

RESOLUTION OF THE CITY COUNCIL

No. 311

Approved July 12, 2017

RESOLVED, That the Members of the Providence City Council hereby Authorize Approval of the following Contract Renewal Award by the Board of Contract and Supply, in accordance with Section 21-26 of the Code of Ordinances.

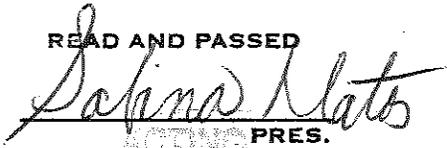
Blue Cross Blue Shield of Rhode Island
(Human Resources)

\$870,000.00

IN CITY COUNCIL

JUL 06 2017

READ AND PASSED


ACTING PRES.


CLERK

I HEREBY APPROVE.


Mayor

Date: 7/12/17

MATTHEW M. CLARKIN, JR.
INTERNAL AUDITOR
25 DORRANCE STREET, ROOM #307
PROVIDENCE, RI 02903
Phone: (401) 421-7740 EXT. 577
Fax: (401) 351-1056
mclarkin@providenceri.com



City of Providence, Rhode Island Office of the Internal Auditor

May 1, 2017

Ms. Lori Hagen
City Clerk's Office
City of Providence
25 Dorrance Street
Providence, RI 02903

Dear Lori:

I am writing to request that the following requested contract award be submitted to the City Council and the Finance Committee for approval.

- **Employee & Retiree Benefits:** Approval to extend the Contract with Blue Cross Blue Shield of Rhode Island, approved on November 14, 2014, for Administrative Services Only (ASO) to administer the City's self-insured Medical Plan, a one year extension through June 30, 2018, in a total amount not to exceed \$3,210,536.00 which represents a 0% increase or rate pass to the current contract rate of \$34.58 (PEPM).
- **Employee & Retiree Benefits:** Approval for renewal of contract with Blue Cross Blue Shield of RI (BCBSRI), for one term for one (1) year beginning July 1, 2017 through June 30, 2018, Mercer has negotiated with Blue Cross Blue Shield of Rhode Island for stop loss rates for the City and Work Related Injury Policies, for an annual savings of \$52,000.00 in FY 2018, in a total amount not to exceed \$870,000.00 (\$790,000.00 City; \$80,000.00 WRI). (891-891-53500/891-892-53500).
-

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew M. Clarkin, Jr.", written over a faint circular stamp.

Matthew M. Clarkin, Jr.
Internal Auditor



CITY OF PROVIDENCE
Jorge O. Elorza, Mayor

April 25, 2017

The Honorable Mayor Jorge Elorza
Chairman, Board of Contract and Supply
City Hall
Providence, RI 02903

Dear Mayor Elorza:

Mercer, as outlined in their contract with the City of Providence, has responsibility of Stop Loss insurance coverage placement services. Mercer's stop loss responsibilities are outlined in Section 2 of the Health and Benefits Statement of Work (SOW). Mercer, using industry best practices, has negotiated with Blue Cross Blue Shield of RI (BCBSRI) the proposed stop loss rates for the City and Work Related Injury policies.

We are respectfully requesting authorization to renew the stop loss contract with Blue Cross Blue Shield of RI (BCBSRI) for the term of one (1) year beginning July 1, 2017 through June 30, 2018.

The reasons for this request are as follows:

- Mercer, on behalf of the City, has negotiated a 4.2% decrease for the Fiscal year 2018 for both the City of Providence population and the WRI (work-related injury) group combined
- Over the past 2 renewal cycles (for FY16 and FY17) the City's average trend is -3.2% (-6.4% for FY16 and 0% for FY17). The industry trend is 16%-32% over 2 years
- The status quo Industry Stop Loss level for both groups (City of Providence population and WRI group) is above the median benchmark for a similar sized group however, Mercer generally recommends that clients take on as much risk as they think is feasible for their organization based on financial goals
- As BCBSRI is also the plan administrator, reimbursement when necessary, will impact the City's budget in a more timely process than if the City was to partner with an outside vendor
- Offering BCBSRI as both the administrator and Stop Loss vendor will also ensure that the coverage provided through the Stop Loss plan will be based on the medical plans offered by the City – this significantly limits any gaps in coverage
- Approval of this one year extension would result in an annual savings of \$52,000 in FY18.

Account: 891-891-53500 (actives)
891-892-53500 (retirees)
Amount: \$870,000.00 (\$790,000 City, \$80,000 WRI)

Respectfully Submitted,

Margaret M. Wingate
Manager of Employee and Retiree Benefits

Financial Approval:

Lawrence Mancini
Director of Finance

HUMAN RESOURCES

Providence City Hall | 25 Dorrance Street, Room 401, Providence, Rhode Island 02903
401 421 7740 ph | 401 273 9510 fax
www.providenceri.com

FY 18 Providence Stop Loss Proposed Renewal

BCBS RI

	FY17		FY18	
	Self Funded Plans	WRI	Self Funded Plans	WRI
Current Enrollment (3/2017)	6942	3916	6942	3916
Premium PEPM	\$9.98	\$1.63	\$9.48	\$1.71
Annual Premium per Product	\$831,374	\$76,597	\$789,722	\$80,356
\$ Change vs. Current	NA	NA	-\$41,652	\$3,759
% Change vs. Current	NA	NA	-5.0%	4.9%
Gross Annual Premium		\$907,971		\$870,078
\$ Change vs. Current		NA		-\$37,893
% Change vs. Current		NA		-4.2%

Note:

Annual premiums assume enrollment outlined in document, shifts in enrollment will impact premium

No change to in force stop loss plan design -- active and WRI

Active: \$1 million, 12/24; WRI: \$500K, 12/24



Blue Cross & Blue Shield of Rhode Island
 CITY OF PROVIDENCE
 Illustrative Stop-Loss Proposal
 Effective Date: July 1, 2017 - June 30, 2018 ("Rate Year")

This non-binding illustrative Stop-Loss Proposal ("Proposal") sets forth the financial terms and conditions under which Blue Cross & Blue Shield of Rhode Island ("BCBSRI") proposes to provide Stop-Loss insurance coverage for CITY OF PROVIDENCE ("INSURED"). This illustrative Stop-Loss Proposal is contingent upon receipt and review of experience and large claims through 04/30/2017.

Current Stop-Loss:	
Benefit Accumulation Period:	Incurred and Paid 12/24
Specific Deductible:	\$1,000,000
Specific Stop-Loss Maximum:	Unlimited
Specific Stop-Loss Present Rate:	\$9.98

			Proposal #1 Months
Benefit Accumulation Period:	Losses	Incurred	12
		and Paid	24

Specific Stop-Loss (per Enrolled Member per Benefit Accumulation Period)		Proposal #1
	Specific Deductible	\$1,000,000
	Specific Stop-Loss Maximum	Unlimited
Monthly Per Employee Charges <i>* Rates are net of broker commission.</i>		Proposal #1
	Specific Rate	\$9.48
	Rate Adjustment	-5.0%

Coverages:

- Subject to the terms and conditions set forth herein, BCBSRI shall reimburse INSURED for such Losses that INSURED is legally obligated to pay under the applicable Benefit Documents. For the purposes of this Proposal, "Benefit Document" means those contractual agreement(s) under which INSURED provides coverage of health services to enrolled members, a copy of which is attached to the Administrative Services Contract Agreement. BCBSRI shall not be liable to INSURED for any Losses after the Benefit Accumulation Period.

Contingencies:

- All financial terms are based on current benefits. Any deviation from this benefit package may affect the financial terms.
- This proposal is contingent upon INSURED engaging BCBSRI to administer health benefits through a Administrative Service Contract Agreement.
- This proposal is based on enrollment of 6,958 Employees. Any significant change in the assumed number of Employees (+ / - 10%), individual/family mix, or enrollment shifts among benefit options between the Release Date and Effective Date may result in adjustments to the proposal.

Premium Payment:

1. Premiums shall be payable by INSURED to BCBSRI by the first day of the month for which Stop-Loss coverage shall be provided under the Agreement. Premiums paid by INSURED to BCBSRI shall be adjusted retroactively based on enrollment. Any premium payments not received by BCBSRI as required shall be subject to a late payment charge at an annual rate of twelve percent (12%) for each day after the due date until payment is received by BCBSRI. In addition to a late payment charge, INSURED shall pay all costs of collection incurred by BCBSRI in recovering unpaid amounts including reasonable attorneys' fees. Any late payment charge will be billed by BCBSRI to the INSURED and is due and payable upon receipt of the billing. BCBSRI reserves the right to use any amount payable from BCBSRI to INSURED to offset past due amounts. INSURED shall have a thirty-one (31) day grace period from the premium due date set forth above before the Agreement may be terminated for non-payment.
2. BCBSRI may adjust premium rates in the case of: (i) any changes to terms of the Agreement; (ii) addition or deletion of a subsidiary or affiliated companies of INSURED, with BCBSRI approval; (iii) annual renewal of the Agreement; (iv) a ten percent (10%) growth or reduction in the size of INSURED's workforce; or (v) changes to Benefit Documents, including but not limited to changes to covered health services or the scope of health services available to eligible members.

Release Date 02/15/2017



Blue Cross & Blue Shield of Rhode Island
CITY OF PROVIDENCE
Work Related Injury Stop-Loss Proposal
Effective Date: July 1, 2017 - June 30, 2018 ("Rate Year")

This non-binding illustrative Work Related Injury Stop-Loss Proposal ("Proposal") sets forth the financial terms and conditions under which Blue Cross & Blue Shield of Rhode Island ("BCBSRI") proposes to provide Work Related Injury Stop-Loss insurance coverage for CITY OF PROVIDENCE ("INSURED"). This illustrative Stop-Loss Proposal is contingent upon receipt and review of experience and large claims through 04/30/2017.

Current Work Related Injury Stop-Loss:	
Benefit Accumulation Period:	Incurred and Paid 12/24
Specific Deductible:	\$500,000
Specific Stop-Loss Maximum:	\$4,500,000
Specific Stop-Loss Present Rate:	\$1.63

			Proposal #1 Months
Benefit Accumulation Period:	Losses	Incurred and Paid	12 24

Specific Stop-Loss		Proposal #1
(per Enrolled Employee per Benefit Accumulation Period)		
Specific Deductible		\$500,000
Specific Stop-Loss Maximum		\$4,500,000
Monthly Per Employee Charges		Proposal #1
<i>* Rates are net of broker commission.</i>		
	Specific Rate	\$1.71
	Rate Adjustment	5.0%

Coverages:

- Subject to the terms and conditions set forth herein, BCBSRI shall reimburse INSURED for such Losses that INSURED is legally obligated to pay under the applicable Work Related Injury Agreement. BCBSRI shall not be liable to INSURED for any Losses after the Benefit Accumulation Period.

Contingencies:

- All financial terms are based on current benefits. Any deviation from this benefit package may affect the financial terms.

City of Providence



Rhode Island

Department of City Clerk

MEMORANDUM

DATE: June 27, 2016

TO: Purchasing Director

SUBJECT: **APPROVAL TO RENEW A CONTRACT FOR ONE (1) YEAR, WITH BLUE CROSS BLUE SHIELD OF RI (BCBSRI) FOR STOP LOSS INSURANCE COVERAGE, BEGINNING JULY 1, 2016 THROUGH JUNE 30, 2018 – DEPARTMENT OF HUMAN RESOURCES**

CONSIDERED BY: Board of Contract and Supply

DISPOSITION: VOTED: that the Purchasing Director hereby authorizes approval to renew a contract for one (1) year, with Blue Cross Blue Shield of RI (BCBSRI), for Stop Loss Insurance Coverage, beginning July 1, 2016 through June 30, 2018, as recommended by Mercer, in a total amount not to exceed Nine Hundred Twenty Two Thousand (\$922,000.00) Dollars (Eight Hundred Forty Five Thousand (\$845,000.00) Dollars-City; Seventy Seven Thousand (\$77,000.00) Dollars Work-Related Injury), all in accordance with the request of Margaret Wingate, Manager, in communication dated June 17, 2016.

cc: Pur.Dir. *SK*
Contr.
H. Resources
File

Lou L. Hagen
City Clerk



CITY OF PROVIDENCE

Jorge D. Elorza, Mayor

June 17, 2016

The Honorable Mayor Jorge Elorza
Chairman, Board of Contract and Supply
City Hall
Providence, RI 02903

Dear Mayor Elorza:

Mercer, as outlined in their contract with the City of Providence, has responsibility of Stop Loss insurance coverage placement services. Mercer's stop loss responsibilities are outlined in Section 2 of the Health and Benefits Statement of Work (SOW). Mercer, using industry best practices, has negotiated with Blue Cross Blue Shield of RI (BCBSRI) the proposed stop loss rates for the City and Work Related Injury policies.

We are respectfully requesting authorization to renew the stop loss contract with Blue Cross Blue Shield of RI (BCBSRI) for the term of one (1) years beginning July 1, 2016 through June 30, 2018. (Mercer's analysis of both a one-year and a two-year extension are attached).

The reasons for this request are as follows:

- Mercer, on behalf of the City, has negotiated a) 0% increase or a rate pass for the Fiscal year 2017 for both the City of Providence population and the WRI (work-related injury) group
- In Fiscal Year 2016, Mercer had successfully negotiated a rate impact of -6.4% compared to the Fiscal Year 2015 premium
- Over the past 2 renewal cycles (for FY16 and FY17) the City's average trend is -3.2% (-6.4% for FY16 and 0% for FY17). The industry trend is 16%-32% over 2 years
- The status quo Industry Stop Loss level for both groups (City of Providence population and WRI group) is above the median benchmark for a similar sized group however, Mercer generally recommends that clients take on as much risk as they think is feasible for their organization based on financial goals
- As BCBSRI is also the plan administrator, reimbursement when necessary, will impact the City's budget in a more timely process than if the City was to partner with an outside vendor
- Offering BCBSRI as both the administrator and Stop Loss vendor will also ensure that the coverage provided through the Stop Loss plan will be based on the medical plans offered by the City - this significantly limits any gaps in coverage

Account: 891-891-53500 (actives)
891-892-53500 (retirees)
Amount: \$922,000.00 (\$845,000 City, \$77,000 WRI)

Respectfully Submitted,

Margaret M Wingate (handwritten signature)

Margaret M. Wingate
Manager of Employee and Retiree Benefits

Financial Approval:

Lawrence J. Mancini
Director of Finance

HUMAN RESOURCES

Providence City Hall | 25 Dorrance Street, Room 401, Providence, Rhode Island 02903
401 421 7740 ph | 401 273 9510 fax
www.providenceri.com

2. This proposal is contingent upon INSURED engaging BCBSRI to administer the self-funded health care coverage, which agreement does not cover work related injuries (Administrative Services Contract).
3. This proposal is contingent upon INSURED engaging BCBSRI to administer Stop Loss Insurance Coverage for the delivery of health services provided under the Administrative Services Contract Agreement to employee of the INSURED (Medical Stop-Loss Agreement).
4. This proposal is contingent upon INSURED engaging BCBSRI to administer the self-funded work related injury coverage with respect to work related injuries incurred by eligible employees (Work Related Injury Agreement).
5. This proposal is based on enrollment of 3,929 Employees. Any significant change in the assumed number of Employees (+ / - 10%), individual/family mix, or enrollment shifts among benefit options between the Release Date and Effective Date may result in adjustments to the proposal.

Premium Payment:

1. Premiums shall be payable by INSURED to BCBSRI by the first day of the month for which Stop-Loss coverage shall be provided under the Agreement. Premiums paid by INSURED to BCBSRI shall be adjusted retroactively based on enrollment. Any premium payments not received by BCBSRI as required shall be subject to a late payment charge at an annual rate of twelve percent (12%) for each day after the due date until payment is received by BCBSRI. In addition to a late payment charge, INSURED shall pay all costs of collection incurred by BCBSRI in recovering unpaid amounts including reasonable attorneys' fees. Any late payment charge will be billed by BCBSRI to the INSURED and is due and payable upon receipt of the billing. BCBSRI reserves the right to use any amount payable from BCBSRI to INSURED to offset past due amounts. INSURED shall have a thirty-one (31) day grace period from the premium due date set forth above before the Agreement may be terminated for non-payment.
2. BCBSRI may adjust premium rates in the case of: (i) any changes to terms of the Agreement; (ii) addition or deletion of a subsidiary or affiliated companies of INSURED, with BCBSRI approval; (iii) annual renewal of the Agreement; (iv) a ten percent (10%) variance between the number of Enrolled Employees on any Premium due date and the number of Enrolled Employees on the Effective Date; or (v) changes to Benefit Documents, including but not limited to changes to covered health services or the scope of health services available to eligible members.

Release Date 02/15/2017



CITY OF PROVIDENCE
Jorge O. Elorza, Mayor

June 21, 2017

Councilman John Iglizzi
Chairman, Committee on Finance
Providence City Hall
25 Dorrance Street
Providence, RI 02903

Dear Chairman Iglizzi:

In consideration of authorizing and approval to renew the current Stop Loss Insurance contract award for a term of one (1) year beginning July 1, 2017 through June 30, 2018, by the Board of Contract and Supply, please find the following items:

- a. Letter to the Board of Contract & Supply Letter dated April 25, 2017 requesting approval to renew the current Stop Loss Contracts with Blue Cross Blue Shield of Rhode Island for a term of one year beginning July 1, 2017 through June 30, 2018
- b. Stop Loss proposal confirmation of terms provided by Mercer Health & Benefits LLC, documenting a 4.2% overall decrease for FY18
- c. Illustrative Stop-Loss Proposal Rate Sheet from BCBSRI effective July 1, 2017 through June 30, 2018
- d. Work Related Injury Stop-Loss Proposal Rate Sheet from BCBSRI effective July 1, 2017 through June 30, 2018
- e. Current Stop-Loss Amendment between the City of Providence and BCBSRI (effective July 1, 2016 through June 30, 2017)
- f. Current Work Related Injury Stop-Loss Amendment between the City of Providence and BCBSRI (effective July 1, 2016 through June 30, 2017)

Respectfully Submitted,

Margaret M. Wingate
Manager of Employee and Retiree Benefits

HUMAN RESOURCES

Providence City Hall | 25 Dorrance Street, Room 401, Providence, Rhode Island 02903
401 421 7740 ph | 401 273 9510 fax
www.providenceri.com



CITY OF PROVIDENCE
Jorge O. Elorza, Mayor

April 25, 2017

The Honorable Mayor Jorge Elorza
Chairman, Board of Contract and Supply
City Hall
Providence, RI 02903

Dear Mayor Elorza:

Mercer, as outlined in their contract with the City of Providence, has responsibility of Stop Loss insurance coverage placement services. Mercer's stop loss responsibilities are outlined in Section 2 of the Health and Benefits Statement of Work (SOW). Mercer, using industry best practices, has negotiated with Blue Cross Blue Shield of RI (BCBSRI) the proposed stop loss rates for the City and Work Related Injury policies.

We are respectfully requesting authorization to renew the stop loss contract with Blue Cross Blue Shield of RI (BCBSRI) for the term of one (1) year beginning July 1, 2017 through June 30, 2018.

The reasons for this request are as follows:

- Mercer, on behalf of the City, has negotiated a 4.2% decrease for the Fiscal year 2018 for both the City of Providence population and the WRI (work-related injury) group combined
- Over the past 2 renewal cycles (for FY16 and FY17) the City's average trend is -3.2% (-6.4% for FY16 and 0% for FY17). The industry trend is 16%-32% over 2 years
- The status quo Industry Stop Loss level for both groups (City of Providence population and WRI group) is above the median benchmark for a similar sized group however, Mercer generally recommends that clients take on as much risk as they think is feasible for their organization based on financial goals
- As BCBSRI is also the plan administrator, reimbursement when necessary, will impact the City's budget in a more timely process than if the City was to partner with an outside vendor
- Offering BCBSRI as both the administrator and Stop Loss vendor will also ensure that the coverage provided through the Stop Loss plan will be based on the medical plans offered by the City – this significantly limits any gaps in coverage
- Approval of this one year extension would result in an annual savings of \$52,000 in FY18.

Account: 891-891-53500 (actives)
891-892-53500 (retirees)
Amount: \$870,000.00 (\$790,000 City, \$80,000 WRI)

Respectfully Submitted,

Margaret M. Wingate
Manager of Employee and Retiree Benefits

Financial Approval:
Lawrence J. Mancini
Director of Finance

HUMAN RESOURCES

Providence City Hall | 25 Dorrance Street, Room 401, Providence, Rhode Island 02903
401 421 7740 ph | 401 273 9510 fax
www.providenceri.com

FY 18 Providence Stop Loss Proposed Renewal
BCBS RI

	FY17		FY18	
	Self Funded Plans	WRI	Self Funded Plans	WRI
Current Enrollment (3/2017)	6942	3916	6942	3916
Premium PEPM	\$9.98	\$1.63	\$9.48	\$1.71
Annual Premium per Product	\$831,374	\$76,597	\$789,722	\$80,356
\$ Change vs. Current	NA	NA	-\$41,652	\$3,759
% Change vs. Current	NA	NA	-5.0%	4.9%
Gross Annual Premium		\$907,971		\$870,078
\$ Change vs. Current		NA		-\$37,893
% Change vs. Current		NA		-4.2%

Note:

Annual premiums assume enrollment outlined in document, shifts in enrollment will impact premium

No change to in force stop loss plan design -- active and WRI

Active: \$1 million, 12/24; WRI: \$500K, 12/24



Blue Cross & Blue Shield of Rhode Island
 CITY OF PROVIDENCE
 Illustrative Stop-Loss Proposal
 Effective Date: July 1, 2017 - June 30, 2018 ("Rate Year")

This non-binding illustrative Stop-Loss Proposal ("Proposal") sets forth the financial terms and conditions under which Blue Cross & Blue Shield of Rhode Island ("BCBSRI") proposes to provide Stop-Loss insurance coverage for CITY OF PROVIDENCE ("INSURED"). This illustrative Stop-Loss Proposal is contingent upon receipt and review of experience and large claims through 04/30/2017.

Current Stop-Loss:	
Benefit Accumulation Period:	Incurred and Paid 12/24
Specific Deductible:	\$1,000,000
Specific Stop-Loss Maximum:	Unlimited
Specific Stop-Loss Present Rate:	\$9.98

		Proposal #1 Months
Benefit Accumulation Period:	Losses	12
	Incurred and Paid	24

Specific Stop-Loss		Proposal #1
(per Enrolled Member per Benefit Accumulation Period)		
Specific Deductible		\$1,000,000
Specific Stop-Loss Maximum		Unlimited
Monthly Per Employee Charges		Proposal #1
<i>* Rates are net of broker commission.</i>		
Specific Rate		\$9.48
Rate Adjustment		-5.0%

Coverages:

- Subject to the terms and conditions set forth herein, BCBSRI shall reimburse INSURED for such Losses that INSURED is legally obligated to pay under the applicable Benefit Documents. For the purposes of this Proposal, "Benefit Document" means those contractual agreement(s) under which INSURED provides coverage of health services to enrolled members, a copy of which is attached to the Administrative Services Contract Agreement. BCBSRI shall not be liable to INSURED for any Losses after the Benefit Accumulation Period.

Contingencies:

- All financial terms are based on current benefits. Any deviation from this benefit package may affect the financial terms.
- This proposal is contingent upon INSURED engaging BCBSRI to administer health benefits through a Administrative Service Contract Agreement.
- This proposal is based on enrollment of 6,958 Employees. Any significant change in the assumed number of Employees (+/- 10%), individual/family mix, or enrollment shifts among benefit options between the Release Date and Effective Date may result in adjustments to the proposal.

Premium Payment:

1. Premiums shall be payable by INSURED to BCBSRI by the first day of the month for which Stop-Loss coverage shall be provided under the Agreement. Premiums paid by INSURED to BCBSRI shall be adjusted retroactively based on enrollment. Any premium payments not received by BCBSRI as required shall be subject to a late payment charge at an annual rate of twelve percent (12%) for each day after the due date until payment is received by BCBSRI. In addition to a late payment charge, INSURED shall pay all costs of collection incurred by BCBSRI in recovering unpaid amounts including reasonable attorneys' fees. Any late payment charge will be billed by BCBSRI to the INSURED and is due and payable upon receipt of the billing. BCBSRI reserves the right to use any amount payable from BCBSRI to INSURED to offset past due amounts. INSURED shall have a thirty-one (31) day grace period from the premium due date set forth above before the Agreement may be terminated for non-payment.
2. BCBSRI may adjust premium rates in the case of: (i) any changes to terms of the Agreement; (ii) addition or deletion of a subsidiary or affiliated companies of INSURED, with BCBSRI approval; (iii) annual renewal of the Agreement; (iv) a ten percent (10%) growth or reduction in the size of INSURED's workforce; or (v) changes to Benefit Documents, including but not limited to changes to covered health services or the scope of health services available to eligible members.

Release Date 02/15/2017

Blue Cross & Blue Shield of Rhode Island
CITY OF PROVIDENCE
Work Related Injury Stop-Loss Proposal
Effective Date: July 1, 2017 - June 30, 2018 ("Rate Year")

This non-binding illustrative Work Related Injury Stop-Loss Proposal ("Proposal") sets forth the financial terms and conditions under which Blue Cross & Blue Shield of Rhode Island ("BCBSRI") proposes to provide Work Related Injury Stop-Loss insurance coverage for CITY OF PROVIDENCE ("INSURED"). This illustrative Stop-Loss Proposal is contingent upon receipt and review of experience and large claims through 04/30/2017.

Current Work Related Injury Stop-Loss:	
Benefit Accumulation Period:	Incurred and Paid 12/24
Specific Deductible:	\$500,000
Specific Stop-Loss Maximum:	\$4,500,000
Specific Stop-Loss Present Rate:	\$1.63

			Proposal #1 Months
Benefit Accumulation Period:	Losses	Incurred and Paid	12
			24

Specific Stop-Loss		Proposal #1
(per Enrolled Employee per Benefit Accumulation Period)		
Specific Deductible		\$500,000
Specific Stop-Loss Maximum		\$4,500,000
Monthly Per Employee Charges		Proposal #1
* Rates are net of broker commission.		
	Specific Rate	\$1.71
	Rate Adjustment	5.0%

Coverages:

- Subject to the terms and conditions set forth herein, BCBSRI shall reimburse INSURED for such Losses that INSURED is legally obligated to pay under the applicable Work Related Injury Agreement. BCBSRI shall not be liable to INSURED for any Losses after the Benefit Accumulation Period.

Contingencies:

- All financial terms are based on current benefits. Any deviation from this benefit package may affect the financial terms.

