



# *Resolution*

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

## RESOLUTION NO. 879

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SAN LUIS, ARIZONA APROVING THE MEDICAL (BCBS OF AZ), DENTAL (ASSURANT) AND VISION (VSP) PLAN FOR FISCAL YEAR 2010-2011 OF THE CITY OF SAN LUIS AND DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK ENTITLED CITY OF SAN LUIS MEDICAL PRESCRIPTION, DENTAL AND VISION EMPLOYEE BENEFIT PLANS**

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SAN LUIS, ARIZONA:

That certain document entitled "City of San Luis Medical Prescription, Dental and Vision Employee Benefit Plans" three copies of which are on file in the office of the City Clerk, is hereby declared to be a public record, and said copies are ordered to remain on file with the City Clerk

WHEREAS, the City of San Luis, Arizona did duly adopt the current Medical, Dental and Vision Plans on October 1, 2001; and

WHEREAS, the Mayor and Council of the City of San Luis, Arizona find that it is in the best interest of the employees of the City of San Luis, Arizona, that the revised Medical, Dental and Vision Plans for fiscal year 2010-2011 and effective as of October 2001 be adopted

NOW, THEREFORE, BE IT RESOLVED BY THE Mayor and Council of the City of San Luis, Arizona, as follows:

Section 1. That certain document entitled "City of San Luis Medical, Prescription, Dental and Vision Employee Benefit Plans" three copies of which are on file in the office of the City Clerk, is hereby declared to be a public record, and said copies are ordered to remain on file with the City Clerk.

Section 2. That the City of San Luis Medical, Prescription, Dental and Vision Employee Benefit Revised Plan for Fiscal Year 2010-2011 and effective as of October 2001 is hereby reaffirmed and re-approved.

Section 3. That this resolution adopts the City of San Luis Medical, Prescription, Dental and Vision Employee Benefit Plans as amended in part by revision dated July 1, 2010 and replaces any prior Medical, Prescription, Dental and Vision Employee Benefit Plans.

Section 4. In the event of a conflict between the provision of this Resolution and any other ordinance, resolution, or policy of the City of San Luis, the conflicting provisions are hereby repealed, superseded, and replaced, and the provisions of this Resolution shall govern.

Section 5. If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this resolution.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE CITY OF SAN LUIS, ARIZONA this 12<sup>th</sup> day of **May, 2010**.



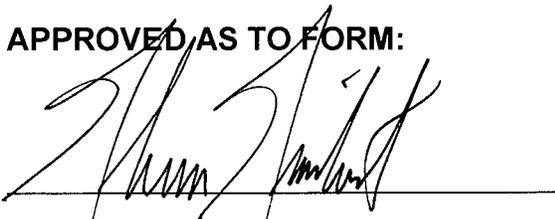
Juan Carlos Escamilla, Mayor

**ATTEST:**



Sonia Cuello, City Clerk

**APPROVED AS TO FORM:**



Glenn Gimbut, City Attorney



Mailing Address:  
P.O. Box 25160  
Scottsdale, AZ 85255-0102

Marketing: 480-505-0330  
Toll Free: 1-800-879-8500  
Fax: 480-505-0405

April 27, 2010

Mr. Allan Burns  
Superior Insurance Services, Inc.  
54 Corporate Park  
Irvine, CA 92606

RE: CITY OF SAN LUIS  
THIRD PARTY ADMINISTRATION RENEWAL FOR JULY 1, 2010

Dear Allan:

It has been a pleasure working another year with you on this group. On both a professional and a personal level, I really appreciate your time.

As you know all health plans are required to submit eligibility information with Social Security numbers to Medicare on a quarterly basis and Summit has accepted this as part of our services at an additional cost of \$1.00 per employee per month. Summit is increasing the current administration fee from \$21.95 to \$22.95 per employee per month through June 30, 2011. If a three year agreement is signed, Summit will maintain the \$22.95 for the three years.

