

Keenan[®]

SJVIA
Carrier Ranking
Report

July 17, 2023

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Introduction

SJVIA Medical/RX Carrier Selection Background

Background

On January 1, 2023, Community Medical Center (CMC) terminated its provider network contract with Anthem. As a result, the SJVIA membership was left with a gap in its network coverage to its members (Fresno County more so than Tulare County). SJVIA instructed Keenan to “refresh” the marketing done in 2022, for consideration of changing carriers to close the gap. Refreshed offers were obtained from the finalists.

A report was to be developed with the refreshed offerings to be presented at the February 17, 2023, SJVIA Board meeting. During the preparation of the report, CMC approached SJVIA and suggested the SJVIA could enter a direct contract with CMC. SJVIA put the refreshed proposals on hold and pursued a direct contract with CMC.

The CMC SJVIA provider network contract was signed March 31, 2023, with Anthem administering the direct contract. CMC claims held from January 1 through March 31, were released by CMC for payment under the direct contract.

On April 6, the SJVIA held a strategic planning meeting with both CAOs of the Counties, two SJVIA Board members (one from each county), both SJVIA co-managers, SJVIA staff, and Keenan. One outcome from the strategic planning meeting was to prepare a report to consider moving from the Anthem effective January 1, 2024 for the May 5, 2023 SJVIA meeting.

Carrier bids would be for 2024, 2025 and an optional third year 2026 (2026 was not originally part of the original RFP proposal). It was felt that the carriers had provided sufficient information to revive their proposals. It was requested that the carriers outline their contract dates for CMC and Adventist Health for 2023 through 2026. Keenan prepared and sent out a workbook to have each proposer confirm their offerings.

On May 6, 2023, the SJVIA Board met and gave instructions to the subcommittee to schedule interviews with each carrier. Carrier interviews were held on May 24, 2023. After the interviews, the sub-committee met on June 14, to review results and determine the next steps. A ranking of each carrier was determined to be the final action to determine the medical and pharmacy vendors for 2024.

SJVIA Medical/RX Carrier Background

Services Requested for the SJVIA's Self-Funded Medical and Prescription Drug Program

- Medical: Administrative Services Contract Only (ASC or ASO) or Third-Party Administration (TPA)
- Medical: Preferred Provider Organization (PPO) network
- Prescription Drug (Rx): Pharmacy Benefits Manager (PBM)

Contract Term

- Medical: An initial period of two (2) years with a third-year optional proposal, followed by annual renewals
- Prescription Drug: An initial period of two (2) years with a third-year optional proposal, followed by annual renewals
- Note: The SJVIA reserves the right to end the contract period for cause at any point in time, or without cause based on mutual agreement between the SJVIA and the Vendor

Effective Date of Coverage

- SJVIA County of Tulare: January 1, 2024
- SJVIA County of Fresno: January 1, 2024 and December 11, 2023

Keenan invited the finalist proposers to participate including:

Medical ASO/ASC/TPA Vendors	Prescription Drug Manager (PBM)
Aetna CVS	Aetna CVS
Anthem	EmpiRX
Blue Shield of CA	
HealthComp	

SJVIA Medical/RX Carrier Adjustments since June 14

Since June 14, no changes occurred on the medical valuation, however, the prescription drug valuation was impacted by two items:

- EmpiRx – May 2023 implemented the VCAP program: This program maximizes coupon values of prescription drug manufacturers for members and the SJVIA. Year to date, the program has:
 - benefited 145 members
 - processed 362 claims
 - realized savings of \$220,427
 - Based on the initial results, Keenan projects an annual savings \$1,322,004 for the EmpiRX not previously included.
- The Script count was adjusted to reflect the increase in scripts by the members. The EmpiRX administration fee increased from \$277,452 to \$372,859.

Executive Summary

Executive Summary

The following chart illustrates the overall ranking based on the data provided by each vendor:

Vendor Ranking	Anthem	Aetna	Blue Shield	Health Comp	
	EmpiRX	CVS	EmpiRX	Anthem	Blue Shield
Medical					
GeoAccess	1	1	1	1	1
Community Medical	2	1	1	1	1
Adventist Health	1	2	1	1	1
In-Network Utilization	2	3	1	2	1
PPO Discount	1	3	2	1	2
Performance Guarantees					
General	1	2	2	3	3
Condition and Case Management	2	1	1	2	2
Prescription Drugs					
Discount from AWP	1	2	1	1	1
Rebates	2	1	2	2	2
Performance Guarantees - General	1	2	1	1	1
PG - Financials	1	2	1	1	1
2024 Projected Cost					
Medical Cost					
Claim Cost	3	5	4	1	2
Admininstration Cost	3	1	2	5	4
Total Cost	3	5	4	1	2
Prescription Drug Cost					
Claim Cost	1	2	1	1	1
Admininstration Cost	2	1	2	2	2
Total Cost	1	2	1	1	1
Total Cost					
Claim Cost	3	5	4	1	2
Admininstration Cost	3	1	2	5	4
Total Cost	3	5	4	1	2
Allowances and Credits	3	1	2	3	2
Total Score	40	48	40	37	38
Final Ranking	3	4	3	1	2

Ranking was done on a scale of either 1-5, 1-4, 1-3, or 1-2, based on the category and the responses. One (1) represents the best term (lowest score is the best)

Executive Summary

- The following chart illustrates the finalized annual cost associated with each carrier offering.

2024 Cost Projection					
Medical Vendor	Anthem	Aetna	Blue Shield	HealthComp	
Medical PPO Network	Anthem	Aetna	Blue Shield	Anthem	Blue Shield
RX PBM Vendor	EmpiRx	CVS	EmpiRx	EmpiRx	EmpiRx
Claim Cost					
Medical	\$52,295,124	\$53,399,081	\$52,822,684	\$50,464,795	\$50,973,890
Rx	\$18,186,965	\$18,683,219	\$18,186,965	\$18,186,965	\$18,186,965
Total	\$70,482,089	\$72,082,300	\$71,009,649	\$68,651,760	\$69,160,855
Administrative Cost					
Medical	\$3,150,504	\$2,700,949	\$2,803,949	\$3,379,330	\$3,334,560
<u>Rx</u>	<u>\$372,859</u>	<u>\$0</u>	<u>\$372,859</u>	<u>\$372,859</u>	<u>\$372,859</u>
Total	\$3,523,363	\$2,700,949	\$3,176,808	\$3,752,189	\$3,707,419
Total Cost					
Total Claims and Admin	\$74,005,452	\$74,783,249	\$74,186,457	\$72,403,949	\$72,868,274
\$ Difference		\$777,797	\$181,005	-\$1,601,503	-\$1,137,178
% Difference		1.1%	0.2%	-2.2%	-1.5%

- The range in annual cost between carriers are between 1.1% to -2.2%. All carriers are close when we use the most current SJVIA plan experience as shown above. Keenan avoided projecting year over year cost due to the uncertainty of trend (inflation and utilization). Please note first year and ongoing credits and allowance have a financial impact for each carrier.
- The balance of this report will rank each vendor and the major components of each vendors major offerings.

Questionnaire

Questionnaire

- **Questionnaire** – The following chart summarizes the scoring of each vendor currently being considered from the questionnaire. The Questionnaire was used to ensure each carriers met a minimum standard to provide coverage and services for the SJVIA. Scoring was done on a 1-3 point basis (3 being the best). All carriers met the minimum standard.

SJVIA Questionnaire Evaluation Summary		Aetna	UMR	Anthem	Blue Shield	Compass	HealthComp	Pinnacle	DHS	Express Scripts	EmpiRx	IPM
Question #	GENERAL INFORMATION (1-12 NOT RATED)											
1-5a	General Information											
5b-12	Required Documentation & Disclosure											
ORGANIZATIONAL STRENGTH AND PLAN SPONSOR SERVICES		1.98	2.00	2.03	2.03	2.00	1.95	1.98	1.98	2.03	1.95	1.98
13-18	Background	2.00	2.00	2.00	2.00	2.00	1.80	2.00	2.00	2.00	1.90	1.90
19-21	Contractual Issues	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
22-27	Firm Experience	1.90	2.00	2.10	2.10	2.00	2.00	1.90	1.90	2.10	1.90	2.00
28-33	Regulatory and Compliance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
ADMINISTRATION SUPPORT AND ACCOUNT MANAGEMENT (15%)		2.02	2.00	2.02	2.07	2.00	1.98	2.00	2.02	1.97	2.02	2.00
34-36	Implementation	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
37-40	Claims Processing	2.10	2.00	2.20	2.30	2.00	2.00	1.90	2.00	2.00	2.00	2.00
41-51	Billing	2.00	2.00	2.00	2.00	2.00	1.90	2.00	2.00	2.00	2.00	2.00
52-57	Plan Sponsor Services	2.00	2.00	2.00	2.00	1.90	1.90	2.00	2.00	1.90	2.00	1.90
58-59	Call Center Administration	2.00	2.00	2.00	2.10	2.10	2.10	2.10	2.10	1.90	2.10	2.10
60-67	Systems and Cybersecurity	2.00	2.00	1.90	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
MEMBER QUALITY OF CARE, RESOURCES, AND SERVICES (15%)		1.98	2.00	1.96	2.00	2.00	2.01	2.02	2.02	1.88	2.03	2.02
68-69	Enrollment	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10	2.20	2.20	2.20
70-74	Call Center Member Services	1.80	2.00	1.80	2.00	2.10	2.10	2.10	2.10	2.10	2.10	2.10
75-78	Customer Service and Quality Control	2.00	2.00	1.90	2.00	1.90	1.90	2.00	2.00	1.00	2.00	1.90
79-83	Grievances and Appeals	2.00	2.00	1.90	2.00	2.00	2.00	2.00	2.00	1.50	2.00	2.00
84-85	Member Advocacy and Support Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
89-92	Quality Measurement Standards	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
93-95	Online Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
96-101	Wellness Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
102-104	Condition Management Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
105-106	Miscellaneous Services	2.00	2.00	2.00	2.00	1.90	2.00	2.00	2.00	2.00	2.00	2.00
ACCESS TO CARE/NETWORK (30%)		2.00	1.95	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
107-108	Provider Groups, Networks, and Geographic Access	2.00	1.90	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
109-110	Emergency and Urgent Care Access & Extended Hours	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
COST PROPOSAL AND PLAN DESIGN (30%)		2.05	1.98	2.00	2.03	2.03	2.00	2.00	2.03	2.00	1.98	2.00
111-112	Premium Costs and Fee Commitments	2.00	1.90	2.00	2.00	2.00	1.90	2.00	2.00	2.00	1.90	2.00
113-117	Provider Reimbursements and Discounts	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
118-120	Hospital and Outpatient Facility Charges	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
121-122	Fee Guarantees and/or Fee Caps	2.20	2.00	2.00	2.10	2.10	2.10	2.00	2.10	2.00	2.00	2.00
Total Summary (100%)		2.012	1.978	1.999	2.020	2.008	1.994	2.001	2.011	1.980	1.995	2.001
13-125	Total All Rated Questions	52.00	51.80	51.80	52.60	52.10	51.80	52.10	52.30	50.70	52.10	52.10

Medical Vendors Ranking

GeoAccess

- **GeoAccess** – Three PPO networks are being considered for the SJVIA. Anthem Blue Cross PPO network, Aetna PPO network, and Blue Shield of CA PPO network. In the original RFP, we asked the carriers to show the number of providers and facilities available by each zip code in each County and outside of the two Counties based on where members live. The following chart summarizes the number of providers and facilities in each County.

Anthem	Employees	Primary Care	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Fresno	6,193	616	977	188	386	381	4,106	21	3	6	11
Tulare	3,374	288	301	77	155	172	1,083	6	1	1	4
All Other	516	2,227	3,243	859	1,222	4,792	16,506	118	38	64	62
Total	10,083	3,131	4,521	1,124	1,763	5,345	21,695	145	42	71	77
Blue Shield	Employees	Primary Care	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Fresno	6,193	276	630	117	190	285	2,110	18	33	10	11
Tulare	3,374	136	225	44	71	74	759	9	14	2	4
All Other	516	498	472	461	464	487	492	128	485	117	124
Total	10,083	910	1,327	622	725	846	3,361	155	532	129	139
Aetna CVS	Employees	Primary Care	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Fresno	6,193	948	528	157	355	273	5,382	23	2	5	11
Tulare	3,374	467	231	65	137	126	1,800	8	1	4	4
All Other	516	4,236	2,376	1,009	1,619	2,176	28,014	280	14	14	93
Total	10,083	5,651	3,135	1,231	2,111	2,575	35,196	311	17	23	108

- The Vendor ranking for the GeoAccess is as follows:

Vendor Ranking	Anthem	Aetna CVS	Blue Shield	Health Comp	
				Anthem	Blue Shield
GeoAccess	1	1	1	1	1

Network Contracting

• **Network Contracting** – The following chart provides the network contracting status with CMC and Adventist Health and each carrier

