

Legislation Text

File #: 19-541, **Version:** 1

Agreements with Kaiser Permanente and Anthem Blue Cross to Provide Medical Insurance for City of San José Employees, Retirees, and their Dependents for the Period of January 1, 2020 through December 31, 2023.

(a) Adopt a resolution authorizing the City Manager to:

(1) Negotiate and execute an Agreement or Agreements with Anthem Blue Cross to provide medical insurance plans and support services to the City for employees, retirees, and dependents for the period from January 1, 2020 through December 31, 2023, for premium costs not to exceed \$40,767,000 for calendar year 2020 and with annual cost adjustments for each subsequent year based on annual premiums as determined by Anthem, number of enrollees, and pursuant to collective bargaining agreements, for a maximum amount not to exceed \$188,598,000 for a potential four year term, subject to the annual appropriation of funds by the City Council;

(2) Negotiate and approve annual premium renewal rates, and negotiate and execute any annual group health plan or policy contract and any ancillary documents, such as Evidences of Coverage documents and Business Associate Agreements, with Anthem that are necessary to facilitate the medical insurance services Agreements for the period of January 1, 2020 through December 31, 2023; and

(3) In the event that Anthem's proposed annual renewal rates are not acceptable to the City Manager, subject to the terms of City's collective bargaining agreements, authorize the City Manager to terminate the agreement(s) or group plan contract(s).

(b) Adopt a resolution authorizing the City Manager to:

(1) Negotiate and execute an Agreement or Agreements with Kaiser Permanente to provide medical insurance plans and support services to the City for employees, retirees, and dependents for the period from January 1, 2020 through December 31, 2023, for premium costs not to exceed \$82,300,000 for calendar year 2020 and with annual cost adjustments for each subsequent year based on annual premiums as determined by Kaiser Permanente, number of enrollees, and pursuant to collective bargaining agreements, for a maximum amount not to exceed \$375,102,000 for a potential four year term, subject to the annual appropriation of funds by the City Council;

(2) Negotiate and approve annual premium renewal rates, and negotiate and execute any annual group health plan or policy contract and any ancillary documents, such as Evidences of Coverage documents and Business Associate Agreements, with Kaiser Permanente that are necessary to facilitate the medical insurance services Agreements for the period of January 1, 2020 through December 31, 2023; and

(3) In the event that Kaiser Permanente's proposed annual renewal rates are not acceptable to the City Manager, subject to the terms of City's collective bargaining agreements, authorize the City Manager to terminate the agreement(s) or group plan contract(s).

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. (Human Resources)