



Update on the procurement of a Pharmacy Benefit Manager

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Current PBM status

- Management and unions agreed to contract with a PBM about 16 years ago
- PBMs since that time have been selected by both management and unions
- The current pharmacy benefit manager (PBM) is CVS Caremark
- Contract expires on December 31, 2022

43A.231 Procurement of a pharmacy benefit manager and a platform technology vendor

- Contract with a PBM to administer the pharmacy benefit
- Contract with a Platform vendor to:
 - conduct a reverse auction to select the PBM
 - conduct ongoing invoice reviews, market checks, and other functions to ensure the state receives what is owed under the contract

Platform vendor selected

- Selected Truveris as our Platform vendor
- Selection was made by union and management representatives
- Contract was signed in October 2022, three months before PBM RFP was issued

Work is underway to select a PBM

- Approximately 65% of the way through PBM selection
- RFP was issued Jan 31, 2022
- RFP is conducted on the platform
- RFP consists of a questionnaire, terms, and financials
- Financial responses and disruption of both the formulary and network are all measured against the current status quo
- 6 PBMs responded to the RFP
- The contract will be finalized by the end of June

Three bid phases

- The RFP consists of three bid phases:
 - Phase one ends March 16.
 - Responders accept or reject the terms and make their first financial bid.
 - Phase two ends April 29.
 - We work with bidders on reconsideration of terms.
 - Responder improve their financial bids.
 - Phase three ends on May 31.
 - Same work as phase two.
 - A winner will be identified, and a contract executed by June 30
 - Implementation will be completed by Dec 31

Implementation and ongoing work

- July 1 – Dec 31 both vendors prepare for services to begin
- Jan 1 the new PBM contract begins
 - The selected PBM administers the pharmacy benefit by providing:
 - Formulary and network
 - Claims processing
 - Clinic programs
 - Truveris works to ensure the PBM is fully honoring its contract by providing:
 - Claim-by-claim invoice reviews
 - Claim-by-claim adjudication of invoiced claims
 - Annual market checks

Thank You!

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