



Legislation Text

File #: 0023-2022, Version: 1

BACKGROUND:

Funding for medical and prescription drug (Rx) insurance is necessary to insure continuation of the city's medical and Rx insurance program. Included within the medical program are COBRA and tobacco cessation services. Insurance programs must be maintained in accordance with the negotiated labor contracts. The Human Resources Department requests to contract with United Healthcare Insurance Company and to provide funding from February 1, 2022 through January 31, 2023 for this program. This ordinance represents year three of the three-year contract. The contract also provides for two (2) one (1) year renewals.

Cost estimates for 2022 are based on 2020 and 2021 benefit fund expenditures, using an average of actual city utilization, expected changes due to union negotiations, as well as input from the City's employee benefits consultant. The Human Resources Department requests to establish a contract with United Healthcare Insurance Company and to provide for funding February 1, 2022 through January 31, 2023.

Outside of the United Healthcare Insurance company contract, but included in the medical program appropriations, are the annual PCORI fees appropriations at \$65,000.

The maximum obligation liability for medical, Rx, COBRA, tobacco cessation services, and PCORI fees from February 1, 2022 through January 31, 2023 is \$208,127,000.00.

Emergency action is requested to ensure the programs for city employees and eligible terminated participants are able to commence as soon as contractually possible, thereby maintaining continuity of service.

FISCAL IMPACT: Funding is available in the 2022 Employee Benefits Fund for this contract and PCORI fees. This ordinance is contingent on the passage of the 2022 insurance appropriation ordinance 0014-2022.

To authorize the Human Resources Director to enter into a contract with United Healthcare Insurance Company and to provide all eligible employees medical, Rx and tobacco cessation programs and eligible terminated participants with COBRA coverage from February 1, 2022 through January 31, 2023; to authorize the expenditure of \$208,127,000.00 from the Employee Benefits Fund, or so much thereof as may be necessary to pay the costs of said contract and PCORI fees; and to declare an emergency. (\$208,127,000.00)

WHEREAS, it is in the best interest of the City of Columbus to enter into a contract with United Healthcare Insurance Company to provide all eligible employees medical, Rx and tobacco cessation programs and eligible terminated participants with COBRA coverage from February 1, 2022 through January 31, 2023; and

WHEREAS, it is necessary to authorize the expenditure of up to \$208,062,000.00, or so much thereof as may be necessary to pay contract costs for medical, Rx, COBRA, and tobacco cessation programs; and

WHEREAS, it is necessary to authorize the expenditure of up to \$65,000.00, or so much thereof as may be necessary to pay PCORI fees; and

WHEREAS, an emergency exists in the usual daily operations of the Department of Human Resources in that it is immediately necessary to authorize the Director to enter into contract and expend funds to ensure the medical, Rx, COBRA and tobacco cessation programs are able to commence as soon as contractually possible, thereby maintaining

continuity of service; **Now, Therefore,**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Human Resources Director is hereby authorized to enter into contract with United Healthcare Insurance Company to provide medical, Rx, COBRA and tobacco cessation programs from February 1, 2022 through January 31, 2023.

SECTION 2. That the expenditure of \$208,127,000.00 or so much thereof as may be necessary for coverage is hereby authorized to be expended as follows:

Department: 4602 | Fund: 5502 | Subfund: 550206 | Program: RM005 | Amount: \$3,900,000.00 (Medical Admin fees)

Department: 4602 | Fund: 5502 | Subfund: 550206 | Program: RM006 | Amount: \$154,065,000.00 (Medical Claims and PCORI fees)

Department: 4602 | Fund: 5502 | Subfund: 550207 | Program: RM005 | Amount: \$110,000.00 (Rx Admin fees)

Department: 4602 | Fund: 5502 | Subfund: 550207 | Program: RM006 | Amount: \$50,000,000.00 (Rx Claims)

Department: 4602 | Fund: 5502 | Subfund: 550206 | Program: RM003 | Amount: \$40,000.00 (COBRA fees)

Department: 4602 | Fund: 5502 | Subfund: 550206 | Program: RM004 | Amount: \$12,000.00 (Tobacco cessation fees)

SECTION 3. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 4. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage, if the Mayor neither approves nor vetoes the same.