

AGENDA REQUEST FORM
The School Board of Broward County, Florida

Meeting Date 8/14/01	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; padding: 5px; text-align: center;"> Open Agenda <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </td> <td style="width:50%; padding: 5px; text-align: center;"> Time Certain Request <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> </table>	Open Agenda <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Time Certain Request <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Agenda Item Number E-7
Open Agenda <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Time Certain Request <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

TITLE:	First Amendment to Agreement with HIP and Humana
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REQUESTED ACTION:	It is requested that the School Board approve the Agreements with HIP and Humana for Group Medical Benefits.
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SUMMARY EXPLANATION AND BACKGROUND:	The current contract with HIP expires on December 31, 2001 and may be extended for two additional one-year periods. The current contract with Humana expires on December 31, 2005, and provided rate guarantees through December 31, 2001. The Superintendent's Insurance Advisory Committee voted to eliminate Point of Service (POS) and Modified Preferred Provider Organization (MPPPO). In order to maintain employee choice, it is recommended that the contracts with HIP Health Plan of Florida, Inc. and Humana, Inc. be extended for one additional year and that these recommendations authorize additional expenditures until the expiration of each contract.
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MAJOR SYSTEM GOALS:	<ul style="list-style-type: none"> •Goal One: All students will achieve at their highest potential. •Goal Two: All schools will have equitable resources. <input checked="" type="checkbox"/> •Goal Three: All operations of the school system will support and align with student achievement and needs. •Goal Four: All stakeholders work together to build a better school system.
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FINANCIAL IMPACT:	Source of funds is Fringe Benefits Clearing Account
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EXHIBITS: (List)	<ol style="list-style-type: none"> 1. HIP Amendment for Contract Extension 2. Humana First Amendment to Agreement 3. Executive Summary
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BOARD ACTION: <div style="text-align: center; font-size: 1.2em; font-weight: bold;">APPROVED</div> <small>(For Official School Board Records' Office Only)</small>	SOURCE OF ADDITIONAL INFORMATION: <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Ronald J. Weintraub</td> <td style="width:30%;">765-6253</td> </tr> <tr> <td><small>Name</small></td> <td><small>Phone</small></td> </tr> </table>	Ronald J. Weintraub	765-6253	<small>Name</small>	<small>Phone</small>
Ronald J. Weintraub	765-6253				
<small>Name</small>	<small>Phone</small>				

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
Support Services
John M. Quercia, Associate Superintendent



Approved in Open Board Meeting on: AUG 14 2001

By: Paul Bill School Board Chairperson

**FIRST
CONTRACT EXTENSION**

THIS FIRST CONTRACT EXTENSION entered into on the 14 day of August 2001 by and between:

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

(hereinafter referred to as "SBBC")

a body corporate operating and existing under the laws of the State of Florida and having its principal place of business at 600 Southeast Third Avenue,
Fort Lauderdale, Florida 33301

AND

**HIP INSURANCE COMPANY OF FLORIDA, INC. AND HIP HEALTH PLAN OF
FLORIDA, INC. f/k/a HHPF INC.**

(hereinafter referred to as "HIP")

300 South Park Road
Hollywood, Florida 33021

WHEREAS, SBBC and HIP entered into an Agreement (hereinafter referred to as "Agreement") dated June 15, 1999 for certain health insurance services; and

WHEREAS, SBBC and HIP entered into an Addendum dated December 8, 2000; and

WHEREAS, SBBC and HIP now desire to renew the Agreement for an additional year.

NOW THEREFORE, in consideration of the mutual promises and obligations in this Agreement, the sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

ARTICLES

1. **Recitals**. The foregoing recitals are true and correct and are herein incorporated by reference.
2. **Term**. The parties agree to renew the Agreement. The renewal term shall commence on January 1, 2002 and shall conclude on December 31, 2002.
3. **Plan Eliminations**. The parties agree to eliminate the Point of Service (POS) plan and the Modified Preferred Provider Organization (MPPO) plan for the term of the Agreement.
4. **Rates**. The rates for the January 1, 2002 through December 31, 2002 shall be as follows:

