

**RESOLUTION TO AMEND THE CITY OF RAPID CITY
HEALTHCARE BENEFIT PLAN**

WHEREAS, the City of Rapid City has been a partially self-insured group healthcare entity since September, 1984; and

WHEREAS, First Administrators, Incorporated, has been the third party administrator since July, 1992;

NOW, THEREFORE BE IT RESOLVED, effective January 1, 2004, the City of Rapid City will continue the contract with First Administrators, Incorporated, as the third party administrator of the plan; and

BE IT FURTHER RESOLVED that the City recognizes Wellmark Select as the City's new Network Provider; and

BE IT FURTHER RESOLVED that the City recognizes OHara, LLC, as the City's healthcare management provider; and

BE IT FURTHER RESOLVED that the City recognizes Systemed, LLC, a subsidiary of Medco Health Solutions, Inc., as the City's Pharmacy Plan Manager; and

BE IT FURTHER RESOLVED that the expiration date shall be effective June 30, 2004.

Dated this ____ day of November, 2003.

CITY COUNCIL

ATTEST:

Finance Officer

(Seal)

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	Western Health	First Administrators TLC Provider Network only TLC	First Administrators Wellmark Network Wellmark Network	Care West	Dakota Care fully insured fully insured	Wellmark fully insured product fully insured product
Criteria						
Total Annual Medical and Dental Fixed Costs 394 single, 174 two-party, 195 families	318,470.00	385,000.00	385,000.00	569,077.00		
Aggregate Factor						
Medical Single	373.95	398.69	398.69	354.60		
Medical Family	874.75	1,036.59	1,036.59	992.88		
Total Aggregate Point	5,641,429.00	6,550,027.00	6,550,027.00	6,058,525.00		
Premiums (per month)	self insured-City rates	self insured-City rates	self insured-City rates	self-insured-City rates		Alternate Plan 1
Single					341.79	351.76
Family					994.23	1,079.55
Employee and Spouse						720.40
Employee and Children						665.88
					\$250deductible	
					6,018,433.56	5,692,931.00
Pharmacy Benefit Manager	PERxSelect Network Express Scripts		Systemed (Medco-Merck)	Express Scripts	Express Scripts	fully insured Advanced PCS
Retail						
Cost Basis	Average Wholesale Price(AWP)	Average Wholesale Price (AWP)	Average Wholesale Price (AWP)	Average Wholesale Price (AWP)	verage Wholesale Price(AW	verage Wholesale Price (AWF
Brand	less 13% or U & C	less 12%	less 14%	less 15%	less 15%	less 13% (Urban SD)
Generic	MRA or AWP-13% or U & C	less 12%	lesser of AWP -14% of MAC (MAC is usually -58%)	same as above (MAC is usually 60%)	same as above	less 13% or MAC (Urban SD)
Dispensing fee						
Brand	\$2.50/Rx	\$2.75/Rx	\$2.00/Rx	\$1.80/Rx	\$1.80/Rx	\$2.00/Rx
Generic	\$2.50/Rx	\$4.25/Rx	\$2.00/Rx	\$1.80/Rx	\$1.80/Rx	\$2.50/Rx
ID Card	No charge (part of Med card)	No charge (part of Med card)	No charge (part of Med card)	Not quoted	Not quoted	not quoted
Other Issues						
Rebates for OPEN formulary	contractual-no explanation of to City of RC	N/A	40% retained at Medco & 60% to FA\ (of which 50% to City)	none listed	none listed	none listed
Internet Access	very broad		very broad access	dakotacare.org	dakotacare.org	wellmark
Notes:						
Participating Pharmacies	56,568	SD Pharmacies + most nationals	60,342	96% of SD pharmacies	190 in SD+ 56,000 nationwid	58,816
Other fees:						
Paper Claims fee			1.25 for paper claims submitted to Systemed	none	n/a	
Administrative Fee for retail services	\$0.38/script					
Information fees:	no charge	Fee for information to employees ree Welcome packet to inform them about the new plan.				not listed