



**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee R. Feldman, ICMA-CM, City Manager

**DATE:** April 21, 2015

**TITLE:** Prescription Drug Services for City Employees and Retirees – Connecticut  
General Life Insurance Company - \$3,000,000 (one-year cost)

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**Recommendation**

It is recommended that the City Commission approve an agreement, as negotiated, with Connecticut General Life Insurance Company (“Cigna”), a Business Associate Agreement, and an additional one-year continuation of services with Cigna for self-funded prescription drug services for City employees and retirees through December 31, 2016 and authorize the City Manager to execute all necessary documents.

**Background**

On August 23, 2011 (CAM 11-1154) the City Commission awarded a thirty-nine month contract (115-10759), with two, one-year renewal options, to Cigna for third party administrative services for the City’s self-funded group health and wellness program. The final renewal option for Cigna as the third party administrator for the self-funded health and wellness program will expire on December 31, 2016.

On November 15, 2011 (CAM 11-1790) the City Commission awarded a separate three-year contract (125-10862) to Cigna with one, one-year renewal option for the City’s self-funded prescription benefit manager. The final renewal option of the contract with Cigna as the third party administrator for pharmacy benefits will expire on December 31, 2015.

The recommendation for an additional one-year continuation of services of prescription drug services is requested so all contracts include the same expiration date and therefore facilitate the desire to combine the self-funded group health, wellness and pharmacy benefits in the next solicitation for these coverages.

The Request for Proposal and Cigna’s response are voluminous and are available for review from Procurement Services Division, upon request.

### **Resource Impact**

There will be an estimated fiscal impact to the City in the amount of \$2,250,000 in FY16 and \$750,000 in FY17. Future expenditures are contingent upon approval and appropriation of the annual budget.

<b>Funds available as of April 13, 2015</b>					
<b>ACCOUNT NUMBER</b>	<b>INDEX NAME (Program)</b>	<b>OBJECT CODE/ SUB-OBJECT NAME</b>	<b>AMENDED BUDGET (Object Code)</b>	<b>AVAILABLE BALANCE (Object Code)</b>	<b>PURCHASE AMOUNT</b>
545-INS220101-5131	Self-Insured Health Benefits	Non-Operating Expenses/ Health Insurance Claims	\$13,800,000	\$7,006,956	\$3,000,000
<b>PURCHASE TOTAL ►</b>					<b>\$3,000,000</b>

### **Strategic Connections**

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing our resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are United*.

### **Attachments**

Exhibit 1 – Agreement

Exhibit 2 – ASO Agreement

Exhibit 3 – Business Associate Agreement

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