$7.88 per month for each eligible Enrollee without Eligible Dependents \$16.86 per month for each eligible Enrollee (includes coverage for Eligible Dependents)

NOTICE: The premium under this Policy is subject to change, upon renewal (after the end of the Initial Policy Term or any subsequent Policy Term) or upon change of the Schedule of Benefits or a material change in any other terms or conditions of the Policy.

2. The Parties agree that Company shall continue to provide these services at the rates set forth in number 1 above for 48 months beginning January 1, 2012, so long as City continues to renew this Contract each year.

3. Beginning January 1, 2012, the allowance for Vision Care Materials: 1) for wholesale frame allowance (previously \$30.00) is amended to be \$57.00; 2) for Retail Frame Value (previously \$130.00) is amended to be \$150.00; and 3) for Elective Contact Lenses (previously \$130.00) is amended to be \$150.00.

4. Beginning January 1, 2012, the allowance for Out-of-Network services 1) Examinations, (previously up to \$35.00) is amended to be up to \$50.00; 2) Single vision lenses (previously up to 25.00) is amended to be up to \$50.00; 3) Bifocal lenses

(previously up to \$40.00) is amended to be up to \$75.00; 4) Trifocal lenses (previously up to \$55.00) is amended to be up to \$100.00; 5) Lenticular lenses (previously up to \$80.00) is amended to be up to \$125.00; and 6) Frame (previously up to \$45.00) is amended to be up to \$70.00.

5. Beginning January 1, 2012, each person covered by the Vision Services Plan shall be entitled to covered benefits on a "per Plan Year" basis rather than a "per 12-months" basis.

6. Beginning January 1, 2012, Section 6.01(b) of Attachment 2 of Attachment A, amendment to Group Vision Care Policy, is amended to add the following subsection 6.01(b)(4) as follows:

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".

Except for the addition of this subsection 6.01(b)(4) the rest of this Section 6.01 shall remain unchanged.

7. The Policy Term of the Vision Services Plan Contract is extended to include **January 1, 2012 through 11:59 p.m., December 31, 2012**, which shall be the last day of the Policy Term referred to in Section 2.01 of the Amended Contract.

8. Except for the provisions amended herein and the Amendment to Vision Care Policy set forth in Attachments A, B and C, the Contract shall remain in full force and effect.

9. Except for the provisions amended by Items ____ above, the Contract, as amended by the *Calendar Year 2011 Amendment to the Vision Services Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy* shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2012 Amendment to the Vision Services Plan Contract Between the City of Chandler and Vision Service Plan Insurance Company* to be duly executed this 16th day of September, 2011.

CITY OF CHANDLER,
an Arizona municipal corporation

By: _____
Mayor

VISION SERVICE PLAN
INSURANCE COMPANY

By: [Signature]
Title: Treasurer, Les Passuello



ATTACHMENT 1

City of Chandler

Group #12138410

Effective January 1, 2012 - December 31, 2015

48 Month Rate Guarantee/revised 9/7/2011

	CURRENT	OPTION I	OPTION II
Signature Enhanced Plan B			
Plan Information			
Exam Every:	12 Months/Service Year	12 Months	12 Months/Plan Year *
Lenses Every:	12 Months/Service Year	12 Months	12 Months/Plan Year *
Frame Every:	24 Months/Service Year	24 Months	24 Months/Plan Year*
Rates:			
Employee Only	\$7.88	\$7.58	\$7.88
Employee + Family	\$16.86	\$16.22	\$16.86
Increase/Decrease:		-3.38%	0%
Allowances			
Wholesale Frame Allowance:	\$50.00	\$50.00	\$57.00
Retail Frame Value:	\$130.00	\$130.00	\$150.00
Elective Contact Lenses	\$130.00	\$130.00	\$150.00
Copayment			
Exam:	\$10.00	\$10.00	\$10.00
Materials:	\$15.00	\$15.00	\$15.00
Diabetic Byocare Program	\$20 Copay Rates remain same with or without DEP	\$20 Copay Rates remain same with or without DEP	\$20 Copay Rates remain same with or without DEP
Lens Options			
	Polycarbonate Lenses for Children	Polycarbonate Lenses for Children	Polycarbonate Lenses for Children
Commissions	Net	Net	Net
*Dependent Eligibility			
Child/Student	26/26	26/26	26/26
Domestic Partners	n/a	n/a	n/a
Employer Contribution	n/a 100% employee paid	n/a 100% employee paid	n/a 100% employee paid
Out of Network			
Examination, up to:	\$35.00	\$50.00	\$50.00
Single Vision Lenses, up to:	\$35.00	\$50.00	\$50.00
Bifocal Lenses, up to:	\$40.00	\$75.00	\$75.00
Trifocal Lenses, up to:	\$55.00	\$100.00	\$100.00
Lenticular Lenses, up to:	\$80.00	\$125.00	\$125.00
Frame, up to:	\$45.00	\$70.00	\$70.00
Elective Contact Lenses, up to:	\$105.00	\$105.00	\$105.00
Necessary Contact Lenses, up to:	\$210.00	\$210.00	\$210.00

