



Legislation Text

File #: 2035-2008, Version: 1

BACKGROUND:

As a result of a Request For Proposal process in accordance with Section 329.14 of the Columbus City Codes, five medical insurance bid responses were reviewed by the City's Evaluation Committee, comprised of five 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 Insurance Company is recommended as the medical benefits administrator. United Healthcare Insurance Company has provided excellent services for the City of Columbus and, a guaranteed three year administrative rate. The medical benefits administrative rate of \$24.28 per employee per month is effective April 1, 2009 until January 31, 2010, renewable annually with a two year renewal option. United Healthcare Insurance Company offers the ability to duplicate negotiated benefits.

To maintain insurance programs in accordance with the negotiated labor contracts, additional funding of the medical insurance program is necessary to insure continuation of the medical insurance program. Cost estimates were based on 2007-2008 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.

Contract compliance number is 31-1142815

FISCAL IMPACT: To enter into contract with United HealthCare Insurance Company to establish the maximum obligation liability of \$52,964,848.00 for the medical plan administration services from April 1, 2009 through January 31, 2010. Funding is available in the 2009 budget for this contract.

To authorize the Human Resources Director to enter into contract with United HealthCare Insurance Company to provide all eligible employees medical insurance coverage from April 1, 2009 through January 31, 2010 and to authorize the expenditure of \$52,964,848.00 from the Employee Benefits Fund, or so much thereof as may be necessary to pay the costs of said contract. (\$52,964,848.00)

WHEREAS, it is in the best interest of the City of Columbus to enter into contract with United HealthCare Insurance Company to provide all eligible employees medical insurance from April 1, 2009 through January 31, 2010; 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 expenditure of up to \$52,964,848.00, or so much thereof as may be necessary to pay contract costs for medical insurance services;

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 insurance to all eligible employees from April 1, 2009 through January 31, 2010.

SECTION 2. That the expenditure of up to \$52,964,848.00, 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, OL1 3, OL3 3362, OCA 460007, Subfund 208, Amount \$2,042,880.00; and Department of Human Resources No. 46-01, OL 1 3, OL3 3363, OCA 460004, Subfund 208, \$52,921,968.00.

See attachment: 2009 Medical Appropriation Attachment

SECTION 3. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.