

Meeting Location:
County of Fresno
Board of Supervisors Chambers
2281 Tulare Street, #301
Fresno, CA 93721

AGENDA DATE: July 18, 2025

ITEM NUMBER: Item 13

SUBJECT: Receive Update on Plan Year 2026 PBM Marketing
(I)

REQUEST(S): That the Board receive the update on
Plan Year 2026 PBM Marketing.

DESCRIPTION:

Keenan & Associates will present an update on the Pharmacy Benefit Manager (PBM) marketing process for Plan Year 2026. The objective of this initiative is to evaluate the current PBM arrangement and explore alternative vendors that may offer improved pricing, enhanced clinical programs, and better member service.

The SJVIA Board requested that Keenan conduct a PBM marketing process for the 2026 plan year. This preliminary report evaluates the following components of the PBM proposals:

- Ingredient Cost Repricing
- Dispensing Fees
- Administration Fees
- Prescription Drug Rebates
- Questionnaire Responses Outlining Capabilities, Terms, and Conditions

Seven PBMs were invited to submit bids. Six PBMs responded with proposals. Optum Rx declined to quote, citing previous unsuccessful bids and a perceived lack of fit with SJVIA.

AGENDA: San Joaquin Valley Insurance Authority

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Keenan requested each PBM to reprice the 2024 SJVIA prescription drug usage based on a common valuation date of April 1, 2025. The repricing included 119,581 prescriptions with an AWP value of \$54.4 million. Ingredient cost estimates varied by \$2.2 million, ranging from \$27.2 million to \$29.5 million. Dispensing fee estimates ranged from \$15,000 to \$120,000. Administrative fees varied from \$0 to \$770,000 annually, with differing pricing models (e.g., PEPM, PMPM, per script).

Rebate estimates ranged from \$10.9 million to \$19.0 million, with current rebates under \$8.0 million. Each PBM also provided minimum rebate guarantees. Questionnaire responses were evaluated by Keenan and SJVIA staff from Tulare County and Fresno County, using a 1–5 point scoring system based on implementation, operations, satisfaction, contract requirements, clinical management, and financial cost.

The final report will include total cost proposals, performance guarantees, references, finalist interviews, and an updated report based on executable contract terms. PBMs were asked to duplicate current benefits including an open formulary and network, and also offered clinical management and cost containment programs to be evaluated among finalists.

Updated RFP Timeline:


Milestone	Updated Date Range
Keenan provides recommendation to SJVIA Staff	July 14 – July 18, 2025
Finalist selection and interview scheduling	July 21 – July 25, 2025
Finalist presentations	July 28 – August 1, 2025
Final recommendation submitted to SJVIA Board for contract award decision	August 22, 2025
Carrier Notification	August 25, 2025

FISCAL IMPACT/FINANCING:

To be determined.

ADMINISTRATIVE SIGN-OFF:


Hollis Magill
SJVIA Manager


Lupe Garza
SJVIA Assistant Manager