*Plan Year begins in January

To renew your contract with VSP and ensure continuous service, please have the appropriate representative review this information and select the desired renewal option, sign and return this Renewal Agreement to the address or fax number below. VSP produces your Plan Policy upon receipt of your confirmation of renewal. Your new Plan Policy may contain some provisions that are changed from those in your current Policy, so you should review the new Policy carefully upon receipt. Please file this Agreement with your VSP contract as it serves as your notice of renewal.

Rachel McLoeb
Account Executive
Vision Service Plan
2111 E. Highland Avenue, Suite B160
Phoenix, AZ 85016
Phone - (602) 956-1820
Fax - (602) 956-3679

Option: II
Signature: Valeria F. Hernandez
Date: 9/7/2011

SEP 22 2011

**CALENDAR YEAR 2012
AMENDMENT TO CONTRACT #1193
BETWEEN DELTA DENTAL PLAN OF ARIZONA, INC.
AND THE CITY OF CHANDLER
FOR A DENTAL SERVICE PLAN**

This Calendar Year 2012 Amendment is made and entered this 16th day of ~~SEPTEMBER~~, 2011 to the *Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler* for a dental service plan dated January 1, 2002.

WHEREAS, the City of Chandler and Delta Dental Plan of Arizona, Inc. entered into an Employer Group Dental Contract dated January 1, 2002 ("Contract"); and

WHEREAS, the City of Chandler and Delta Dental Health Plan of Arizona, Inc. have extended this Contract since 2002, through December 31, 2011, subject to the terms and conditions of the original Contract, as amended by *Calendar Year 2011 Amendment to Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler for a Dental Service Plan*, incorporated herein by this reference; 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 Company want to amend the terms of the Agreement to extend such eligibility for dental insurance coverage; and

WHEREAS, this expanded dental 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 Company want to amend the Agreement to expand eligibility for vision coverage as will be set forth in that new policy; and

WHEREAS, the City and Delta Dental Plan of Arizona, Inc. want to amend this Contract to extend it for the period from January 1, 2012 through December 31, 2012 subject to the original terms and conditions of the Contract except: 1) as amended by *Calendar Year 2011 Amendment to Contract #1193 Between Delta Dental Plan of*

Arizona, Inc. and the City of Chandler for a Dental Service Plan; 2) as amended by Attachment 1 to change certain benefits as set forth in item 2(A) below; and 3) as amended by item 2(B) below (to expand dental insurance coverage eligibility to include spouses and otherwise eligible dependents of employees who lose their lives in the course and scope of their City employment or who die as a result of injuries suffered in the course and scope of their employment).

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

1. The Contract #1193 Between the City of Chandler and Delta Dental Plan of Arizona, Inc. dated January 1, 2002 as amended by Calendar Year 2011 Amendment to Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler for a Dental Service Plan is incorporated herein by this reference.

