

# The State of Delaware

## Pharmacy Benefits Management (PBM) RFP

### Summary for the SEBC

December 14, 2020

*This document was prepared for the State of Delaware's sole and exclusive use and on the basis agreed by the State. It was not prepared for use by any other party and may not address their needs, concerns or objectives. This document should not be disclosed or distributed to any third party other than as agreed by the State of Delaware and Willis Towers Watson in writing. We do not assume any responsibility, or accept any duty of care or liability to any third party who may obtain a copy of this presentation and any reliance placed by such party on it is entirely at their own risk.*

# PBM RFP background

- The State engaged WTW to support a procurement for pharmacy benefits management (PBM) services
  - Pharmacy benefit management services are provided to State group health plan enrollees in the following groups:
    - Commercial population: Active State employees, including school district, charter schools and higher education instruction employees, and participating group employees, including the University of Delaware, pensioners and their dependents
    - Employer group waiver plan (EGWP) population: Medicare pensioners
  - Express Scripts, Inc. (ESI) is the incumbent PBM vendor for both commercial and EGWP populations
  - The State's current contract with ESI expires on June 30, 2021 for the Commercial population and on December 31, 2021 for the EGWP population

# Priorities for the PBM

As outlined in the RFP

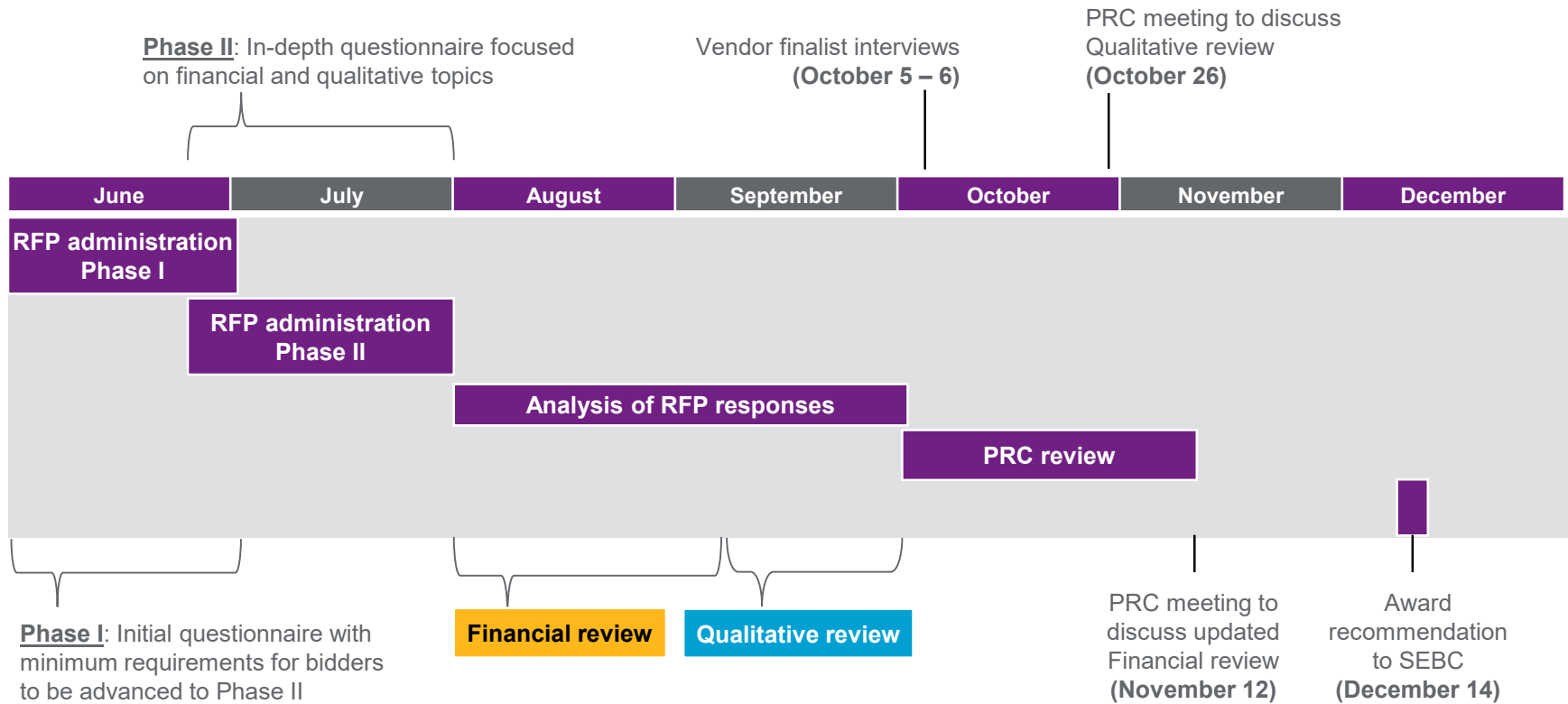
- Offer *state-of-the-art* prescription drug benefit management services
- Provide *clinically and financially appropriate* management programs
- Provide *transparency in contracting terms* with drug manufacturers and pharmacy networks for both traditional and specialty drugs
- Provide *competitive financial terms*
- Provide *excellent customer service* to participants
- Provide *excellent account management services* to the State, including timely reporting
- Meet or exceed *performance guarantees*
- Be *responsive* to requests of the SEBC and the SBO

# Requested scope of services

As outlined in the RFP

- Prescription claim adjudication
- Participant enrollment maintenance
- Comprehensive management of the Medicare Part D EGWP
- Securely transmit claims data to the Delaware Health Information Network (DHIN) and IBM (health data analytics' vendor)
- Distribution of member ID cards and benefit information
- Patient and provider education
- Network pharmacy management, including a 90-day retail network
- Formulary management and rebate administration
- Systematic prospective, concurrent and retrospective drug utilization review
- Clinical management programs
- Fraud, waste and abuse detection and prevention programs
- Mail order and specialty pharmacy services
- Dedicated, knowledgeable and accessible member support services
- Secure and multifunctional member website
- Meaningful, timely management reporting
- Integration with the State's medical and wellness programs
- Dedicated, expert and accessible account management staff
- Support for all program-related member communications
- Superior program implementation support

# PBM RFP timeline



## 6 bidders participated:

- CapitalRx
- CVS Health (CVS)
- ESI
- Highmark
- MedImpact Healthcare Systems
- OptumRx

All except CapitalRx advanced to Phase II

CapitalRx lacked requisite years of experience with similarly sized customers. Also concerns about ability to scale operations to meet the State's needs

Financial review	Qualitative review
<p>Analyzed bidders' financial proposals. Based on results, advanced the following vendors to qualitative review:</p> <ul style="list-style-type: none"> <li>▪ CVS</li> <li>▪ ESI</li> <li>▪ Highmark</li> <li>▪ MedImpact Healthcare Systems</li> <li>▪ Optum Rx</li> </ul>	<p>Analyzed bidders' responses to qualitative sections of the RFP questionnaire and summarized for review with the PRC</p>

# PRC scoring and recommendations

Please refer to the PRC recommendation for award of contract (dated November 12, 2020) for details on the outcomes of the PRC scoring meeting and recommendation to the SEBC