

MEMORANDUM

June 28, 2022

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

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

SUBJECT: Resolution Regarding Additional Revisions to the City's Group Health Care Plan / 2022-23 Plan Year

DISCUSSION:

At the recommendation of the City Insurance & Benefits Committee, effective May 1, 2022, the City Council revised the City's Group Health Care Plan (the "Plan") to establish a "Center of Excellence" benefit under the Plan for the 2022-23 Plan Year. In establishing this new benefit, the City entered into an arrangement with the BJC-Centers of Excellence for medical services that included the treatment of complex medical conditions, specialized care, and second medical opinions for complex or specialized conditions. The BJC-Centers of Excellence are located in the St. Louis region.

Additional revisions are being recommended at this time by the Committee to clarify the types of medical services that will be provided by the BJC-Centers of Excellence and to further align the Plan document language with the contract with the BJC-Centers of Excellence. Under the arrangement with BJC-Centers of Excellence, all medical services provided by BJC-Centers of Excellence are available to Plan participants, not just medical services for the treatment of complex medical conditions, specialized care, and second medical opinions for complex or specialized conditions. As a reminder, this Centers of Excellence benefit provides medical services to Plan participants at no cost for the PPO Plan and at no cost after payment of the deductible for the HDHP Plan.

Accordingly, this Resolution makes these additional changes to the City's Plan document to clarify the BJC-Centers of Excellence benefit, and these revisions are being made retroactive to May 1, 2022, the effective date for the new Plan Year when the "Center of Excellence" benefit was initially implemented for Plan participants.

RECOMMENDATION:

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

RESOLUTION NO. 2223-032

**East Peoria, Illinois
_____, 2022**

RESOLUTION BY COMMISSIONER _____

**RESOLUTION REGARDING ADDITIONAL REVISIONS TO THE CITY'S
GROUP HEALTH INSURANCE PLAN FOR 2022-2023 PLAN YEAR**

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, in April 2022, at the recommendation from the City's Insurance and Benefits Committee, the City approved 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, while the focus of the services provided by the BJC Center of Excellence are second medical opinions and expert diagnosis and treatment for complex or unresolved medical conditions, the BJC Center of Excellence also provides more routine medical care; and

WHEREAS, under the contractual arrangement with BJC Center of Excellence, all medical services provided by the BJC Center of Excellence will fall within the benefit provided under the Plan for medical services received from BJC Center of Excellence, which provide such medical services 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, in order to fully capture the benefits provided under the contractual arrangement with BJC Center of Excellence, the City's Insurance and Benefits Committee recommends that the City adopt the revisions provided herein to the new Plan language implementing the arrangement with BJC Center of Excellence to be retroactively effective on May 1, 2022;

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

Section 1. The City adopts the following changes to the definition of “Centers of Excellence” in Section 2 (Definitions) of the Plan to be retroactively effective May 1, 2022 (additions are indicated by underline; deletions by strikeout):

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 Medical Care, including 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. The City adopts the following changes to Section 7.3 to the Plan to be retroactively effective May 1, 2022 (additions are indicated by underline; deletions by strikeout):

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: bjccenterofexcellence.org/providerswww.bjc.org).

Centers of Excellence provide Medical Care, including 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 may ~~should~~ contact the Plan’s Contract Administrator (Consociate) at their Customer Service 800 number or may directly contact the Centers of Excellence as provided above. ~~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 are deemed Medically Necessary, including any 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 are deemed Medically Necessary, including any 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 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