

89-4 establishing Benefits Committee and  
Administration of Hospital and Medical  
Care for eligible City employees.

OFFICE OF THE MAYOR  
CITY OF CHICAGO

RICHARD M. DALEY  
MAYOR

EXECUTIVE ORDER 89-4

WHEREAS, the City Council of the City of Chicago has appropriated certain sums under Codes .0042 and .0043 in the Annual Appropriation Ordinance for the payment of Health Maintenance Organization premiums or cost of claims and administration for hospital and medical care provided for eligible employees of the City of Chicago and their families (hereinafter referred to as "the Medical Care Plan") and under Code .0056 for the cost of claims and administration or premiums for a coinsured dental plan (hereinafter referred to as "the Dental Care Plan"); and under Code .0057 for the cost of claims and administration or premiums for optical coverage for employees (hereinafter referred to as "the Vision Care Plan"); and

WHEREAS, on September 8, 1986, the City Council of the City of Chicago adopted a Resolution entitled "Regulations Governing the Administration of Compensation Plan and Employee Benefits for Classified Positions Set Forth in the Annual Appropriation Ordinance" (hereinafter referred to as "the Resolution"); and

WHEREAS, the Resolution is still in effect; and

WHEREAS, Sections B.8 and B.10 of the Resolution provide that the policy provisions for the Medical Care Plan and the Dental Care Plan shall be approved by the Mayor on the recommendation of the budget Director, the City Comptroller, the Commissioner of Personnel and the Chairman of the Committee on Finance; and

WHEREAS, the efficient administration of the various Plans will be promoted by clear and concise definitions of eligible employees and eligible family members; and

WHEREAS, as required by the Resolution, the recommendations of the Budget Director, the City Comptroller, the Commissioner of Personnel and the Chairman of the Committee on Finance have been received; now therefore

I, RICHARD M. DALEY, Mayor of the City of Chicago, Illinois, do hereby order as follows:

SECTION 1. The following employees are eligible to participate in the Medical Care, Dental Care and Vision Care Plans:

- A. Full-time salaried employees.
- B. Full-time employees compensated at an hourly or daily rate.
- C. Regular part-time employees scheduled to work at least 84 hours per month.
- D. Regular scheduled part-time school dentists and crossing guards.

SECTION 2. The following employees are ineligible to participate in the Medical Care, Dental Care and Vision Care Plans:

- A. Exempt seasonal employees.
- B. Emergency appointment employees.
- C. Persons paid by voucher.
- D. Library pages.
- E. Regular part-time employees scheduled to work less than 84 hours per month.

SECTION 3. Dependents of sworn members of the Police and Fire Departments whose employment places them within the bargaining units represented by Fraternal Order of Police, Illinois Lodge 7, the Coalition of Police Management Associations, or Local 2, International Association of Fire Fighters, shall be eligible to participate in the Medical Care Plan, the Dental Care Plan and the Vision Care Plan as specified in such labor agreements and/or memoranda of understanding between the City of Chicago and said associations as currently exist or may be adopted in the future.

SECTION 4. The following dependents of eligible employees (other than those employees specified in paragraph 3 hereof) are defined as eligible to participate in the Medical Care Plan:

- A. Spouse of an eligible employee, unless the spouse is also a City employee eligible to participate in the Medical Care Plan.

- B. A child of an eligible employee hired before August 1, 1984, if the child is (i) under 25 years of age; and (ii) unmarried; and (iii) not an employee of the City eligible to participate in the Medical Care Plan. For purposes of this paragraph 4.B, "child" means a natural child, adopted child or step-child.

Notwithstanding the foregoing provision of this paragraph 4.B, a child of an eligible employee shall not be eligible if a divorce decree or other valid judgment imposes upon a person other than the eligible employee or his/her spouse the responsibility to provide medical coverage for such child.

- C. A child of an eligible employee hired on or after August 1, 1984, if the child is (i) under 19 years of age; and (ii) unmarried; and (iii) not an employee of the City eligible to participate in the Medical Care Plan. For purposes of this paragraph 4.C, "child" means a natural child, adopted child or step-child.

Notwithstanding the foregoing provision of this paragraph 4.C, a child of an eligible employee shall not be eligible if a divorce decree or other valid judgment imposes upon a person

other than the eligible employee or his/her spouse the responsibility to provide medical coverage for such child.