Anthem	2022	2023	2024	2025	2026
a) For CMC, show the effective start date and end date for all PPO contracts?	Settled July, 2023 Retro to January 1, 2023	In-Network	In-Network	TBD	TBD
b) For Adventist Health, show the effective start date and end date for all PPO contracts?	Effective 10.1.22	In network	Ends 12.31.24	TBD	TBD
c) Comment	CMC is now once again part of the Anthem Network				
Aetna CVS	2022	2023	2024	2025	2026
a) For CMC, show the effective start date and end date for all PPO contracts?	Our contract is until 9/1/2024 and we see no problem with it renewing. We insure Fresno Unified School District and will not let this term.				
b) For Adventist Health, show the effective start date and end date for all PPO contracts?	Our contract is in active negotiations like all contracts are in a cycle and we have no reason to believe this will term and will continue until 5/2026 . Contract has not settled yet.				
c) Comment	No, it won't change our guarantees of our discounts. We guaranteed our overall discounts. Our contracting with these providers does not change it.				
Blue Shield	2022	2023	2024	2025	2026
a) For CMC, show the effective start date and end date for all PPO contracts?	Community Regional Medical Center, Clovis Community Hospital, Fresno Heart and Surgical Hospital 1/1/2022-12/31/2022 1/1/2023-12/31/2023 1/1/2024-12/31/2024 1/1/2025-12/31/2025				TBD
b) For Adventist Health, show the effective start date and end date for all PPO contracts?	St. Agnes Medical Center: 10/15/2022 - 08/15/2023 *8/1/2023 - 7/31/2024 *8/1/2024 - 7/31/2024 *8/1/2025 - 7/31/2025 Fresno Surgery Center: 1/1/2022 - 12/31/2022 1/1/2023 - 12/31/2023 1/1/2024 - 12/31/2024 1/1/2025 - 12/31/2025 *tentative effective date pending negotiations				TBD
c) Comment	No Changes / Impacts				

Vendor Ranking	Anthem	Aetna CVS	Blue Shield	Health Comp	
				Anthem	Blue Shield
Community Medical	2	1	1	1	1
Adventist Health	1	2	1	1	1

PPO Evaluation

- **PPO Evaluation** - The following chart compares the differences in network strength between Anthem, Aetna CVS, and Blue Shield.

PPO Network Analysis	Anthem	Aetna CVS	Blue Shield
1) In-Network Utilization	96.0%	95.4%	97.4%
2) In-Network Discount	64.8%	62.9%	63.3%
3) Out-of-Network Utilization	4.0%	4.6%	2.6%
4) Out-of-Network Discount	<u>27.2%</u>	<u>27.2%</u>	<u>27.2%</u>
Billed Charge Adjustment	63.3%	61.2%	62.3%
Paid Claim as % Billed Charges	36.7%	38.8%	37.7%
% Difference	0.0%	2.1%	1.0%

- The values are based on 50% credibility for the original values provided in the 2022 RFP and 50% credibility to the recent updates provided by each carrier.
- Keenan used a common out of network discount of 27.2% since this represents claim discounting for non-contracted providers.
- Based on the chart, Aetna CVS medical claim cost would be 2.1% higher than Anthem. Blue Shield would be 1.0% higher than Anthem.
- The Vendor ranking for the PPO offering is as follows:

Vendor Ranking	Anthem	Aetna CVS	Blue Shield	Health Comp	
				Anthem	Blue Shield
In-Network Utilization	2	3	1	2	1
PPO Discount	1	3	2	1	2

Medical Performance Guarantees - General

- Medical Performance Guarantees - The following chart provides the agreement for PGs with each carrier.

SIVIA Performance Guarantees	Anthem	Aetna CVS	Blue Shield	Health Comp
Medical PGs				
Claims Timeliness (14 Calendar Days)	Yes	Yes	Yes with Adj.	Yes
Claim Timeliness (30 Calendar Days)	Yes	Yes	Yes with Adj.	Yes with Adj.
Claim Payment Accuracy	Yes	Yes	Yes with Adj.	Yes
Claim Financial Accuracy	Yes	Yes	Yes with Adj.	Yes
Open Enrollment ID Card Issuance	Yes	Yes	Yes with Adj.	Yes
Processing of Ongoing Eligibility	Yes	Yes	Yes with Adj.	Yes with Adj.
Ongoing ID Cards Issuance	Yes	Yes	Yes with Adj.	Yes
Eligibility Error Reports - Ongoing	No	Yes	Yes with Adj.	Yes
Average Speed to Answer	Yes	Yes with Adj.	Yes with Adj.	Yes with Adj.
Call Abandonment Rate	Yes	Yes	Yes with Adj.	Yes
First Call Resolution	Yes	Yes	Yes with Adj.	Yes
Member Satisfaction	Yes	Yes	Yes with Adj.	Yes with Adj.
Management Reports	Yes	Yes	Yes with Adj.	Yes
Annual Performance Report	Yes	Yes	Yes with Adj.	Yes
Performance Guarantee Objectives	Yes	Yes	Yes with Adj.	Yes
Account Management Satisfaction	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.
Appeals	No	Yes	Yes with Adj.	No
Network Alerts	Yes	Yes	Yes with Adj.	No
Provider Accessibility	Yes	Yes	Yes with Adj.	No
Security Breach	Yes	Yes	Yes with Adj.	Yes

- The Vendor ranking for the Performance Guarantees – General is as follows:

Vendor Ranking	Anthem	Aetna CVS	Blue Shield	Health Comp	
				Anthem	Blue Shield
Performance Guarantees General	2	1	4	3	3

Medical Performance Guarantees – Care and Case Mgmt

- Medical Performance Guarantees - The following chart provides the agreement for PGs with each carrier.

