CITY OF OCALA CITY COUNCIL REPORT

Subject: Agreement for Pharmaceutical Products

Submitted By: Jared Sorensen

Department: Human Resources & Risk

STAFF RECOMMENDATION (Motion Ready): Approve Agenda Item (ID # 10369) three year agreement with ElectRx and Health Solutions LLC to provide certain pharmaceutical products for members enrolled in the City's health insurance plan for an estimated amount of \$96,000

Council Meeting Date: 01/17/17

OCALA'S RELEVANT STRATEGIC GOALS: Fiscally Sustainable

PROOF OF PUBLICATION: N/A

BACKGROUND:

The City has been incurring increased cost escalations for pharmaceutical products. ElectRx and Health Solutions, LLC., provide certain brand-name and generic prescription products from both the United States and international mail order pharmacies at a lower cost.

FINDINGS AND CONCLUSIONS:

The proposed agreement is for a three-year term commencing on January 1, 2017 and terminating on December 31, 2019. Employees and retirees enrolled in the City's health plan will be able to purchase certain brand name drugs at a lower co-pay. This is completely voluntary and will not replace the City's current mail order with Florida Blue. By allowing this additional option, it will help reduce the plan costs for pharmacy.

Staff recommends approval of the agreement with ElectRX and Health Solutions, LLC.

FISCAL IMPACT:

\$96,000 for the three-year term is budgeted in the City's Health Insurance Claims Fund

PROCUREMENT REVIEW:

The agreement has been reviewed and approved for compliance with the City's procurement policies.

LEGAL REVIEW: The agreement has been reviewed and approved for form and legality by the City Attorney, Patrick G. Gilligan.

ALTERNATIVE:

Not offer this option.

SUPPORT MATERIALS:

ElectRx Memorandum of Understanding (PDF)