



Legislation Text

File #: 09-1221, **Version:** 1

Resolution to Approve the Contract with Express Scripts, Inc. to Provide Prescription Drug Coverage to City Employees and their Eligible Dependents, and Retirees and their Eligible Dependents
The attached Resolution authorizes the City Administrator to execute a three-year contract for prescription drug benefit services with Express Scripts, Inc. a Pharmacy Benefit Manager. Employees, through their labor agreements or in accordance with the City's employee benefit program, have the availability of prescription drug benefit coverage. The health care plan is a self-funded program, and requires the City to pay for the actual cost of prescription drug claims.

The total costs for the program will fluctuate monthly depending both on the number of employees and retirees enrolled in the program during any given month, and the amount of incurred claims actually paid during any given month.

The administrative costs will total \$1,109,402.00 over the life of the three (3) year contract. This represents a savings of \$119,930.00 or 9.8% over previous pricing.

The contract is effective January 1, 2010.

Express Script, Inc. received Human Rights approval on April 29, 2009.

The above referenced cost projections are in accordance with the approved Fiscal Year 2009 - 2010 budget, barring any unforeseen circumstances.

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Reviewed By: Robyn S. Wilkerson, Director of Human Resources and Labor Relations

Approved By: Roger W. Fraser, City Administrator

Whereas, The City provides prescription drug coverage to City employees, their eligible dependents, and retirees and their eligible dependents, in accordance with the employee benefits program and various labor contracts at an estimated annual cost of approximately \$4,686,833.00;

Whereas, The City will require maintenance prescription drugs be purchased by employees and retirees through a mail order program whenever possible in order to provide the benefit in the most cost efficient manner both to the City and its employees and retirees;

Whereas, The City desires to utilize the services of Express Scripts, Inc. to manage the prescription drug program;

Whereas, The City will save an estimated 9.8% over previous pricing of its prescription drug costs by implementing such a feature;

Whereas, Human Resources Services recommends implementation of this three-year contract;

Whereas, Funds have been appropriated in the Fiscal Year 2009 - 2010 budget to cover projected

costs associated with the provision of prescription drugs; and

Whereas, Express Scripts, Inc. received Human Rights approval on April 29, 2009;

RESOLVED, That City Council approve implementation of the contract for the period January 1, 2010 to December 31, 2012, with Express Scripts, Inc. to provide prescription drug coverage to City employees and their eligible dependents, and, retirees and their eligible dependents, and

RESOLVED, That the City Administrator be authorized and directed to execute the necessary contract documentation after approval as to form by the City Attorney and take any further necessary administrative actions to implement this resolution.