



Town of Prosper – Best and Final Offer Summary

Below are the highlights of the responses from the vendors selected for the Best and Final Offer (BAFO) process.

Even with the strong financial response from Blue Cross Blue Shield, it is McGriff's recommendation that we still consider a move to UMR (United Healthcare) and Pro Act Rx (carving out PBM).

This recommendation more closely aligns with the long term objectives of Town of Prosper:

- 1.) Control of Pharmacy Benefit Management Contract (PBM)**
- 2.) Less Auto Adjudication of Claims**
- 3.) Better Case Management Engagement and Reporting**
- 4.) Ability to remove Out of Network (OON) Benefits without changing networks**

RFP - #2019-63-A

1.) Blue Cross Blue Shield of Texas

- Reduced administration fee by \$2.00 PEPM - \$4,464 reduction based on 186 employees
- Added wellness credit of \$15,000 and will take full reduction off administration fees on February Bill
- Added additional \$15,000 credit to be used at client's discretion and will take full reduction off administration fees on February Bill
- Offered an HMO network option in order to eliminate Out-of-Network Benefits (OON)

2.) UMR (United Healthcare)

- Two month premium holiday totaling \$19,273.32 in administrative fee credits

- Added wellness credit of \$5,000 to help pay for Online Health Risk Assessment (HRA) and other items if money left over.
- Added standard performance guarantees around claim administration services.

RFP #2019-61-A

1.) Prime Rx (carved in through Blue Cross)

- Offered a Performance Select Formulary under “BAFO 2” with a more restrictive formulary but increases rebate credits back to client. (Disruption to current utilization appears to be minimal).

2.) Pro Act Rx

- Improved Mail Order pharmacy discounts by 1% for Brand and Generic medications.

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Town of Prosper Executive Summary Effective Date: 1/1/2020

ASO Administrator	BCBS Current Plan (Carve In)	BCBS Renewal Plan (Carve In)	BCBS BAFO 1 Renewal Plan (Carve In)	BCBS BAFO 2 Renewal Plan (Carve In)	UMR Proposed Plan (Carve Out)	UMR BAFO Proposed Plan (Carve Out)
PBM Administrator	Prime RX	Prime RX	Prime RX	Prime RX	ProAct RX	ProAct RX
Network	BlueChoice PPO Network	BlueChoice PPO Network	BlueChoice PPO Network	BlueChoice PPO Network	UHC Choice Plus Network	UHC Choice Plus Network
Annual ASO Admin. Fees (186)	\$76,892.40	\$75,039.84	\$70,575.84	\$54,974.16	\$126,799.92	\$115,639.92
Medical Repricing Claims Estimate	\$1,039,230.20	\$1,093,974.92	\$1,093,974.92	\$1,093,974.92	\$1,118,370.56	\$1,118,370.56
RX Claims	\$489,938.47	\$529,133.55	\$529,133.55	\$529,133.55	\$521,196.55	\$521,196.55
Projected Rebates	-	-	-	-	(\$126,219.00)	(\$126,219.00)
Wellness Credit - One Time	\$0.00	\$0.00	(\$15,000.00)	(\$15,000.00)	-	(\$5,000.00)
Run Out Admin Claims	-	-	-	-	\$11,606.40	\$11,606.40
Rate Guarantee	1 year- Until 12/31/2019	1 year- Until 12/31/2020	1 year- Until 12/31/2020	1 year- Until 12/31/2020	2 years- Until 12/31/2021	2 years- Until 12/31/2021
Estimated Total Annual Cost	\$1,606,061.07	\$1,698,148.31	\$1,678,684.31	\$1,663,082.63	\$1,651,754.43	\$1,635,594.43
One time credit in Jan/Feb bill	-	-	(\$15,000.00)	(\$15,000.00)	-	(\$19,273.32)
\$ Combined Difference over Current		\$92,087.24	\$57,623.24	\$42,021.56	\$45,693.36	\$10,260.04
Combined Percent over Current (Total)		5.73%	3.59%	2.62%	2.85%	0.64%
\$ Combined Difference over Renewal			(\$19,464.00)	(\$35,065.68)	(\$46,393.88)	(\$62,553.88)
Combined Percent over Renewal (Total)			-1.15%	-2.06%	-2.73%	-3.68%

This executive summary assumes the following:

* Medical claims trended at 6% and repricing from carriers factored in.

* Pharmacy claims trended at 10% and repricing from APC factored in.

* Stop Loss cost is not factored in this analysis. RFP will go out late October.

*IBNR (2.5 months of Medical & 0.5 months for RX): \$495,125.95

*BCBS BAFO1: One time wellness credit of \$15K. There will be an additional \$15,000 admin credit for the February bill.

*BCBS BAFO2: One time wellness credit of \$15K. Performance Select Prescription Drug Rebate offered (It is a more restrictive formulary). There will be an additional \$15,000 admin credit for the February bill.

*UMR BAFO: One time wellness credit of \$5K. Performance Guarantee offered. One time fee: 2 months of UMR standard Medical Admin Fee waive - estimated amount \$19,273.32. No stop loss integration fee, if selected a prefer vendor.



