



Legislation Text

File #: 3087-2016, Version: 1

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. The Human Resources Department requests to modify and extend the existing contract with Optum RX (formerly Catamaran) and to provide for funding February 1, 2017 through January 31, 2018, for the City prescription drug 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 prescription drug insurance program for city employees is able to commence as soon as contractually possible, thereby maintaining continuity of service.

Contract compliance number is 75-2578509

FISCAL IMPACT: To modify and extend the contract with Optum RX to establish the maximum obligation liability of \$47,650,000 for the prescription drug 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 Optum RX to provide all eligible employees prescription drug insurance coverage from February 1, 2017 through January 31, 2018 and to authorize the expenditure of \$47,650,000.00 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. (\$47,650,000.00)

WHEREAS, it is in the best interest of the City of Columbus to modify and extend the existing contract with Optum RX to provide all eligible employees prescription drug insurance from February 1, 2017 through January 31, 2018; and

WHEREAS, it is necessary to authorize the expenditure of up to \$47,650,000, or so much thereof as may be necessary, to pay contract costs for prescription drug insurance services; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Human Resources in that it is immediately necessary to authorize the Director to modify and extend the contract to ensure the prescription drug 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 existing contract with Optum RX to provide prescription drug insurance to all eligible employees from February 1, 2017 through January 31, 2018.

SECTION 2. That the expenditure of \$47,650,000 or so much thereof as may be necessary for coverage is hereby authorized to be expended as follows:

Department: 4602 | Fund: 5502 | Subfund: 550207 | Program: RM005 | Amount: \$150,000

Department: 4602 | Fund: 5502 | Subfund: 550207 | Program: RM006 | Amount: \$47,500,000

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.