



Pinellas County

Staff Report

File #: 16-043A, Version: 1

Subject:

Ratification of the County Administrator's approval of the ranking of firms and agreement with Express Scripts, Inc. for requirements of group prescription drug benefits.

Recommended Action:

Ratify, confirm, and enter into the minutes the County Administrator's approval of the ranking of firms and negotiated agreement with the number one ranked firm, Express Scripts, Inc. (Express Scripts) for group prescription drug benefits.

Contract No. 156-0174-P(JA) in the amount of \$70,455,000.00 for a term of sixty (60) months beginning January 1, 2017.

The agreement was approved and executed by the County Administrator due to time sensitivity to avoid a lapse in employee benefit coverage.

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 purpose of this competitive request for proposal (RFP) process was to hire a benefits provider for the group employee prescription drug benefit program to replace the current contract set to expire December 31, 2016.

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

Background Information:

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

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