**M E M O R A N D U M**

**TO:** Health Care Commission

 Steve Dechant

 Ximena Garcia

 Duane Goossen

 Vicki Schmidt

 Heather Young

**FROM:** Mike Michael

**DATE:** May 22, 2019

**SUBJECT: Pharmacy Benefit Management Contract**

Request For Proposal EVT0006329 for a prescription drug pharmacy benefit manager was released on January 23, 2019, and closed March 14, 2019. Seven bids were received. Bids were received from Blue Cross Blue Shield of Kansas partnering with Prime Therapeutics, CVS Health, Envolve, Navitus Health Solutions, OptumRx, WellDyneRx, and the University of Kansas Health System. The State Employee Health Plan staff held negotiation meetings with five companies. Following the meetings, the companies were asked to provide additional information to clarify their bids, and their best and final pricing.

In addition to the transparency of the pharmacy contract and the ability to provide point of sale rebates, other areas of relevant focus include a competitive pricing offer, innovative clinical programs and management strategies, a comprehensive preferred drug list offering (provides the SEHP the authority to give approval for any changes), minimal member disruption, flexibility, organizational experience and stability, vendor capability to provide quality customer service as well as a competent experienced account team, and access to a leading well established specialty pharmacy program.

**Recommendation:**

Staff recommends that a three (3) year contract be awarded to CVS Health for pharmacy benefit management services.