Condition Mgmt PGs	Anthem	Aetna CVS	Blue Shield	Health Comp
Condition Care Enrollment Rate	No	Yes	Yes with Adj.	Yes with Adj.
Condition Care Engagement Rate	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.
Heart Failure ACE Inhibitors/ARB	No	Yes	Yes with Adj.	Yes
Diabetes Annual Hemoglobin A1c (HbA1c) Testing	No	Yes	Yes with Adj.	Yes
Persistent Asthma Prescription Drug	No	Yes	Yes with Adj.	TBD
Diabetes Nephropathy Testing/Identification	No	Yes	Yes with Adj.	No
Case Management PGs	Anthem	Aetna CVS	Blue Shield	Health Comp
Case Management High Dollar Claimant Outreach	Yes with Adj.	Yes	Yes with Adj.	Yes
Case Management Member Outreach for	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.
Case Management Member Outreach for Post Discharge Counseling	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.

- The Vendor ranking for the Performance Guarantees – Condition and Case Management is as follows:

Vendor Ranking	Anthem	Aetna CVS	Blue Shield	Health Comp	
				Anthem	Blue Shield
Performance Guarantees Condition and Case Management	4	1	3	2	2

Prescription Drug Ranking

Prescription Drug Discount from the Average Wholesale Price (AWP)

- **Prescription Drug Discount from the Average Wholesale Price (AWP)** - The following chart provides the projected Scripts and Discounts from AWP for EmpiRX and Aetna CVS.
- Overall, Aetna CVS' discounts are 0.7% lower than EmpiRx's.

Discount from AWP				
Generic	Scripts	EmpiRX	CVS	% Diff
Retail	61,774	86.0%	85.5%	0.5%
Mail Order	836	90.0%	90.0%	0.0%
Retail 90	<u>28,669</u>	<u>86.0%</u>	<u>85.5%</u>	<u>0.5%</u>
Total/Composite	91,279	86.0%	85.5%	0.5%
Preferred Brand				
Retail	7,601	23.0%	20.1%	2.9%
Mail Order	82	25.5%	25.0%	0.5%
Retail 90	<u>2,374</u>	<u>23.0%</u>	<u>21.6%</u>	<u>1.4%</u>
Total	10,057	23.0%	20.5%	2.5%
Non-Preferred / Specialty				
Retail	2,509	23.0%	20.1%	2.9%
Mail Order	13	25.5%	25.0%	0.5%
Retail 90	<u>245</u>	<u>23.0%</u>	<u>21.6%</u>	<u>1.4%</u>
Total	2,767	23.0%	20.3%	2.8%
Specialty				
Retail	654	19.50%	22.25%	-2.8%
Mail Order	1,773	23.00%	22.25%	0.8%
Retail 90	<u>1</u>	<u>19.50%</u>	<u>22.25%</u>	<u>-2.8%</u>
Total	2,428	22.06%	22.25%	-0.2%
Overall				
Retail	72,538	76.6%	75.8%	0.8%
Mail Order	2,704	43.8%	43.3%	0.5%
Retail 90	<u>31,289</u>	<u>80.7%</u>	<u>80.1%</u>	<u>0.6%</u>
Total	106,531	77.0%	76.3%	0.7%

- All AWP Discounts from both PBMs are guaranteed.
- The Vendor ranking for Prescription Drug Discount from AWP is as follows:

Vendor Ranking	Anthem EmpiRX	Aetna CVS	Blue Shield EmpiRX	Health Comp	
				Anthem EmpiRX	Blue Shield EmpiRX
Prescription Drugs Discount from AWP	1	2	1	1	1

Prescription Drug – Rebates

- **Prescription Drug Rebates** - The following chart provides the projected rebate per script, projected scripts, and projected total for EmpiRX and Aetna CVS.
- Aetna - rebate guarantees are exclusions:
 - Over the Counter (OTC) Claims
 - Limited distribution drug (LDD) Claims
 - Service and Fee Schedule San Joaquin Valley Insurance Authority
 - 340B Claims
 - Compound Drug Claims
 - Paper or Member Submitted Claims
 - Coordination of Benefits (COB) or secondary payor Claims
 - Vaccine (including for COVID) and vaccine administration Claims
 - Other COVID testing-related Claims
 - Biosimilar Claims
 - Claims approved by Formulary Exception
 - Brand drug claims in the HIV therapeutic category are included in the retail rebate guarantees.

These exclusions could reduce the number of rebate eligible scripts

- All rebates are guaranteed only at the rebate per script level for both PBMs are guaranteed. Annual projections are illustrative.
- The Vendor ranking for rebates is as follows:

Rebate Analysis	EmpiRX	Aetna CVS	Difference
Rx Rebate PG per Script			
Retail 30-day supply	\$225.00	\$298.81	\$73.81
Retail 90-day supply	\$650.00	\$766.14	\$116.14
Retail Specialty	\$2,600.00	\$2,911.29	\$311.29
Mail Order	\$600.00	\$851.27	\$251.27
Specialty Mail Order	\$2,600.00	\$2,911.29	\$311.29
Rx Rebate PG number of Scripts			
Retail 30-day supply	6,944	6,944	
Retail 90-day supply	2,152	2,152	
Retail Specialty	60	60	
Mail Order	680	680	
Specialty Mail Order	<u>741</u>	<u>741</u>	
Total	10,517	10,517	
Annual PG Aggregate Total			
Retail 30-day supply	\$1,562,400	\$2,074,937	\$512,537
Retail 90-day supply	\$1,398,800	\$1,648,733	\$249,933
Retail Specialty	\$156,000	\$0	-\$156,000
Mail Order	\$408,000	\$578,864	\$170,864
Specialty Mail Order	<u>\$1,926,600</u>	<u>\$2,157,266</u>	<u>\$230,666</u>
Total	\$5,451,800	\$6,459,799	\$1,007,999
\$ Change		\$1,007,999	
% Change		18.5%	

Vendor Ranking	Anthem EmpiRX	Aetna CVS	Blue Shield EmpiRX	Health Comp	
				Anthem EmpiRX	Blue Shield EmpiRX
Rebates	2	1	2	2	2

Prescription Drug – Performance Guarantees General

- **Prescription Drug Performance Guarantees General** - The following chart provides the general performance guarantees for EmpiRX and Aetna CVS.

SJVIA Performance Guarantees	EmpiRx	Aetna CVS	
PBM PGs	Response	Response	Comments
Claims Accuracy - Retail	Yes	Yes with Adj.	
Claims Accuracy - Mail Order	Yes	Yes with Adj.	Please refer to the Pharmacy Service Performance Guarantees for further detail.
Dispensing Accuracy – Retail	Yes	No	
Dispensing Accuracy – Mail Order	Yes	Yes with Adj.	
Claim Processing Turnaround Time - Mail Order Claims (no Intervention)	Yes	Yes with Adj.	
Claim Processing Turnaround Time - Mail Order Claims (w/ Intervention)	Yes	Yes with Adj.	

- The Vendor ranking for general performance guarantees is as follows:

Vendor Ranking	Anthem EmpiRX	Aetna CVS	Blue Shield EmpiRX	Health Comp	
				Anthem EmpiRX	Blue Shield EmpiRX
Performance Guarantees - General	1	2	1	1	1

Prescription Drug – Performance Guarantees (PGs) Financials

- **Prescription Drug Performance Guarantees** - The following chart provides the general performance guarantees for EmpiRX and Aetna CVS.
- Aetna – Please note the Aetna CVS Pharmacy Service and Fee Schedule does not provide a clinical management PG.

SJVA Performance Guarantees	EmpiRX	Aetna CVS	
PBM Rebate PGs Category	Response	Response	Comments
Prescription Drug Rebates	Yes	Yes with Adj.	*All Rx scripts provided in this RFP are purely illustrative assumptions, not guaranteed. *Please refer to the Pharmacy Service and Fee Schedule for further detail. Please refer to the Pharmacy Service and Fee Schedule for further detail regarding the Performance Credit Guarantee.
Prescription Drug Discounts	Yes	Yes with Adj.	
Prescription Drug Dispensing Fee	Yes	Yes with Adj.	
Prescription Drug - Clinical Management	Yes	Yes with Adj.	

- The Vendor ranking for performance guarantees – financials is as follows:

Vendor Ranking	Anthem EmpiRX	Aetna CVS	Blue Shield EmpiRX	Health Comp	
				Anthem EmpiRX	Blue Shield EmpiRX
Performance Guarantees - General	1	2	1	1	1

Cost Summary / Ranking

Medical Paid Claims, Administration and Total Cost

- **Medical Paid Claims, Administration and Total Cost** - The following chart provides the projected claim cost, administrative costs, and total costs with each carrier.