An employee's child, as defined in this paragraph 4.C, whose eligibility to participate in the Medical Care Plan would otherwise terminate solely due to the attainment of the age of 19 shall continue to be a qualified dependent thereunder if the child is enrolled in an accredited community college, college or university as a full-time student in good academic standing, provided that written proof of the child's status is furnished to the Benefits Manager upon request. A child's extended eligibility due to academic status shall terminate in any event upon the first to occur of the child's graduation with a bachelor's (or equivalent) degree or the child's twenty-second birthday.

- D. A child for whom the eligible employee has been appointed legal guardian by a Court of competent jurisdiction, if the child also meets the requirements of paragraph 4.B and the employee was hired before August 1, 1984; or if the child meets the requirements of paragraph 4.C and the employee was hired on or after August 1, 1984.

E. A child placed with an eligible employee by a licensed adoption agency for the purpose of adoption, if the child also meets the requirements of paragraph 4.B and the employee was hired before August 1, 1984; or if the child meets the requirements of paragraph 4.C and the employee was hired on or after August 1, 1984. Such a child becomes eligible upon placement.

In the event that a divorced parent or other responsible person (other than an eligible employee) defaults in his/her obligation under the divorce decree or other court order to provide medical coverage for a child or step-child of the eligible employee, such child or step-child shall be eligible to participate in the Medical Care Plan if the eligible employee submits to the Benefits Manager an affidavit stating (1) the fact of the default; (2) the date on which the default began; (3) the efforts taken to enforce the divorce decree or other order, or facts indicating that efforts would be futile; (4) the employee's responsibility for the care of the child. If the Benefits Manager after investigation determines that the statements in the affidavit are true, the child's eligibility shall commence on the date of submitting the affidavit.

SECTION 5. The eligibility of employees (other than those specified in paragraph 3 hereof) and their eligible dependents as defined in paragraph 4 hereof to participate in the Medical Care Plan shall commence on the first day of the first month after the date of the employee's employment by the City.

SECTION 6. The following dependents of employees (other than those employees specified in paragraph 3 hereof) are eligible to participate in the Dental Care and Vision Care Plans:

- A. Spouse of an eligible employee, unless the spouse is also a City employee eligible to participate in the Dental Care and Vision Care Plans.
- B. A child of an eligible employee, if the child is (i) under 19 years of age; and (ii) unmarried; and (iii) not on active duty in any military, naval or air force of any country; and (iv) not an employee of the City eligible to participate in the Dental Care and Vision Care Plans; and (v) eligible to participate in the Medical Care Plan. For purposes of this paragraph 6.B, "child" means a natural child, adopted child or step-child.
- C. A child for whom the eligible employee has been appointed legal guardian by a Court of competent jurisdiction, if the child also meets the requirements of paragraph 6.B.
- D. A child placed with an eligible employee by a licensed adoption agency for the purpose of adoption, if the child also meets the requirements of paragraph 6.B; such a child becomes eligible upon placement.

SECTION 7. The eligibility of employees (other than those specified in paragraph 3 hereof) and their eligible dependents as defined in paragraph 6 hereof to participate in the Dental Care Plan shall commence in accordance with paragraph B.10 of the Resolution. The eligibility of employees (other than those specified in paragraph 3 hereof) and their eligible dependents as defined in paragraph 6 hereof to participate in the Vision Care Plan shall commence on the first day of the first month following one year of the employee's employment.

SECTION 8. An employee's child, as defined in paragraph 4.B or 6.B or in a labor agreement or memorandum of understanding referred to in paragraph 3 hereof, whose eligibility to participate in any Plan would otherwise terminate solely due to attainment of the limiting age for such Plan shall continue to be a qualified dependent thereunder so long as such child is incapable of self-support due to mental retardation or physical handicap and is dependent upon the employee for support and maintenance, provided that written proof of such child's incapacity is furnished to the Benefits Manager upon request.

SECTION 9. If both spouses are employees of the City and eligible in the Medical Care Plan, only one spouse may enroll their eligible dependents, if any.

