

EFM SUBMISSION NO.: 2012EFM032

PRESENTED: 8/30/12

ADOPTED: 9/4/12

BY THE EMERGENCY FINANCIAL MANAGER:

**RESOLUTION TO ENTER INTO A NEW ADMINISTRATIVE SERVICES
AGREEMENT (Schedule A & B) WITH BLUE CROSS/BLUE SHIELD OF MICHIGAN**

As a result of Blue Cross/Blue Shield of Michigan changing to a new operating system called Michigan Operating System (MOS), a new administrative services agreement, identified as Schedule B (attached) is necessary. This Schedule B details a new weekly reconciliation process (as opposed to quarterly), which will eliminate any lag in paying costs of benefit changes.

Also, as part of this transition to MOS, Blue Cross is reducing the monthly administrative fee per contract by \$.25, which requires a new Schedule A agreement (attached). There are no changes to the funding requirements or other details of payment processing involved in these changes.

BE IT RESOLVED, that the City of Flint is authorized to enter into new Schedule A and Schedule B Agreements with Blue Cross/Blue Shield of Michigan, effective October 1, 2012 to reflect these changes in administrative procedures and lower administrative fees.

APPROVED AS TO FORM:

APPROVED AS TO FINANCE:



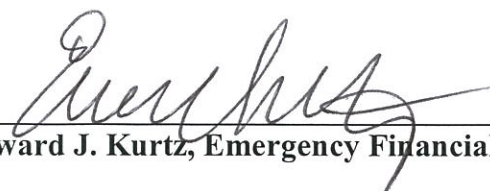
Peter M. Bade, City Attorney



Gerald Ambrose, Finance Director

EFM DISPOSITION:

ENACT ✓ REFER TO COUNCIL _____ FAIL _____



Edward J. Kurtz, Emergency Financial Manager

DATED: 9-4-12

12-5404

RESOLUTION STAFF REVIEW FORM

DATE: August 29, 2012

Agenda Item Title: RESOLUTION TO ENTER INTO A NEW ADMINISTRATIVE SERVICES AGREEMENT (Schedule A & B) WITH BLUE CROSS/BLUE SHIELD OF MICHIGAN

Prepared By: Gerald Ambrose, Finance Director

Background/Summary of Proposed Action: New Administrative Services Agreement - Schedules A & B - with Blue Cross/Blue Shield of Michigan reflecting changes in timing of reconciliation of payment processes (from quarterly to weekly) which will result in more efficient claims-related payments and lower administrative fee by \$.25/contract.

Financial Implications: Small reduction in administrative costs

Budgeted Expenditure: Yes (previously budgeted)

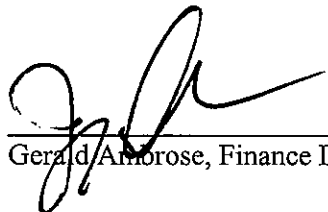
Account #: No change

Pre-encumbered: Yes


Other Implications (i.e., collective bargaining): None

Staff Recommendation: Recommend Approval

Staff Person:


Gerald Ambrose, Finance Director

Approval:


(Administration)