

A RESOLUTION ACCEPTING THE BID OF CIGNA HEALTHCARE FOR HEALTH INSURANCE FOR VILLAGE EMPLOYEES AND DECLARING AN EMERGENCY

BE IT RESOLVED by the Council of the Village of Richfield, State of Ohio:

SECTION 1. That the bid of CIGNA HealthCare for the provision of health insurance for Village employees effective January 1, 1999, a copy of which bid is attached hereto as Exhibit "A" and incorporated herein fully as if by reference, be, and the same hereby is, accepted.

SECTION 2. This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare and for the further reason that it is immediately necessary in order to provide needed insurance coverage for Village employees; wherefore, provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

Passed: December 15, 1998

Michael Lyons
President of Council

Donald W. Lassen
Mayor

Dated: 12/16/98

ATTEST:
Carole Gibson
Clerk of Council

CIGNA HEALTHCARE

1996 GSA
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<ul style="list-style-type: none"> • Physician Services: <ul style="list-style-type: none"> - Dependent Preventive Care/Well Child/Immunizations - Adult Preventive Care/Physical Examinations - Adult/child Medical Care for Injury or Sickness 	<p>\$15 Copay \$15 Copay \$15 Copay</p>
<ul style="list-style-type: none"> • Specialty Physician Services: <ul style="list-style-type: none"> - Office Visits - Allergy Testing and Treatment 	<p>\$15 Copay \$15 Copay</p>
<ul style="list-style-type: none"> • Pre & Postnatal Exams: 	<p>No Charge</p>
<ul style="list-style-type: none"> • Inpatient Hospital Services: <ul style="list-style-type: none"> - Semi-Private Room and Board - Physician and Surgeon Charges - Newborn Delivery Charges - Diagnostic and Therapeutic Lab and X-ray Services - Drugs and Medications - Operating and Recovery Room - Hemodialysis 	<p>\$150 per day for the first 5 days; no charge thereafter</p>
<ul style="list-style-type: none"> • Outpatient Hospital Services: <ul style="list-style-type: none"> - Operating and Recovery Room - Physician Services - Laboratory and X-ray - Hemodialysis - Radiation and Chemotherapy 	<p>\$100 copay No Charge No Charge No Charge No Charge</p>
<ul style="list-style-type: none"> • Emergency Care: <ul style="list-style-type: none"> - Participating or Non-Participating Physician's Office - Hospital Emergency Room, Outpatient Facility or other Urgent Care Facility - Ambulance 	<p>\$15 Copay \$75 Copay, waived if admitted No Charge</p>
<ul style="list-style-type: none"> • Laboratory and X-ray: <ul style="list-style-type: none"> - Physician's Office - Hospital Outpatient - Lab and X-ray Facility 	<p>No Charge, included in OV copay No Charge No Charge</p>
<ul style="list-style-type: none"> • Other Health Care Facilities (Skilled Nursing and Rehabilitation): <ul style="list-style-type: none"> - Maximum of 60 days per contract year. 	<p>\$150 copay per day, for the first 5 days; no charge thereafter</p>
<ul style="list-style-type: none"> • Home Health Care: 	<p>No Charge</p>
<ul style="list-style-type: none"> • Outpatient Short Term Rehabilitation: <ul style="list-style-type: none"> - Maximum of 60 consecutive days per condition. 	<p>\$15 Copay</p>

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<ul style="list-style-type: none"> • Family Planning: <ul style="list-style-type: none"> - Tests, counseling - Surgical sterilization procedures (vasectomy, tubal ligation): <ul style="list-style-type: none"> · Inpatient · Outpatient · Physician's Office 	<p>\$15 Copay</p> <p>\$150 copay</p> <p>\$100 copay</p> <p>No Charge</p>
• Durable Medical Equipment - Outpatient	No charge
• External Prosthesis	\$200 Deductible \$1,000 Maximum
<ul style="list-style-type: none"> • Mental Health: <ul style="list-style-type: none"> - Inpatient Copay - Inpatient Days - Outpatient Individual Copay - Outpatient Group Copay - Outpatient Visits 	<p>\$100/day</p> <p>8 MH&SA</p> <p>\$30 Copay</p> <p>\$15 Copay</p> <p>25 Visits MH&SA</p>
<ul style="list-style-type: none"> • Substance Abuse*: <ul style="list-style-type: none"> - Inpatient Copay - Detoxification - Inpatient Copay - Rehabilitation - Inpatient Days - Outpatient Individual Copay - Outpatient Group Copay - Outpatient Visits 	<p>\$100/day</p> <p>Not Covered</p> <p>8 MH&SA</p> <p>\$30 Copay</p> <p>\$15 Copay</p> <p>25 Visits MH&SA</p>
• Prescription Drugs	\$10/\$8+ 20% Mandatory Generic, Closed Formulary
• Hospital Precertification	Handled by your PCP
• Out-of-Pocket Limits	\$1,500/\$3,000
• Deductible	N/A
• Lifetime Maximum	Unlimited

*Substance Abuse inpatient limited to 2 episodes per lifetime.

THESE BENEFITS REPRESENT THE 'STANDARD' BENEFITS. THERE MAY BE MODIFICATIONS FOR SOME STATES DUE TO MANDATED BENEFITS THAT ARE NOT REFLECTED IN THIS DESIGN.

NEW DRUG PLAN EXAMPLES:

SPLIT COPAY MANDATORY GENERIC

1 Member OR doctor chooses brand drug when generic is available

<u>Plan</u>	<u>Generic Cost</u>	<u>Brand Cost</u>	<u>Member Pays</u>
10/8+0.2	15	25	$8+20(25-8)+(25-15) = \$21.40$

2 Generic equivalent is not available

<u>Plan</u>	<u>Generic Cost</u>	<u>Brand Cost</u>	<u>Member Pays</u>
10/8+0.2	N/A	25	$8+20(25-8) = \$11.40$

3 Member OR doctor chooses generic drug

<u>Plan</u>	<u>Generic Cost</u>	<u>Brand Cost</u>	<u>Member Pays</u>
10/8+0.2	15	N/A	$= \$10.00$

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CIGNA HealthCare

November 12, 1998

Thomas Dettling
Dettling & Associates
3291 Stanley Road
Akron, OH 44333

RE: Village of Richfield, 1999 CIGNA HealthCare Rate Renewal

Dear Tom:

Our underwriters recently completed their annual review of plan design and premium rates for Village of Richfield. The current plan design will no longer be available to our commercial accounts effective January 1, 1999. The plan design that will be offered January 1, 1999 has a \$15 Office Visit copay with a \$150 copay per day for hospitalization. The pharmacy benefits will be moved to a Split Copay-Mandatory Generic \$10/\$8+20%. A summary of these benefits is attached with an example of the Split Copay pharmacy plan.

Following are the rates effective January 1, 1999 with the new benefit plan design:

	1/1/99 <u>Rates</u>
Employee	\$209.48
Employee + Family	\$550.93

Please review this new plan design and let me know if you have any questions. Once you have reached a decision regarding the renewal, please let me know as soon as possible.

Once again, if you have any questions or need additional information please contact me at (216)642-2545.

Sincerely,

Wendy L. Bernadine
Client Service Representative

Attachment

