



City Council Regular Meeting AGENDA ITEM

NUMBER: 8

SUBJECT:

City Health Plan with MedImpact for Pharmacy Benefit Manager Services for Medical Benefit Plans for the Period of January 1, 2025 through December 31, 2025 and Authorization for City Manager or Her Designee to Execute and Deliver All Plan Documents and Agreements Necessary to Effectuate the Proposed Plans. (Citywide) (For Possible Action; Recommendation—Approve and Authorize)

REQUESTED BY:

Wilson Edgell, Director of Human Resources

WARD:

(Citywide)

RECOMMENDATION OR RECOMMEND MOTION:

That City Council approve the City Health Plan with MedImpact for Pharmacy Benefit Manager Services for Medical Benefit Plans for the Period of January 1, 2025 through December 31, 2025 and authorize the City Manager or her designee to execute and deliver all plan documents and agreements necessary to effectuate the proposed plans.

FISCAL IMPACT:

ITEM 1: Total drug cost is expected to decrease from \$3,481,179 to \$3,217,349 (year 1), and over a three year period from \$11,078,378 to \$10,164,560

ITEM 2: Total drug rebates are expected to increase from \$236,829 to \$760,688 (year 1), and over a three year period from \$724,963 to \$2,610,227

ITEM 3: There are no standard/recurring costs but the City may engage MedImpact for various clinical programs to help reduce the long-term costs of providing prescription drugs.

NOTE: many factors can influence the cost of prescription drugs, the estimates above are based on current utilization and are not a guarantee of future drug costs.

EXPLANATION: Overall, the City anticipates saving \$990,000 in the first year with MedImpact.

ACCOUNT NUMBER:

721-170111-430673

STAFF COMMENTS AND BACKGROUND INFORMATION:

The City is excited to begin working with the new pharmacy benefit manager (PBM) MedImpact for plan year 2025. MedImpact is a national pharmacy benefit manager and will analyze pharmacy claims, trends, and manage rising costs. The PBM is an integral part of the medical plan and is available to non-represented and

police-represented employee groups. The net total cost paid to MedImpact is anticipated to be less than \$50,000 per year for administrative costs (excluding pharmacy claims).

CIP No.	Related Item:	
LIST CITY COUNCIL GOAL(S): Responsible Fiscal Management		
PREPARED BY:	Respectfully Submitted	MEETING DATE:
Wilson Edgell, Director of Human Resources	Micaela R. Moore, City Manager	August 21, 2024