	<u>HMO</u>	<u>PPO</u>
Employee Only	\$216.49	\$373.85
Employee + 1	\$241.18	\$453.44
Employee + two or more	\$395.33	\$732.48
Dual Spouse	\$241.18	\$453.44
Kid's Only (Age 0 - 4) 1Child	\$221.00	\$265.20
Kid's Only (Age 0 - 4) 2 Children	\$442.00	\$530.40
Kid's Only (Age 0 - 4) 3+ Children	\$663.00	\$795.60
Kid's Only (Age 5 – 21) 1 Child	\$94.64	\$113.57
Kid's Only (Age 5 – 21) 2 Children	\$189.28	\$227.14
Kid's Only (Age 5 – 21) 3+ Children	\$283.92	\$340.71

5. **HMO Plan Design Revisions.** HIP agrees to provide the current HMO plan with the following revisions:
 1. Retail order prescription drugs:
\$5 Generic/\$10 Brand/\$30 Non-Formulary
 2. Mail order prescription drugs:
\$10 Generic/\$20 Brand/\$60 Non-Formulary
 3. Specialist office visit co-payment: \$10

6. **PPO Plan Design Revisions.** HIP agrees to provide the current PPO plan with the following revisions:
 1. Retail order prescription drugs:
In-Network: \$10 Generic/\$20 Brand/\$40 Non-Formulary
Out-of-Network: 70% of network cost, after deductible
 2. Mail order prescription drugs:
\$20 Brand/\$40 Brand/\$80 Non-Formulary
 3. Office visit co-payment: \$20
 4. In-Network co-insurance: 80%
 5. Out-of-Network co-insurance: 60%

7. **Website.** HIP agrees to assist and maintain the health insurance portion of the Benefits Department's website at no cost to SBBC, to include a link to HIP's standard website.

8. **Terms of Agreement.** Except as expressly provided herein, all terms and conditions set forth in the Agreement shall remain in full force and effect for the contract term specified within this first contract extension.

9. **Independent Contractor.** It is understood and agreed that HIP is an independent contractor and not an employee of SBBC and that no associate or employee of HIP shall be deemed to be an employee of SBBC for any purposes whatsoever. HIP's services are being provided to assist in the normal business of the school district and are not integrated into such business except for the specific purposes described in Agreement.

10. **Indemnification.**
 - 10.1. By SBBC: SBBC agrees to be fully responsible for its acts of negligence, or its agents' acts of negligence when acting within the scope of their employment and agrees to be liable for any damages resulting from said negligence. Nothing herein is intended to serve as a waiver of sovereign immunity by SBBC. Nothing herein

shall be construed as consent by SBBC to be sued by third parties in any matter arising out of any contract.

- 10.2. By HIP: HIP agrees to indemnify, hold harmless and defend SBBC, its agents, servants and employees from any and all claims, judgments, costs and expenses including, but not limited to, reasonable attorney's fees, reasonable investigative and discovery costs, court costs and all other sums which SBBC, its agents, servants and employees may pay or become obligated to pay on account of any, all and every claim or demand, or assertion of liability, or any claim or action founded thereon, arising or alleged to have arisen out of the products, goods or services furnished by HIP, its agents, servants or employees while such equipment is on premises owned or controlled by SBBC; or the negligence of HIP or the negligence of HIP's agents when acting within the scope of their employment, whether such claims, judgments, costs and expenses be for damages, damage to property including SBBC's property, and injury or death of any person whether employed by HIP, SBBC or otherwise.
11. **Amendments.** It is agreed by the parties that no modifications, amendments or alterations in the terms or conditions of this Amendment to Agreement will be effective unless contained in a written document executed by the parties.
12. **Severability:** In the event that any provision of this Amendment to Agreement shall be determined to be unenforceable or invalid, such unenforceability or invalidity shall not affect the remaining provisions of this Amendment to Agreement, which shall remain in effect unless it is deemed unreasonable to do so.
13. **Public Records.** The parties agree that this Amendment to Agreement, all existing and future orders, quotations, bids, proposals and RFP documents are subject to the Florida Public Records Act ("Act"), except where a specific exemption exists under said ACT. HIP shall be responsible for complying with any public document requests submitted to it for documents in its possession and/or control, and shall be responsible for any attorney's fees awarded pursuant to Chapter 119, Florida Statutes, regarding such public document request.
14. **Force Majeure.** Subject to the conditions hereinafter set forth, neither HIP nor SBBC shall be obligated to perform any term or condition of this Amendment to Agreement if the performance is prevented by fire, earthquake, hurricane, explosion, wars, sabotage, accident, flood, acts of God, strikes, or other labor disputes, riot or civil commotions, or by reason of any other matter or condition beyond the control of either party, and which cannot be overcome by reasonable diligence and without unusual expense ("Force Majeure"). In no event shall lack of funds on the part of either party be deemed Force Majeure.
15. **Captions.** The captions, section numbers, article numbers, titles and headings appearing in this Amendment to Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope of intent of such sections or articles of this Amendment to Agreement, nor in any way affect this Amendment to Agreement and shall not be construed to create a conflict with the provisions of this Amendment to Agreement.
16. **Survivability:** Articles 11, 12, 13 and 16 shall survive any termination of this Amendment to Agreement.