2. As of January 1, 2012, the Contract #1193 Between the City of Chandler and Delta Dental Plan of Arizona, Inc. dated January 1, 2002 as amended by Calendar Year 2011 Amendment to Contract #1193 Delta Dental Plan of Arizona, Inc. and the City of Chandler for a Dental Service Plan shall remain in full force and effect except as it is amended as follows:

(A) As is set forth in Amendment #10 to Contract, Delta Dental of Arizona, Group #1193, attached hereto as Attachment 1 and incorporated herein by this reference:

i. **Appendix A, Summary of Benefits** is hereby revised to include the following:

a. **CHECK UP PLUS**
Benefit dollars used for Diagnostic and Preventive services will not apply to the annual maximum.

b. **EBD Benefit**

An additional third dental cleaning per benefit year is included in this Employer group contract. This benefit is available to covered persons with diagnosis of Diabetes, Pregnancy, Renal Dialysis, Suppressed Immune System (due to chemotherapy, HIV positive, organ transplant, or stem cell/bone marrow transplant). Head and Neck Radiation or High Risk Cardiac conditions.

ii. **Appendix B. Summary of Contractual Components, Administrative Fees**, is hereby amended as follows:

Administrative fees for the period of January 1, 2012 through December 31, 2012 will remain:

Employee Only	\$4.74
Employee Plus One Dependent	\$4.74
Employee Plus Two or More Dependents	\$4.74

(B) Beginning January 1, 2012, the first paragraph of the section entitled "Eligible Dependents" at page 3 shall be amended by adding a subparagraph C as follows:

C. 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".

Except for the addition of this subsection C., the rest of the paragraph entitled "Eligible Dependents" shall remain unchanged.

3. The Contract is hereby amended to extend the term for the period from January 1, 2012 through December 31, 2012.

4. Except for the provisions amended pursuant to Items 1,2 and 3 above, the Contract as amended by the *Calendar Year 2011 Amendment to Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler for a Dental Service Plan* shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2012 Amendment to Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler for A Dental Service Plan* to be duly executed this 16th day of SEPTEMBER, 2011.

CITY OF CHANDLER,
an Arizona municipal corporation

DELTA DENTAL PLAN OF
ARIZONA, INC.

By: _____
Mayor

By: R. Allen Albright
Title: President/CEO

APPROVED AS TO FORM:

ATTEST: (If corporation)

City Attorney

CH for

Grace Jurek
Secretary

ATTACHMENT 1

AMENDMENT #10 TO CONTRACT
DELTA DENTAL OF ARIZONA, GROUP #1193

Contract # 1193 dated January 1, 2002, between Delta Dental of Arizona, Inc. and City of Chandler, is hereby amended, effective January 1, 2012, as follows:

Appendix A, Summary of Benefits is hereby revised to include the following:

CHECK UP PLUS

Benefit dollars used for Diagnostic and Preventive services will not apply to the annual maximum

EBD Benefit

An additional third dental cleaning per benefit year is included in this Employer group contract. This benefit is available to covered persons with a diagnosis of Diabetes, Pregnancy, Renal Dialysis, Suppressed Immune System (due to chemotherapy, HIV positive, organ transplant, or stem cell/bone marrow transplant), Head and Neck Radiation or High Risk Cardiac conditions.

Appendix B, Summary of Contractual Components, Administrative Fees, is hereby amended as follows:

Administrative fees for the period of January 1, 2012 through December 31, 2012 will be:

Employee Only	\$4.74
Employee Plus One Dependent	\$4.74
Employee Plus Two or More Dependents	\$4.74

AUTHORIZED SIGNATURES

City of Chandler

Delta Dental of Arizona, Inc.

By: _____

By: _____

R. Allan Allford

Title: _____

Title: _____

President/CEO

Date: _____

Date: _____

August 11, 2011

#46, #47, #48



Chandler · Arizona
Where Values Make The Difference



MEMORANDUM

DATE: September 22, 2011

TO: Mayor and Council

THRU: Rich Dlugas, City Manager *RD*
Debra Stapleton, Director of Human Resources Division *CHAS*

FROM: Valerie F. Hernandez, Benefit Programs Supervisor *VFH*

SUBJECT: Recommendation for Approval of 2012 Employee Benefits Program & Benefits Contribution Strategy

RECOMMENDATION: Amend Agreements with current providers to include surviving spouse and dependents' insurance coverage eligibility provisions for medical, dental and vision coverage in accordance with Resolution No. 4529 authorizing City staff to provide survivor health care benefits. Award contracts for group life and accidental death & dismemberment insurance and for group travel accident insurance as needed for implementation of and approval of the City of Chandler's 2012 Employee Benefits Program. Approve 2012 benefit contribution strategy of 82/18 of which the City pays the greater portion of the subsidized premium to be paid to the Health Care Benefits Trust Fund.