2024 Cost Projection					
Medical Vendor	Anthem	Aetna	Blue Shield	HealthComp	
Medical PPO Network	Anthem	Aetna	Blue Shield	Anthem	Blue Shield
RX PBM Vendor	EmpiRx	CVS	EmpiRx	EmpiRx	EmpiRx
Claim Cost					
Medical	\$52,295,124	\$53,399,081	\$52,822,684	\$50,464,795	\$50,973,890
Administrative Cost					
Medical	\$3,150,504	\$2,700,949	\$2,803,949	\$3,379,330	\$3,334,560
Total Cost					
Medical	\$55,445,628	\$56,100,029	\$55,626,633	\$53,844,125	\$54,308,450

- The Vendor ranking for Medical Paid Claims, Administration and Total Cost is as follows:

Vendor Ranking	Anthem	Aetna CVS	Blue Shield	Health Comp	
				Anthem	Blue Shield
Medical Cost					
Claim Cost	3	5	4	1	2
Administration Cost	3	1	2	5	4
Total Cost	3	5	4	1	2

Prescription Drug Claim, Administration and Total Cost

- **Prescription Drug Paid Claims, Administrative and Total Cost** - The following chart provides the projected claim cost, administrative costs, and total costs with each carrier.

2024 Cost Projection					
Medical Vendor	Anthem	Aetna	Blue Shield	HealthComp	
Medical PPO Network	Anthem	Aetna	Blue Shield	Anthem	Blue Shield
RX PBM Vendor	EmpiRx	CVS	EmpiRx	EmpiRx	EmpiRx
Claim Cost					
Rx	\$18,186,965	\$18,683,219	\$18,186,965	\$18,186,965	\$18,186,965
Administrative Cost					
Rx	\$372,859	\$0	\$372,859	\$372,859	\$372,859
Total Cost					
Rx	\$18,559,824	\$18,683,219	\$18,559,824	\$18,559,824	\$18,559,824

- Although Aetna CVS shows a \$0 administrative cost, An administrative cost is still being experienced. It is not transparent in the evaluation.
 - Aetna - the Discounts and Dispensing Fees contained in this Agreement reflect a Traditional or Lock-In pricing arrangement. Traditional or Lock-In Pricing means that the amount charged to the Customer and Plan Participants for network claims may differ from the amount paid to Participating Pharmacy and Aetna retains the difference, in addition to any other fees or charges agreed upon by Aetna and Customer, as compensation for the pharmacy benefit management services provided to the Customer.
 - EmpiRx is a 100% pass through model. Actual discounts, dispensing fees, and rebates are passed through 100% to the SJVIA. The only foe retained by EmpiRx is \$3.50 per script for 2024 (\$6.00 per script for 2025 and 2026)

• The Vendor ranking for Prescription Drug Paid Claims, Administration and Total Cost is as follows:

Vendor Ranking	Anthem	Aetna CVS	Blue Shield	Health Comp	
				Anthem	Blue Shield
Prescription Drug Cost					
Claim Cost	1	2	1	1	1
Admininstration Cost	2	1	2	2	2
Total Cost	1	2	1	1	1

Total Claims, Administration and Total Cost

- **Medical Paid Claims, Administrative and Total Cost** - The following chart provides the projected claim cost, administrative costs, and total costs with each carrier.

2024 Cost Projection					
Medical Vendor	Anthem	Aetna	Blue Shield	HealthComp	
Medical PPO Network	Anthem	Aetna	Blue Shield	Anthem	Blue Shield
RX PBM Vendor	EmpiRx	CVS	EmpiRx	EmpiRx	EmpiRx
Claim Cost					
Medical	\$52,295,124	\$53,399,081	\$52,822,684	\$50,464,795	\$50,973,890
Rx	<u>\$18,186,965</u>	<u>\$18,683,219</u>	<u>\$18,186,965</u>	<u>\$18,186,965</u>	<u>\$18,186,965</u>
Total	\$70,482,089	\$72,082,300	\$71,009,649	\$68,651,760	\$69,160,855
Administrative Cost					
Medical	\$3,150,504	\$2,700,949	\$2,803,949	\$3,379,330	\$3,334,560
Rx	<u>\$372,859</u>	<u>\$0</u>	<u>\$372,859</u>	<u>\$372,859</u>	<u>\$372,859</u>
Total	\$3,523,363	\$2,700,949	\$3,176,808	\$3,752,189	\$3,707,419
Total Cost					
Medical	\$55,445,628	\$56,100,029	\$55,626,633	\$53,844,125	\$54,308,450
Rx	<u>\$18,559,824</u>	<u>\$18,683,219</u>	<u>\$18,559,824</u>	<u>\$18,559,824</u>	<u>\$18,559,824</u>
Total Claims and Admin	\$74,005,452	\$74,783,249	\$74,186,457	\$72,403,949	\$72,868,274
\$ Difference		\$777,797	\$181,005	-\$1,601,503	-\$1,137,178
% Difference		1.1%	0.2%	-2.2%	-1.5%

