



Legislation Text

File #: 19-0442, **Version:** 2

Resolution to Approve an Amendment to the Pharmacy Benefit Management Agreement with Express Scripts Inc.

The attached Resolution authorizes the City Administrator to execute the attached amendment to the City's Agreement with Express Scripts, Inc. ("Express Scripts") for Pharmacy Benefit Management Services. Express Scripts will continue to provide pharmacy benefit management service, including administrative claims processing services for the City's health plan for the period of January 1, 2019 through December 31, 2019.

Budget/Fiscal Impact: The City's agreement with Express Scripts is on a calendar basis. Cost projections for the Amendment were budgeted in the FY2019 and FY2020 budgets. The estimated annual cost for the calendar year of this employee benefit is \$8,324,975.00 for 2019. Express Scripts' fees remain the same as they were under the 2018 Amendment to the ESI Agreement (Legistar File No. 18-1639) but the attached 2019 Amendment allows prescription rebates to be enhanced slightly in the City's favor for 2019. The overall 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 Express Scripts Network, or its equivalent, is provided for under current labor agreements and our employee benefits program. This contract continues services now in effect.

...Staff

Prepared by: Jessica Hull, Employee Benefits Supervisor

Reviewed by: Robyn Wilkerson, HR and Labor Relations Director

Approved by: Howard S. Lazarus, City Administrator

...Body

Whereas, The City provides pharmacy benefits 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 \$8,324,975.00 for 2019, which is in line with current pharmacy trends;

Whereas, The City's Agreement with Express Scripts, Inc. ("Express Scripts") for Pharmacy Benefit Management Services ("ESI Agreement") renewed on January 1, 2019 pursuant to the 2018 Amendment, which was approved by Council on October 1, 2018 (Legistar File No. 18-1639);

Whereas, The City Council previously approved the expenditure of \$8,324,975.00, plus a ten percent contingency (Legistar File No. 18-1639), to fund such renewal through the end of 2019;

Whereas, Human Resources Services recommends the attached 2019 Amendment of the ESI Agreement to obtain more favorable rebate rates ("Contract Amendment");

Whereas, Funds were appropriated in the FY2019 and FY2020 budgets to cover costs associated with this ESI Agreement, as amended, and related pharmacy benefit program; and

Whereas, Express Scripts Inc. complies with the requirements of the City Non-discrimination and Living Wage Ordinances;

RESOLVED, That City Council approve the Contract Amendment for the period January 1, 2019 to December 31, 2019, to provide pharmacy benefits to City employees, their eligible dependents, retirees, and their eligible dependent, with improved rebates;

RESOLVED, That the Mayor and City Clerk be authorized to sign the Amendment after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized and directed to execute the necessary contract documentation, including any amendments that do not increase the enrollee base fee, after approval as to form by the City Attorney, and that the City Administrator be authorized to take any further necessary administrative actions to implement this resolution.