

Reply to Common Council File No. 020518
From DOA-Budget and Management Division

July 30, 2002

Ref: 02013(45)

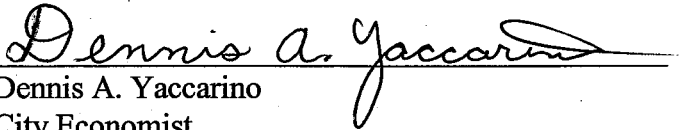
The Department of Employee Relations is requesting permission to contract with WPS to create a narrow network basic plan for management employees in 2003.

The narrow network is in addition to the basic plan and the two Compcare HMO's. The narrow network basic plan and the basic plan are similar in many aspects. Only the following variations exist:

- Network is limited to hospitals and doctors in Aurora, Columbia/St. Mary's, Children's Hospital and the Independent Physicians Group.
- If an employee uses hospital outside the narrow network, the city will cover 70% of the cost instead of the current 100%.
- If an employee uses major medical outside the narrow network, the city will cover 50% of the cost instead of the current 80%.
- The annual deductible is eliminated.
- Monthly co-pays are \$100 for the single plan and \$190 for the family plan.

Depending of the number of Management personnel that switch to the narrow network, the savings will be between \$10,000 and \$100,000 in 2003.

**RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION 020518
THAT AUTHORIZES THE DEPARTMENT OF EMPLOYEE RELATIONS TO
ENTER INTO A CONTRACT WITH WPS TO PROVIDE A NARROW
NETWORK BASIC PLAN.**


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