



Pinellas County

Staff Report

File #: 16-1186D, **Version:** 1

Subject:

Approval of ranking of firms and agreement with Express Scripts, Inc. for requirements of Group Prescription Drug Benefits.

Recommended Action:

Approval of ranking of firms and execution of agreement by the County Administrator with the number one ranked firm Express Scripts, Inc. for Group Prescription Drug Benefits.

Contract No. 156-0175-P(JA) in the amount of \$70,455,000.00, for a term of sixty (60) months beginning January 1, 2017.

Strategic Plan:

Create a Quality Workforce in a Positive, Supportive Organization

1.3 Make workforce safety and wellness a priority

1.4 Maintain a fair and competitive compensation package

Summary:

The prescription drug benefits contract expires December 31, 2016. In order to continue benefits without interruption, the County Administrator is requested to execute the agreement(s) pertaining to the new Group Prescription Drug Benefits contract with ratification by the Board of County Commissioners (Board) at a later date.

The contract will be effective January 1, 2017 and will continue for a period of three (3) years and thereafter will automatically renew for successive one (1) year renewal terms. The County will not exceed a sixty (60) month term in total.

Background/Explanation:

This contract was procured (released February 24, 2016) through a two-phase request for proposal (RFP) process resulting in five (5) responsive submissions. Phase One (qualifications) was evaluated on March 8, 2016 and Phase Two (final evaluation) was evaluated on June 8, 2016.

Phase two contained a report drafted by Human Resource consultant Towers Watson which was utilized to evaluate the firms. The award recommendation was received from the Human Resources Department (HR) on June 8, 2016. Express Scripts, Inc. is the incumbent provider of these services.

HR was unable to complete the contracting process for approval by the Board prior to the expiration of the current agreement. In order to ensure uninterrupted benefits to employees across the Unified Personnel System (UPS), the Board delegated the item to the County Administrator for execution at its December 13, 2016 meeting, with ratification by the Board set to occur at the first meeting in January 2017.

The schedule of benefits and network of pharmacies is unchanged from the current agreement. The

plan utilizes a formulary to determine covered medications and which cost tier they will be assigned. Employees are given tools on the vendor's website and mobile app to research specific drug coverage and cost. Further information on current formulary strategy is included in the attached "Pricing Medications" document.

Express Scripts periodically updates their formulary to reflect availability of new drugs, changes in patent protection, changes in FDA indicators for clinical use and other factors - which could result in potential cost or coverage changes for employees.

The firms in order of ranking are on the attached ranking spreadsheet.

Fiscal Impact:

Sixty (60) month claims expenditure not to exceed: \$70,384,955.00

Sixty (60) month administrative fees not to exceed: \$ 70,045.00

Total sixty (60) month expenditures not to exceed: \$70,455,000.00

Funds derived from the HR Employee Benefits Fund

Delegated Authority:

Authority for the County Administrator to execute this document is granted under Other Delegated Authority per the Board meeting held on December 13, 2016 Item No. 29.

Staff Member Responsible:

Holly Schoenherr, Director, Human Resources Department

Joe Lauro, Director, Purchasing Department

Partners:

N/A

Attachments:

Services Agreement

Ranking Spreadsheet

Pricing Medications - Covered Drugs and Excluded Drugs with Alternatives