

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 04/22/25

M&C FILE NUMBER: M&C 25-0358

LOG NAME: 14OPTUMUPDATE

SUBJECT

(ALL) Authorize Execution of an Agreement with OptumRx Inc. for Administration of the City's Pharmacy Benefits Management for a One-Year Term in an Amount Up to \$237,000.00

RECOMMENDATION:

It is recommended that the City Council authorize the execution of an agreement with OptumRx Inc. for administration of the City's pharmacy benefits management for a one-year term in an amount up to \$237,000.00.

DISCUSSION:

The Human Resources Department is requesting City Council approval to enter into a one-year contract with OptumRx Inc. for administration of the City's pharmacy benefits management.

In 2022, Mayor and Council Communication (M&C) No. 22-0551 approved a one year contract with two (2) one year renewal options with OptumRX. The contract with OptumRx was facilitated with the City's pharmacy benefits consultant, Trion. The pricing agreed upon was based on participating in a cooperative agreement organized by Trion. In 2024, the City went out to bid for a new pharmacy benefits consultant. Prism Health was awarded the contract in December 2024 (M&C 24-1064). As a result of this consultant change, rather than entering into the final renewal option authorized under M&C 22-0551, this requires that the City enter into a new contract with OptumRX. The Human Resources Department is requesting that City Council extend the authority to enter into a final one-year term with OptumRX provided for under M&C 22-0551 to this new agreement. In order to abide by the terms of M&C 22-0551, no renewal terms will be authorized.

Funding is budgeted in the Claims Administration Expense account of the Group Health Insurance & Retiree Healthcare Trust Funds for the Human Resources Department.

DVIN-BE: This solicitation was reviewed by The Business Equity Division for available business equity prospects according to the City's Business Equity Ordinance. There were limited business equity opportunities available for the services/goods requested, therefore, no business equity goal was established.

AGREEMENT TERMS - Upon City Council approval, this agreement shall begin on January 1, 2025 and expire December 31, 2025.

RENEWAL TERMS: There are no renewal terms for this contract.

ADMINISTRATIVE CHANGE ORDER: An administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

A Form 1295 is not required because: This contract will be with a publicly-traded business entity or a wholly-owned subsidiary of a publicly-traded business entity: UnitedHealthCare Inc

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budgets, as previously appropriated, in the Retiree Healthcare Trust and the Group Health Insurance Funds to support the approval of the above recommendation and execution of the contract. Prior to any expenditure being incurred, the Human Resources Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Richard Zavala

Originating Business Unit Head: Dianna Giordano 7783

Additional Information Contact: