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**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
February 6, 2015 9:00 AM**

AGENDA DATE: February 6, 2015

ITEM NUMBER: 13

SUBJECT: Report on Planned 2015 RFP Activity (I)

REQUEST(S): That the Board receive and file the report on planned Request for Proposal activity for the 2015 plan year

DESCRIPTION:

On January 9th, SJVIA Management met with the Gallagher team to discuss strategic projects and objectives for the 2015 plan year. Many items were discussed including the current vendor relationship and the status of each contract. After review of the current contracts, it is recommended that some of the component contracts with SJVIA vendors be subject to a Request for Proposal (RFP) process this year. This process is not on the premise of dissatisfaction with the current vendors, but rather to ensure SJVIA is offering the most competitive health plan options to its participating entities. Staff is recommending the following RFPs be performed in the 2015 plan year for a January 1, 2016 effective date.

1. **Pharmacy Benefit Management:** US Script is the current Pharmacy Benefit Manager for the SJVIA for all HMO and PPO plans, with the exception of the high deductible (HDPPPO) plans which are managed by Anthem. The SJVIA is now in the final year of a three year agreement with US Script. The pharmacy industry is rapidly evolving and both Staff and Gallagher feel it is advantageous to the SJVIA to research pricing and programs available outside the current contract. This RFP process is to commence in February with the recommendation for the 2016 contract to come to the Board by the end of July.

AGENDA: San Joaquin Valley Insurance Authority

DATE: February 6, 2015

2. **Medical Administration:** Anthem is currently the administrator for the majority of the health plans under the SJVIA. HealthNow, in partnership with Blue Shield, administers the plans for one of the SJVIA participating entities. The last RFP for these vendor partnerships was performed in 2012 resulting in the addition of the HealthNow/Blue Shield arrangement and is also the last time a full analysis has been performed. Staff and Gallagher are recommending a full RFP for medical administration to include a re-pricing of 12 months of claims to ensure that the most competitive pricing is in place for the SJVIA medical plans. This process is to commence in March, with final recommendations to the SJVIA Board by the end of July as well.

The RFP process for each of these components does not guarantee a change in vendor relationships but will help to analyze the current competitiveness of the contracts in place for the SJVIA. If it is determined that there may be a potential change in contracting vendors, Staff will report at upcoming Board meetings.

FISCAL IMPACT/FINANCING:

No fiscal impact.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager