



CITY COUNCIL COMMUNICATION

May 10, 2016

SUBJECT: Pharmacy Benefit Manager (PBM)
SUBMITTED BY: Carolyn Marshall, HR/Risk Administrator
REFERENCE NO: RFP No. 007-16

ACTION REQUESTED:

Consider award of RFP No. 007-16 for Pharmacy Benefit Manager services to LDI Integrated Pharmacy Services.

ALTERNATIVES:

- Table the request
- Deny the request

SUMMARY OF SUBJECT:

The City of Euless requested proposals for Pharmacy Benefit Manager services for the City's health insurance plan. The proposal requested quotes for a two (2) year initial contract term with two (2) renewal options. Each renewal option is also for a two (2) year term.

Proposals were evaluated based on qualifications, references, ability to provide seamless coordination with current vendors and enrollees, performance standards, and costs. Proposals were received from eight (8) companies.

Staff recommends the contract be added to LDI Integrated Pharmacy Services, our current carrier. LDI has provided the City with excellent service over the past six (6) years. They have proven their ability to integrate smoothly with WebTPA, provide flexibility in plan design and reporting, and their overall competitive pricing is based on a transparent billing model. Pricing is on a pass through basis for drug costs, rebates, and dispensing fees with LDI only retaining an administration fee for their services. LDI also offers access to an extensive retail network and operates their own specialty pharmacy and mail order pharmacy. Customer service is provided by trained pharmacy technicians and is available 7 days a week, 24 hours per day. Additionally, they provide convenient on-line access to claims information. We believe LDI will continue to provide the City with the best value and will continue to provide opportunities for cost containment through education and plan design.

FINANCIAL CONSIDERATIONS:

Revenue Sources: City Contributions, Employee/Retiree Premiums

Expenditure Accounts: 610-5015-519-52.02
610-5015-519-52.07

Budgeted Fiscal Year(s): FY2017

Budgeted Expenditure:

Estimated Expenditure: RX Administration \$25,299
Dispensing Fee \$14,055
(based on # of scripts in FY2015)

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- Vendor Ranking
- Quotation Ranking
- Vendor List

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **KS** _____

City Secretary's Office