Town of Prosper

ASO Medical Marketing Analysis

Effective Date: 1/1/2020

	BlueCross BlueShield Current Plan + Prime RX	BlueCross BlueShield Renewal Plan + Prime RX	BlueCross BlueShield BAFO 1 Renewal Plan + Prime RX	BlueCross BlueShield BAFO 2 Renewal Plan + Prime RX	UMR (Carve Out) Proposed Plan + ProAct RX	UMR (Carve Out) BAFO Proposed Plan + ProAct RX
Network	BlueChoice PPO Network	BlueChoice PPO Network	BlueChoice PPO Network	BlueChoice PPO Network	UHC Choice Plus Network	UHC Choice Plus Network
Set Up Fee / Captive Collateral	N/A	N/A	N/A	N/A	N/A	N/A
Renewal Fee	N/A	N/A	N/A	N/A	N/A	N/A
Administration Fees						
Medical Administration - Employee (186)	\$62.42	\$62.42	\$60.42	\$60.42	\$40.46	\$40.46
RX Rebate Credit	(\$32.92)	(\$33.75)	(\$33.75)	(\$40.74)	\$0.00	\$0.00
Stop Loss Interface Fee	Included	Included	Included	Included	\$5.00	\$0.00
Disease Management (BCBS-Wellbeing Enable)	\$4.95	\$4.95	\$4.95	\$4.95	\$3.85	\$3.85
Pre-Certification /Utilization Mgmt (pepm)	Included	Included	Included	Included	Included	Included
Nurse line	Included	Included	Included	Included	\$0.50	\$0.50
Large Case Management	Included	Included	Included	Included	Included	Included
PPO Access Fee (network)	Included	Included	Included	Included	Included	Included
Out of Network Savings PEPM Charge	N/A	N/A	N/A	N/A	\$4.00	\$4.00
External PBM Interface Fee	N/A	N/A	N/A	N/A	\$3.00	\$3.00
Total Admin Fees	\$34.45	\$33.62	\$31.62	\$24.63	\$56.81	\$51.81
Rate Guarantee	1 year- Until 12/31/2019	1 year- Until 12/31/2020	1 year- Until 12/31/2020	1 year- Until 12/31/2020	2 years- Until 12/31/2021	2 years- Until 12/31/2021
Total Monthly Admin Fee	\$6,407.70	\$6,253.32	\$5,881.32	\$4,581.18	\$10,566.66	\$9,636.66
Annual Admin Fee	\$76,892.40	\$75,039.84	\$70,575.84	\$54,974.16	\$126,799.92	\$115,639.92
One time Wellness Credit & Admin Fee Waive	-	-	(\$30,000.00)	(\$30,000.00)	-	(\$24,273.32)
Admin total after Credit	\$76,892.40	\$75,039.84	\$40,575.84	\$24,974.16	\$126,799.92	\$91,366.60
Annual Difference	-	(\$1,852.56)	(\$36,316.56)	(\$51,918.24)	\$49,907.52	\$14,474.20
% Difference	-	-2.41%	-47.23%	-67.52%	64.91%	18.82%
RX Expected Rebates	\$0.00	\$0.00	\$0.00	\$0.00	(\$126,219.00)	(\$126,219.00)
Projected Cost After Rebates	\$76,892.40	\$75,039.84	\$40,575.84	\$24,974.16	\$580.92	(\$34,852.40)
Annual Difference	-	(\$1,852.56)	(\$36,316.56)	(\$51,918.24)	(\$76,311.48)	(\$111,744.80)
% Difference	-	-2%	-47%	-68%	-99.24%	-145.33%
Run-In	N/A	N/A	N/A	N/A	Excludes Run - In	Excludes Run - In
Run-Out	\$20.80 PEPM for 3 months	\$20.56 PEPM for 3 months	\$20.56 PEPM for 3 months	\$20.56 PEPM for 3 months	2 months of admin fee; administer 6 mon of claims	2 months of admin fee; administer 6 mon of claims
Rx Administration	Included in the fee	Included in the fee; no carve out program	Included in the fee; no carve out program	Included in the fee; no carve out program	For carve out available - vendors require prior approval, additional fees may be applied	For carve out available - vendors require prior approval, additional fees may be applied
Medical & RX Integration	Included	Included	Included	Included	Included	Included
Allowances/ Credits	N/A	N/A	*One time wellness credit of \$15K	*One time wellness credit of \$15K	\$5,000 one time implementation credit - requires a 3 year agreement	*Wellness credit of \$5K *2 months of UMR standard Medical Admin Fee waive - estimated amount \$19,273.32
COBRA/ HIPAA Administration	N/A	Did not quote	Did not quote	Did not quote	\$1.05 pepm	\$1.05 pepm
SPD - Electronic Copy	Included	Included	Included	Included	Included	Included
ID Cards - Customized	Included	Included; third party vendor can be added if approved by BCBS association	Included; third party vendor can be added if approved by BCBS association	Included; third party vendor can be added if approved by BCBS association	Included; third party vendor can be added	Included; third party vendor can be added
Accept Eligibility from BenefitFirst	Yes	Yes	Yes	Yes	Yes	Yes



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- Contingent Commission (sometimes referred to as “profit sharing”) which can be based on profitability, premium volume, premium retention, and/or growth.**

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