



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 12-1374, Version: 1

Dept/ Agency: Administration/Division of Personnel
Action: (X) Ratifying (X) Authorizing () Amending
Type of Service: Contract for Health Benefits Coverage
Purpose: Managed Care Health Plan (Horizon EPO)
Entity Name: Horizon Blue Cross Blue Shield of New Jersey

Entity Address: Three Penn Plaza East, Newark, NJ 07105
Contract Amount: Estimated cost of \$6,720,330.87 . The actual cost is contingent upon actual enrollment
Funding Source: City of Newark 2012 Budget
Contract Period: January 1, 2012 to December 31, 2012
Contract Basis: () Bid () State Vendor () Prof. Ser. (X) Insurance/EUS
() Fair & Open (X) No Reportable Contributions () RFP () RFQ
() Private Sale () Grant () Sub-recipient () n/a
Additional Information:

WHEREAS, the City of Newark desires to enter into contract to provide its eligible employees, eligible retirees and their eligible dependents represented by the various bargaining units with which the City negotiates and eligible unclassified personnel with a managed care health plan, with in network benefits only; and

WHEREAS, Horizon Healthcare Services d/b/a Horizon Blue Cross Blue Shield of New Jersey ("Horizon") has submitted a proposal indicating they will provide a managed care health plan, with in network benefits only called the Horizon Advantage Exclusive Provider Organization (Horizon EPO) with the monthly rates of single tier - \$389.72, parent/Child(ren) tier - \$701.43, family tier - \$1110.64; and

WHEREAS, pursuant to Chapter 78, P.L. 2011 enacted on June 28, 2011, the City of Newark will offer the Horizon EPO medical plan as a lower cost alternative; and

WHEREAS, the estimated annual premium cost for January 1, 2012 through December 31, 2012 contract year is \$6,720,330.87. The actual cost is contingent upon actual enrollment; and

WHEREAS, this Contract is awarded without competitive bidding as an exception to Local Public Contracts Law, pursuant to N.J.S.A. 40A:11-5(m), and, in accordance with the requirements of N.J.S.A. 40A:11-5(1)(a)(ii) Extraordinary Unspecifiable Service; and

WHEREAS, Local Public Contracts Law N.J.S.A. 40A:11-1, et seq. requires a Resolution of the Governing Body authorizing the award of contracts for Extraordinary Unspecifiable Services and further requires that the contract itself must be available for public inspection; and

WHEREAS, the Contract is exempt from the requirements of State Pay- to- Play Law N.J.S.A. 19:44A-20.5 as Insurance Companies are state-regulated companies by the Department of Banking and Insurance and are statutorily barred from making a reportable contribution pursuant to N.J.S.A. 19:34-32; and

WHEREAS, the Mayor of the City of Newark signed into law Executive Order Number MEO-07-0001 (hereinafter "Pay- to- Play Executive Order"), which requires reporting of political contributions to Newark Municipal Candidates and prohibits certain political contributions during the duration of the contract.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Mayor and/or his designees, the Business Administrator and the Personnel Director, are hereby authorized to enter into and execute a contract with Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey, Three Penn Plaza East, Newark, NJ 07105, for the provision of a managed care health insurance services, with in network benefits only, for all eligible active employees, eligible retirees, and their eligible dependents, for the period commencing January 1, 2012 and terminating on December 31, 2012.

2. This contract is hereby ratified from January 1, 2012 to the date of adoption of this authorizing resolution.

3. The estimated cost of providing the aforesaid services for the period of January 1, 2012 to December 31, 2012 is \$6,720,330.87 which is subject to change based on actual enrollment. The actual cost is contingent upon actual enrollment.

4. A copy of the fully-executed contract shall be filed in the Office of the City Clerk by the Personnel Director.

5. The Contract is awarded without competitive bidding as an exception to Local Public Contracts Law, pursuant to N.J.S.A. 40A:11-5(m), and in accordance with the requirements of N.J.S.A. 40A:11-5(1)(a)(ii) Extraordinary Unspecifiable Services, and is in compliance with Executive Order MEO-07-0001, effective March 31, 2007.

6. A Certification of Extraordinary Unspecifiable Services is attached and shall be filed with the Office of the City Clerk.

7. The contract is exempt from the requirements of State Pay-to-Play Law N.J.S.A. 19:44A-20.5 because Insurance Companies are state-regulated companies by the Department of Banking and Insurance and are statutorily barred from making a reportable contribution pursuant to N.J.S.A. 19:34-32 and because Horizon is a not-for-profit entity.

8. Funds are contingent upon appropriations as required by N.J.A.C. 5:30-5.5(c) and pursuant to N.J.A.C. 5:30-5.5(d)(2).

9. There shall be no amendments or changes of this contract without approval of the Municipal Council.

10. There shall be no advance payments on this contract in accordance with N.J.S.A. 40A:5-16.

11. A notice of this action shall be published in the newspaper authorized by law to publish a legal advertisement and as required by law within 10 days of its passage.

12. If required by Law, the City Clerk shall provide the appropriate notice of award of the contract to the State Comptroller no later than 20 business days following such award, in accordance with N.J.S.A. 52:15C-10 and the Notice of the Office of the State Comptroller dated May 7, 2008.

STATEMENT

This Resolution ratifies and authorizes the Mayor and/or his designees, the Business Administrator and the Personnel Director, to enter into and execute a contract Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey, Three Penn Plaza East, Newark, NJ 07105, for the provision of managed care health insurance services, with in network benefits only, for all eligible active employees, eligible retirees, and their eligible dependents, for the period commencing January 1, 2012 and terminating on December 31, 2012. The Contract is awarded without competitive bidding as an exception to Local Public Contracts Law, pursuant to N.J.S.A. 40A:11-5(m), and in accordance with the requirements of N.J.S.A. 40A:11-5(1)(a)(ii), Extraordinary Unspecifiable Service and is in compliance with Executive Order MEO-07-0001, effective March 31, 2007.