

# San Joaquin Valley Insurance Authority

## BOARD OF DIRECTORS

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:  
Fresno County Employee Retirement  
Association Board Chambers  
1111 H Street  
Fresno, CA 93721  
April 20, 2012  
9:00 AM

**AGENDA DATE:** April 20, 2012

**ITEM NUMBER:** 8

**SUBJECT:** RFP for Pharmacy Benefit Management Services

**REQUEST(S):** Approval of the release of an RFP for Pharmacy Benefit Management Services with a proposed start date of January 1, 2013.

**DESCRIPTION:**

The SJVIA currently has a 3 year contract in place with Catalyst (formerly known as Walgreens) for Pharmacy Benefit Management (PBM) services that began in Plan Year 2010 and expires at the end of the current plan year. At this time, only the County of Tulare participates through the SJVIA. In May of 2011 your Board voted unanimously to issue a Request for Proposals (RFP) for Pharmacy Benefit Managers for the SJVIA for a possible 2012 or 2013 start date. Both start dates were requested as the impact of the SJVIA contract due to the acquisition of Walgreens by Catalyst was not yet known. Subsequently, it was determined that the acquisition did not violate the terms of the contract and that it was valid through 2012.

As part of the 2011 RFP process, GBS Pharmacy Division requested that vendors re-price Rx claims through their proposed pricing model to determine the financial impact of each proposal and assume that both the County of Fresno and Tulare's participation. The three highest scoring vendors all demonstrated a substantial savings of up to \$5,400,000 over a three year period. In July of 2011, your Board recommended the interview of two finalists, Envision and US Script, based on scoring in several categories including pricing, capabilities, and customer service. The incumbent, Catalyst/WHI, submitted a proposal that stipulated an agreement extension through 2014 in exchange for reduced pricing beginning in 2012. However the proposed terms were not competitive when compared with the proposals submitted by other vendors. Therefore, it was determined that the SJVIA was better served by continuing with the Catalyst contract until its expiration on December 31, 2012.

Given that the current agreement with Catalyst expires on December 31, 2012, it is recommended that an updated RFP be conducted with an anticipated start date of January 1, 2013. This will allow qualified firms to submit proposals and for the SJVIA to select the most favorable firm to provide these services.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** April 20, 2012

**FISCAL IMPACT/FINANCING:**

There is no cost to the SJVIA in having this study conducted.

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Jeffrey Cardell  
SJVIA Assistant Manager

**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

**IN THE MATTER OF** the release of an RFP for Pharmacy Benefit Management Services with a proposed start date of January 1, 2013.

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD APRIL 20, 2012 BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

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The Board approved the release an RFP for Pharmacy Benefit Management Services with a proposed start date of January 1, 2013.