



Legislation Text

File #: 0019-2005, Version: 1

BACKGROUND: The City of Columbus currently contracts with United Health Care Services, Inc. (UHC) (Medco) for employee prescription drug benefits through January 31, 2005. Recently, the Human Resources Department entered into discussions with UHC about alternate financing; whereby the City would receive prescription drug rebates. The prescription drug monthly administrative fee would be maintained at the \$.69 per employee per month rate. Based upon current utilization and administrative fees, the City and Mercer HR Consulting, the City's benefit consultant, expect the proposed arrangement to be more cost effective. The projected implementation date is February 1, 2005. The Human Resources Department solicited a one-year contract extension, February 1, 2005 through January 31, 2006, for UHC prescription drug. UHC has agreed to extend the respective contract at the aforementioned prescription drug contract terms. The contract is for one year; subject to annual appropriation.

Contract compliance number is 31-1142815

FISCAL IMPACT: To modify the existing prescription drug contract with UHC to allow the City to receive guaranteed prescription drug rebates and to maintain the monthly prescription drug administrative fee to \$.69 per employee per month, to authorize the expenditure of \$14,905,475.00 from the Employee Benefits Fund; and to authorize a one-year contract extension on prescription drug contract from February 1, 2005 through January 31, 2006, funding is available in the 2005 budget for this contract, or so much thereof as may be necessary to pay the costs of said contract; and to declare an emergency. (\$14,905,475

To authorize the Human Resources Director to modify the current contract with UHC to allow the City to receive guaranteed prescription drug rebates; and to maintain the monthly prescription drug administrative fee to \$.69 per employee per month from February 1, 2005 through January 31, 2006; to authorize the extension of the prescription drug employee insurance contracts, to waive the competitive bidding requirements of the Columbus City Code; and to authorize the expenditure of \$14,905,475. from the Employee Benefits Insurance Fund, or so much thereof as may be necessary to pay the costs of said contract; and to declare an emergency. (\$14,905,475.)

WHEREAS, it is in the best interest of the City of Columbus modify and extend the contract with United Health Care Services, Inc. (Medco), to provide all eligible employees prescription drug insurance from February 1, 2005 through January 31, 2006; and

WHEREAS, it is in the best interest of the City of Columbus to waive competitive bidding as indicated in the City of Columbus Code, provision Chapter 329.27, and

WHEREAS, it is necessary to authorize the expenditure of up to \$14,905,475.00 or so much thereof as may be necessary to pay contract costs for prescription drug services; and

WHEREAS, an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary to modify and extend the contract and to pay the associated contract costs for the City's employee insurance programs to ensure continued employee insurance coverage thereby preserving the public peace, property, health, safety and welfare;

Now, Therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS, OHIO

SECTION 1. That the Human Resources Director is hereby authorized to modify and extend the contract with United Health Care Services, Inc. (Medco) to provide prescription drug insurance to all eligible employees from February 1, 2005 through January 31, 2006.

SECTION 2. That the expenditure of up to \$14,905,475.00 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.

See Attachment ORD0019-2005

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.