



## Legislation Text

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**File #: 3082-2016, Version: 1**

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### **BACKGROUND:**

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. The Human Resources Department requests to modify and extend the existing contract with United Healthcare Insurance Company and to provide for funding February 1, 2017 through January 31, 2018, for the City medical insurance program.

Cost estimates were based on 2015-16 trust fund expenditures using a two 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.

Emergency action is requested to ensure the medical insurance program for city employees is able to commence as soon as contractually possible, thereby maintaining continuity of service.

Contract compliance number is 31-1142815

**FISCAL IMPACT:** To modify and extend the contract with United Healthcare Insurance Company to establish the maximum obligation liability of \$133,747,834 for the medical plan administration services from February 1, 2017 through January 31, 2018. Funding is available in the 2017 budget for this contract. Contingent on the passage of ordinance 3081-2016.

To authorize the Human Resources Director to modify and extend the contract with United HealthCare Insurance Company and to provide all eligible employees medical insurance coverage from February 1, 2017 through January 31, 2018 and to authorize the expenditure of \$133,747,834.00 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. (\$133,747,834.00)

**WHEREAS,** it is in the best interest of the City of Columbus to modify and extend the contract with United HealthCare Insurance Company to provide all eligible employees medical insurance from February 1, 2017 through January 31, 2018; and

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

**WHEREAS,** it is necessary to authorize the expenditure of up to \$133,747,834, 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 operations of the Department of Human Resources in that it is immediately necessary to authorize the Director to modify and extend the contract and expend funds to ensure the insurance program for city employees is able to commence as soon as contractually possible, thereby maintaining continuity of service;

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 medical insurance to all eligible employees from February 1, 2017 through January 31, 2018.

**SECTION 2.** That the expenditure of \$133,747,834 or so much thereof as may be necessary for coverage is hereby authorized to be expended as follows:

Department: 4602 | Fund: 5502 | Subfund: 550206 | Program: RM005 | Amount: \$4,100,000

Department: 4602 | Fund: 5502 | Subfund: 550206 | Program: RM006 | Amount: \$129,647,834

**SECTION 3.** That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

**SECTION 4.** 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.