

AN ORDINANCE **9 8 3 3 5**

AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO EXERCISE THE OPTION FOR A ONE (1) YEAR RENEWAL AND EXTENSION OF THE CURRENT CONTRACT WITH COMMUNITY FIRST HEALTH PLANS, INC. FOR AN ESTIMATED AMOUNT OF \$20,985,326.00 TO PROVIDE A HEALTH MAINTENANCE ORGANIZATION (HMO) PROGRAM FOR CITY EMPLOYEES, RETIREES, AND THEIR ELIGIBLE DEPENDENTS FOR A ONE (1) YEAR TERM BEGINNING ON JANUARY 1, 2004 AND ENDING DECEMBER 31, 2004.

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WHEREAS, Ordinance 92593, passed and approved on September 28, 2000, authorized a three-year contract between the City of San Antonio and Community First Health Plans, Inc. to provide Health Maintenance Organization (HMO) service to eligible employees retirees and their dependants; and

WHEREAS, the original three (3)-year contract will expire on December 31, 2003 but Section VI of original contract provided the City the option of renewing the contract for two (2) additional one (1)-year terms; and

WHEREAS, a benefits committee, which reviewed Community First Health Plan, Inc.'s performance to include plan benefits and customer satisfaction, recommends renewal and extension of the contract; and

WHEREAS, the City Council wishes to exercise its option to renew and extend the term of said contract for the first one (1)-year renewal term; and

WHEREAS, the City Council wishes to authorize the City Manager or her designee to execute a renewal and extension of the HMO contract between the City of San Antonio and Community First Health Plans, Inc. for a one (1) year period commencing January 1, 2004, and ending December 31, 2004; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee is hereby authorized to execute a renewal and extension of the HMO contract, extending for a one (1)-year period the term of the contract authorized in Ordinance No. 92593 passed and approved on September 28, 2000, with Community First Health Plans, Inc. A copy of the renewal and extension

of the HMO contract is attached hereto as Exhibit A. The extension shall be for a one (1) year period commencing January 1, 2004 and ending December 31, 2004 unless terminated earlier pursuant to the terms of contract authorized in Ordinance No. 92593 or the terms contained in said renewal and extension.

SECTION 2. The amount of \$20,985,326.00 is to be appropriated in the Employee Benefits Insurance Program (Fund 75-002), in Index Code 926808, entitled Contribution to 69-021 Employee Benefit Trust, and is to be made payable to Community First Health Plans, Inc., for provision of a fully insured Health Maintenance Organization (HMO) for the period beginning January 1, 2004 and ending December 31, 2004.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director, may subject to concurrence by the City Manager or the City Manager's designee, correct allocation to specific index codes and fund numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. This ordinance shall be effective on and after the tenth day after passage hereof.

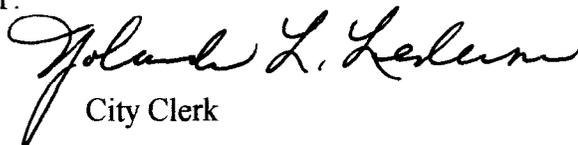
PASSED AND APPROVED this 16th day of October, 2003.



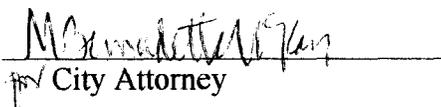
M A Y O R

EDWARD D. GARZA

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney