



	Approved	Denied
Action taken	6/10/02	
Other:		
Date of Council Action:		
Verified by: <i>Smith</i>		

WASILLA CITY COUNCIL MEMORANDUM

CM No. 02-33

TITLE: Renewal of Blue Cross/States West Life Contract for the Alaska Political Subdivision Medical and Life Insurance Plan.

COUNCIL MEETING DATE: June 10, 2002

ADMINISTRATION INITIAL: *cp*

REQUESTED BY: Administration

PREPARED BY: Finance

Date Prepared: May 31, 2002

FISCAL IMPACT:

If yes, amount requested: \$516,761 Account No.: Various

SUMMARY STATEMENT: The City of Wasilla has received the quote for the Blue Cross and States West Life's renewals for the Alaska Political Subdivision Medical and Life plans. The enclosed rates shown will be effective July 1, 2002 and run to June 30, 2003. The rate adjustment from the prior year will be 13.77%. Based on the inflation for prescription drugs (22% in Alaska) and inflation for Medical (15% in Alaska), the Administration and Finance departments believe that accepting the renewal for health insurance coverage from Blue Cross Blue Shield of Alaska and life insurance coverage from States West is in the best interest of the City of Wasilla.

STAFF RECOMMENDED ACTION: Council is requested to approve award of contract to Blue Cross Blue Shield of Alaska and States West Life.

Attachments: Renewal Information from Blue Cross Blue Shield of Alaska for 2002/2003.



Renewal Rates for
Alaska Political Subdivisions

Effective July 1, 2002 through June 30, 2003

Option	Plan Design	E	ES	ESC	EC	Check Option
Traditional 100	Medical plan with \$100/\$300 deductible; 90% coinsurance to \$1,950 in allowable charges; \$5/\$7 mail order prescription drug; dental and vision	\$360.25	\$781.77	\$1089.40	\$667.89	<input type="checkbox"/>
Traditional 200	Medical plan with \$200/\$600 deductible; 80% coinsurance to \$5,000 in allowable charges; \$5/\$7 mail order prescription drug; dental and vision	\$314.79	\$719.16	\$1000.83	\$596.46	<input type="checkbox"/>
Traditional 500	Medical plan with \$500/\$1,500 deductible; 80% coinsurance to \$10,000 in allowance charges; \$5/\$7 mail order prescription drug; dental and vision	\$306.35	\$668.69	\$929.43	\$567.08	<input type="checkbox"/>
Best Care 100	Medical plan with \$100/\$300 deductible; 90% preferred benefit coinsurance to \$1,950 in allowable charges and constant 70% for non-preferred benefits; \$5/\$7 mail order prescription drug; dental and vision	\$336.26	\$729.81	\$1017.00	\$623.46	x
Best Care 200	Medical plan with \$200/\$600 deductible; 80% preferred benefit coinsurance to \$5,000 in allowable charges and constant 60% for non-preferred benefits; \$5/\$7 mail order prescription drug; dental and vision	\$294.47	\$672.19	\$935.49	\$557.76	<input type="checkbox"/>
Best Care 500	Medical plan with \$500/\$1,500 deductible; 80% preferred benefit coinsurance to \$10,000 in allowable charges and constant 60% for non-preferred benefits; \$5/\$7 mail order prescription drug; dental and vision	\$286.72	\$625.75	\$869.80	\$530.76	<input type="checkbox"/>
Alaska Prudent Buyer	Medical Prudent Buyer plan with \$200/\$600 deductible; \$20 office visit copay; 80% coinsurance to \$5,000 in allowable charges and constant 60% for non-preferred benefits; \$10/\$15 RX & mail order prescription drug; Preventive Care(\$200 Max); dental and vision	\$294.47	\$672.19	\$935.49	\$557.76	<input type="checkbox"/>
(Optional Rider) Preventive Care Benefit	Preventive Care benefit 100% of allowable charges up to \$200 per member each calendar year for routine physicals and immunizations. The calendar year deductible and coinsurance maximum does not apply.	\$10.99	\$23.84	\$33.23	\$20.37	(optional rider) <input type="checkbox"/> (do not check if selecting Alaska Prudent Buyer)

Shaded plan option denotes current benefit design.

Please select option and return this signed form with group renewal by June 1, 2002.