As always, Summit Administration Services, Inc. keeps this Plan in compliance with federal regulations and requirements such as the annual Women's Health & Cancer Rights Act notice, FMLA Military, Newborns' & Mothers Health Protection Act and Children's Health Insurance Program Reauthorization Act of 2009 Amendments. New Federal laws became effective for Plan years beginning after October 1, 2009; therefore, to comply with the Wellstone Act and Michelle's law the Plan will need to be amended at renewal. As always, we will continue to keep you and the Plan up to date by amending the Plan to comply.

I look forward to continuing our working relationship and thank you for choosing Summit Administration Services, Inc. as the Third Party Administrator for the City of San Luis.

Sincerely,

Michelle McGowan, HIA  
Account Manager

Contract: 1 Year 3 Years  
Accepted by: Raise Jzy  
Print Name: Ralph Velez  
Date: 5/13/2010

Cc: Jodi Martin

## PPO Network Options

### Blue Cross Blue Shield of Arizona (BCBSAZ)

Current Network

Over 15,000 providers

\$13.25 Access Fee Per Employee Per Month

Renewal Fee - \$12.50 Access Fee Per Employee Per Month

Monthly cost \$2,012.50; Yearly cost \$24,150

### Health West

Same providers as BCBSAZ

Have negotiated better contracts with providers – which will result in better savings to the City (Yuma Regional Hospital)

New Network Effective April 1, 2010

\$8.00 Access Fee Per Employee Per Month

Monthly cost \$1,288; Yearly cost \$15,456

### Arizona Foundation

Over 13,000 providers

Not as good discounts in rural area

\$5.00 Access Fee Per Employee Per Month

Monthly cost \$805; Yearly cost \$9,660

## Reinsurance Carriers

### American General

Current Carrier For Last Two Years – agree to keep the rates the same for next plan year

Does not appear there will be any lasers at a higher specific deductible

Can sign paperwork 60 days from renewal

### RE Moulton

Coming in very low, concerns me that at next year's renewal they will make up for the loss – still will require additional claims information to finalize numbers

Can sign paperwork 30 days from renewal

### Standard Security

Coming in better than current carrier, they tend to laser individuals – which means instead of a \$40,000 specific deductible they increase it for specific individuals

