

RESOLUTION NO. 2017- 402

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, APPROVING AMENDMENTS TO THE CURRENT ADMINISTRATIVE SERVICES AGREEMENT WITH BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE.

RECITALS:

WHEREAS, the current Administrative Services Agreement with Blue Cross and Blue Shield of Florida, Inc. D/B/A Florida Blue, is set to expire on December 31, 2017; and

WHEREAS, Florida Blue will extend the term to December 31, 2020 unless the Agreement is terminated earlier in accordance with the terms of the Agreement; and

WHEREAS, the proposed Amendment also includes modifications to Exhibit B: Financial Arrangements which allows for monthly fund reconciliation instead of the current weekly arrangement and outlines the administrative fee and wellness program subsidy for 2018 through 2020; and

WHEREAS, the proposed administrative fee per member per month is \$45.00 which is \$1.50 less than the current rate. Should the Board continue the Agreement into 2019 then the rate increases to \$47.33 in years two and three; and

WHEREAS, the St. Johns County Insurance Committee has determined the modifications are acceptable and therefore recommends approval of the proposed amendments; and

WHEREAS, the proposed amendments will go into effect January 1, 2018 until December 31, 2020.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of St. Johns County, Florida, that:

Section 1. The above recitals are incorporated into the body of this Resolution and such Recitals are adopted as findings of fact.

Section 2. The attached modifications reviewed and recommended for approval by the St. Johns County Insurance Committee are hereby approved and adopted by the Board of County Commissioners of St. Johns County Florida.

Section 3. The County Administrator or designee is hereby authorized to execute the amendment on behalf of the County, and said changes shall be adopted and effective as of January 1, 2018 until December 31, 2020.

Section 4. To the extent that there are typographical and/or administrative errors that do not change the tone, tenor, or concept of this Resolution, then this Resolution may be revised without subsequent approval of the Board of County Commissioners.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County, State of Florida, this 5th Day of December 2017.

BOARD OF COUNTY
COMMISSIONERS OF ST. JOHNS
COUNTY, FLORIDA

By: Henry Dean
Henry Dean, Chair

ATTEST: Hunter S. Conrad, Clerk

By: Pam Haltemaner
Deputy Clerk

RENDITION DATE 12/6/17



AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT

THIS AMENDMENT, entered into on _____, 2017 is by and between Blue Cross and Blue Shield of Florida, Inc. d/b/a Florida Blue, (hereinafter called "Florida Blue") and St. Johns County Board of County Commissioners (hereinafter called the "Employer"). In consideration of the mutual and reciprocal promises herein contained, the Administrative Services Agreement between Florida Blue and the Employer (hereinafter "Agreement") effective October 1, 1992 is amended as follows:

1. Section I, subsection 1.1 is hereby amended to extend the term of the Agreement until December 31, 2020 unless the Agreement is terminated earlier in accordance with the terms of the Agreement.
2. Exhibit B to the Agreement is hereby amended, effective January 1, 2018. The revised Exhibit B is attached to this Amendment and replaces the Exhibit B previously attached to the Agreement.
3. Except as otherwise specifically noted in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

BLUE CROSS AND BLUE SHIELD
OF FLORIDA, INC. D/B/A FLORIDA
BLUE

By: _____

Title: _____

Date: _____

ST. JOHNS COUNTY BOARD OF
COUNTY COMMISSIONERS

By: _____

Title: _____

Date: _____

EXHIBIT "B"

to the

ADMINISTRATIVE SERVICES AGREEMENT

between

BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC. D/B/A FLORIDA BLUE

and

ST. JOHNS COUNTY BOARD OF COUNTY COMMISSIONERS

FINANCIAL ARRANGEMENTS

I. Effective Date

The effective date of this Exhibit is January 1, 2018.

II. Monthly Payments.

A. Each month, Florida Blue will notify Employer of the amount due to satisfy the previous month's paid claims liability. Florida Blue also will provide Employer with a detailed printout of the previous month's claims payments. Employer agrees to pay the full amount of the bill within ten (10) days of the written notification. If the payment is not received by Florida Blue by the payment due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, Florida Blue will immediately suspend claims until payment is received by Florida Blue.