17. **Authority.** Each person signing this Amendment to Agreement on behalf of either party individually warrants that he or she has the full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.


IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Agreement through their duly authorized representatives.

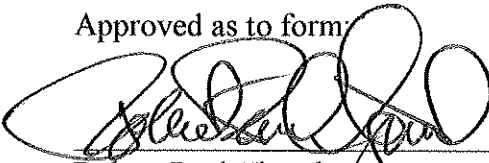
(Corporate Seal)

THE SCHOOL BOARD OF BROWARD
COUNTY, FLORIDA

ATTEST:

By: 
Paul D. Eichner, Esquire
Chairperson


Franklin L. Till, Jr.
Superintendent of Schools

Approved as to form:

Robert Paul Vignola
Assistant School Board Attorney

FOR HIP

HIP INSURANCE COMPANY OF
FLORIDA, INC. a for-profit Florida
corporation and

(Corporate Seal)

Attest: [Signature]
Secretary

By: [Signature]
R. Joseph Berding
Chief Executive Officer

-Or-

Witness

Witness

STATE OF Florida
COUNTY OF Broward

The foregoing instrument was acknowledged before me this 18 day of July,
2001, by Ronald J. Berding of HIP INSURANCE COMPANY OF FLORIDA, INC., a
for-profit Florida corporation. He/She took an oath and is personally known to me or has
produced _____ as identification.

My Commission expires:

(SEAL) CORAL N. SUTHERLAND
Notary Public - State of Florida
My Commission Expires Mar 17, 2003
Commission # CC 818579

[Signature]
Signature - Notary Public

My Commission expires:

CORAL N. SUTHERLAND
Printed Name of Notary

**FIRST ADMENDMENT TO
AGREEMENT**

THIS FIRST ADMENDMENT TO AGREEMENT entered into on the 14 day of August 2001 by and between:

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
(hereinafter referred to as "SBBC")
a body corporate operating and existing under the laws of the State of Florida and having its principal place of business at 600 Southeast Third Avenue,
Fort Lauderdale, Florida 33301

AND

**HUMANA MEDICAL PLAN, INC. AND
HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC.**
(hereinafter referred to as "Humana")
3400 Lakeside Drive
Miramar, Florida 33027

WHEREAS, SBBC and Humana entered into an Agreement (hereinafter referred to as "Agreement") dated November 9, 2000 for certain health insurance services; and

WHEREAS, the parties desire to amend the plan design and provide rate guarantees for the period of January 1, 2002 to December 31, 2002; and

NOW THEREFORE, in consideration of the mutual promises and obligations in this Agreement, the sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

ARTICLES

1. **Recitals**. The foregoing recitals are true and correct and are herein incorporated by reference.
2. **Plan Eliminations**. The parties agree to eliminate the Point of Service (POS) plan and the Modified Preferred Provider Organization (MPPO) plan for the term of the Agreement. Therefore, all sections and language set forth in the Agreement that relates to the POS and MPPO plans shall be deleted from the Agreement.
3. **Rates**. Section 2.02 of the Agreement shall be amended as follows: The rates for the period January 1, 2002 through December 31, 2002 shall be as follows:

