



## BoardDocs Cover Page

(Due to final Cabinet-level approval on Monday at noon, 2+ weeks prior to BOE meeting date)

Meeting Date:	March 13, 2019	
Agenda Session: (Category)	<input checked="" type="checkbox"/> Work Session (Bids, former F&F items, etc.) <input type="checkbox"/> Closed <input type="checkbox"/> Regular, Preliminary Items (System Recognitions)	<input type="checkbox"/> Regular, Action/Consent <input type="checkbox"/> Board Items <input type="checkbox"/> Public Hearing
Title (Subject):	RFP 19MISC4, Prescription Drug Benefits for Employees of Frederick County Public Schools	
Access:	<input type="checkbox"/> Private	<input checked="" type="checkbox"/> Public
Type:	<input type="checkbox"/> Business Item <input type="checkbox"/> Policy Item <input type="checkbox"/> Strategic Plan Item <input type="checkbox"/> System Recognition <input checked="" type="checkbox"/> Action (e.g., bids, action/consent items) <input type="checkbox"/> Consent (e.g., staffing, policies, grants over \$25k)	<input type="checkbox"/> Information (e.g., grants under \$25k) <input type="checkbox"/> Discussion <input type="checkbox"/> Minutes <input type="checkbox"/> Report <input type="checkbox"/> Special Agenda Type <input type="checkbox"/> Procedure
Aspirational Goals: (May select multiple)	<input type="checkbox"/> 1-Student Achievement <input type="checkbox"/> 2-Effective and Engaged Staff <input checked="" type="checkbox"/> 3-Resource Allocation	<input type="checkbox"/> 4-Family and Community Involvement <input checked="" type="checkbox"/> 5-Health and Safety
Recommended Action:	Board approval of RFP 19MISC4, Prescription Drug Benefits for Employees of Frederick County Public Schools	
Backup Documents:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If yes, how many? _____ Is one a PowerPoint (PPT): <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Submitted: <input checked="" type="checkbox"/> Herewith <input type="checkbox"/> Later <input type="checkbox"/> Both Comment: _____
<b>Immediately following receipt of an email confirmation that this item has been approved by the Superintendent, the person posting this item to BoardDocs is responsible for emailing the approved PPT to <a href="mailto:jeremy.eccard@fcps.org">jeremy.eccard@fcps.org</a> and <a href="mailto:kelly.gordon@fcps.org">kelly.gordon@fcps.org</a>.</b>		

**PURPOSE OF PRESENTATION:** Staff has reviewed the attached contract and recommends approval by the Board of Education of Frederick County.

**BACKGROUND/SUMMARY:** This recommendation is to establish a contract for providing prescription drug benefits for eligible Frederick County Public Schools employees, their dependents and retirees.

**PRESENTER(S) & TITLE(S):**

Kim Miskell, CSBO, Assistant Purchasing Manager  
 Penny Opalka, Senior Manager, Human Resources

**SUBMITTED BY:**

Stephen P. Starmer, C.P.M., CSBA, Purchasing Manager  
 Leslie R. Pellegrino, Chief Financial Officer

**RFP 19MISC4**  
**PRESCRIPTION DRUG BENEFITS FOR EMPLOYEES OF FREDERICK COUNTY PUBLIC SCHOOLS**

**FACT SHEET**

A. **Overview:** This recommendation is to establish a three year contract with a qualified vendor to provide prescription drug benefits for employees, their dependents and retirees of Frederick County Public Schools (FCPS). Sealed proposals were received on January 10, 2019.

1. **RFP participation:**

44 proposals downloaded  
4 companies submitted a RFP

2. **Proposals were received from:**

**Caremark PCS Health, LLC dba: CVS Health (Scottsdale, AZ)**  
Express Scripts, Inc. (St. Louis, MO)  
MedImpact Healthcare Systems, Inc. (San Diego, CA)  
OptumRx, Inc. (Schaumburg, IL)

3. **Other facts:**

- This contract shall be effective from July 1, 2019 through June 30, 2021, with one additional two-year renewal option available.
- FCPS retained the services of our employee benefit consulting firm, Trion, to assist with this RFP.
- Under this new contract, plan design remains unchanged.
- Technical proposals were evaluated and scored based on various factors, including but not limited to network maintenance and flexibility, administration, compliance with specifications, clinical services, and client references.
- The proposal received from Express Scripts was considered non-responsive as they did not quote the required Medicare Employer Group Waiver (EGWP) Plan.
- The over-all three-year savings from our current pricing and rebate structure will total approximately \$5,755,248.
- This recommendation has been reviewed and approved by the Insurance Council, which consists of members from FCPS, Frederick County Teachers Association (FCTA), Frederick Association of School Support Employees (FASSE) and Frederick County Administrative and Supervisory Association (FCASA).
- The contract will be administered by the Senior Manager, Human Resources.

4. **Source of funding:** Funding is provided by the Board's self-insurance fund, which will continue to be funded by the Board of Education and employee/retiree contributions.

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B. **Recommendation:** Staff recommends the contract for RFP 19MISC4, Prescription Drug Benefits for Employees of FCPS, be awarded to Caremark PCS Health, LLC dba: CVS Health (Scottsdale, AZ), per the attached Summary of Award.

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C. **Action taken by the Board (Purchasing use only):**

<u>AB</u> _____	Approved	_____	Denied	_____	Deferred	_____	Other	KM/ab	
<u>03.13.19</u>	_____	Date	_____	Date	_____	Date	_____	Date	BOE Meeting: 03.13.19

**RFP 19MISC4, PRESCRIPTION DRUG BENEFITS FOR EMPLOYEES OF FREDERICK COUNTY PUBLIC SCHOOLS**  
**SCORING SUMMARY**

	Technical Score 65 Points Max	Fee Score 35 Points Max	Total Score
<b>CVS Caremark</b>	<b>56.9</b>	<b>34.7</b>	<b>91.6</b>
OptiumRx	33.4	35.0	68.4
MedImpact	17.0	33.7	50.7

	CVS Caremark	
Current	\$ 115,136,958	\$ 109,381,710
Net Plan Cost Savings Over Current		\$ (5,755,248)
Net Plan Cost Savings Over Current %		-5.0%

**Financial Analysis Assumptions**

- Projected cost include proposed pricing from the market along with retrospective drug cost and utilization trended forward at approximately 9% annually.
- EGWP Projected Prescription Drug Costs do not include LICs Subsidies, Direct Subsidies, Federal Reinsurance Amounts, and other Medicare Part D Amounts (these amounts are not subject to change between carriers).
- Savings over current pricing refers to the savings from improvements to discount guarantees, administrative fees, dispensing fees, clinical fees, EGWP per member admin fees, and rebate guarantees between carriers.