RESOLUTION OF THE CITY COUNCIL

No. 327

Approved August 3, 2016

RESOLVED, That the Members of the Providence City Council hereby Authorize Approval to renew the current Stop Loss Insurance Contract Award for the term of one year beginning July 1, 2016 through June 30, 2017, by the Board of Contract and Supply, in accordance with Section 21-26 of the Code of Ordinances.

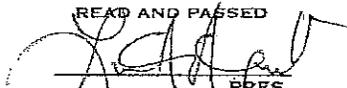
Blue Cross Blue Shield of RI
(Human Resources)

\$922,000.00

IN CITY COUNCIL

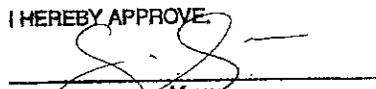
AUG 02 2016

READ AND PASSED


PRES.

CLERK

I HEREBY APPROVE


Mayer
Date: 8/3/16

City of Providence



Rhode Island

Department of City Clerk

MEMORANDUM

DATE: June 27, 2016

TO: Purchasing Director

SUBJECT: **APPROVAL TO RENEW A CONTRACT FOR ONE (1) YEAR, WITH BLUE CROSS BLUE SHIELD OF RI (BCBSRI) FOR STOP LOSS INSURANCE COVERAGE, BEGINNING JULY 1, 2016 THROUGH JUNE 30, 2018 – DEPARTMENT OF HUMAN RESOURCES**

CONSIDERED BY: Board of Contract and Supply

DISPOSITION: VOTED: that the Purchasing Director hereby authorizes approval to renew a contract for one (1) year, with Blue Cross Blue Shield of RI (BCBSRI), for Stop Loss Insurance Coverage, beginning July 1, 2016 through June 30, 2018, as recommended by Mercer, in a total amount not to exceed Nine Hundred Twenty Two Thousand (\$922,000.00) Dollars (Eight Hundred Forty Five Thousand (\$845,000.00) Dollars-City; Seventy Seven Thousand (\$77,000.00) Dollars Work-Related Injury), all in accordance with the request of Margaret Wingate, Manager, in communication dated June 17, 2016.

cc: Pur.Dir. *JK*
Contr.
H. Resources
File

Lou L. Hageman
City Clerk

**STOP-LOSS AMENDMENT
CITY OF PROVIDENCE
BLUE CROSS & BLUE SHIELD OF RHODE ISLAND
EFFECTIVE JULY 1, 2016 through JUNE 30, 2017 ("Rate Year")**

CITY OF PROVIDENCE (herein after referred to as the "INSURED") hereby accepts the following Premium and Stop-Loss coverage for the period stated above. INSURED understands that BCBSRI may adjust these rates in accordance with Section 4.4 of the Stop-Loss Agreement between the Parties. This document shall serve as an amendment to the existing fully executed Stop-Loss Agreement.

The groups/sub groups listing for the Stop-Loss Insurance Coverage provided by BCBSRI under this Agreement for the period stated above shall be: 00000CP1, 00000CP2, 00000CP4, 00000CPM, 00000PF1, 00000PF2, 00000PF3, 00000PR2, 00000PR3, 00000PR4, 00000PT2, 00000PT3, 00000PT4, 00000PT5, 00000PT8, 00000PT9, 00000PW2, 000041175, 00005D05, 00005M22, 00006L61, 0000CC1, 0000CITY, 0000CP4R, 0000CPC1, 0000MPF1, 0000MPT2, 0000MPT7, 0000MPT8, 0000MPT9, 0000PFR, 0000PFC1, 0000PR4X, 0000PWSM, 0000RCPM, 0001F414, 0001F422, 0001F423, 0001F424, 0001F425, 0001F427, 000CFC1C, 000M5D05, 000MCC1, 000MCPC1, 000MPFC1, 000P6L61, 000RPWSM, 000CFC1CM, 00PT2004, 00RCPPMP

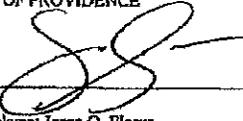
Benefit Accumulation Period:	
Losses Incurred from and Paid from	July 1, 2016 through July 1, 2016 through June 30, 2017 through June 30, 2018
Specific Stop-Loss	
Specific Deductible	\$1,000,000 (per Enrolled Member, per Benefit Accumulation Period)
Specific Stop-Loss Maximum	Unlimited CY (per Enrolled Member, per Benefit Accumulation Period)
Specific Stop-Loss Coverage: 100% of Losses in excess of the Specific Deductible will be reimbursed up to the Specific Stop-Loss Maximum.	
Monthly Per Subscriber Charges Effective July 1, 2016 through June 30, 2017 shall be:	
	Cost Per Subscriber
Specific Stop-Loss	\$9.98
Total Monthly Per-Subscriber Charges	\$9.98

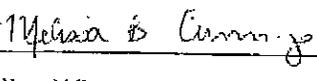
Except as expressly amended by this Amendment, the Agreement shall remain in full force and effect and is hereby in all respects ratified, adopted, and confirmed. From and after the date hereof, any reference to the Agreement, whether made therein or in any other agreement, instrument, or document, shall refer to the Agreement as amended herein.

IN WITNESS WHEREOF, BCBSRI and INSURED have executed this Amendment.

CITY OF PROVIDENCE

Blue Cross & Blue Shield of Rhode Island

By: 

By: 

Print Name: Jose O. Elorza

Print Name: Melissa B. Cummings

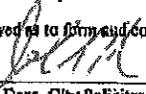
Title: Mayor of Providence

Title: Senior Vice President & Chief Customer Officer

Date: 6/6/17

Date: June 6, 2017

Approved as to form and correctness:


Jeffrey Dana, City Solicitor

Date BCBSRI Issued: July 14, 2016

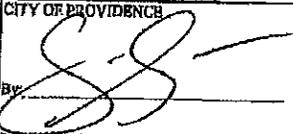
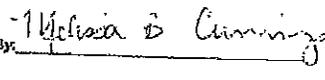
**STOP-LOSS WORK RELATED INJURY AMENDMENT
CITY OF PROVIDENCE
BLUE CROSS & BLUE SHIELD OF RHODE ISLAND
EFFECTIVE JULY 1, 2016 through JUNE 30, 2017**

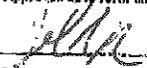
CITY OF PROVIDENCE hereby accepts the following Premium and Stop-Loss coverage for the periods stated below. CITY OF PROVIDENCE understands that BCBSRI may adjust these rates in accordance with Section 4.4 of the Stop-Loss Work Related Injury Agreement between the Parties. This document shall serve as an amendment to the existing fully executed Stop-Loss Work Related Injury Agreement.

The groups - sub groups listing for Stop-Loss Work Related Injury under this Agreement for the period stated above shall be:
 00000CP1-0001, 00000CP2-0001, 00000CP4-0001, 00000CPM-0001, 00000PFI-0001, 00000PE2-0001, 00000PT3-0001, 00000PR2-0001, 00000PR3-0001,
 00000PR4-0001, 00001175-0001, 0005M22-0001, 0006L61-0001, 000CCG1-0001, 000CITY-0001, 0000CP4R-0001, 0000CPC1-0001, 0000MPP1-0001,
 0000PFI1-0001, 0000PFI2-0001, 0000PR4X-0001, 0000PWSM-0001, 0000RCPM-0001, 0001F414-0001, 0001L427-0001, 0001F504-0001, 00001F505-0001,
 00001F506-0001, 000CPC1C-0001, 000M4175-0001, 000MCCCI-0001, 000MCPC1-0001, 000MPPCI-0001, 000P6161-0001, 000RPWSM-0001/0002,
 00CPC1CM-0001, 00P720M-0001/0002, 00RCPMPF-0001

Benefit Accumulation Period:	
Losses Incurred from and Paid from	July 1, 2016 through July 1, 2016 through June 30, 2017 through June 30, 2018
Specific Stop-Loss	
Specific Deductible	\$500,000 (per Enrolled Member, per Benefit Accumulation Period)
Specific Stop-Loss Maximum	\$5,000,000 (per Enrolled Member, per Benefit Accumulation Period)
Specific Stop-Loss Coverage: 100% of Losses in excess of the Specific Deductible will be reimbursed up to the Specific Stop-Loss Maximum.	
Monthly Per-Subscriber Charges Effective July 1, 2016 through June 30, 2017 shall be:	
Specific Stop-Loss	Cost Per Subscriber
Total Monthly Per-Subscriber Charges	\$1.63

Except as expressly amended by this Amendment, the Agreement shall remain in full force and effect and is hereby in all respects ratified, adopted, and confirmed. From and after the date hereof, any reference to the Agreement, whether made therein or in any other agreement, instrument, or document, shall refer to the Agreement as amended herein.

CITY OF PROVIDENCE By:  Print Name: Jorge O. Elorza Title: Mayor of Providence Date: 6/6/17	BLUE CROSS & BLUE SHIELD OF RHODE ISLAND By:  Print Name: Melissa D. Cummings Title: Senior Vice President & Chief Customer Officer Date: June 6, 2017
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Approved as to form and correctness:

 Jeffrey Dana, City Auditor

Date BCBSRI Issued: July 14, 2016