BACKGROUND: City staff reviews the employee benefits package each year with the assistance of an employee benefits consulting firm. Pending Mayor and Council approval, the City's 2012 Employee Benefits Program will consist of the following: healthcare, dental care, group life and accidental death & dismemberment insurance, voluntary term life insurance, group travel accident insurance, short and long term disability, cancer insurance for fire fighters and police officers, deferred compensation, retiree health savings plan, retirement, employee assistance plan, vision, flexible spending account, a legal plan, group auto and homeowners insurance, a pet insurance plan, and short term disability supplemental insurance.

Each of the amendments involves extending the plan contract for an additional one year; however, the following list of amendments has significant changes and/or additional benefit enhancements.

For ease of reference the plan amendments have been provided in bulleted format:

- ACE American Insurance Company: Provides commuter insurance. During recent review of the group travel accident insurance we determined that it would be in the City’s best interest to conduct a review of the current plan in comparison to other providers. Our review resulted in recommending the award to ACE American Insurance Company resulting in cost savings for the City in the amount of \$15,507 annually, while maintaining the same benefit level.
- Blue Cross Blue Shield of Arizona: The City’s group medical and pharmacy program, to include administration services, network contracts, clinical programs, pharmacy benefit management service, and stop-loss coverage to be provided through a self-funded insurance plan was awarded and approved by Mayor and Council on May 28, 2010. After review and consideration of the financial attestations provided by the City’s healthcare actuary and in accordance with the City of Chandler Health Care Benefits Trust Agreement the City’s Health Benefits Trust Board approved the premiums on August 11, 2011.

As previously discussed during the City’s budget proceedings and subsequently approved by the Mayor and Council the contribution strategy consisting of an 82/18 split of the subsidized premium provided by the City has been provided below.

2012 MONTHLY PREMIUMS

EPO* TIER	FULL RATE MONTHLY PREMIUM	EPO SUBSIDIZED PREMIUM	CITY 82%	EMPLOYEE 18%
Employee	\$568.07	\$494.22	\$405.26	\$88.96
Employee + Spouse	\$948.61	\$825.29	\$676.74	\$148.55
Employee + Child	\$840.64	\$731.36	\$599.72	\$131.64
Employee + Family	\$1,380.29	\$1,200.85	\$984.70	\$216.15
PPO* TIER	FULL RATE MONTHLY PREMIUM	PPO SUBSIDIZED PREMIUM	CITY 82%	EMPLOYEE 18%
Employee	\$761.69	\$662.67	\$543.39	\$119.28
Employee + Spouse	\$1,271.98	\$1,106.62	\$907.43	\$199.19
Employee + Child	\$1,127.20	\$980.66	\$804.14	\$176.52
Employee + Family	\$1,850.74	\$1,610.14	\$1,320.31	\$289.83

* EPO – Exclusive Provider Plan; PPO – Preferred Provider Organization Plan¹

¹ Due to the City subsidizing the premiums, the employee’s contribution of the premium continues to be mitigated.

We reviewed the benefit plan in partnership with our benefit consultants and members of the City's Healthcare Task Force. After considerable review and analysis it was recommended that pharmacy co-pays for glucose meter, insulin, lancets and test strips would be waived with the employee's commitment to monthly participation with a Health Coach. Impact on the plan will be evaluated on a monthly basis in order to assess return on investment. In addition, an expanded maternity care program is being offered which provides for preconception and maternity education, support and post-delivery follow-up and if enrolled by 16th week, mom receives a \$100 gift card to Babies "R" Us, all the while with continuing to provide national in-network coverage and no additional increase in co-pays.

- Delta Dental Plan: Provides dental coverage. We were able to negotiate a third cleaning benefit for members diagnosed with specified medical conditions with no additional costs passed on to employees for a second year in a row while still providing employees with access to Delta Dental's Preferred Provider Network. Dentists participating in Delta Dental's Preferred Provider Network have agreed to a lower contracted amount which in turn passes on savings to the employee for contracted services are typically 10% to 20% lower than a regular network Delta Dental Provider.
- ING: Provides basic life and accidental death and dismemberment insurance and optional life insurance for spouses and children of employee to benefit eligible classes. In addition to basic services ING will provided our employees and/or their beneficiaries in the event of a death funeral planning and concierge Services and 24/7 access to highly-trained advisors and online support for all stages of the funeral planning process. For example online planning tools to include price finder reports that compare local funeral home prices nationwide will now be available to all employees at no additional costs.
- VSP: Provides vision services. Two added value benefits were negotiated and participants will receive an increase in allowance for contact lenses from \$105.00 to \$130.00 and allowance for eye glass frames from \$120.00 to \$130.00 with no increase in premium and/or administrative fees.

