

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR
RESOLUTION ADOPTED BY CITY COUNCIL**

AN ORDINANCE

AUTHORIZING AN AMENDMENT TO THE EXISTING CONTRACT WITH UNITED HEALTHCARE INSURANCE COMPANY, THE CITY'S THIRD PARTY ADMINISTRATOR FOR THE CITY'S SELF-FUNDED MEDICAL PLANS, TO EXTEND THE TERM OF THE CONTRACT FOR ONE ADDITIONAL YEAR, THROUGH PLAN YEAR 2016; AND AMENDING THE FEE TERMS FOR PLAN YEAR 2016 TO DECREASE THE ADMINISTRATIVE FEES.

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WHEREAS, the City's Employee Benefits program provides covered employees and retirees with medical, prescription and flexible spending claim and reduced health care costs resulting from contracted provider discounts, utilization review, large case management, wellness programs and disease management, which services include third party administration ("TPA"), Flexible Spending Account ("FSA") Administration, Preferred Provider Organization ("PPO"), and Total Health Management and Prescription Benefit Management (PBM) services; and

WHEREAS, the contract provides medical third party administration for the City's self-funded medical plans, flexible spending account administration, preferred provider organization, total health management and prescription benefit management services; and

WHEREAS, the contract term expires December 31, 2015; and

WHEREAS, the parties wish to amend the contract term to extend for an additional one-year period, beginning January 1, 2016 and ending December 31, 2016; and

WHEREAS, the parties also wish to amend the contract to provide for amended fee terms for Plan Year 2016 to decrease the administrative fees to the City; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City's contract with United HealthCare Insurance Company is hereby amended to extend the contract for a one year period, from January 1, 2016 through December 31, 2016, and to amend certain fee terms, as set forth in Attachment 1. The City Manager, or her designee, is authorized to execute the Extension and Amendment, attached hereto and incorporated herein as Attachment 1.

SECTION 2. Funding in the amount of \$3,579,156.00 is budgeted for this contract in fund 75002000, Cost Center 1002010025, and General Ledger 5201040, as part of the Fiscal Year 2015 Budget.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager or the City Manager’s designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. This ordinance is effective immediately upon passage by eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this _____ day of _____, 2015.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Martha G. Sepeda, Acting City Attorney