# MEMORANDUM

April 1, 2022

TO: Mayor John P. Kahl and Members of City Council

FROM: City Attorney's Office (Scott A. Brunton)

SUBJECT: Resolution Regarding Revisions to the City's Group Health Care Plan (Effective May 1, 2022)

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DISCUSSION:

As part of the City Insurance & Benefits Committee's annual review of the City's Group Health Care Plan (the "Plan"), the Insurance & Benefits Committee also reviews the Plan document to ensure that it is up-to-date and appropriately addressing current issues affecting the Plan. At this time, the Committee is recommending establishing a "Center of Excellence" arrangement with BJC-Centers of Excellence for the treatment of complex medical conditions when no local providers exist for treating such complex medical conditions. The BJC-Centers of Excellence can also provide second medical opinions for complex or specialized conditions. The BJC-Centers of Excellence are located in the St. Louis region.

Under this arrangement with BJC-Centers of Excellence, these services and treatments will be offered to Plan participants at no cost for the PPO Plan and at no cost after payment of the deductible for the HDHP Plan. Additionally, this arrangement with BJC-Centers of Excellence will provide the Plan with significant savings for the costs of these specialized services and treatment and second medical opinions for complex medical conditions.

This Resolution incorporates the BJC-Centers of Excellence benefit into the Plan document effective May 1, 2022 (the new Plan Year).

RECOMMENDATION:

The Insurance & Benefits Committee, as well as our office, recommends that the Council pass this Resolution.

**RESOLUTION NO. 2122-137**

**East Peoria, Illinois**
**_____, 2022**

**RESOLUTION BY COMMISSIONER _____**

**RESOLUTION REGARDING REVISIONS TO THE CITY'S GROUP HEALTH INSURANCE PLAN**

**WHEREAS**, the City of East Peoria maintains a self-insured group health care plan ("Plan") for the benefit of its employees, with the entire Plan booklet most recently being re-issued and effective on January 1, 2015; and

**WHEREAS**, the City's Insurance and Benefits Committee annually reviews potential improvements or adjustments to the benefits offered under the Plan and has recently completed this review ahead of the upcoming new Plan Year that begins on May 1, 2022; and

**WHEREAS**, for the upcoming Plan Year, the Insurance and Benefits Committee has recommended the implementation of an arrangement with the BJC HealthCare and Washington University in St. Louis for medical services as "center of excellence" (the "BJC Center of Excellence") for which Plan Participants can receive specialty medical care that is not otherwise available in the local tri-county region; and

**WHEREAS**, the BJC Center of Excellence also provides second medical opinions and expert diagnosis and treatment for complex or unresolved medical conditions; and

**WHEREAS**, the facilities that will become available under this agreement with the BJC Center of Excellence include the Barnes-Jewish Hospital, the St. Louis Children's Hospital, and Siteman Cancer Center, which are all located in the St. Louis metropolitan area; and

**WHEREAS**, under the proposed implementation of the arrangement for the BJC Center of Excellence, the Plan is to be revised to provide these medical services that are provided by the BJC Center of Excellence at no cost to the Plan participant under the PPO Plan option and at no cost after the required deductible is met for Plan participants under the HDHP (high deductible) Plan option; and

**WHEREAS**, the implementation of the arrangement with the BJC Center of Excellence will therefore result in significant savings to the Plan participants, as well as significant cost savings for Plan, when these specialty and expert medical services and

treatment are provided by the BJC Center of Excellence under this arrangement with the BJC Center of Excellence; and

**WHEREAS**, the City's Insurance and Benefits Committee recommends that the City adopt these revisions as provided to the Plan for implementing the arrangement with BJC Center of Excellence to be effective as of May 1, 2022; and

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EAST PEORIA, TAZEWELL COUNTY, ILLINOIS, THAT**:

**Section 1**. The City adopts the addition of the following definition in Section 2 (Definitions) of the Plan as recommended by the Insurance and Benefits Committee as follows to be effective May 1, 2022:

**Centers of Excellence**

Means a health care provider other than the Preferred Care Provider that has contracted with the Employer (or Contract Administrator on behalf of the Employer) to furnish services or supplies for specialized medical care, diagnosis and treatment of complex or unresolved medical conditions, and second medical opinions that are not available from the Preferred Care Provider for a negotiated charge.

**Section 2**. Effective May 1, 2022, the City adopts the change recommended by the Insurance and Benefits Committee to add new Section 7.3 to the Plan as follows:

**7.3 Centers of Excellence**

For Covered Persons and Covered Dependents enrolled in any Plan option, the following benefits shall be provided on behalf of each Covered Person or Covered Dependent as provided herein for services received from the Plan's designated Centers of Excellence. Medical Care benefits provided by Centers of Excellence shall only be provided under the Plan for services rendered to Covered Person or Covered Dependent that are received from the Plan's designated Centers of Excellence. The Plan's designated Centers of Excellence is the BJC-Center of Excellence located in the St. Louis (Missouri) region (website: www.bjc.org).

Centers of Excellence provide specialty medical care and diagnosis and treatment of complex or unresolved medical conditions, as well as second medical opinions (including Second Surgical Opinions as set forth in Section 7.1(g)). In order to access Medical Care services provided by Centers of Excellence, the Covered Person or Covered Dependent should contact the Plan's Contract Administrator (Consociate) at their Customer Service 800 number. The Covered Person or Covered Dependent must first contact the Contract Administrator before receiving Medical Care services for Centers of Excellence to ensure that such

services are deemed medically necessary and covered by the Plan. This Plan benefit is not available to other medical providers deemed to be a "center of excellence", as medical care services provided by other centers of excellence will be covered by the other applicable provisions of the Plan.

**(a) PPO Health Plan (100% Coverage)**

For a Covered Person or Covered Dependent enrolled in the PPO Health Plan, this Plan pays 100% of Reasonable and Customary Expenses Incurred by a Covered Person or Covered Dependent at the Plan's designated Centers of Excellence for Medical Care services provided by the Centers of Excellence when the medical condition of the Covered Person or Covered Dependent warrants such Medical Care services for specialized medical care, diagnosis and treatment of complex or unresolved medical conditions, and second medical opinions. These benefits for Medical Care services provided by Centers of Excellence shall be provided on behalf of the Covered Person or Covered Dependent without application of the coinsurance, copayments, or limitations detailed in Sections 7.1(a) for the PPO Health Plan.

No Expenses Incurred for which benefits are paid in accordance with this Section 7.3(a) shall be considered Expenses Incurred for the purpose of computing benefits payable under any other section of this Plan.

**(b) High Deductible Health Plan (100% Coverage after Deductible)**

For a Covered Person or Covered Dependent covered by the High Deductible Health Plan, after payment of the applicable Calendar Year Deductible set forth in Section 7(b), this Plan pays 100% of Reasonable and Customary Expenses Incurred by a Covered Person or Covered Dependent at the Plan's designated Centers of Excellence for Medical Care services provided by the Centers of Excellence when the medical condition of the Covered Person or Covered Dependent warrants such Medical Care services for specialized medical care, diagnosis and treatment of complex or unresolved medical conditions, and second medical opinions. After payment of the applicable Calendar Year Deductible set forth in Section 7(b) for a Covered Person or Covered Dependent, these benefits for Medical Care services provided by Centers of Excellence shall be provided on behalf of the Covered Person or Covered Dependent without application of any other coinsurance, copayments, or limitations detailed in Sections 7.1(b) for the High Deductible Health Plan.

No Expenses Incurred for which benefits are paid in accordance with this Section 7.3(b) shall be considered Expenses Incurred for the purpose of computing benefits payable under any other section of this Plan.

**Section 3**. The "Summary of Benefits" section of the Plan shall be modified as provided in Exhibit A, attached hereto and incorporated by reference, and replacing the current version of the "Summary of Benefits" section of the Plan effective May 1, 2022.

**Section 4**. The City's Human Resources Director is directed to furnish or otherwise make available a copy of these changes or an updated version of the Plan document to all City employees and officials covered by the Plan, including any retirees, employees on disability, families of deceased employees, or former employees who are covered by the Plan.

**APPROVED**:

_____
Mayor

**ATTEST**:

_____
City Clerk

**EXHIBIT A: Effective May 1, 2022 / SUMMARY OF BENEFITS**
(Payment for any of the expenses listed below is subject to all Plan Exclusions, limitations and provisions, in addition to Medical Necessity and appropriateness.)

**Contract Administrator**

Consociate
Mailing Address: 2828 N. Monroe Street, P.O. Box 678, Decatur, Illinois 62525
Walk-In Address: 425 N. Main Street, 4th Floor, East Peoria, Illinois 61611
Phone: (800) 798-2422 Website: www.consociate.com

**Preferred Care Provider:** UnityPoint Health Website: www.unitypoint.org/Peoria

**Pharmacy Benefits Manager**

Express Scripts
Website: www.express-scripts.com

**Additional Customer Service:**

RxBenefits Member Services
Phone: (800) 334-8134
Website: CustomerCare@rxbenefits.com

**Specialty Pharmacy**: Accredo: (800) 803-2523
Website: www.accredo.com

**Center of Excellence:** BJC Center of Excellence (St. Louis, MO)
Website: www.bjc.org

**Medical Care: Wellness and Women's Preventative Care**
(Same for all Health Plan Options)

Benefits paid at 100% at Preferred Provider (pages 48-52)

