

AN ORDINANCE

99828

AUTHORIZING THE CITY MANAGER OR THE CITY MANAGER'S DESIGNEE TO EXECUTE THREE CONTRACTS WITH COMMUNITY FIRST HEALTH PLANS, INC. IN AN ESTIMATED AGGREGATE ANNUAL AMOUNT OF \$1,833,803.00 TO PROVIDE THIRD PARTY ADMINISTRATION, PREFERRED PROVIDER ORGANIZATION AND UTILIZATION REVIEW SERVICES UNDER THE CITY'S SELF-FUNDED HEALTH BENEFITS PROGRAM FOR ELIGIBLE EMPLOYEES, RETIREES AND DEPENDENTS FOR A TERM OF THREE (3) YEARS, BEGINNING JANUARY 1, 2005 AND ENDING DECEMBER 31, 2007, WITH AN OPTION TO EXTEND EACH OF THE CONTRACTS FOR UP TO TWO (2) ONE (1) YEAR EXTENSIONS, SUBJECT TO AND CONTINGENT UPON FUNDING AND APPROVAL BY CITY COUNCIL.

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WHEREAS, the City's Employee Benefits program provides covered employees and retirees with medical, dental, health care reimbursement and dependant care reimbursement plan options require administrative services to manage, which services include third party administration (TPA), utilization review (UR) and preferred provider organization (PPO); and

WHEREAS, the Human Resources Department issued a Request for Proposal (RFP) for Combined Health Benefits, which included TPA, UR and PPO services, to which the City received seventeen (17) responses; and

WHEREAS, six (6) finalists were interviewed by a selection committee composed of representatives from various City departments as well as the firefighters' and police officers' unions, civilian employees' associations, and City retirees' association; and

WHEREAS, the criteria used during the RFP process included responsiveness to the RFP, proposed service plan, pricing schedule, background and capability, and SBEDA participation; and

WHEREAS, as a result of the RFP process, the staff recommends that Community First Health Plans, Inc. be awarded the contracts to provide TPA, UR and PPO services; **NOW THEREFORE**:

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

SECTION 1. The City Manager or the City Manager's designee is hereby authorized to execute a contract with Community First Health Plans, Inc. to provide TPA services and health care and dependant care reimbursement for employees, retirees and their dependents covered under the City's self-funded medical plans. The contract shall each be executed for an initial (3) year term, beginning January 1, 2005, and ending December 31, 2007, and shall each include an option for the City to extend said contract for two (2) additional one (1) year terms. The option of the City to extend the contract for two (2) additional one (1) year terms is hereby authorized, subject to funding and approval by City Council. A copy of said contract, in substantially final form, is attached hereto as Exhibit A. The terms and conditions of said contract are hereby approved. A copy of the Request for Proposal and the proposal submitted by Community First Health Plans, Inc. will be on file in the Human Resources Department.

The City Manager or the City Manager's designee is hereby authorized to execute a contract with Community First Health Plans, Inc. to provide UR services for employees, retirees and their dependents covered under the City's self-funded medical plans. The contract shall each be executed for an initial (3) year term, beginning January 1, 2005, and ending December 31, 2007, and shall each include an option for the City to extend said contract for two (2) additional one (1) year terms. The option of the City to extend the contract for two (2) additional one (1) year terms is hereby authorized, subject to funding and approval by City Council. A copy of said contract, in substantially final form, is attached hereto as Exhibit B. The terms and conditions of said contract are hereby approved. A copy of the Request for Proposal and the proposal submitted by Community First Health Plans, Inc. will be on file in the Human Resources Department.

The City Manager or the City Manager's designee is hereby authorized to execute a contract with Community First Health Plans, Inc. to provide PPO services for employees, retirees and their dependents covered under the City's self-funded medical plans. The contract shall each be executed for an initial (3) year term, beginning January 1, 2005, and ending December 31, 2007, and shall each include an option for the City to extend said contract for two (2) additional one (1) year terms. The option of the City to extend the contract for two (2) additional one (1) year terms is hereby authorized, subject to funding and approval by City Council. The City Manager or the City Manager's Designee is authorized to execute the final contract, in substantially the form attached hereto as Exhibit C, for a period not to exceed forty-five days from the effective date of this ordinance. If for any reason the final documents are not executed within forty-five days from the effective date of this ordinance, or if they cannot be executed in substantially the form attached, the authorization of this contract and the execution thereof will be subject to subsequent City Council approval. A copy of the Request for Proposal and the proposal submitted by Community First Health Plans, Inc. will be on file in the Human Resources Department.

SECTION 2. The amount of \$1,219,389.00 is to be appropriated in Fund 75-002000, Employee Benefits Insurance Program, in Index Code 476671, entitled Program Admin: Benefits TPA, and is to be made payable to Community First Health Plans, Inc., for claims administration services for the period beginning January 1, 2005 and ending December 31, 2007.

SECTION 3. The amount of \$408,288.00 is to be appropriated in Fund 75-002000, Employee Benefits Insurance Program, in Index Code 477075, entitled Program Admin: PPO, and is to be made payable to Community First Health Plans, Inc., for preferred provider organization services for the period beginning January 1, 2005 and ending December 31, 2007.

SECTION 4. The amount of \$206,126.00 is to be appropriated in Fund 75-002000, Employee Benefits Insurance Program, in Index Code 476891, entitled Program Admin: Utilization Review, and is to be made payable to Community First Health Plans, Inc., for utilization review services for the period beginning January 1, 2005 and ending December 31, 2007.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director, 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 6. This ordinance shall be effective on and after the tenth day after passage hereof.

PASSED AND APPROVED this 30th day of September, 2004.



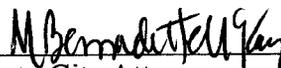
M A Y O R

ATTEST:



City Clerk

APPROVED AS TO FORM:


for City Attorney

Agenda Voting Results

Name: 30. **99828**

Date: 09/30/04

Time: 06:04:21 PM

Vote Type: Multiple selection

Description: 30. An Ordinance authorizing the City Manager or her designee to execute three contracts with Community First Health Plans, Inc. in an estimated aggregate annual amount of \$1,833,803.00 to provide third party administration, preferred provider organization and utilization review services under the City's Self-Funded Health Benefits Program for eligible employees, retirees and dependents for a term of three (3) years, beginning January 1, 2005 and ending December 31, 2007, with an option to extend each of the contracts for up to two (2) one (1) year extensions, subject to and contingent upon funding and approval by City Council. [Presented by Sharon De La Garza, Director, Human Resources; Frances A. Gonzalez, Assistant City Manager]

Notes: Motioned: RON H. SEGOVIA Seconded: ART A. HALL Notes:

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1		x		
JOEL WILLIAMS	DISTRICT 2	Not present			
RON H. SEGOVIA	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
ENRIQUE M. BARRERA	DISTRICT 6		x		
JULIAN CASTRO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
CARROLL SCHUBERT	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR ED GARZA	MAYOR		x		