SECTION 10. On January 1, 1984, the Benefits Management Office was established and the position of Benefits Manager was created to perform the following functions:



- A. Monitor and increase the efficiency and cost-effectiveness of the various benefit programs provided for City employees and their dependents.
- B. Devise and distribute forms for the enrollment of eligible employees of the City and their eligible dependents in the various Plan described herein. Such forms shall include such information, including supplemental documentation, as shall enable the Benefits Manager to determine the eligibility of an employee and his/her dependents for participation in the various Plans.
- C. Review enrollment forms and supplemental documentation, and determine the eligibility of the employee and his/her dependents.
- D. Review and determine the validity of claims presented under the various Plans.
- E. Advise employees of the City of the benefits of the various Plans and of the eligibility requirements therefor.
- F. Assist employees of the City in preparing enrollment forms and applications for benefits.
- G. Coordinate changes in enrollment during open enrollment periods designated by the Commissioner of Personnel.

H. Notify affected employees of decisions of the Benefits Committee.

I. Perform such other and related duties as may be assigned by the Budget Director.

Unless otherwise directed by this Order or by the Budget Director, the Benefits Manager may perform the duties specified herein either personally or through one or more designees.

SECTION 11. If the Benefits Manager determines that an employee and/or his/her dependents are ineligible to participate in any Plan, or that a claim is not covered, the Benefits Manager shall notify the affected employee of such determination. Such notice shall be given in writing, within 5 business days after the denial of eligibility or claim, and shall include the reasons for such denial, and a statement of the employee's right to appeal the denial to the Benefits Committee established by this Order.

SECTION 12. If an employee disagrees with the Benefits Manager's denial of eligibility of the employee and/or his/her dependents, or denial of a claim submitted by the employee or his/her dependent, the employee may appeal such denial to the Benefits Committee established by this Order. Such appeal shall be made in writing to the Benefits Committee, delivered to the Committee or postmarked no later than 10 calendar days after the

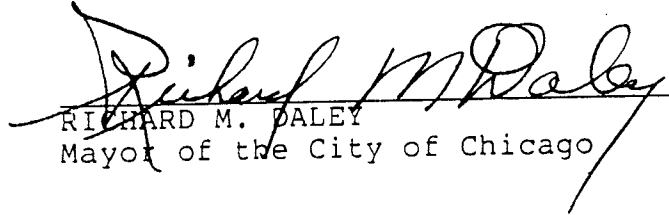
notice of denial. Such appeal shall include a brief statement of the grounds on which the employee believes the denial is erroneous.

SECTION 13. There is hereby established a Benefits Committee, which shall consist of the Budget Director, the City Comptroller, the Commissioner of Personnel, the Benefits Manager, and the Chairman of the Committee on Finance or their respective designees. The Benefits Committee shall review the performance of the various insurers, administrators and service providers involved in the various benefits programs offered to employees of the City, shall evaluate proposals for any contract for insurance, administration or services in connection with any such program, and shall advise the Mayor thereon. The Benefits Committee shall also review and decide each appeal requested under paragraph 12 of this Order, but the Benefits Manager shall take no part in deciding any such appeal. The Benefits Committee shall notify the affected employee of its decision on the appeal within 60 calendar days after receipt thereof.

SECTION 14. The Benefits Committee shall issue rules and regulations governing its procedures for the performance of its responsibilities under this Order. The rules and regulations shall provide, without limitation, for regular meetings of the Committee, the conduct of appeals requested under paragraph 12 hereof, and the maintenance of the Committee's records and

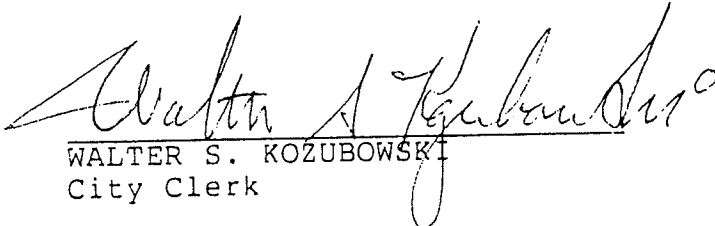
decisions. The rules and regulations shall be filed in the Municipal Reference Library. Copies shall be maintained in the Benefits Management office and in the Department of Personnel.

SECTION 15. This Order shall be filed in the Office of the City Clerk, and shall take effect upon its being filed.

  
RICHARD M. DALEY  
Mayor of the City of Chicago

DATED: April 25, 1989

Received and filed \_\_\_\_\_, 1989

  
WALTER S. KOZUBOWSKI  
City Clerk