



MEMORANDUM

Council Agenda
Item No. IX. BB
11/5/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Joint Resolution authorizing Renewal No. 1 and Amendment No. 1 of an Administrative Services Agreement with UnitedHealthcare of Oklahoma, Inc., the Oklahoma City Municipal Facilities Authority, and the Oklahoma City Post-Employment Benefits Trust, as the entities contracting with UnitedHealthcare of Oklahoma, Inc., on behalf of The City of Oklahoma City to provide Medicare Advantage service plan(s) for eligible retirees and retirees of participating public trusts, estimated cost \$3,500,000, effective January 1, 2025 through December 31, 2025.

Background:

On November 7, 2023 (Item No. MFA.D), the Oklahoma City Municipal Facilities Authority Trustees and City Council approved an Administrative Services Agreement ("Agreement") between the OCMFA and UnitedHealthcare of Oklahoma, Inc., to provide major medical health maintenance organization and Medicare Advantage plan(s) for eligible retirees, and eligible retirees of participating public trusts. the Oklahoma City Post-Employment Benefits Trust concurred with the Agreement on November 13, 2023 (Item VI.).

The plan(s) is for the benefit of eligible former employees of the City of Oklahoma City and participating public trusts and their eligible dependents. The Agreement contains terms and options to renew for additional one (1) year periods, up to four (4) renewals, for a period not to extend past December 31, 2028.

Highlights include:

- 1) Rate guarantee for plan year 2025
- 2) Medicare Part D changes implemented by CMS for 2025

Staff has determined that the current Agreement with UnitedHealthcare of Oklahoma, Inc., meets the criteria for the renewal of contracts for goods and services established by the City's policy, and renewal of the Agreement.

Estimated Costs reflect both the employer and retiree share. The City pays 50% of selected plan cost for eligible retirees hired prior to January 1, 2017.

Estimated Cost:

Year 2: \$ 3,500,000 (OPEBT)

Source of Funds:

Other Post-Employment Benefits - Post-Employment Benefits - HMO Premium Retiree >64,
(5700-1600460-10016-51100012)

Review:

Human Resources Department

Recommendation: Resolution be adopted.