Amendments to the Agreements with Anthem Life Insurance Company, APS Healthcare Southwest, Inc., Blue Cross Blue Shield of Arizona, Delta Dental, PayFlex Systems USA, Inc., VSP, and approval of the agreement with Liberty Mutual Insurance Company, are required for extensions. New plan agreements have been drafted for ACE American Insurance Company, and ING. Agreements with other providers do not require amendments for 2012.

City Staff recommends the benefits carriers/administrators for calendar year 2012 as outlined in the following:

<u>COVERAGE</u>	<u>PROVIDER</u>	<u>PAID BY</u>
1. Business Travel & Commuter Accident Insurance	ACE American Insurance Company	City

2. Long Term Disability for Public Safety Personnel	Anthem Life Insurance Company	City
3. Employee Assistance Plan	APS Healthcare	City
4. Flexible Spending Accounts	PayFlex Systems USA, Inc.	City
5. Group Life Insurance and Accidental Death & Dismemberment	ING	City
6. Dental Care Claims Administration	Delta Dental Plan	City/Employee
7. Deferred Compensation	ICMA - RC	City/Employee
8. Retirement Health Saving Plan	ICMA – RC	City/Employee
9. Vision Care	Vision Service Plan	Employee
10. Pre-Paid Legal Services	Pre-Paid Legal Services, Inc.	Employee
11. Home and Auto Insurance	Liberty Mutual	Employee
12. Pet Insurance	VPI	Employee
13. Short Term Disability Supplemental Insurance	Colonial Life	Employee
14. Voluntary Term Life Insurance	ING	Employee

The following employee benefit programs are statutorily required or self-administered by the City.

<u>COVERAGE</u>	<u>PROVIDER</u>	<u>PAID BY</u>
• Short Term Disability	City of Chandler Human Resources	City
• Cancer Insurance – Fire Fighters and Police Officers	Public Safety Retirement System	City
• Retirement Plan – Civilian	Arizona State Retirement System	City/Employee
• Retirement Plan – Public Safety	Public Safety Retirement System	City/Employee
• Retirement Plan – Elected Officials	Elected Officials Retirement Plan	City/Employee

- Long Term Disability – Civilian Arizona Sate Retirement System City/Employee

PROPOSED MOTION: Move to approve and authorize the Mayor to execute the following agreement amendments:

1. Calendar Year 2012 Amendment to the Contract Providing Long-Term Disability Insurance to Public Safety Personnel between the City of Chandler and Anthem Life Insurance Company.
2. Amendment for Calendar Year 2012 to the Agreement between the City of Chandler and APS Healthcare Bethesda, Inc. as Successor to APS Healthcare Southwest, Inc., Program of Employee Services.
3. Calendar Year 2012 Amendment to Contract #1193 between Delta Dental Plan of Arizona, Inc. and the City of Chandler for a Dental Service Plan.
4. Calendar Year 2012 Amendment to Group Savings Plus Hold Harmless and Marketing Agreement between the City of Chandler and Liberty Mutual Insurance Company, Inc.
5. Calendar Year 2012 Amendment to the Agreement between the City of Chandler and Payflex Systems USA, Inc., as Successor to FlexAmerica, Inc. for Flexible Spending Account Administration.
6. Calendar Year 2012 Amendment to the Vision Services Plan Contract between the City of Chandler and Vision Service Plan Insurance Company for Group Vision Care Policy.