Wellness Benefits

Immunizations
PSA Testing..... once per year, age 50 or older
Colon & Rectal Exam..... see benefit description, age 50 or older
Physical ..... once per year
Baby Well-Care (through 2nd birthday) ..... unlimited visits

Women's Preventative Care

Mammograms..... once per year
Pap Smear..... once per year
Gynecological Exam ..... once per year
Additional Preventative Care ..... as set forth in Plan
Contraceptives..... generic, unless generic not available

**Medical Care: Centers of Excellence** (pages 52-53)

**MUST CALL Consociate (800) 798-2422 for prior authorization**

PPO Health Plan .....Benefits paid at 100% at Centers of Excellence for complex medical care not locally available or available through Preferred Provider network

High Deductible Health Plan .....After payment of deductible, benefits paid at 100% at Centers of Excellence for complex medical care not locally available or available through Preferred Provider network

**Medical Care:** LIMITATIONS (Same for all Health Plan Options)

PRE-CERTIFICATION PROCESS: Utilization Review (pages 44-45)
**Penalty** (preferred provider) ..... up to $500 **penalty**
($1,000 **penalty** for non-preferred provider) if not followed

**MUST CALL Precedence Inc. (800) 361-1492 for prior authorization:** Inpatient Care (including partial hospitalization for behavioral health), Outpatient Surgery (requiring anesthesia), Dialysis, Transplant evaluation, Chemotherapy, Radiation and Oncology Pharmacology

NON-PREFERRED PROVIDER INPATIENT ..... $500 **penalty**,
HOSPITALIZATION to be paid before benefits applied

Skilled Nursing Facility
Room and board -private room rate
Maximum days per confinement .....120

Home Health Care ..... 120 visits per calendar year

PRESCRIPTION DRUGS (pages 68-69) **Formulary**
Prescriptions not covered by Formulary will **not** be covered by Plan. The Formulary list is maintained by the Pharmacy Benefits Manager and is subject to change during the year, including when generic drugs become available for brand-name drugs. Listings of commonly prescribed drugs provided by the Pharmacy Benefits Manager are not all-inclusive and do not guarantee coverage.

SPECIALTY PRESCRIPTION DRUGS (pages 68-69)

**MUST CALL Accredo Specialty Pharmacy (800) 803-2523 to obtain any specialty prescription drugs.**

Annual Maximum Benefit (page 43)..... None
(No lifetime maximum limits on benefits)

**Medical Care: PPO Health Plan**

(Pages 52-70)

Deductible for Medical Care per calendar year

Individual ..... $0

Family ..... $0

Non-Preferred Provider

Individual ..... $3,750

Family ..... $7,500

Out-of-Pocket Maximum per calendar year

Preferred Provider

Individual ..... $3,500

Family $7,000

Non-Preferred Provider

Individual ..... $7,500

Family ..... $15,000

**NOTE:** Medical Copays apply to meeting OOP Maximums; however, copays still apply after meeting OOP Maximum levels (coinsurance would increase to 100%). Prescription drug costs do not apply to OOP Maximums.

**NOTE:** Payment made in satisfaction of either the Preferred Provider or the Non-Preferred Provider out-of-pocket maximum is not credited toward the satisfaction of the other out-of-pocket maximum.

Physician Care: Primary Care

Non-surgical office visit (includes routine office visit; mental or nervous disorders or substance abuse care; and physical, occupational, and speech therapy)

Preferred Provider ..... 100% after $40 copay

Non-Preferred Provider ..... 50%

Physician Care: Specialty Care & Urgent Care

Non-surgical office visit with a specialist or at an urgent care facility

Preferred Provider ..... 100% after $60 copay

Non-Preferred Provider ..... 50%

**NOTE:** Additional medical services obtained at Physician's Office may require additional copay or coinsurance.

Virtual Care Consultation (Preferred Provider)..... 100% after $10 copay

**Medical Care: PPO Health Plan (continued)**

Medical Services: Office Visit & Outpatient

Diagnostic tests, x-ray, pathology, etc.

