

RFP 24HR2
PRESCRIPTION DRUG BENEFITS FOR EMPLOYEES OF FREDERICK COUNTY PUBLIC SCHOOLS

FACT SHEET

A. **Overview:** This recommendation is to establish a contract for providing prescription drug benefits to eligible employees, their dependents and retirees. Sealed proposals were received on December 11, 2023.

1. **RFP participation:**

11 proposals downloaded
7 companies submitted proposals

2. **Firms qualified to receive bid documents:**

Capital RX, LLC (New York, NY)
Caremark PCS Health, LLC (Woonsocket, RI)
Elixir Rx Solutions, LLC dba: Elixir (North Canton, OH)
Express Scripts, Inc. (St. Louis, MO)
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc. dba: Kaiser Permanente (Rockville, MD)
OptumRx, Inc. (Schaumburg, IL)
RxBenefits, Inc. (Birmingham, AL)

Proposals were received from:

Caremark PCS Health, LLC (Woonsocket, RI)
OptumRx, Inc. (Schaumburg, IL)
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc. dba: Kaiser Permanente (Rockville, MD)

4. **Other facts:**

- This solicitation process was conducted in two-phases. Phase One was a pre-qualification process whereby a pre-qualification questionnaire was submitted. Bidders meeting the minimum qualifications as outlined in the RFP moved to Phase Two and were invited to submit a technical and cost proposal. Seven firms submitted questionnaires and were qualified; however, only three firms submitted technical and cost proposals.
- The initial contract period shall be for three years effective July 1, 2024 through June 30, 2027, with two additional two-year renewal options available
- Frederick County Public Schools (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 projected over-all three-year savings from our current pricing and rebate structure is \$21,457,100 (19.4%) for the Commercial population and \$9,324,300 (16%) for the EGWP population; a total savings of approximately \$30,781,400 (18.2%).
- 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 Sarah Minnick, 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.

B. **Recommendation:** Staff recommends the contract for RFP 24HR2, Prescription Drug Benefits for Employees of FCPS, be awarded to Caremark PCS Health, LLC per the attached Summary of Award.

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

____ Approved	____ Denied	____ Deferred	____ Other	KM/sg
____ Date	____ Date	____ Date	____ Date	BOE Meeting: 03.27.24

**RFP 24HR2, PRESCRIPTION DRUG BENEFITS FOR EMPLOYEES OF FREDERICK COUNTY PUBLIC SCHOOLS
SCORING SUMMARY**

	Technical Score 65 Points Max	Fee Score 35 Points Max	Total Score
CVS Caremark	53.25	35	88.25
OptumRx	31.88	33.7	65.58
Kaiser Permanente			

*Note: Kaiser Permanente's proposal was considered not responsive as it was incomplete and didn't meet the specifications of the RFP.

Three-year Projected Contract Costs FY25 - FY27	Current	CVS Caremark
Projected Net Rx Costs	\$ 168,912,300	\$ 138,130,900
Projected Net Plan Cost Savings Over Current		\$(30,781,400)
Projected Net Plan Cost Savings Over Current %		-18.2%

Financial Analysis Assumptions

- Actual plan performance and savings will vary based on, but not limited to, utilization patterns, enrollment, new drugs to market, drug mix, and any legislation passed at a federal or state level.
- 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 for bid comparison. As such, separate projections should be developed for budgeting purposes.
- Guaranteed rebates factored into projected net plan savings were based on the year in which they are earned, not the year in which they are actually paid to FCPS. Most rebate payments lag 90-120 days.
- Projections do not forecast changes in utilization, drug mix, drug channel or any other financial charges or fees.
- Projected prescription drug costs include proposed pricing from the market along with retrospective drug cost and utilization trended forward at approximately 9.9% annually.
- EGWP projected prescription drug costs included in the three-year projected net Rx costs shown above 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).