

## **Speaking Points**

Extend current Pharmacy PBM Contract with Optum RX

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### **Purpose:**

This ordinance is authorizing the Mayor to enter into an extension contract with Optum RX for the provision of Pharmacy Benefit Management (PBM) services with the City for an additional fourteen (14) months; authorize the expenditure of funds and authorize the waiver of competitive proposal and bidding requirements under TMC 187

### **Background:**

The City sought competitive proposals for Pharmacy Benefit Management Services in 2016.

Thirteen (13) proposals were received and it was determined that Optum RX presented the lowest bid and best proposal.

The current contract became effective March 1, 2017.

In 2019, the City asked Optum to extend their contract for an additional year. The extension expires February 28, 2021.

We respectfully asked for an additional fourteen (14) month extension of the current contract with Optum RX for the following reasons:

- The city will be seeking bids for a third-party administration for health care coverage. Requesting proposals for both medical and prescription coverage, together, would provide the City the potential for additional overall health care savings.
- Optum RX has provided lower prescription dispensing fees and continues to reduce those fees each year;
- Optum RX has also significantly increased prescription drug rebates to the City on brand name medications;