



## Legislation Text

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**File #:** 0014-2013, **Version:** 1

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### **BACKGROUND:**

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 2011-12 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 second year.

Contract compliance number is 31-1142815

**FISCAL IMPACT:** To modify and extend the existing contract with United Healthcare to establish the maximum obligation liability of \$30,500,000 for the prescription drug plan administration services from February 1, 2013 through January 31, 2014. Funding is available in the 2013 budget for this contract.

To authorize the Human Resources Director to modify and extend the existing contract with United Healthcare to provide all eligible employees prescription drug insurance coverage from February 1, 2013 through January 31, 2014 and to authorize the expenditure of \$30,500,000.00 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. (\$30,500,000.00)

**WHEREAS**, it is in the best interest of the City of Columbus to modify and extend the existing contract with United Healthcare to provide all eligible employees prescription drug insurance from February 1, 2013 through January 31, 2014; 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 \$30,500,000, 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 existing the contract with United HealthCare Insurance Company to provide prescription drug insurance to all eligible employees from February 1, 2013 through January 31, 2014.

**SECTION 2.** That the expenditure of up to \$30,500,000, 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, \$30,500,000.

See attachment: 2013 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.