



RISK MANAGEMENT
DEANNA L. ZALAS

DIRECTOR

118 N. Clark Street, Room 1072 • Chicago, Illinois 60602-1304

TONI PRECKWINKLE

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September 23, 2015

Honorable Toni Preckwinkle President, Cook County Board of Commissioners
and Members of the Cook County Board of Commissioners
118 North Clark Street, Room 537
Chicago, IL 60602

**RE: Proposed Board Item 15-4297
Employer Sponsored Health Insurance Benefits**

Dear Madam President and Cook County Commissioners:

The Department of Risk Management of the Bureau of Finance respectfully submits this item requesting authorization for the Chief Procurement Officer to award a contract to Blue Cross Blue Shield of Illinois (BCBSIL) as a result of Request for Proposal 1518-14008 to provide employer sponsored health insurance benefits for Cook County Employees. Blue Cross Blue Shield of Illinois shall be retained for a term of (3) three years with (2) two one-year options for renewal. This contract includes a not-to-exceed amount of \$884,195,500.

Cook County currently offers both HMO and PPO health plan options for all eligible employees. Employees contribute to the cost of the plan through payroll deductions with the balance of the cost covered through annual appropriations. The premium and/or premium equivalent rates for each health plan offered to County employees are subject to annual review and negotiation based on enrollment and utilization. The Director of Risk Management is authorized to execute annual Benefit Program Applications to support the selected HMO and PPO plans and rates.

The proposers to this RFP were asked to submit offers for the current health plan designs, be prepared to administer new health plan designs resulting from collective bargaining, and to submit an offer for a potential high-deductible PPO plan. The successful proposer was required to provide quality health benefit services in a cost-effective manner in the rapidly changing health care environment.

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Proposers were required to respond to interrogatories regarding their approach to:

- Account management
- Implementation
- Claims administration
- Health Savings Account administration
- Eligibility and Enrollment
- Member services
- Web capabilities
- Care management (Case management, utilization management, disease management and wellness)
- Communication and education
- Network management
- Network access
- Network discounts
- Reporting and data
- Reinsurance
- Subrogation
- Billing and Banking

A Request for Proposals was released in February 2015. The County received and evaluated four proposals in response to this RFP. Following an independent review of the proposals, an Evaluation Committee scored the proposals and invited three firms for oral presentations. Our benefits consultant, PwC, reviewed the requested network components related to access and discounts as well as the fully-insured and self-funded proposals. All pricing proposals, including Best and Final Offers, were reviewed. HMO and PPO proposals received were evaluated separately in order to assess quantitatively which would be the best value solution for the County.

BCBSIL presented the lowest cost proposal for the Blue Advantage HMO fully- insured and self-insured plans, the lowest cost proposal for the Classic Blue HMO fully-insured and self-insured plans, the fully-insured and self-funded PPO as well as the potential new high deductible PPO plan.

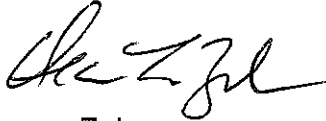
In addition to cost, BCBSIL offers a wide provider network, with no disruption by definition as the incumbent, as well as the most substantial provider discounts of the proposers.

Throughout the RFP process, BCBSIL demonstrated a combination of competitive fees, strong networks, substantial program offerings and excellent member and client service.

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If you have any questions or concerns, please do not hesitate to contact me by phone (312.603.6426) or via email (deanna.zalas@cookcountyil.gov).

Sincerely,



Deanna Zalas
Director, Department of Risk Management

cc: Tasha Cruzat, Chief of Staff
Patrick Carey, Special Assistant – Legislative and Governmental Affairs
Matthew DeLeon, Secretary to the Board