	<u>HMO</u>	<u>PPO</u>
Employee Only	\$210.91	\$454.85
Employee + 1	\$255.64	\$500.34
Employee + two or more	\$417.92	\$795.99
Dual Spouse	\$255.64	\$500.34

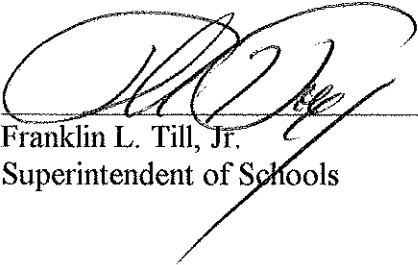
4. **HMO Plan Design Revisions.** Section 2.03 of the Agreement shall be amended as follows: Humana agrees to provide the current HMO plan with the following revisions:
 1. Mail order prescription drugs:
\$10 Generic/\$20 Brand/\$60 Non-Formulary
 2. Specialist office visit co-payment: \$10
5. **PPO Plan Design Revisions.** Section 2.06 of the Agreement shall be amended as follows: Humana agrees to provide the current PPO plan with the following revisions:
 1. Retail order prescription drugs:
\$10 Generic/\$20 Brand/\$40 Non-Formulary
 2. Mail order prescription drugs:
\$20 Brand/\$40 Brand/\$80 Non-Formulary
 3. Office visit co-payment: \$20
 4. In-Network co-insurance: 80%
 5. Out-of-Network co-insurance: 60%
6. **Website.** Humana agrees to assist and maintain the health insurance portion of the Benefits Department's website at no cost to SBBC.
7. **Terms of Agreement.** Except as expressly provided herein, all terms and conditions set forth in the Agreement shall remain in full force and effect for the contract term specified within this Addendum.
8. **Independent Contractor.** It is understood and agreed that Humana is an independent contractor and not an employee of SBBC and that no associate or employee of Humana shall be deemed to be an employee of SBBC for any purposes whatsoever. Humana's services are being provided to assist in the normal business of the school district and are not integrated into such business except for the specific purposes described in Agreement.
9. **Severability:** In the event that any provision of this Amendment to Agreement shall be determined to be unenforceable or invalid, such unenforceability or invalidity shall not affect the remaining provisions of this Amendment to Agreement, which shall remain in effect unless it is deemed unreasonable to do so.
10. **Public Records.** The parties agree that this Amendment to Agreement, all existing and future orders, quotations, bids, proposals and RFP documents are subject to the Florida Public Records Act ("Act"), except where a specific exemption exists under said Act. Humana shall be responsible for complying with any public document requests submitted to it for documents in its possession and/or control, and shall be responsible for any attorney's fees awarded pursuant to Chapter 119, Florida Statutes, regarding such public document request.
11. **Survivability:** Articles 8, 9, 10, and 11 shall survive any termination of this Amendment to Agreement.
12. **Authority.** Each person signing this Amendment to Agreement on behalf of either party individually warrants that he or she has the full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Agreement through their duly authorized representatives.

THE SCHOOL BOARD OF BROWARD
COUNTY, FLORIDA


(Corporate Seal)

ATTEST:



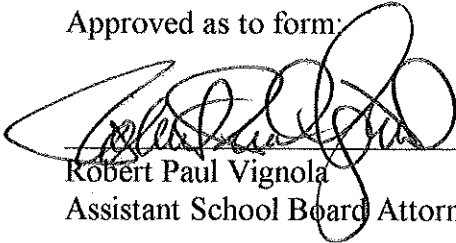
Franklin L. Till, Jr.
Superintendent of Schools

By:



Paul D. Eichner, Esquire
Chairperson

Approved as to form:



Robert Paul Vignola
Assistant School Board Attorney

FOR HUMANA

HUMANA MEDICAL PLAN, INC., and
HUMANA HEALTH INSURANCE
COMPANY OF FLORIDA, INC.

(Corporate Seal)

Attest: _____
Secretary

By: Thomas C. Wyss
Thomas Wyss
President, South Florida

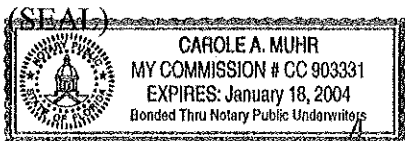
-Or-

Peter A. Joseph
Witness
Herliana
Witness

STATE OF Florida
COUNTY OF Broward

The foregoing instrument was acknowledged before me this 30 day of July, 2001, by Thomas C. Wyss of HUMANA MEDICAL PLAN, INC. and HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC. He/She took an oath and is personally known to me or has produced _____ as identification.

