



Legislation Text

File #: 140073, **Version:** 1

140073 SUBSTITUTE 1

THE CHAIR

Substitute resolution authorizing the Department of Employee Relations to provide prescription benefit manager services through a third-party vendor for 2015 and 2016, with an option to extend for 2017.

This resolution approves the selection of OptumRx as a provider of third-party manager services for the City's prescription drug benefits, and directs the Department of Employee Relations to negotiate a contract with OptumRx for the provision of these services from January 1, 2015 through December 31, 2017.

The resolution also authorizes the Department of Employee Relations to execute the contract with OptumRx, provided that the contract terms are substantially similar to the proposal from OptumRx and approved by the City Attorney.

Whereas, The City of Milwaukee provides health and prescription drug benefits to active and retired members; and

Whereas, The City participated in a joint request-for-proposal process with Milwaukee County, Milwaukee Public Schools, and Milwaukee County Transit System through Willis of Wisconsin, the consultant for each governmental body to leverage the collective strength of the 4 public-sector employers; and

Whereas, This joint RFP process included contact with 15 vendors, of which 8 responded, and

Whereas, Willis of Wisconsin reviewed the bids with the 4 governmental bodies; and

Whereas, Willis and the 4 governmental bodies interviewed the top 3 vendors; and

Whereas, The financial terms of the OptumRx proposal and the clinical coordination of the OptumRx proposal are advantageous to the City of Milwaukee; and

Whereas, The other 3 governmental bodies will be making their own decisions regarding their prescription benefit managers through their governing bodies on their own time frames in the future, and if the other 3 governmental units agree to terms with OptumRx, there would be additional group discounts awarded to each employer above the current favorable terms; and

Whereas, OptumRx is owned by UnitedHealthcare, the City's current health plan administrator, which will allow better case-and-disease management services to City members; and

Whereas, It is the desire of the City to enter into a 2-year contract - 2015-2016 - with

OptumRx, with the option of extending for 2017; and

Whereas, It is important that the contract terms with OptumRx are consistent with its proposal and are reviewed by the City Attorney prior to approval; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, the selection of OptumRx as a provider of third-party manager services for the City's prescription drug benefits is approved; and, be it

Further Resolved, That the Department of Employee Relations is directed to negotiate a contract with OptumRx for provision of these services from January 1, 2015 through December 31, 2017; and, be it

Further Resolved, That the Department of Employee Relations is authorized to execute the contract with OptumRx, provided that the contract terms are substantially similar to the proposal from OptumRx and approved by the City Attorney.

Department of Employee Relations
LRB152836-2
Teodros W. Medhin
7/14/2014