

## SUBSTITUTE AGENDA ITEM

Public Hearing: YES  NO

Department: Finance - Risk Management

### **SUBJECT:**

**Commission District(s):** All Commission Districts

Healthcare, Pharmacy & Spending Account RFP

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### **PURPOSE:**

Anthem and CVS/Caremark contracts are set to expire in 2024. An RFP was conducted to determine the highest quality healthcare vendor with a competitive cost structure.

### **NEED/IMPACT:**

The self-funded health insurance plan, Pharmacy Benefit Manager and Health Spending accounts provide an integral part of the employee and early retiree benefit program. Over 45% of all employees and early retirees participate in these programs. The RFP is designed to identify the best and broadest network, competitive pharmacy benefits with broad retail access and a low-cost spending account administrator.

### **FISCAL IMPACT:**

Estimated \$44 million per year. This is a self-funded healthcare plan. Cost may change each year.

### **RECOMMENDATION:**

Recommend contract award to the following firms:

Anthem – Active & Pre-65 Retiree health plans - \$35,000,000 (estimated)

CVS/Caremark/Employers Health – Pharmacy Benefit Manager \$8,500,000 (estimated)

WEX – Spending Account Services - \$20,000.00 (estimated)