

Request for Proposal for Centers of Excellence Administration
for the Group Health Insurance Program
DHR2301-MEDICALCOE

Recommendation for Award of Contract

October 2, 2023

Background:

- *February – April, 2023:* Development of the RFP scope of work, evaluation criteria, and minimum requirements.
- *May 1, 2023:* Released RFP.
- *May – June, 2023:* Received two intent-to-bids and two bids – CVS Health (CVS Caremark) and Employer Direct Healthcare (EDHC) (incumbent for SurgeryPlus program on contract DHR18001-COE_ADMIN).
- *June – July, 2023:* The Statewide Benefits Office (SBO) and Willis Towers Watson (WTW) reviewed the proposals and sent follow-up questions as necessary.
- *August 7, 2023:* The Proposal Review Committee (PRC) met to review relevant historical context, consider the analysis of the bid responses including covered services, provider networks and processes for provider selection and quality monitoring, member services and communications, program administration experience, and integration capabilities with other State vendors. Finalist interviews were conducted with CVS Caremark (including subcontractor Carrum Health) and EDHC with each bidder presenting on their program model/solution. Afterward, WTW issued additional follow-up questions to the bidders, performed reference checks, and continued the pricing analysis.
- *August 28, 2023 and October 2, 2023:* The PRC reconvened to review and discuss answers to follow-up questions, results from reference checks and pricing analysis. In addition, PRC members were asked to complete their scoresheets for each bidder, in accordance with the RFP

requirements. Scoresheets were submitted to WTW for compilation. After discussing the results of the compiled scoresheets, the PRC reached a consensus on the scores. The PRC voted affirmatively on the following recommendations:

- **Centers of Excellence:**
 - Both CVS Caremark and EDHC are qualified to administer the Centers of Excellence Plan.
 - Of a total of 900 points, the scores by plan were as follows:
 - CVS Caremark scored 600.6
 - EDHC scored 715.1
 - Best and final offers were requested from both bidders.
 - While both bidders reduced their proposed administrative fees, EDHC offered additional performance guarantees and credits to support ongoing program management.
- While, both vendors offer access to a variety of COE services, the COE networks differ significantly.
 - Currently, EDHC has a more robust selection of COE-eligible procedures than CVS Caremark, including sports medicine; ear, nose and throat; gastrointestinal surgery; thyroid; and pain management. CVS Caremark does offer neurology and cancer treatment bundles for colorectal, prostate and gynecological cancers; however, CVS Caremark does not currently offer colonoscopies, which have experienced high utilization by GHIP members through EDHC.
 - Each vendor is building out additional COE capabilities in other areas, specifically ear, nose and throat; ophthalmology/Lasik and colonoscopies for CVS Caremark and infertility, neurology and maternity for EDHC. In the future, CVS plans to scale maternity bundles (currently in pilot) and add general surgery, behavioral health and condition-based bundles (e.g., knee pain or osteoarthritis).
- CVS Caremark is a center or facility (hospital) focused approach and EDHC is a provider or surgeon/ambulatory surgery center (ASC) approach. EDHC has a larger

provider network than CVS Caremark, both in number of network providers and in geographic breadth. EDHC can offer all covered procedures with Delaware providers, spread throughout all three counties for many COE procedures available through their network. CVS Caremark will require more travel for employees, and in-state providers are limited to hospital systems in the northern Delaware area. Under the current EDHC contract, a high percentage of procedures are occurring in Delaware. EDHC's network, consisting of ASCs in addition to hospitals, achieves the goal of the SEBC when the COE benefit program was initially added to the benefit offerings as an additional voluntary high quality and lower cost care option within Delaware and the surrounding area.

- EDHC covers procedures for patients under 18 years old, with 6 procedures occurring in the last plan year. CVS Caremark excludes coverage for members under 18 years of age.
- EDHC currently has experience working with Aetna, Highmark Delaware and Merative. CVS Caremark does not have any experience integrating with Highmark Delaware, but does with Aetna and Merative.
- With 25 Patient Care Specialists and coverage hours from 10 am to 6 pm (EST), CVS Caremark has less availability for members compared to EDHC with 100 Care Advocates and customer service hours from 7 am to 11 pm (EST).
- Vendors were asked to submit three current references and three expired/terminated references. CVS Caremark only submitted three current references, stating they had no expired/terminated references. Only one reference provided by CVS Caremark was responsive despite multiple requests to contact the other two references. The scores for categories range from 3 – 5 out of a scale of 1-5, with 3 being neutral and 5 being completely satisfied. Five references provided by EDHC were responsive. The scores for categories range from 4.7 to 5 with 5 being completely satisfied.
- EDHC is an established vendor partner of the State and has brand awareness with GHIP members.

- As such the PRC recommends the following:

Recommendation

RESOLVED that with respect to the award of a contract pursuant to the Request for Proposal for Centers of Excellence Administration, the Proposal Review Committee recommends to the State Employee Benefits Committee as follows:

- Contract award of the Centers of Excellence Administration for the Group Health Insurance Program to EDHC for an initial three-year term effective July 1, 2024 through June 30, 2027, with two optional one-year period extensions. Such award shall be subject to approval of the Department of Technology and Information and Department of Insurance and a finalized contract which shall include performance guarantees and reserve the right to periodically review the pricing for EDHC on no less than a semi-annual basis.