- The Vendor ranking for Total Paid Claims, Administration and Total Cost is as follows:

Vendor Ranking	Anthem	Aetna CVS	Blue Shield	Health Comp	
				Anthem	Blue Shield
Total Cost					
Claim Cost	3	5	4	1	2
Adminstration Cost	3	1	2	5	4
Total Cost	3	5	4	1	2

First Year and Annual Allowances and Credits

- **First Year and Annual Allowances and Credits-** The following chart provides the agreement for Allowances and Credits with each carrier.

Medical Vendor	Anthem	Aetna	Blue Shield	HealthComp	
				Anthem	Blue Shield
Allowances /Credits					
<u>First Year</u>					
Fee Holiday Medical		\$500,000	\$500,000		\$500,000
Pharmacy Allowance		\$90,909			
<u>Annual Allowances /Credits</u>					
Wellness	\$60,000	\$205,612	\$100,000	\$60,000	\$100,000
Tech/Comm/Audit		\$25,701			

- The Vendor ranking for the Allowances and Credits is as follows:

Vendor Ranking	Anthem	Aetna CVS	Blue Shield	Health Comp	
				Anthem	Blue Shield
Allowances and Credits	3	1	2	3	2

SJVIA Sub-Committee Ranking

SJVIA Sub-Committee Ranking

- Each member of the SJVIA Sub-committee was asked to complete a separate ranking file to determine vendor ranking as well.
- Based on the sub-committee ranking, Anthem and EmpiRX ranked number 1.

SJVIA Vendor Ranking	Anthem EmpiRx	Aetna CVS	Blue Shield EmpiRx	Health Comp EmpiRx
OVERALL PRESENTATION (MAY 24TH FINALIST INTERVIEWS)	1.0	4.0	3.0	2.0
ADMINISTRATION SUPPORT AND ACCOUNT MANAGEMENT (SJVIA STAFF SUPPORT)	3.5	3.5	1.0	2.0
MEMBER QUALITY OF CARE, RESOURCES, AND SERVICES (SJVIA MEMBER SUPPORT)	2.0	3.5	3.5	1.0
PRESCRIPTION DRUG BENEFIT MANAGER (PBM EmpiRx and CVS)	1.0	2.0	4.0	3.0
ACCESS TO CARE/NETWORK	1.0	4.0	3.0	2.0
COST PROPOSAL AND PLAN DESIGN	1.0	2.0	3.5	2.5
OVERALL RANKING	1.0	4.0	3.0	2.0

Other Consideration

Other Considerations

- While financials may sway decisions, implementation of a new vendor creates:
 - Additional work for SJVIA staff
 - Disruption and concern for the members
- Have any of the proposed vendors provided an offer substantial enough to validate the additional workload, disruption and concerns
- Will SJVIA realize the savings and the terms and conditions outlined by the proposed carriers?
- While the RFP process ran smoothly for the most part, it is worth noting that one carrier made statements and had to make corrections to their proposal giving a credibility concern to their proposal. A carrier had the following issues:
 - GeoAccess report inflated the number of hospitals in Fresno and Tulare County significantly.
 - Claimed to request additional pricing information and Keenan was non-responsive. 1) Original requests came in one week after the cutoff to ask questions and make requests for the RFP and 2) it is not a good practice to have the proposers calculate their own claim cost projections.
 - Circumvented the RFP process and had contact with County and SJVIA leadership directly. This was outlined in the RFP as inappropriate.
 - In the interviews, stated Adventist Health contract would be settled by the end of May. It is still ongoing.
 - In the interview, stated the presence of multiple minute clinics in Fresno and Tulare County. When asked to provide a list of locations, carrier stated “With respect to minute clinics in the area that we provided in our previous presentation; that number was inadvertently based on a broader region, and we apologize for the inaccuracy. At this time, there are no minute clinics in Tulare County.” There are two in Fresno County.
- EmpiRX has been an excellent PBM for the SJVIA.
 - Prior to EmpiRX, annual rebates were well below \$1 million. For 2024, they will be well above \$4 million. While maintaining a trend well below industry standards.
 - SJVIA has a custom network, which may be difficult to duplicate. Members have been grandfathered from their existing prescription drugs. Nobody has ever been forced to switch medications.
 - Although they are a smaller PBM, they have the wear withal to service and be proactive for the SJVIA. Please see the attached EmpiRX value statement.

Thank You!