In closing, I am pleased to inform Mayor and Council that the City's employee benefit guide was submitted by Buck Consultants to the International Association of Business Communications (IABC) and we were recently notified by IABC of Pacific Plains Region that "Team Chandler 2011 Benefit Guide" has earned an "Award of Merit" in the 2011 Silver Quill Awards competition. The Silver Quill competition invites participation from communicators throughout the Pacific Plains Region, which encompasses 19 states from Wisconsin to Hawaii, and Arizona to North Dakota. Evaluation of the 2011 Silver Quill Award entries was completed by an expert panel of experienced judges from IABC Houston, many of whom are Accredited Business Communicators (ABCs) or IABC members who had previously earned IABC Quill awards. The judging process sets a very high standard for entrants by using guidelines from the IABC Gold Quill Awards, an international recognition program for communicators.

The Amendments are available for review at the City Clerk's Office.

**CALENDAR YEAR 2012
AMENDMENT TO THE CONTRACT
PROVIDING LONG-TERM DISABILITY INSURANCE
TO PUBLIC SAFETY PERSONNEL
BETWEEN THE CITY OF CHANDLER AND
ANTHEM LIFE INSURANCE COMPANY**

This Amendment ("Calendar Year 2012 Amendment"), is made and entered this 14 day of Sept, 2011 to the *Contract Providing Long-Term Disability Insurance to Safety Personnel at City of Chandler Between the City of Chandler and Anthem Life Insurance Company*, dated January 1, 2004 ("Contract").

WHEREAS, the City of Chandler and Anthem Life Insurance Company ("Contractor") entered into a Contract effective January 1, 2004, and have subsequently extended that Contract, subject to the same terms and conditions as the initial Contract for the terms January 1, 2005 through December 31, 2005; January 1, 2006 through December 31, 2006; January 1, 2007 through December 31, 2007 subject to certain Amendments (the "2007 Contract"); January 1, 2008 through December 31, 2008; January 1, 2009 through December 31, 2009; January 1, 2010 through December 31, 2010; and January 1, 2011 through December 31, 2011 by the *Calendar Year 2011 Amendment to the Contract Providing for Long Term Disability Insurance to Public Safety Personnel Between the City of Chandler and Anthem Life Insurance Company*; and

WHEREAS, the City and Anthem Life Insurance Company want to extend this Contract, as amended in 2011, for the term 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 do agree as follows:

1. The term of the Contract is extended through December 31, 2012.
2. The Exhibit B of the Contract, titled Fee Schedule, shall continue to state: "36 cents per \$100 of payroll."
3. Except for the provisions amended by item 1 above, the Contract as amended by the *Calendar Year 2011 Amendment to the Contract Providing for Long Term Disability Insurance to Public Safety Personnel Between the City of Chandler and Anthem Life Insurance Company* shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2012 Amendment to the Contract Providing Long-Term Disability Insurance to Public Safety Personnel at City of Chandler Between the City of Chandler and Anthem Life Insurance Company* to be duly executed this 14 day of Sept., 2011.

CITY OF CHANDLER,
an Arizona municipal corporation

ANTHEM LIFE INSURANCE
COMPANY

By: _____
Mayor

By: Scott Puckmit
Title: Underwriter

APPROVED AS TO FORM:

ATTEST: (If corporation)

City Attorney CH

Secretary

ATTEST:

City Clerk

**AMENDMENT FOR
CALENDAR YEAR 2012
TO THE AGREEMENT BETWEEN
THE CITY OF CHANDLER AND
APS HEALTHCARE BETHESDA, INC.
AS SUCCESSOR TO APS HEALTHCARE
SOUTHWEST, INC., A PROGRAM OF
EMPLOYEE SERVICES**

This Amendment For Calendar Year 2012 is made and entered into this 2nd day of September, 2011 to the *Agreement Between the City of Chandler and APS Healthcare Southwest, Inc., a Program of Employee Services* dated October 1, 2003 ("Agreement").

