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191272

Emergency Ordinance

*Authorize the Chief Human Resources Officer to enter into a three-year contract with Express Scripts, Inc. to provide pharmacy benefits manager services on behalf of the Bureau of Human Resources Benefits Office beginning July 1, 2023 not to exceed \$50 million

Passed

The City of Portland ordains:

Section 1. The Council finds:

- This Ordinance supports the City of Portland's Core Values of Anti-Racism, Equity, Transparency, Communication, Collaboration and Fiscal Responsibility.
- 2. The contract with Express Scripts, Inc. was chosen through a competitive request for proposal process utilizing the special procurement rules for benefit contracts as defined by the City's Procurement rules.
- 3. The provider contract will begin July 1, 2023 and includes a not to exceed amount of \$50,000,000 over the initial three-year contract period, with an option to renew up to the City's contracting guidelines.
- 4. A contract with a pharmacy benefit manager ensures the City has a specialized group to manage prescription benefits on behalf of the selffunded medical plans. Express Scripts, Inc. is responsible for negotiating prescription costs, developing formularies, and protecting the City's plan in a fiscally responsible way.
- 5. The Health Operating Fund has sufficient appropriation in support of the benefit listed above.

NOW, THEREFORE, the Council directs:

 A. The Chief Human Resources Officer is authorized to enter into a vendor contract with Express Scripts, Inc. providing pharmacy benefits management services on behalf of the Bureau of Human Resources,

Introduced by

Mayor Ted Wheeler

Bureau

Human Resources;
Management and Finance

Contact

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Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date May 10, 2023 Requested Start Time 3:30 pm Time Requested

45 minutes (2 of 3)

Benefits Office. This contract would begin on July 1, 2023 and include a not to exceed \$50,000,000 over the initial three-year period.

Section 2. The Council declares that an emergency exists in order to execute the contract and begin pharmacy benefit management services; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council May 10, 2023

Auditor of the City of Portland Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

The purpose of this legislation is to authorize the Chief Human Resources Officer to enter into a contract with Express Scripts, Inc. providing pharmacy benefits manager services on behalf of the Bureau of Human Resources, Benefits Office beginning July 1, 2023 with a not to exceed contract amount of \$50,000,000

Financial and Budgetary Impacts

The total not to exceed contract amount is \$50,000,000 to cover the costs of prescription medications under the self-funded plan for a period of three years. The Health Fund Budgets for FY 2023-24 has sufficient appropriation in support of the benefit.

Community Impacts and Community Involvement

This action is largely internal to City government processes.

100% Renewable Goal

Not applicable.

Budget Office Financial Impact Analysis

This ordinance directs the City's BHR Director to contract with vendor "Express Scripts" to provide pharmacy benefits management on behalf of the bureau. The costs associated with this program are budgeted in the Office of Management & Finance annual budget and are backed by revenues in the Health Fund. This ordinance does not change budget appropriations.

Agenda Items

374 Time Certain in <u>May 10, 2023 Council Agenda</u> (<u>https://www.portland.gov/council/agenda/2023/5/10</u>)

Passed

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea