

AN ORDINANCE **2010-09-16-0810**

**APPROVING AN AMENDMENT TO THE THIRD PARTY
ADMINISTRATION CONTRACT WITH UNITED HEALTHCARE
TO REDUCE THE CONTRACTED ADMINISTRATIVE FEES.**

* * * *

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), 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 ends December 31, 2011 and contains two (2) one (1) year extensions; and

WHEREAS, the parties have agreed to amend the contract to provide for reduced administration fees; and

WHEREAS, the amended administrative fee reduction is estimated to provide a savings of \$258,437.00 through 2012; **NOW THEREFORE:**

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

SECTION 1. The City Manager or her designee is hereby authorized to execute an Amendment to the contract with United HealthCare Insurance Company to reduce the administrative fee, as set forth in Attachment I. The terms of the Amendment are hereby approved.

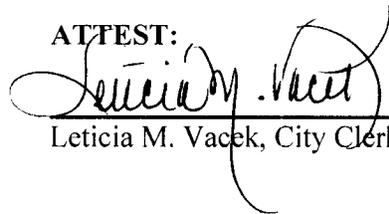
SECTION 2. Funds are budgeted for this contract in fund 75002000, Employee Benefits, Cost Center 1002010025, Employee Benefits – Third Party Administrator, and General Ledger 5201040, Fees to Professional Contracts.

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.

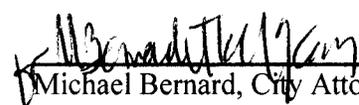
SECTION 4. This ordinance shall take effect immediately if passed and approved by 8 affirmative votes; otherwise, this Ordinance shall take effect 10 days from the date of passage.

PASSED AND APPROVED this 16TH day of September, 2010.

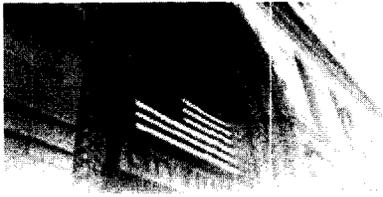

M A Y O R
Julián Castro

ATTEST:


Leticia M. Vacek, City Clerk

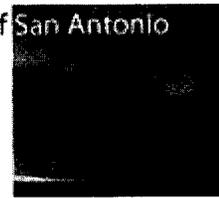
APPROVED AS TO FORM:


Michael Bernard, City Attorney



Request for
**COUNCIL
ACTION**

City of San Antonio



Agenda Voting Results - 23

Name:	9, 10, 11, 12, 13, 16, 17, 19, 20, 21A, 21B, 21C, 23						
Date:	09/16/2010						
Time:	11:21:03 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing an amendment to reduce the contracted administrative fees contained in the United Healthcare Insurance Company agreement, which 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. [A.J. Rodriguez, Deputy City Manager; Elizabeth Braune, Director, Human Resources]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Mary Alice P. Cisneros	District 1		x				x
Ivy R. Taylor	District 2		x				
Jennifer V. Ramos	District 3		x			x	
Philip A. Cortez	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				
Justin Rodriguez	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				
John G. Clamp	District 10		x				

AMENDMENT OF PROFESSIONAL SERVICES CONTRACT

This Amendment of the Professional Services Contract with United Healthcare Insurance Company (hereinafter referred to as "VENDOR") to provide third party administrator services to the City of San Antonio (hereinafter referred to as "CITY"), is as follows:

WHEREAS, through Ordinance No. 2007-10-04-1043, passed and approved on October 4, 2007, City Council authorized the execution of the medical third party administration contract (hereinafter the "Contract"), with VENDOR; and

WHEREAS, said Contract provides that VENDOR shall provide medical third party administration, prescription drug benefit management, total health management, preferred provider organization and flexible spending account for its employee/retiree plan participants and their dependents; and

WHEREAS, CITY and VENDOR want to amend said Contract to reflect the following administrative fee changes; **NOW THEREFORE:**

I. Amendment

	10/2010-12/2010	1/2011-9/2011	10/2011-12/2011	2012
PHS/DMgmt Fee Reduction	\$1.36	\$1.48	\$1.48	\$1.52
RX rebate additional credit	\$.65	\$.65	\$.65	\$.65
Revised UHC Fees	\$28.56	\$29.34	\$29.34	\$30.22

II.

All other terms, conditions, covenants and provisions of the Contract approved through Ordinance No. 2007-10-04-1043, not specifically provided for herein shall remain in full force and effect for the term.

Executed and Agreed to this the _____ day of _____ 2010.

CITY OF SAN ANTONIO

UNITED HEALTHCARE

By: _____
Sheryl Sculley
City Manager

By: 
Thomas J. Quirk
CEO United HealthCare of Texas