B. Employer agrees to pay to Florida Blue, each month during and after the term of this Agreement, an administrative fee, as set forth below. Employer agrees to pay to Florida Blue, each month, the administrative fee within ten (10) days of the written notification of the amount due. If payment is not received by Florida Blue by the due date, the payment will be considered past due and subject to a late payment charge, as set forth below. Additionally, Florida Blue will immediately suspend claims until payment is received by Florida Blue.

III. Funding Information

A. Method of Funding Transfer: ACH

IV. Administrative Fees:

A. Administrative fees during the term of the Agreement:

\$45.00 per employee per month from January 1, 2018 through December 31, 2018.

\$47.33 per employee per month from January 1, 2019 through December 31, 2020.

- B. Florida Blue will pay Employer a \$50,000 wellness contribution upon renewal of the Agreement in 2017. Also, Florida Blue will pay Employer a \$50,000 wellness contribution in 2018, 2019 and 2020. The amounts will be predicated upon Employer maintaining their Agreement with Florida Blue through December 31, 2020.
- C. Administrative fees after the termination of the Agreement: 15% of claims paid.
- D. Access fees of up to 4.30 of Network Savings for PPO provider claims and 4.51% of Network savings for Traditional provider claims may be assessed for claims incurred in states under the BlueCard program as explained in more detail under Section III, subsection 3.9 below. This access fee will not exceed two thousand dollars (\$2,000) for any one claim and will not apply in Florida, South Carolina or in Consortium Plan service areas where enrolled members reside as long as enrollment continues to be equal to or greater than one thousand (1,000) contracts. On the first anniversary date after enrollment falls below one thousand (1,000) contracts, access fees will apply in those Consortium Plan service areas where enrolled members reside and Consortium fees were not previously established. Access fees will also apply in Consortium Plan service areas where no enrolled members reside. A determination of the Consortium Plan service areas that will not apply access fees for services rendered to members will be made on the basis on enrollment on each subsequent anniversary of this Agreement's effective date. Access fees will be applied on the basis of where the service was incurred, and not where the member resides.

Network Savings is defined as the total of the amounts computed by subtracting each "allowed amount" for a particular service under the terms of a participating provider's written agreement from each "billed amount" for such service. In no event shall the term "Network Savings" include duplicate charges or billed amounts for services or supplies not covered under the Employer's Plan. The term "allowed amount" means the amount received as payment in full by a participating provider, under that provider's written agreement, from both Florida Blue and covered individuals under Employer's Plan for claims submitted to, and paid by Florida Blue for a particular covered service, and the term "billed amount" means the amount which would be received by such provider for the same covered service utilizing that provider's charges.

V. Late Payment Penalty

- A. A daily charge of .00038 times the amount of overdue payment.

VI. Expected Enrollment

- A. The administrative fees referenced above are based on an expected enrollment of: 2,180.
- B. If the actual enrollment is materially different from this expected enrollment, Florida Blue reserves the right to adjust the administrative fees as set forth in the Agreement. Administrative fees will be charged based on actual enrollment.

St. Johns County

2018 Medical ASO Renewal

	Current	Option 1	Option 2
Network	Florida Blue	Florida Blue	Florida Blue
Network Name	BlueOptions	BlueOptions	BlueOptions
TPA	Florida Blue	Florida Blue	Florida Blue
Funding Method			
Funding Type	ASO 1	ASO 2	ASO 2
Funding Frequency	Weekly	Weekly	Monthly
Effective Date	N/A	1/1/2018 or 10/1/2017	1/1/2018 or 10/1/2017
Administration Costs			
Medical and Pharmacy Administration Fee			
2017	\$ 46.50	N/A	N/A
2018	N/A	\$ 44.44	\$ 45.00
2019	N/A	\$ 46.77	\$ 47.33
2020	N/A	\$ 46.77	\$ 47.33
Total 3-Year Administration Costs	N/A	\$ 3,586,376	\$ 3,630,043
Rate Guarantee	1/1/2018	1/1/2021	1/1/2021
Additional Incentives			
Wellness Program Subsidy	\$50,000 - 2017	\$75,000 - 2017 \$75,000 - 2018 \$50,000 - 2019 \$50,000 - 2020	\$50,000 - 2017 \$50,000 - 2018 \$50,000 - 2019 \$50,000 - 2020
Broker Commission	\$2.50 PEPM	\$2.50 PEPM	\$2.50 PEPM