

## OMB Granicus Review

<b>Granicus Title</b>	Third Amendment to the agreement with Express Scripts, Inc. for requirements of prescription drug administrative services.				
<b>Granicus ID#</b>	25-1603A	<b>Reference #</b>	Contract No. 21-0180-P(LN)	<b>Date</b>	31-Oct-2025

**Mark all Applicable Boxes:**

Type of Review									
CIP		Grant		Other	X	Revenue		Project	

**Fiscal Information:**

<b>New Contract (Y/N)</b>	N	<b>Original Amount</b>	\$ 68,000,000
<b>Fund(s)</b>	5006	<b>Amount of Change (+/-)</b>	\$ 22,000,000 for the final 15 months
<b>Cost Center(s)</b>	662110	<b>Total Amount</b>	\$ 90,000,000 (5 years)
<b>Program(s)</b>	7076	<b>Amount Available</b>	\$ 17,649,400 (FY26)
<b>Account(s)</b>	5340008 5231101	<b>Included in Applicable Budget? (Y/N)</b>	Y – FY26 Requires continued funding in FY27.
<b>Fiscal Year(s) Calendar Years</b>	FY22 – FY27 Jan2022 - Dec2026		

### Description & Comments

This contract amendment increases the 5-Year Pharmacy Agreement with Express Scripts Inc. by \$22,000,000 (32.4%), from \$68,000,000 to \$90,000,000. An analysis from Human Resources and the County's health benefits consultant summarizes these rising costs in a separate attachment to this agenda item. Highlights from the analysis are below.

- The County's pharmacy spend has increased substantially since the initial inception of the Express Scripts contract (originally effective January 1, 2022). The county's highest cost increases can be attributed to specialty drug therapies and GLP-1 medications. Twenty-one (21) specialty drugs account for 80% of the top 25 drug spend. **Specialty drug** cost has significantly increased for members with chronic conditions. The County's top four disease categories experienced a +25% increase in year-over-year expenses.
- On a national level, **pharmacy trend** over the last 5 years has averaged 6-8.5%. The rise in costs can be attributed to newly introduced biosimilars (drugs taken intravenously) driven by growth in oncology, immunology, cardiovascular and CGT's (cellular gene therapies), in addition to GLP-1 drug classes. GLP-1 drug therapy alone is projected to account for 0.5% - 1% of the estimated trend cost for 2026.

Funding is included in the FY26 Adopted Budget for the Employee Health Benefits Fund. Costs will continue to be monitored for these driving factors and any need for a budget amendment during FY26. The final three (3) months of the 5-year contract period (October - December 2026) will cross into the FY27 budget.

**Analyst:** **Veronica Ettel**

**Ok to Sign:** ☒