Preferred Provider ..... 80%
Non-Preferred Provider..... 50%

MRI, PET and CT Scan: Outpatient

Preferred Provider ..... 80% after $250 copay
(A maximum copay of $500 per year per individual)
Non-Preferred Provider.....50%

Outpatient Surgery

($500 or $1,000 **penalty** for failure to follow pre-certification procedures for outpatient procedures not performed in physician's office that require anesthesia; see pages 44-45)
Preferred Provider ..... 80% after $500 copay
Non-Preferred Provider.....50%

Hospital Care

Inpatient & Mental Health and Substance Abuse / Newborn Care
($500 or $1,000 **penalty** for failure to follow pre-certification procedures; see pages 44-45)
Preferred Provider ..... 80% after $500 copay
Non-Preferred Provider.....50%

Medical Emergency

Preferred Provider .....100% after $200 copay
Non-Preferred Provider.....100% after $200 copay
Waived if admitted of Inpatient Care
Hospital copay and coinsurance apply for any post-ER hospital care

Ambulance Transport .....80% after $100 copay

Prescriptions (outpatient): **Use of Formulary Required** (pages 68-69)

Single Prescription or Refill (34-day maximum supply)

Generic.....$5 copay
Brand, single source (no generic available..... $30 copay + 25%
up to total maximum cost of $75 per prescription
Brand, multi-source (generic available) $75 copay+100% difference brand-generic

90-Day Prescription or Refill

Generic..... $12.50 copay
Brand, single source (no generic available..... $75 copay + 25%
up to total maximum cost of $200 per prescription
Brand, multi-source (generic available) . .$200 copay+100% difference brand-generic

Specialty Prescriptions (does not include brand with generic available)
Single Prescription/Refill: $500 or more ..... Regular copay + 25%
**Must Use Specialty Pharmacy: Accredo (see above)**

Insulin/Supplies
No copay ($0) when using provider on Preferred Insulin/Supply List

**Medical Care: High Deductible Health Plan**
(Pages 70-86)

Under the High Deductible Health Plan, the participant pays 100% of all costs (except for Wellness Benefits and Women's Preventative Care at PPO provider) until meeting deductibles. Thereafter, the Plan pays 90% of costs for medical care at PPO provider (50% at Non-PPO provider), including prescription drugs.

Deductible for Medical Care per calendar year
Individual ..... $2,500
Family ..... $5,000

Qualifying expenses will apply toward deductibles up to amounts listed above; however, after these amounts are met, qualifying expenses at a Non-Preferred Provider shall be further subject to the deductibles listed below.

Non-Preferred Provider
Individual ..... $5,000
Family ..... $10,000

Out-of-Pocket Maximum per calendar year

Preferred Provider
Individual ..... $2,500
Family ..... $5,000

Non-Preferred Provider
Individual ..... $5,000
Family ..... $15,000

Physician Care & Virtual Care Consultation
Non-surgical office visit (includes routine office visit; mental or nervous disorders or substance abuse care; chiropractic care; and physical, occupational, and speech therapy)
Preferred Provider ..... 90%
Non-Preferred Provider ..... 50%

**Medical Care: High Deductible Health Plan (continued)**

Outpatient Surgery
($500 or $1,000 **penalty** for failure to follow pre-certification procedures for outpatient procedures not performed in physician's office that require anesthesia; see pages 44-45)
Preferred Provider ..... 90%
Non-Preferred Provider..... 50%

Hospital Care
Inpatient & Mental Health and Substance Abuse
($500 or $1,000 **penalty** for failure to follow pre-certification procedures; see pages 44-45)
Preferred Provider ..... 90%
Non-Preferred Provider.....50% after payment of $500 **penalty** for non-emergency care

Outpatient
Preferred Provider ..... 90%
Non-Preferred Provider..... 50%

Medical Emergency ..... 90%

Ambulance Transport ..... 90%

Prescriptions (outpatient; after deductibles are met) **Use of Formulary Required** (pages 83-85)

Single Prescription or Refill (34-day maximum supply)
Generic and Brand, single source (no generic available) ..... 90%

MedTrak Performance 90 (90-day prescription)
Generic and Brand, single source (no generic available) ..... 90%

Specialty Prescriptions (Generics and Brand, single source)
Single Prescription/Refill ..... 90%
**Must Use Specialty Pharmacy: Accredo (see above)**

Brand, multi-source (generic available): 10% copay plus 100% difference brand-generic

Insulin/Supplies (outpatient)
No copay ($0) when using provider on Preferred Insulin/Supply List (before and after deductibles are met)

**Dental Care** (pages 90-94)
(Same for all Health Plan Options)

Deductible per calendar year
Individual .....$100
Family .....$300

Preventative Dental Services, including a dental exam and cleaning twice per calendar year, periodic bitewing X-rays, and dental sealants up to age 16 ..... 100%

Other Basic Dental Services ..... 80%

Major Dental Services, including dentures, and space maintainers ..... 50%

Maximum Dental Care Benefit per calendar year ..... $1,500 per person

Orthodontics..... 50% up to Lifetime Maximum
Lifetime Maximum.....$2,000 per person

**Vision Care** (pages 95-96)
(Same for all Health Plan Options)

Benefit Period .....12 months
Eye Exam..... 100% after $25 copay
Lenses/Frames and/or Contact Lenses
Maximum per Benefit Period $250 per person