Still will require additional claims information to finalize numbers

**CITY OF SAN LUIS**  
**PRELIMINARY STOP LOSS AND ADMINISTRATION RENEWAL EFFECTIVE July 1, 2010**

DESCRIPTION	EMPLOYEE DEPENDENT COUNT	CURRENT IOA Re/American National	RENEWAL OFFER IOA Re/American National	RENEWAL OPTION 1 Symeta/RE-Moulton	RENEWAL OPTION 3 RAS/Standard Security
<b>STOP LOSS POLICY TERMS</b>					
Specific Lifetime Maximum		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Specific Deductible		40,000	40,000	40,000	40,000
Specific Contract Basis		24/12	24/12	24/12	24/12
Specific Coverage		Medical	Medical	Medical	Medical
Specific Run-In Limits		N/A	N/A	N/A	N/A
Lasered Run-In Limits		N/A	Unknown at this time	Unknown at this time	Unknown at this time
Aggregate Maximum		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Aggregate Coverage		Medical	Medical	Medical	Medical
Aggregate Contract Basis		24/12	24/12	24/12	24/12
Aggregate Run-In Limits		N/A	N/A	N/A	170,838
Features		Specific Advance	Specific Advance	Specific Advance	Specific Advance
<b>STOP LOSS PREMIUM</b>					
Specific Premium					
Employee Rate	108	\$ 135.29	\$ 135.29	\$ 96.97	\$ 130.96
Employee + Spouse & Children Rate	53	\$ 353.39	\$ 353.39	\$ 246.19	\$ 303.96
Projected Total Monthly Specific Premium		\$ 33,340.99	\$ 33,340.99	\$ 23,520.83	\$ 29,173.56
Aggregate Premium		\$ 9.14	\$ 9.14	\$ 7.47	\$ 7.60
Projected Monthly Aggregate Premium	161	\$ 1,471.54	\$ 1,471.54	\$ 1,202.67	\$ 1,223.60
<b>TOTAL PROJECTED PREMIUM</b>					
Monthly		\$ 34,812.53	\$ 34,812.53	\$ 24,723.50	\$ 30,397.16
Annual		\$ 417,750.36	\$ 417,750.36	\$ 296,682.00	\$ 364,765.92
Percentage of increase over current			0.00%	-28.98%	-12.68%
<b>MAXIMUM CLAIM FUNDING FACTORS</b>					
Employee	108	\$ 393.96	\$ 393.96	\$ 385.68	\$ 350.65
Employee + Spouse + Child(ren)	53	\$ 962.44	\$ 962.44	\$ 979.16	\$ 964.30
<b>TOTAL PROJECTED MAXIMUM FUNDING</b>					
Monthly		\$ 93,557.00	\$ 93,557.00	\$ 93,548.92	\$ 88,978.10
Annual		\$ 1,122,684.00	\$ 1,122,684.00	\$ 1,122,587.04	\$ 1,067,737.20
Percentage of increase over current			0.00%	-0.01%	-4.89%
<b>PROJECTED ADMINISTRATION COSTS</b>					
Employee	108				
Monthly	53	\$ -	\$ -	\$ -	\$ -
Annual		\$ -	\$ -	\$ -	\$ -
Percentage of increase over current			#DIV/0!	#DIV/0!	#DIV/0!
<b>TOTAL PROJECTED PREMIUM, CLAIMS FUNDING &amp; ADMINISTRATION COSTS</b>					
Monthly		\$ 128,369.53	\$ 128,369.53	\$ 118,272.42	\$ 119,375.26
Annual		\$ 1,540,434.36	\$ 1,540,434.36	\$ 1,419,269.04	\$ 1,432,503.12
Percentage of increase over current			0.00%	-7.87%	-7.01%



## Mexico Coverage

SIARMED and the SAIN Mexico Networks have providers in San Luis, Algodones, Mexicali and Tijuana  
Santa Margarita providers are located in San Luis  
Mexico benefits would be the same under any network

### SIARMED

Current Carrier – no fee

Renewal fee - \$1.50 Per Employee Per Month

Monthly cost \$300; Yearly cost \$3,600

### Santa Margarita

No Access Fee

### SAIN

No Access Fee

## Prescription Coverage

Should a change be made it would require new ID cards to be printed

### Caremark

Current carrier for 9 years

The City has not experienced any issues/problems

The Reinvested Option takes away the formulary rebates but gives better discounts on the prescriptions – this plan year the City has only received about \$600 in formulary rebates

### PartnersRX

Their preferred drug listing varies from the Caremark's, which means some members would be required to pay a higher copayment than they are currently

**CITY OF SAN LUIS  
PRESCRIPTION DRUG PROGRAM ANALYSIS**

Ingredient Costs		Type	CVS Caremark	CVS Caremark Reinvested Option	Partner RX
		Brand	AWP - 16%	AWP - 20.3%	AWP - 20%
	Retail	Generic	Lower of 16% or MAC (58% MAC & Non MAC Minimum Guarantee)	Lower of 16% or MAC (58% MAC & Non MAC Minimum Guarantee)	AWP 65%
	Mail Order	Brand	AWP - 24%	AWP - 26%	AWP - 26%
		Generic	AWP - 59%	AWP - 59%	AWP - 63%
	Specialty	Brand	AWP - 16%	AWP - 16%	AWP - 17%
		Generic	AWP - 16%	AWP - 16%	AWP - 17%
	Diabetic Sense	Brand			
		Generic			
	Dispensing Fees				
		Brand	\$1.80	\$1.80	\$1.65
	Retail	Generic	\$1.80	\$1.80	\$1.00
	Mail Order	Brand	\$0.00	\$0.00	\$0.00
		Generic	\$0.00	\$0.00	\$0.00
	Specialty	Brand	\$0.00	\$0.00	\$0.00
		Generic	\$0.00	\$0.00	\$0.00
	Diabetic Sense	Brand			
		Generic			
	Paper Claim				
			\$1.50	\$1.50	\$2.00
	Formulary Rebates				
		3T Qualifying Retail	\$2.37	Not Applicable	Not Applicable
	Mail				
			\$9.43	Not Applicable	Not Applicable
	Other	The 90 Day at Retail program must be implemented with appropriate copays; Typically at 2 to 2.5X the 30 day script. The network includes not only CVS Pharmacies, but also Walmart, Rite Aid, Kroger and Target			