WHEREAS, the City of Chandler and APS Healthcare Southwest, Inc., entered into an Agreement for a Program of Employee Services dated October 1, 2003, with a term ending December 31, 2004; and subsequently the Agreement was automatically renewed for the terms of January 1, 2005 through December 31, 2005 and January 1, 2006 through December 31, 2006 subject to the same terms and conditions except to amend the "per employee per month" charge; the Agreement was amended to extend the term from January 1, 2007 through December 31, 2009 and to amend the rate for the per employee per month fee; and the Agreement was amended to extend the term from January 1, 2010 through January 31, 2010 and to amend the rate for the per employee per month charge; and the Agreement was amended to extend the term from January 1 to December 31, 2011 and for certain other changes through the *Amendment for Calendar Year 2011 to the Agreement Between the City of Chandler and APS Healthcare Bethesda, Inc. as Successor to APS Healthcare Southwest, Inc., a Program of Employee Services*; and

WHEREAS, on or before October 9, 2009, APS Healthcare Bethesda, Inc., the parent company of APS Healthcare Southwest, Inc. agreed to be bound by the duties and obligations set forth in the Agreement between the City of Chandler and APS Healthcare Southwest, Inc.; and

WHEREAS, the City and APS Healthcare Bethesda, Inc. want to extend this Agreement for the term 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 do agree as follows:

1. The term of the Agreement is extended for the period January 1, 2012 through December 31, 2012.

2. Except for the provisions amended by Item 1 above, the Agreement as amended by the *Amendment for Calendar Year 2011 to the Agreement Between the City of Chandler and APS Healthcare Bethesda, Inc. As Successor to APS Healthcare Southwest, Inc., a Program of Employee Services* shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Amendment For Calendar Year 2012 to the Agreement Between the City of Chandler and APS Healthcare Southwest, Inc., a Program of Employee Services* to be duly executed this ____ day of _____, 2011.

CITY OF CHANDLER,
an Arizona municipal corporation

APS HEALTHCARE BETHESDA,
INC.

By: _____
Mayor

By: Susan Ban
Title: Executive Director

APPROVED AS TO FORM:

ATTEST: (If corporation)

City Attorney

OK for

See Attached Notary
Secretary

ATTEST:

City Clerk

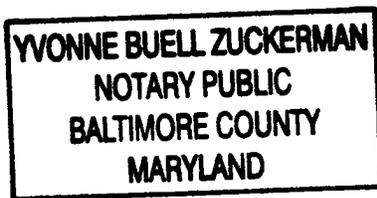
AMENDMENT FOR
CALENDAR YEAR 2012
TO THE AGREEMENT BETWEEN
THE CITY OF CHANDLER AND
APS HEALTHCARE BETHESDA, INC.
AS SUCCESSOR TO APS HEALTHCARE
SOUTHWEST, INC., A PROGRAM OF
EMPLOYEE SERVICES

PAGE 3

State of Maryland
County of Howard

On this 2ND day of September, 2011, before me, the undersigned officer, personally appeared Susan Baker, a corporation, and that he/she/they, as such Executive Director, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself/themselves as Executive Director.

In witness whereof I hereunto set my hand and official seal.




Yvonne Buell Zuckerman
Notary Public
My commission expires June 10, 2015

**CALENDAR YEAR 2012
AMENDMENT TO GROUP SAVINGS PLUS
HOLD HARMLESS AND MARKETING AGREEMENT
BETWEEN THE CITY OF CHANDLER AND
LIBERTY MUTUAL INSURANCE COMPANY, INC.**

This Amendment ("Calendar Year 2012 Amendment"), is made and entered this _____ day of _____, 2011 to the *Group Savings Plus Hold Harmless and Marketing Agreement Between the City of Chandler and Liberty Mutual Life Insurance Company*, and its affiliates and subsidiaries ("Liberty Mutual Insurance Company"), dated October 25, 2009 (the "Agreement").

WHEREAS, the City and Liberty Mutual Insurance Company entered into a Group Savings Plus Hold Harmless and Marketing Agreement dated October 25, 2009 for the term from November 1, 2009 through December 31, 2010; and through the *Calendar Year 2011 Amendment to Group Savings Hold Harmless and Marketing Agreement Between the City of Chandler and Liberty Mutual Insurance, Inc.* the parties extended the Agreement for the term from January 1, 2011 through December 31, 2011; and

WHEREAS, the City and Liberty Mutual Insurance Company want to extend this Agreement for the term 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 do agree as follows:

1. The term of the Agreement is extended for the term of January 1, 2012 through December 31, 2012.

2. Except for the provision amended in Item 1 above, the Agreement as amended by the *Calendar Year 2011 Amendment to the Group Savings Plus Hold Harmless and Marketing Agreement Between the City of Chandler and Liberty Mutual Insurance Company* shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2012 Amendment to Group Savings Plus Hold Harmless and Marketing Agreement Between the City of Chandler and Liberty Mutual Insurance Company* to be duly executed this ____ day of _____, 2011.

