



Legislation Text

File #: 2846-2019, **Version:** 1

BACKGROUND:

The Human Resources Department requests to modify and increase the existing contract with AON Consulting Inc., the employee benefits consulting services vendor. The most recent modification, legislated via Ord. 2741-2019, authorized a one month extension to allow the consultant firm sufficient time to project the most accurate insurance rates.

This modification provides funding to complete two new projects related to the City's health care plans. The first project is a pre-implementation audit to be done prior to the beginning of the City's new medical and prescription drug contract with United Health Care. The pre-implementation audit will cost \$30,000 and will verify that United Health Care sets up the PBM correctly for the upcoming new contract period which begins February 1, 2020.

The second project is a claims audit for 2018 design plan changes. The claims audit will cost \$35,000 and will audit 2018 United Health Care claims to ensure all claims were processed accurately and in accordance with the provisions of the City's medical plan and service contract.

These two new projects are now being undertaken as part of the department's effort to standardize the audit process of our healthcare vendors and to ensure look backs at claim management become part of the city's standard operating procedure. Both processes are industry standard. The competitive bid process would not have been conducive to completing these projects accurately and in a timely manner. This firm brings a wealth of institutional knowledge and experience working with the department on matters relating to the city's healthcare vendors.

This modification also authorizes appropriation and funding for these two projects

FISCAL IMPACT:

To modify and increase the contract with Aon Consulting Inc., to establish the maximum obligation liability, and to authorize the additional appropriation and expenditure of \$65,000.00 for a healthcare pre-implementation audit and a claims audit. The total obligation under the original contract and all modifications is \$941,666.67. Funding is available within the Employee Benefits Fund, medical subfund, for this contract modification.

Emergency Action: Emergency action is being requested to allow the employee benefits consultant to begin work on the healthcare pre-implementation audit and the 2018 claims audit.

To authorize the Human Resources Director to modify and increase the existing contract with AON Consulting Inc., to provide additional employee benefit consulting services, specifically a healthcare pre-implementation audit and a claims audit; and to authorize the appropriation and expenditure of an additional \$65,000.00 from the Employee Benefits Fund, medical subfund, or so much thereof as may be necessary to pay the costs of said contract; and to declare an emergency. (\$65,000.00)

WHEREAS, it is in the best interest of the City of Columbus to modify and increase the existing contract with AON Consulting Inc. to provide funding for additional contract costs associated with a healthcare pre-implementation audit and a 2018 claims audit; and

WHEREAS, it is necessary to authorize the additional appropriation and expenditure of up to \$65,000.00 for these two projects; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Human Resources in that it is immediately necessary to modify and increase the existing contract with AON Consulting Inc. and authorize additional appropriation and expenditure authority to pay the additional contract costs associated with a healthcare pre-implementation audit and a 2018 claims audit, thereby preserving the public health, peace, property, safety and welfare; and

WHEREAS, no other changes are being made to the contract; **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 increase the existing contract with AON Consulting Inc., to provide additional employee benefit consulting services for a health care pre-implementation audit and 2018 claims audit.

SECTION 2. That from the unappropriated monies in and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the 12 months ending February 29, 2020, the sum of \$65,000.00 is appropriated from and within the Employee Benefits Fund 5502, Department of Human Resources, in object class 03 purchased services, per the account codes in the attachment to this ordinance.

SECTION 3. That the expenditure of \$65,000.00, or so much thereof as may be necessary, is hereby authorized from and within the Employee Benefits Fund 5502, in object class 03 purchased services per the accounting codes in the attachment of this ordinance.

SECTION 4. 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 5. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby 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 or vetoes the same.