

AN ORDINANCE 2008-10-16-0945

AUTHORIZING THE RENEWAL AND AMENDMENT OF A CONTRACT WITH AETNA TO PROVIDE MEDICARE HEALTH MAINTENANCE ORGANIZATION (HMO) PROGRAM SERVICES BEGINNING JANUARY 1, 2009 AND ENDING DECEMBER 31, 2010.

* * * * *

WHEREAS, this Contract provides Medicare Health Maintenance Organization (HMO) program services for City Retirees; and

WHEREAS, said Contract provides for a three-year term, with one (1) option to renew for a two (2) year term; and

WHEREAS, the parties agreed to amend the rates; and

WHEREAS, the cost for this Contract renewal is \$649,555.00; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The Contract Extension and Amendment with Aetna Life Insurance Company to provide Medicare Health Maintenance Organization (HMO) program services for City Retirees for the period from January 1, 2009 through December 31, 2010 with amended rates is hereby approved.

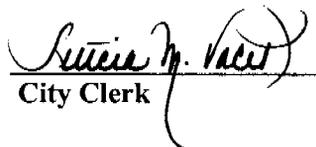
SECTION 2. The amount of \$649,555.00 is authorized to be paid from Fund 75-002000 Employee Benefits, Cost Center 1002010018 TMRS-Retiree, GL 5201040, entitled Fees to Professional Contractors, in, and made payable to Aetna Health, Inc. for Medicare Health Maintenance Organization (HMO) coverage. Funding has been appropriated from the Employee Benefits Fund for the first nine months of the Contract. The remainder of the Contract's term shall be contingent upon a subsequent appropriation of funds.

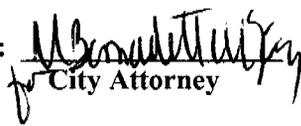
SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager's designee, correct allocation to specific Cost Centers and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. This ordinance becomes effective October 26, 2008.

PASSED AND APPROVED this 16th day of October, 2008.


MAYOR
PHIL HARDBERGER

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
City Attorney



Request for
**COUNCIL
ACTION**



Agenda Voting Results - 29

Name:	8, 9, 10, 11, 12, 13, 14, 15, 18, 21A, 21B, 22A, 22B, 27, 28, 29, 31, 32, 33
Date:	10/16/2008
Time:	10:39:40 AM
Vote Type:	Motion to Approve
Description:	An Ordinance renewing and amending the contract with AETNA to provide Medicare Health Maintenance Organization (HMO) Program services for one two-year extension beginning January 1, 2009. [Sharon De La Garza, Assistant City Manager; Nikki M. Ramos, Interim Director, Human Resources]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Phil Hardberger	Mayor		x				
Mary Alice P. Cisneros	District 1		x				
Sheila D. McNeil	District 2		x				
Jennifer V. Ramos	District 3		x				
Philip A. Cortez	District 4		x				
Lourdes Galvan	District 5		x				
Delicia Herrera	District 6		x			x	
Justin Rodriguez	District 7	x					
Diane G. Cibrian	District 8		x				x
Louis E. Rowe	District 9		x				
John G. Clamp	District 10		x				

**EXTENSION AND AMENDMENT OF
PROFESSIONAL SERVICES CONTRACT
FOR MEDICARE HEALTH MAINTENANCE ORGANIZATION PROGRAM
SERVICES**

This Extension of the CONTRACT is entered into by and between the City of San Antonio (hereinafter referred to as "CITY"), and Aetna Health, Inc., (hereinafter referred to as "CONTRACTOR").

WHEREAS, through Ordinance No. 101657, passed and approved on November 10, 2005, City Council authorized the execution of the PROFESSIONAL SERVICE AGREEMENT (hereinafter the "Contract") with CONTRACTOR to provide for Medicare Health Maintenance Organization (HMO) program services; and

WHEREAS, said Contract provides for an initial 36 month term, expiring on December 31, 2008, with the opportunity to extend for one (1) two (2) year period; and

WHEREAS, said Contract provides that CONTRACTOR shall provide Medicare Health Maintenance Organization services; and

WHEREAS, the parties now wish to extend this Contract for the extension as amended contingent on available funding and; **NOW THEREFORE**:

I. Renewal

Pursuant to the provisions of Section IV, Term, of the Contract, CITY and CONTRACTOR mutually agree to exercise the two year (2) extension commencing January 1, 2009 and ending December 31, 2010.

If funding for the entire Contract is not appropriated at the time this Contract is entered into, CITY retains the right to terminate this Contract at the expiration of each of CITY'S budget periods, and any subsequent contract period is subject to and contingent upon such appropriation.

II. Amendment

Section V, Compensation To Vendor, is amended as follows:

MEDICARE ADVANTAGE RATES

Medicare Advantage – Financial Caveats

- ◆ The following rates are for the Aetna Golden Medicare Plan®
- ◆ Please refer to the Financial Conditions and Plan Design Exhibits for an outline of the level of benefits quoted, as well as the terms and conditions of this proposal.
- ◆ All rates are on a Per Member per Month (PMPM) basis.

