

Prescription Benefit Services

Award of Vendor Contract

August 19, 2019



@wakegov



wakegov.com

Overview of Presentation

Purpose

To request the Board of Commissioners to authorize the County Manager to amend the Cigna contract to include the administration of the County's Prescription Benefit Services.

Wake County will have the option to do a market check and bid each year to ensure we have the most competitive pricing.

Agenda

- Rx Evaluation Process
- Staff Recommendation
- Board Action Requested

RX Evaluation Process

The Rx services were evaluated based on our current insurance providers' capability of delivering services to organizations of our size. Key criteria components:

- Vendors for consideration are CVS and CIGNA
- The County's existing relationships with CVS and CIGNA
- Both vendors are currently providing quality services and competitive pricing
- The Benefits Team negotiated with both vendors for Prescription Benefit Services for 2020 and beyond

Executive Summary

	PY2019 CVS/caremark	PY2020 CVS/caremark	PY2020 Cigna
Employer Cost	\$10,622,536	\$8,123,297	\$7,929,679
Savings vs. Current Experience	-	\$3,456,297	\$3,650,383

Staff Recommendation for Cigna Rx

The following criteria provides an option to do a market check and bid each year for competitive pricing:

- MMA attributes \$858,252 of savings for integration. Having integrated medical and pharmacy services allows Cigna to better manage the patient holistically - which will help curb medical costs.
- Cigna's guaranteed pricing is more aggressive than CVS's final offer
- Cigna offers a \$30,000 administrative credit
- No prior authorization fees will apply
- Cigna offers Wake County Cigna One Guide at no cost (a \$205,000 value)
- Issuance of one ID card for members
- Savings from projected 2019 is estimated to be \$3.6M, about \$200K better than CVS

Action Requested

- At August 19 meeting, request the Board to consider approval of amending the Cigna contract to include the administration of the County's Prescription Benefit Services.