



MEMORANDUM

TO: Health Care Commission
Duane Goossen, Chair
Steve Dechant
Sandy Praeger
Nancy Ruoff
John Staton

FROM: Doug Farmer

DATE: May 20, 2010

SUBJECT: **Prescription Pharmacy Benefit Manager Contract**

Request For Proposal (RFP) number 12713 for a prescription drug pharmacy benefit manager was released January 15, 2010 and closed on February 24, 2010. Ten (10) qualified bids were received and evaluated. The State Employee Health Plan staff held negotiation meetings with four vendors. Following the meetings, the vendors were asked to provide additional information to clarify their bids, and their best and final pricing.

In addition to pricing, other issues of specific focus were member disruption, vendor capability to provide quality customer service, flexibility, innovative program offerings, access to a robust preferred drug list and specialty pharmacy programs.

Recommendation:

Based on the information gathered in bid responses and during negotiation meetings, staff recommends that CVS Caremark be awarded a three-year contract to administer the State Employee Health Plan prescription drug program.