



## Legislation Text

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**File #:** 0118-2008, **Version:** 1

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**BACKGROUND:** To maintain the insurance programs in accordance with the negotiated labor contracts, it is necessary to modify and extend the existing contract with United HealthCare Insurance Company and to provide additional funding for the medical insurance program. Cost estimates were based on 2006-2007 trust fund expenditures trended on the basis of an eighteen-month of actual City utilization in conjunction with industry trends, as well as input from actuarial services and from the insurance carrier. The contract is for a three-year period, subject to annual appropriation; this ordinance represents the third renewal option.

Contract compliance number is 31-1142815

**FISCAL IMPACT:** To modify and extend the existing contract with United HealthCare Insurance Company to establish the maximum obligation liability, and to authorize the appropriation and expenditure of \$68,033,705.00 for the medical plan administration services from February 1, 2008 through January 31, 2009. The administrative rate is \$26.37 per employee per month. Funding is available in the 2008 budget for this contract. This ordinance is an emergency measure to ensure continued insurance coverage as negotiated by union contracts.

To authorize the Human Resources Director to modify and extend the contract with United HealthCare Insurance Company to provide all eligible employees medical insurance coverage from February 1, 2008 through January 31, 2009; to authorize the appropriation and expenditure of \$68,033,705.00 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. (\$68,033,705.00)

**WHEREAS,** it is in the best interest of the City of Columbus to modify and extend the existing contract with United HealthCare Insurance Company to provide all eligible employees medical insurance from February 1, 2008 through January 31, 2009; and

**WHEREAS,** United HealthCare Insurance Company has indicated its intention to use an MBE and report the dollar amount quarterly.

**WHEREAS,** it is necessary to authorize the appropriation and expenditure of up to \$68,033,705.00, or so much thereof as may be necessary to pay contract costs for medical insurance services; and

**WHEREAS,** an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary to enter into a contract and to pay the associated contract costs to avoid interruption in necessary services 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 contract with United HealthCare Insurance Company to provide medical insurance to all eligible employees from February 1, 2008 through January 31, 2009.

**SECTION 2.** That the appropriation and expenditure of up to \$68,033,705.00 or so much thereof as may be necessary for coverage from the Employee Benefits Fund, Fund 502, is hereby authorized and directed.: Department of Human Resources No. 46-01, OL1 3, OL3 3362, OCA 460007, Subfund 208, \$2,675,520.00; and Department of Human Resources No. 46-01, OL1 3, OL3 3363, OCA 460004, Subfund 208, \$65,358,185.00.

See attachment: 0118-2008

**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