



Legislation Text

File #: 2255-2011, **Version:** 1

BACKGROUND: As a result of a Request For Proposal process in accordance with Section 329.14 of the Columbus City Codes, eight prescription drug insurance bid responses were reviewed by the City's Evaluation Committee, comprised of seven members.

Each proposal was evaluated on the following criteria as required by section 329.14: competency to perform, quality and feasibility of the offerors technical proposal, ability to perform the required service competently, past performance, and the cost structure of the proposal. United Healthcare recommended as the prescription drug insurance benefits administrator. United Healthcare has provided excellent services for the City of Columbus and will not charge an administrative rate for three years. United Healthcare offers the ability to duplicate negotiated benefits.

To maintain insurance programs in accordance with the negotiated labor contracts, additional funding of the prescription drug insurance program is necessary to insure continuation of the prescription drug insurance program. Cost estimates were based on 2009-10 trust fund expenditures using a three year average of actual city utilization, expected changes due to union negotiations, as well as input from insurance carriers and from the City's employee benefits consultant. The contract is for a three-year period, subject to annual appropriation; this ordinance represents the third year.

Contract compliance number is 31-1142815

FISCAL IMPACT: To enter into contract with United Healthcare to establish the maximum obligation liability of \$28,556,948 for the prescription drug plan administration services from February 1, 2012 through January 31, 2013. Funding is available after passage of the 2012 budget, Ordinance No. 2250-2011 for this contract.

To authorize the Human Resources Director to enter into contract with United Healthcare to provide all eligible employees prescription drug insurance coverage from February 1, 2012 through January 31, 2013 and to authorize the expenditure of \$28,556,948 from the Employee Benefits Fund, or so much thereof as may be necessary to pay the costs of said contract; and to declare an emergency. (\$28,556,948.00)

WHEREAS, it is in the best interest of the City of Columbus to enter into contract with United Healthcare to provide all eligible employees prescription drug insurance from February 1, 2012 through January 31, 2013; and

WHEREAS, United Healthcare has indicated its intention to use an MBE and report the dollar amount quarterly.

WHEREAS, it is necessary to authorize the expenditure of up to \$28,556,948, or so much thereof as may be necessary to pay contract costs for prescription drug insurance services;

WHEREAS, an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary for aforementioned purpose for the preservation of the public health, peace, property, safety, and welfare;
Now, Therefore;

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

SECTION 1. That the Human Resources Director is hereby authorized to modify and extend the contract with United HealthCare Insurance Company to provide prescription drug insurance to all eligible employees from February 1, 2012 through January 31, 2013.

SECTION 2. That the expenditure of up to \$28,556,948, or so much thereof as may be necessary for coverage from the Employee Benefits Fund 502, Department of Human Resources is hereby authorized and directed. Department of Human Resources No. 46-01, OL 1 3, OL3 3363, OCA 460005, Subfund 209, \$28,556,948.

See attachment: 2012 Drug Appropriation Attachment

SECTION 3. 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.