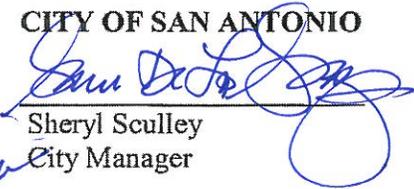
- ◆ Filed benefits (including co-payment amounts), value added services and premiums are subject to CMS approval, and are effective January 1, 2009

State	Group #	Product Type	Service Area	Counties	Rate
Arizona	US353957	HMO	AZ01	Maricopa, Pinal Counties	\$221.13
Florida	US353957	HMO	FL01	Duval, Nassau, Saint Johns Counties	\$296.47
Florida	US353957	HMO	FL02	Brevard, Indian River, Lake, Orange, Osceola, Seminole, Volusia Counties	\$290.64
Maryland	US353957	HMO	MD02	Frederick, Howard, Montgomery, Prince Georges Counties	\$329.18
Ohio	US353957	HMO	OH03	Franklin County	\$268.32
Texas	US353957	HMO	TX01	Collin, Dallas, Denton, Rockwall, Tarrant Counties	\$204.22
Texas	US353957	HMO	TX02	Bexar, Comal, Kendall Counties	\$187.95
Texas	US353957	HMO	TX03	Brazoria, Fort Bend, Harris, Jefferson, Montgomery, Orange Counties	\$206.53

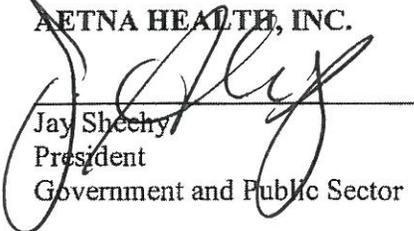
All other terms, conditions, covenants and provisions of the Medicare Health Maintenance Organization Program Services Contract are hereby renewed and extended.

EXECUTED on this 28th day of October, 2008.

CITY OF SAN ANTONIO


 Sheryl Sculley
 City Manager

AETNA HEALTH, INC.


 Jay Sheehy
 President
 Government and Public Sector

APPROVED AS TO FORM:


 Krista Cover
 Assistant City Attorney



CMS or Ordinance Number: CN4600007842

TSLGRS File Code:1000-25

Document Title:
CONT - 4600007842

Commencement Date:

1/1/2009

Expiration Date:

12/31/2010



CMS or Ordinance Number: OR00000200810160945

TSLGRS File Code: 1000-05

Document Title:
ORD - 00000200810160945

Ordinance Date:
10/16/2008



CITY OF SAN ANTONIO
Request for Council Action

Agenda Item # 29
Council Meeting Date: 10/16/2008
RFCA Tracking No: R-3982

DEPARTMENT: Human Resources

DEPARTMENT HEAD: Nikki M Ramos

COUNCIL DISTRICT(S) IMPACTED:
City Wide

SUBJECT:
Health Maintenance Organization (HMO) for Medicare Retirees Contract (Aetna)

SUMMARY:

This ordinance authorizes the City Manager or her designee to exercise the contract renewal option with Aetna Health, Inc., to provide or arrange health services as a Health Maintenance Organization (HMO) for Medicare-eligible retirees of the City and their dependents. The estimated annual amount of this contract extension is \$649,555.00 with a term of two (2) years beginning on January 1, 2009, and ending December 31, 2010.

BACKGROUND INFORMATION:

The City offers retirees enrolled in Medicare the choice of a self-funded health plan which pays secondary to Medicare or an optional HMO Plan for Medicare retirees. The Medicare HMO option offers retirees an alternative plan with more affordable monthly premiums and minimal co-payments paid at the time of service similar to the options now offered to active employees and retirees without Medicare coverage. The City's Retiree Health Benefits Program covers approximately 1,488 retirees with 946 currently participating in a Medicare plan.

The current Medicare HMO contract is in effect pursuant to Ordinance Number 101657, which was passed and approved on November 10, 2005. This contract has been administered by Aetna Health, Inc., since January 1, 2006, and expires on December 31, 2008. The original three (3) year contract includes a provision for a two (2) year renewal option, subject to and contingent upon funding and approval by City Council.

ISSUE:

Execution of this contract renewal will enable the City to continue to offer retirees the option of selecting a Medicare HMO Plan option. This supports the City's commitment to providing comprehensive, quality, health benefit plans to assist retirees with their health care needs.

ALTERNATIVES:

The alternative of taking no action will result in the termination of the current contract

with Aetna Health, Inc., on December 31, 2008, and elimination of the HMO option for Medicare-eligible retirees for the 2009 plan year.

The Request for Proposal process could be initiated for a Medicare HMO program; however, that could result in a gap in coverage due to the amount of time required to complete the selection process. The Human Resources Department will prepare to release a Request for Proposal for a HMO for Medicare-eligible retirees of the City and their dependents in 2010 for the 2011 plan year.

FISCAL IMPACT:

Funds have been included in the FY 2009 budget for the Medicare HMO program. Funds are appropriated annually, by fiscal year, in the Employee Benefits Self Insurance Fund. This ordinance will authorize the first nine (9) months of this contract in FY 2009 and the remaining fifteen (15) months will be authorized in FY 2010 and FY 2011 upon subsequent funding.

RECOMMENDATION:

Staff recommends renewal of this contract with Aetna Health, Inc. to provide or arrange health services as a Health Maintenance Organization (HMO) for Medicare-eligible retirees of the City and their dependents.

ATTACHMENT(S):

File Description	File Name
Discretionary Contracts Disclosure	Discretionary Contracts Disclosure 9-23-08.pdf
Contract Extension	Contract Extension.pdf
Voting Results	
Ordinance/Supplemental Documents	200810160945.pdf

DEPARTMENT HEAD AUTHORIZATIONS:

Nikki M Ramos Director (Interim) Human Resources

APPROVED FOR COUNCIL CONSIDERATION:

Sharon De La Garza Assistant City Manager