AWP - Average Wholesale Price  
MAC - Maximum Allowable Cost  
U&C - Usual & Customary





March 31, 2010

CITY OF SAN LUIS  
1090 E UNION ST  
SAN LUIS, AZ 85349

DEAR MR GABRIEL JIMENEZ:

At VSP Vision Care, we're focused on taking great care of you and your organization. Your satisfaction is our top priority. That's why your VSP plan that expires June 30, 2010 will **automatically** renew effective July 1, 2010, ensuring your members will continue to enjoy uninterrupted service.

On your renewal date, your in-network frame and elective contact lens allowances will **automatically upgrade from \$120 to \$130**. These upgrades allow your members fully-covered access to more than 15,000 frames available on the market or the most popular contact lenses under the Contact Lens Care Program. If you prefer to maintain your current allowances, please contact your VSP representative shown below.

Group Name/Number:	CITY OF SAN LUIS / 12131573
Renewal Period:	July 1, 2010 - June 30, 2012
Current Plan Frequency:	12 / 12 / 12
Current Copay:	\$10 Exam / \$25 Materials
Current Rates:	\$7.33 / 15.76
Renewal Rates:	\$7.63 / 16.39

We are pleased to offer the following **plan frequency and/or copay alternative** to the current renewal:

Alternate Plan Frequency:	12 / 12 / 12
Alternate Copay:	\$20 Exam / \$20 Materials
Alternate Renewal Rates:	\$7.09 / 15.24

**Should you choose to accept the renewal alternative or wish to explore additional options, your VSP representative shown below will be happy to assist you.**

**If you elect to renew your current plan, no further action is required.** Please consider VSP your long-term partner in helping you maximize your benefit dollars. To learn more about other plans and ways you can enhance your coverage, please contact your VSP representative, **Polly Hudson, at (800) 852-7600**.

cc: ALLAN BURNS  
SUPERIOR INSURANCE SERVICES, I  
54 CORPORATE PARK  
IRVINE, CA 92606

Western Team



**ASSURANT**  
Employee  
Benefits®

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Kansas City, MO 64108-2670

www.assurant.com

CITY OF SAN LUIS  
ATTN: GABRIEL JIMENEZ  
P O BOX 7740  
SAN LUIS, AZ 85349

Thursday, April 22, 2010

**RE: Policy #0000H921**

Dear Benefits Administrator:

Thank you for making Assurant Employee Benefits an integral part of your overall benefits program. We hope that you have been pleased with your dental benefit plan. 7/1/2010 is the renewal date for your dental benefits with Assurant Employee Benefits.

As you may be aware, inflation experienced in the dental industry and other factors necessitate periodic reviews of rates. Our goal at Assurant Employee Benefits is to hold these rates at levels that are reasonable and adequate to fund your level of benefits while providing the best possible service. The renewal rating for your group has been completed and your new rates effective 7/1/2010 are:

<b><u>Current Plan:</u></b> Premier F4 DHA Passive	<b><u>Renewal Plan:</u></b> Premier F4 DHA Passive
Employee                    \$18.94	Employee                    \$23.90
Employee + Family       \$53.77	Employee + Family       \$67.86

Assurant Employee Benefits appreciates your business and is committed to providing you with quality and affordable dental coverage. Please contact us if you need to request enrollment materials or for questions regarding the renewal process at (800) 348.1460.

Sincerely,  
Assurant Employee Benefits  
Orange County Sales Office  
orangeco.team@assurant.com  
P: (800) 348.1460  
F: (949) 255.1260