

LARIMER COUNTY PROPOSAL #P15-05
PHARMACY BENEFIT MANAGEMENT
HUMAN RESOURCES DEPARTMENT
MARCH 27, 2015 2:00 P.M.

Proposals to consider contracting for pharmacy benefit manager services for the Larimer County Human Resources Department were accepted on Friday, March 27, 2015, at 2:00 p.m. in the Purchasing Department. Proposals were accepted by Heather MacMillan, CPPB, M.Ed., Purchasing Director, and recorded by Sarah Brightman, Purchasing Agent I. The following proposals were received:

Kroger Prescription Plans
Pharmacy Benefit Dimensions
MaxorPlus Ltd
WellDyneRX Inc
ProAct Inc
Magellan Rx Management
MedTrak

No decision of award was made pending review and recommendation by the Larimer County Human Resources Department.

The Larimer County Human Resources Department reviewed the proposals and recommends accepting the proposal from Magellan Rx Management, Inc., as per the attached departmental recommendation.

The Larimer County Purchasing Department concurs with the above recommendations.



Heather MacMillan
Purchasing Director



Carol L. Block, Financial Services Director
For the Board of Larimer County Commissioners



PURCHASING DEPARTMENT

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(970) 498-5955
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TO: Bridget Paris, Director of Human Resources
Pam Stultz, Benefits Manager

FROM: Heather MacMillan, CPPB, M.Ed., Purchasing Director

DATE: 3/27/15

SUBJECT: P15-05 Pharmacy Benefit Management

Transmitted for your review and recommendation, are the proposals received to consider contracting for pharmacy benefit manager services for the Larimer County Human Resources Department. Please fill in this form and return it to me via interoffice mail or fax.

The following criteria must be used to evaluate the proposals:

1. Financial
2. Network Access
3. Administration, Billing & Capabilities
4. Service Commitment
5. Fit with Larimer County Objectives, Operations and Culture

This document will be considered a public record and open to inspection. The individual committee score sheets, comment sheets and other evaluation notes are DELIBERATIVE PROCESS records and not public records. Please keep these documents in your files.

Explain why you want to award the work to a particular vendor and the dollar amount of the award:

The Evaluation Committee shortlisted the two (2) highest scored vendors; Magellan Rx Management Inc., and Kroger Prescription Plans, and performed interviews with each. The Evaluation Committee unanimously selects Magellan with the estimated first year amount of \$3,653,713 for the following reasons:

Magellan's proposal of administration fees, guarantees on the negotiated drug cost, and rebates produce the lowest-cost option among the shortlisted vendors, with Magellan's estimated 3-year savings being \$1,144,759.00, while the other vendor's estimated 3-year savings was \$771,781.00.

Magellan's contract more clearly defines each drug category, rebates terms, and audit ability, whereas the other short-listed vendor did not clearly define all drug definitions and categories. Without a clear definition of how a drug may be categorized, the ability to effectively audit claim adjudication and contract discounts is compromised.

Magellan provides superior reporting capabilities including Average Wholesale Price of each drug, which was not included by other the other shortlisted vendor.

In addition, and also unlike the other shortlisted vendor, Magellan provides a Client Portal to view up-to-date drug utilization and pricing.

Magellan also provides a disaster recovery process, allowing for the transfer of their operations to an alternative facility in the event of a disaster affecting their facilities. To the team's knowledge, this offering is not available with the other shortlisted vendor.

Lastly, Magellan's proposal was the highest scored by the Evaluation Committee.

THIS RECOMMENDATION MUST BE SIGNED BY THE DEPARTMENT HEAD


DEPARTMENT HEAD SIGNATURE

Human Resources
DEPARTMENT

7-23-15
DATE

Thank you.

P15-05, Pharmacy Benefit Manager

COMPANY:	Magellan	Kroger	MaxorPlus	ProACT	MedTrak	Pharmacy Benefit Dimensions	WellDyne Rx
EVALUATORS							
1	4.87	4.06	3.81	2.87	3.50	3.49	2.65
2	4.46	4.51	4.64	4.23	4.18	4.47	3.70
3	4.52	4.33	3.28	3.59	3.47	3.47	3.18
4	4.28	3.88	4.20	4.08	3.68	3.82	3.68
5	4.34	3.68	3.58	3.72	3.52	3.61	3.02
6	4.82	4.22	3.91	4.00	3.93	3.26	3.42
TOTALS	17.60	16.40	15.70	15.62	14.85	15.37	13.58