



Legislation Details (With Text)

File #: 2026-0061
Type: Agenda Item **Status:** Passed
File created: 10/7/2025 **In control:** City Council
On agenda: 10/21/2025 **Final action:** 10/21/2025
Title: Additional expenditures under the contract with ElectRx and Health Solutions, LLC to fund continued prescription benefit services for City employees through the end of the current contract term in the amount of \$75,000

Sponsors:

Code sections:

Attachments: 1. 8-15-2023 Council Approval.pdf, 2. 6-6-2017 Agenda Item.pdf, 3. Contract RSK 16-012.pdf, 4. 1-17-2017 Agenda Item.pdf, 5. RSK 16-012.pdf, 6. EXECUTED CITY COUNCIL RSK-16-012 2nd Amendment Electrx and Health Solutions, LLC.pdf, 7. EXECUTED CONTRACT - Third Amendment - Renewal - ElectRX and Health Solutions LLC (RSK 16-012).pdf, 8. EXECUTED CONTRACT - Fourth Amendment to MOU - ElectRx and Health Solutions, LLC (RSK 16-012).pdf

Date	Ver.	Action By	Action	Result
10/21/2025	1	City Council	Approved	Pass

Submitted By: Todd Swanson

Presentation By: Todd Swanson

Department: Human Resources and Risk Management

STAFF RECOMMENDATION (Motion Ready):

Additional expenditures under the contract with ElectRx and Health Solutions, LLC to fund continued prescription benefit services for City employees through the end of the current contract term in the amount of \$75,000

OCALA'S RELEVANT STRATEGIC GOALS:

Fiscally Sustainable

PROOF OF PUBLICATION

N/A

BACKGROUND:

On November 21, 2016, the City of Ocala entered into a Memorandum of Understanding (MOU) with ElectRx and Health Solutions, LLC, for the provision of a voluntary international and specialty mail-order pharmacy program to allow eligible employees and dependents access to maintenance and specialty medications at substantially reduced costs.

Contract History and Amendments:

- Original MOU (2016): Approved November 21, 2016, establishing the City's participation in the ElectRx program for a two-year term beginning January 1, 2017, and authorizing an initial expenditure of \$96,000.
- First Amendment (June 6, 2017): Added coverage for specialty drugs and expanded pool of eligible participants, increasing authorized funding by \$220,000 for a revised total of \$316,000 [6-6-2017 Agenda Item L10-L25].
- Second Amendment (March 17, 2020): Extended the agreement through December 31, 2022, and allowed future two-year renewals upon mutual consent.
- Third Amendment (August 29, 2023): Renewed the agreement for the period January 1, 2023 - December 31, 2024, later corrected by the Fourth Amendment to extend through December 31, 2025.
- Fourth Amendment (March 28, 2025): Corrected the prior scrivener's error and confirmed the contract's renewal term through December 31, 2025, with authorization for future two-year renewals upon written consent.

FINDINGS AND CONCLUSIONS:

This program operates in conjunction with the City's employee health plan to provide access to brand-name and specialty drugs at reduced net costs, resulting in measurable savings compared to traditional insurance plan pricing.

To date, expenditures under this contract have totaled \$944,424.14. Increases in utilization and the introduction of higher-cost medications (such as Ozempic and other GLP-1 diabetes/weight-loss drugs) significantly increased total costs beyond initial projections. Based on current invoice trends and refill patterns, staff anticipates an additional \$75,000 in expenditure authority is necessary to ensure uninterrupted prescription fulfillment through the end of the contract term, December 31, 2025.

Staff recommends approval.

FISCAL IMPACT:

The requested \$75,000 will be funded from the Health Insurance Fund (account line: 627-099-999-590-81-45020 Employee Benefits - Prescription Program). No additional revenue source or budget amendment is required.

PROCUREMENT REVIEW:

The amendment has been reviewed and approved for compliance with the City's Procurement Policy.

LEGAL REVIEW:

The amendment will be reviewed and approved for form and legality by the City Attorney, William E. Sexton.

ALTERNATIVE:

Table or Deny