

June 17, 2015

WHEREAS, on October 13, 2004, City Council authorized the adoption of the 2005 Employee and Retiree Health Benefit Plans by Resolution No. 04-2985; and,

WHEREAS, on October 12, 2005, City Council authorized (1) termination of the contract with Humana Insurance Company for claims processing administration, Preferred Provider Organization network access, utilization review, large-case management, 24-hour nurse line service, prescription drug services, COBRA and Flexible Spending Account administration, effective December 31, 2005, and (2) a forty-eight-month contract, with two twelve-month renewal options, for claims processing administration, Preferred Provider Organization network access, utilization review, large-case management, 24-hour nurse line service, prescription drug services, COBRA and Flexible Spending Account administration by Resolution No. 05-2962; and,

WHEREAS, on December 14, 2005, City Council authorized the adoption of the 2006 Employee and Retiree Health Benefit Plans by Resolution No. 05-3545; and,

WHEREAS, on September 27, 2006, City Council authorized (1) termination of the contract with Blue Cross Blue Shield of Texas, previously approved on September 10, 2003, by Resolution No. 03-2578, which offers the fully-insured Health Maintenance Organization (HMO) plan for active employees, retirees and their eligible dependents, effective December 31, 2006; (2) an amendment to the contract with UnitedHealthcare Insurance Company to offer a self-insured Exclusive Provider Organization for active employees, eligible retirees and their eligible dependents to replace the fully-insured HMO plan; and (3) an amendment to the contract with UnitedHealthcare Insurance Company to offer fully-insured Medicare Advantage HMO, AARP Medicare Supplement and enhanced Medicare "Part D" prescription drug plans to Medicare eligible (Part A & B) retirees and their eligible spouses for the period January 1, 2007 through December 31, 2009, by Resolution No. 06-2641; and,

WHEREAS, on September 27, 2006, City Council authorized the adoption of the 2007 Employee and Retiree Health Benefit Plans by Resolution No. 06-2640; and,

WHEREAS, on September 26, 2007, City Council authorized the adoption of the 2008 Employee and Retiree Health Benefit Plans by Resolution No. 07-3828; and,

WHEREAS, on September 24, 2008, City Council authorized the adoption of the 2009 Employee and Retiree Health Benefit Plans by Resolution No. 08-2620; and,

WHEREAS, on October, 14, 2009, City Council authorized (1) approval of the UnitedHealthcare restatement contract document which authorized a one-year renewal option allowing UnitedHealthcare to continue services as the Third Party Administrator for the period January 1, 2010 through December 31, 2010, including all state and federal legal requirements in an amount not to exceed \$3,500,000; and (2) approval of the proposed health coverage premium rates - Total cost is based on the number of employee/retiree participants in the plan by Resolution No. 09-2566; and,

WHEREAS, on June 23, 2010, City Council authorized (1) a one-year renewal option to the contact with UnitedHealthcare of Texas, Inc. to continue to serve as the Third Party Administrator for employee and retiree health benefits for the period January 1, 2011 through December 31, 2011 in an amount not to exceed \$3,737,454, from \$17,162,546 to \$20,900,000; and (2) a change in Pharmacy Benefits Managers from Medco to Prescription Solutions effective October 1, 2010 through December 31, 2011, by Resolution No. 10-1690; and,

WHEREAS, on June 15, 2011, Resolution No. 11-1635 authorized a three-year service contract with UnitedHealthcare of Texas, Inc., with two one-year renewal options, for the period January 1, 2012 through December 31, 2014, in the amount of \$18,919,918.07; and,

WHEREAS, on August 27, 2014, City Council authorized a one-year extension of the three-year service contract with UnitedHealthcare Services, Inc. to continue to serve as the Third Party Administrator for employee and retiree health benefits for the period January 1, 2015 through December 31, 2015, not to exceed \$6,306,640, from \$18,919,919 to \$25,226,559, by Resolution No. 14-1377; and,

WHEREAS, it is now desirable to authorize the second one-year renewal option to the service contract with UnitedHealthcare Services, Inc. for the period January 1, 2016 through December 31, 2016 for: (1) Medicare Third - Party Administration services; (2) fully insured Medicare Advantage HMO, AARP Medicare Supplement, and enhanced Medicare "Part D" prescription drug plans for Medicare eligible retirees and their eligible spouses; (3) fully insured vision and dental plans; and (4) a Diabetes Prevention and Control Alliance Program in an amount not to exceed \$6,906,640 (subject to appropriations).

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. The City Manager is authorized to execute the second one-year extension to the service contract with UnitedHealthcare Service Inc., for the period January 1, 2016 through December 31, 2016, upon approval as to form by the City Attorney, with UnitedHealthcare Services, Inc. (VS0000061054) in the amount not to exceed \$6,906,640 for Medical Third-Party Administration services, fully-insured Medicare Advantage HMO, AARP Medicare Supplement, and enhanced Medicare "Part D" prescription drug plans for Medicare eligible retirees and their eligible spouses and fully-insured vision and dental plans.

Section 2. Third-Party Administration fees to be paid from Employee Benefits Current Funds (\$6,906,640); Medicare Plans to be paid from Employee Benefits Current Funds (in accordance with the retiree contribution rates approved annually by the City Council and subject to appropriations) based on utilization; and fully-insured vision and dental plans to be paid by employee/retiree payroll deductions. That the Chief Financial Officer is authorized to disburse funds in an amount not to exceed \$6,906,640, from Employee Benefits Current Fund: 0260; Dept.: PER; Unit: 7906; Obj.: 3071; Amount: \$6,906,640 (subject to appropriations).

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

APPROVED BY
CITY COUNCIL

JUN 17 2015


City Secretary