Accepted by: _____

Please visit our Website at www.premera.com for 24 hour access to our online provider directories
--or--
Indicate the quantity ____ of provider directories to be sent



A PREMIERA COMPANY

Renewal Rates for
Alaska Political Subdivisions

Effective July 1, 2002 through June 30, 2003

Basic Life and AD&D Options

Option	Basic Life	Rate	Basic AD&D	Rate	Check Option
I	\$2,000	\$0.19/\$1,000	\$5,000	\$0.06/\$1,000	<input checked="" type="checkbox"/>
II	\$10,000	\$0.16/\$1,000	\$10,000	\$0.06/\$1,000	<input type="checkbox"/>
III					<input type="checkbox"/>
Superintendents	\$10,000	\$0.19/\$1,000	\$25,000	\$0.06/\$1,000	
All Other Employees	\$2,000	\$0.19/\$1,000	\$5,000	\$0.06/\$1,000	
IV					<input type="checkbox"/>
Superintendents	\$50,000	\$0.16/\$1,000	\$50,000	\$0.06/\$1,000	
All Other Employees	\$10,000	\$0.16/\$1,000	\$10,000	\$0.06/\$1,000	

Shaded plan option denotes current benefit design.

Basic Life and AD&D benefits reduce to 65% at age 65, to 50% of original amount at age 70, to 30% of original amount at age 75, to 20% of original amount at age 80, and terminate at retirement.

Only one option per group, based on employer selection. All segments, of an employer, must elect the same option.

Only groups of 10 or more employees qualify for coverage as part of the Alaska Political Sub-Divisions (APS).

Options for basic benefits are selected for contract year beginning July 1 and remain for that contract year ending the next June 30th.

Change notification must be received by States West Life no later than June 1, 2002.



A PREMIERA COMPANY

Supplemental Life and Supplemental AD&D

A second supplemental benefit option is being offered 7/1/2002- employer can choose only one plan design. Employer option, supplemental plan design can not be changed each year.

Option		Check Option
I	One times annual salary up to the next \$1,00- to a maximum of \$60,000	<input type="checkbox"/>
II	Increments of \$20,000 to a maximum of \$300,000, G.I. to \$60,000. Benefit cannot exceed 5 times salary	<input checked="" type="checkbox"/>

Age	Supplemental Rates	
	Life	AD&D
Under 30	\$0.11	\$0.06
30 - 34	\$0.13	\$0.06
35 - 39	\$0.18	\$0.06
40 - 44	\$0.28	\$0.06
45 - 49	\$0.42	\$0.06
50 - 54	\$0.64	\$0.06
55 - 59	\$1.00	\$0.06
60 - 64	\$1.51	\$0.06
65 - 69	\$2.18	\$0.06
70 - 74	\$3.65	\$0.06
75 - 79	\$5.33	\$0.06
80 +	\$7.78	\$0.06

Supplemental Life and AD&D benefits reduce to 65% at age 65, to 50% of original amount at age 70, to 30% of original amount at age 75, to 20% of original amount at age 80, and terminate at retirement.

Dependent Life

Benefit: Spouse \$1,000; Child graded benefit from 14 days to 23 years to a maximum of \$500.

Cost:

Family Unit (Spouse & Children)	\$0.40
Spouse Only	\$0.27
Children Only	\$0.13

Please select option and return this signed form with group renewal by June 1, 2002.

Accepted by: _____



**Blue Cross
Blue Shield of Alaska**
A PREMIERA HEALTH PLAN
Independent Licensees of the Blue Cross and Blue Shield Association

P.O. Box 327
Seattle, Washington 98111-0327

**GROUP CONTRACT
FOR
CITY OF WASILLA**
(herein referred to as the Group)

BLUE CROSS BLUE SHIELD OF ALASKA (herein also referred to as "we," "us," or "our") agrees to provide the benefits described in this Contract for eligible employees of the Group, as defined in this Contract, and their eligible dependents who are enrolled for coverage under this Contract. All benefits of this Contract are subject to the terms and conditions stated herein and any endorsements or riders included or issued thereafter. We have the discretionary authority to determine eligibility for benefits and to construe the terms used in this Contract.

This Contract is delivered in, and is governed by, the laws of the state shown below, except to the extent preempted by federal law. This Contract is valid on the effective date indicated below only when signed by an officer of ours. Payment of the subscription charges indicates that the Group accepts this Contract.

Any existing group contract or agreement between the Group and us which is being replaced by this Contract is terminated when this one becomes effective.

CONTRACT EFFECTIVE DATE July 1, 2002
GROUP NUMBER 77529
STATE AK

GROUP ADDRESS 290 Herning Avenue
Wasilla, AK 99654-7091

Signed _____

H. R. Brereton Barlow

H. R. Brereton Barlow

President and Chief Operating Officer
Blue Cross Blue Shield of Alaska

Title _____

Date _____

March 25, 2002

Date