My Commission expires:



My Commission expires: Jan. 18, 2004

Carole A. Muhr
Signature - Notary Public

Carole A. Muhr
Printed Name of Notary

EXECUTIVE SUMMARY
GROUP MEDICAL BENEFITS
FOR SCHOOL BOARD EMPLOYEES

The current contract with HIP Health Plan of Florida, Inc. provided rate guarantees for three years. The contract expires on December 31, 2001, and may be extended for two additional one-year periods. The current contract with Humana, Inc. expires on December 31, 2005, and provided rate guaranties through December 31, 2001.

The plan design and rates for our health insurance coverage was examined and reviewed in numerous public meetings by the Superintendent's Insurance Advisory Committee. The Committee voted to eliminate the Point of Service (POS) and Modified Preferred Provider Organization (MPPO) and retain the Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO). The matrix delineated below provides a comparison of the plan design changes recommended by the Committee to control escalating health insurance premiums.

As a result of the evaluation, the Committee recommended to the Superintendent, in order to maintain employee choice, that the contract with HIP Health Plan of Florida, Inc. be extended for one additional year and to accept the renewal rates from Humana, Inc. for one additional year.

Benefit Changes

2001	<u>HMO</u>	2002
HIP		HIP
<u>PRESCRIPTION DRUGS</u>		<u>PRESCRIPTION DRUGS</u>
\$3 Retail and Mail Order		Retail: \$ 5 Generic; \$10 Brand; \$30 Non-formulary Mail: \$10 Generic; \$20 Brand; \$60 Non-formulary
<u>OFFICE VISIT CO-PAYMENTS</u>		<u>OFFICE VISIT CO-PAYMENTS</u>
Primary Care Physician: \$10 Specialist: \$0		Primary Care Physician: \$10 Specialist: \$10
HUMANA		HUMANA
<u>PRESCRIPTION DRUGS</u>		<u>PRESCRIPTION DRUGS</u>
Retail: \$5 Generic; \$10 Brand; \$30 Non-formulary Mail: \$5 Generic; \$10 Brand; \$30 Non-formulary		Retail: \$ 5 Generic; \$10 Brand; \$30 Non-formulary Mail: \$10 Generic; \$20 Brand; \$60 Non-formulary
<u>OFFICE VISIT CO-PAYMENTS</u>		<u>OFFICE VISIT CO-PAYMENTS</u>
Primary Care Physician: \$10 Specialist: \$0		Primary Care Physician: \$10 Specialist: \$10
2001	<u>PPO</u>	2002
HIP		HIP
<u>PRESCRIPTION DRUGS</u>		<u>PRESCRIPTION DRUGS</u>
Retail: \$5 Formulary; \$15 Non-formulary Mail: \$5 Formulary		In-Network: Retail: \$10 Generic; \$20 Brand; \$40 Non-formulary Out-of-Network: 70% of network cost, after deductible Mail: \$20 Generic; \$40 Brand; \$80 Non-formulary
OFFICE VISIT CO-PAYMENTS: \$15 CO-INSURANCE: 85% In-Network; 65% Out-of-Network		OFFICE VISIT CO-PAYMENTS: \$20 CO-INSURANCE: 80% In-Network; 60% Out-of-Network
HUMANA		HUMANA
<u>PRESCRIPTION DRUGS</u>		<u>PRESCRIPTION DRUGS</u>
Retail: \$7 Generic; \$15 Brand; \$30 Non-formulary Mail: \$7 Generic; \$15 Brand; \$30 Non-formulary		Retail: \$10 Generic; \$20 Brand; \$40 Non-formulary Mail: \$20 Generic; \$40 Brand; \$80 Non-formulary
OFFICE VISIT CO-PAYMENTS: \$15 CO-INSURANCE: 85% In-Network; 65% Out-of-Network		OFFICE VISIT CO-PAYMENTS: \$20 CO-INSURANCE: 80% In-Network; 60% Out-of-Network