



HUMAN RESOURCES

To: Mayor and Town Council

From: Kala Smith, Director of Human Resources

Through: Harlan Jefferson, Town Manager

Re: Town Council Meeting – September 24, 2019

Agenda Item:

Consider and act upon awarding RFP No. 2019-61-A for Pharmacy Benefits Management Services to ProAct, Inc., and authorizing the Town Manager to execute all documents for the same.

Description of Agenda Item:

The Town requested proposals (RFP No. 2019-61-A) from qualified providers for Pharmacy Benefits Management Services (PBM). The Town received eight responses by the due date and time. Respondents were required to submit information, in order to facilitate evaluation based on the following criteria:

1. Scope of Services, Coverage, and Professional Competence;
2. Cost of Services, Network Discounts, and Rate Guarantees;
3. Reporting Capabilities and Financial Resources; and
4. Reference and Experience with Similar Clients, and Qualifications.

The evaluation committee was comprised of three staff members, representatives from the Town's benefits consultant McGriff, Seibels & Williams, Inc., and the Town's pharmacy consultant Action Pharmaceutical Consulting. The evaluation committee scored each submittal in accordance with the evaluation criteria as stated above. The evaluation scores are attached titled '2019-61-A Evaluation Scores.' The RFP responses and the evaluation committee's recommendations were reviewed by the Council Benefits Subcommittee on August 20, 2019. Based on the direction from the Council Benefits Subcommittee, Best and Final requests were sent to Prime Rx (Blue Cross Blue Shield of Texas) and ProAct Rx. Based on these evaluations and the Best and Final Offers received, it is the recommendation of the Council Benefits Subcommittee to award the contract to ProAct Rx, the best value proposal for an initial contract term of three years with optional one-year renewal periods. Also attached is the analysis presented to the Benefits Subcommittee on August 20, 2019, and the Best and Final Analysis presented to the committee on September 16, 2019.

Through awarding the contract for Pharmacy Benefits Management Services to ProAct Rx, the Town will benefit from increased pharmacy rebates, greater control of the PBM contract, and the ability to audit PBM performance through the Town's pharmacy consultant, Action Pharmaceutical Consulting.

Budget Impact:

The Town's FY 2019-2020 budgeted costs for pharmacy claims is included in the Town's Health Trust Fund. Subsequent annual expenditures will be subject to appropriations granted in future fiscal years.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the HIPAA Rules Business Associate Agreement and ProAct, Inc. Service Agreement as to form and legality.

Attached Documents:

1. 2019-61-A Evaluation Scores
2. Benefits Committee RFP Analysis Report
3. Best and Final Analysis Report
4. HIPAA Rules Business Associate Agreement
5. ProAct, Inc. Service Agreement

Town Staff Recommendation:

Town staff recommends awarding RFP No. 2019-61-A for Pharmacy Benefits Management Services to ProAct Rx, Inc., and authorizing the Town Manager to execute all documents for the same.

Proposed Motion:

I move to award RFP No. 2019-61-A for Pharmacy Benefits Management Services to ProAct Rx, Inc., and authorize the Town Manager to execute all documents for the same.