

Reply to Common Council File No. 040162  
From DOA-Budget and Management Division

June 3, 2004

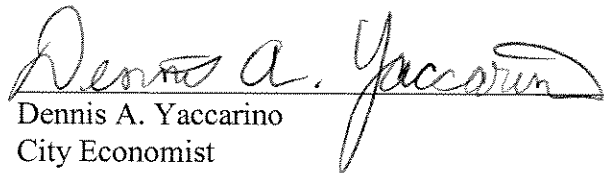
Ref: 04003

Common Council file 040162 contains a resolution authorizing the extension of contracts for HMOs, Basic Plan Administrator and pre-paid dental contracts.

Through the work of the Department of Employee Relations and the Willis Corp. they are recommending to extend several of the existing health care contracts. The extension proposals from the providers were analyzed on cost basis and from an administrative point of view.

After removing some 2005 accrual amounts that will increase the 2005 budget by \$3.7 million, the increase will be consistent with those of recent years but higher than the extremely small increase in 2004.

**RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION 040162  
EXTENDING CONTRACTS FOR VARIOUS HEALTH CARE PROVIDERS.**

  
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