CITY OF CHANDLER,
an Arizona municipal corporation

LIBERTY MUTUAL INSURANCE
COMPANY

By: _____
Mayor

By: *Roland Coto*
Title: *AVP*

APPROVED AS TO FORM:

ATTEST: (If corporation)

City Attorney *CH for*

Secretary

ATTEST:

City Clerk

**CALENDAR YEAR 2012
AMENDMENT TO THE AGREEMENT
BETWEEN THE CITY OF CHANDLER
AND PAYFLEX SYSTEMS USA, INC.
AS SUCCESSOR TO FLEXAMERICA, INC.
FOR FLEXIBLE SPENDING ACCOUNT ADMINISTRATION**

This Amendment ("Calendar Year 2012 Amendment"), is made and entered this _____ day of _____, 2011, to the *City of Chandler Professional Services Agreement for Flexible Spending Administration between the City of Chandler and FlexAmerica, Inc.*, dated November 6, 2003 ("Agreement").

WHEREAS, the City of Chandler and FlexAmerica, Inc. entered into an Agreement for Flexible Spending Account Administration dated November 6, 2003, and extended that contract, subject to certain amendments for Calendar Years 2005, 2006, 2007, 2008, 2009, 2010 and 2011 by the *Calendar Year 2011 Amendment to the Agreement Between the City of Chandler and Payflex Systems USA, Inc. as Successor to FlexAmerica, Inc. for Flexible Spending Account Administration*; and

WHEREAS, in January, 2007, PayFlex Systems USA, Inc. purchased FlexAmerica, Inc., agreed to be bound by the duties and obligations set forth in the Agreement between the City of Chandler and FlexAmerica, Inc., and continued to do business as FlexAmerica, Inc. until September 28, 2008, whereupon the company began administering the agreement as PayFlex Systems USA, Inc.; and

WHEREAS, the City of Chandler and PayFlex Systems USA, Inc. want to amend the Agreement to extend it for the term of 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 do agree as follows:

1. The contract is extended for the term of January 1, 2012 through December 31, 2012.

2. Exhibit B shall continue to be as follows:

(a) Monthly per participant charge for reimbursement account participants in an amount of \$4.75 per participant per month to include debt card charges, (b) deleting the \$.25 ppm Flex Debit Card charge and (c) Annual Renewal Fee \$450.00.

3. Except for the provisions amended by Item 1 above, the Agreement as amended by the *Calendar Year 2011 Amendment to the Agreement Between the City of Chandler and Payflex Systems USA, Inc. as Successor to FlexAmerica, Inc. for Flexible Spending Account Administration* dated September 16, 2010, shall remain in full force and effect.

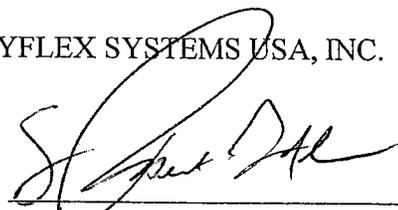
4. Payflex Systems USA, Inc. agrees to administer the program in compliance with the terms of the City of Chandler Flexible Spending Account Program and all amendments thereto adopted by the Chandler City Council.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2012 Amendment to the Agreement Between the City of Chandler and PayFlex Systems USA, Inc. as Successor to FlexAmerica, Inc. for Flexible Spending Account Administration* to be duly executed this ____ day of _____, 2011.

CITY OF CHANDLER,
an Arizona municipal corporation

PAYFLEX SYSTEMS USA, INC.

By: _____
Mayor

By: 
Title: President

APPROVED AS TO FORM:

ATTEST: (If corporation)

City Attorney *OH for*

Secretary

ATTEST:

City Clerk



Chandler · Arizona
Where Values Make The Difference



DATE: September 15, 2011
TO: Mayor and Council
FROM: City Clerk's Office
CC: Rich Dlugas, City Manager
SUBJECT: Item No. 46

The agreement amendment with Delta Dental Plan of Arizona, Inc., for dental services plan, and the agreement amendment with the Vision Service Plan Insurance Company for group vision care services shall be available by Thursday, September 22, 2011.