



## **REQUEST FOR PROPOSAL**

**2018-154**

***Pharmacy Benefit Manager Administration/Services***

Effective January 1, 2020

## GENERAL INFORMATION

Kitsap County is seeking proposals from qualified companies for placement of pharmacy benefits services including claims adjudication, customer service, reporting and related services.

A concurrent RFP, #2018-155, is seeking proposals for Medical as well as Medical/Pharmacy services. Therefore, the County may award the medical and pharmacy separately or both to a single bidder. If a combined award for medical & pharmacy is made under the concurrent RFP #2018-155 then no award will be made under this RFP.

Proposals submitted in response to the specifications contained herein shall comply with the instructions and procedures detailed in this Request for Proposal (RFP).

All interested responders must reply with a Letter of Interest (LOI) as per the timeline below. This letter should indicate ability to meet the following minimum requirements as well as be accompanied by any written questions proposers have after reviewing the RFP. The standard requirements for the County are:

- 1) Bidder must show retail pharmacy adequacy in Kitsap and adjoining counties.
- 2) Bidder must have existing public entity business
- 3) Willingness to provide reference for 3 current clients and 2 former clients
- 4). Must be licensed to practice in the state of Washington.

All written questions will be answered and submitted to all responders who submit a timely LOI. In addition, all such responders will then receive a de-identified prescription drug claims file to perform the following analysis to be included in the response:

- 1) Retail Pharmacy Disruption
- 2) Contract Discount Analysis

## PROPOSED TIMELINE

<b>Request for Proposal Released</b>	<b>September 20, 2018</b>
<b>Letters of Interest (LOI) &amp; Questions Due</b>	<b>October 2, 2018</b>
<b>Answers to Q&amp;A due and Claims Data File submitted from County to LOI responders</b>	<b>October 16, 2018</b>
<b>Responses Due</b>	<b>November 20, 2018</b>
<b>Internal Evaluation of Proposals</b>	<b>December 2018/January 2019</b>
<b>Finalist Interviews/Demonstrations/Site Visits (if necessary)</b>	<b>February 2019</b>
<b>Preliminary Decision</b>	<b>No later than March 1, 2019</b>
<b>Begin contract Negotiations</b>	<b>March 2019</b>
<b>Execute Contract</b>	<b>June 2019</b>
<b>Open Enrollment</b>	<b>November 2019</b>
<b>Beginning Date with Carrier</b>	<b>January 1, 2020</b>

The above schedule is subject to change based on availability; we reserve the right to modify the dates as necessary. Note: Any proposals received after the due date will be rejected.

## **CONFIDENTIALITY**

All information and supporting materials submitted in response to this RFP are public records as defined by the Public Records Act (Act), Chapter 42.56 RCW, and available for public inspection and copying. If a vendor considers any portion of the information and/or supporting materials, electronic or hard copy, to be protected from disclosure under Washington law, the vendor shall specifically identify all information it claims to be confidential or proprietary by clearly making each page and item with the words “confidential” and/or “proprietary” in large bold font. If the County receives a request under the Act to inspect or copy the information that has been clearly identified by the vendor as confidential/proprietary and the County determines that release of the information is required by the Act or otherwise appropriate, the County’s sole obligation will be to make a reasonable effort to notify the vendor of the request and the date that the confidential/proprietary information will be released to the requestor unless the vendor obtains a court order to enjoin disclosure pursuant to RCW 42.56.540. If the vendor fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified. The County has, and by this section assumes, no obligation on behalf of the vendor to claim any exemption from disclosure under the Act. The County will not be liable to the vendor for releasing records, even if the records have been marked by the vendor as confidential and/or proprietary, in compliance with the Act, this section or court order. All Proposals and supporting materials received by the County, become the property of County and will not be returned.

## **This RFP is issued by Kitsap County**

Questions related to the RFP should be directed to:

Colby Wattling  
Kitsap County Purchasing Office  
614 Division Street, MS-7  
Port Orchard, WA 98366  
[cwattling@co.kitsap.wa.us](mailto:cwattling@co.kitsap.wa.us)  
360-337-5777

## **GOAL OF RFP**

Kitsap County is seeking proposals for PPO (non-HMO) plan administration and related services for its employee medical and pharmacy program effective January 1, 2020. The purpose of the Medical Plan RFP #2018-154 is select a third-party administrator for the County's self-funded PPO Medical plans. Proposal to that RFP could include carve-in pharmacy services. The emphasis for this RFP is to identify potential partners who have the ability to leverage network strength, contracting ability and technology services to aid the County in creating a high-quality prescription drug program where employees and the County are provided the information/support tools to make informed decisions around quality and cost.

## **BACKGROUND ON CURRENT PROGRAM AND PARTNERS**

The purpose of this RFP is to seek a third party administrator for its pharmacy benefits for the County's PPO plans for a period of up to five years. The County offers its employees a choice of six health options from Premera Blue Cross (PPO) and Kaiser Permanente (HMO). These partners have contracted for these services with the County for many years. Additionally, there are also 3 plans which are unique to specified bargaining units. There is also a non-Medicare Retiree option. The programs from both carriers became self-funded January 1, 2013.

These plans are the subject of good faith bargaining with the County's represented employees comprised of 17 bargaining units covered under 13 separate bargaining agreements. Therefore, plans are negotiated nearly annually for both benefit adequacy and employee contribution levels directly on behalf of individual bargaining units. The County also sponsors a joint labor-management Medical Benefits Committee that meets regularly to review the plan performance and suggest changes to the plan design that are later the subject of formal collective bargaining.

The plans cover about 1,020 employees and a beneficiary total of 2,500. Currently, Premera has 57% and Kaiser 43% of plan beneficiaries. The County's contribution varies by plan and carrier but on average the County pays about 88% of plan costs. Any surplus is held in the County's benefit fund and is used to meet the state's 16 week reserve requirement. The County maintains reserves in excess of those requirements, with a goal of maintaining a 20 week reserve.

Plan designs are found in the appendix. In summary, the Premera plans offer the Heritage Plus 1 network. The three plans include a high and low option PPO as well as a HDHP offering to which the County also makes a HSA contribution. Premera has administered the medical and pharmacy plans as an integrated PPO offering.

Kaiser Permanente offers a high and low option HMO plus a HDHP offering. As is the case with Premera, the County makes a HSA contribution to HDHP plan participants.

**GENERAL TERMS AND CONDITIONS:**

**The term of this engagement / contract is from January 1, 2020 –December 31, 2024**

1. Kitsap County will not pay costs incurred by vendor related to the submission of proposals in response to this RFP.
2. Kitsap County may terminate agreement in whole or part at any time when determined company has breached one or more terms and conditions.
3. Kitsap County will only pay for services accepted by the County.
4. Kitsap County reserves the right to invite one or more contractors to present their proposals in person to the selection committee and/or Board of County Commissioners. It also reserves the right to select any or all combination of proposals and to waive any or all irregularities in proposals received.
5. Kitsap County may request additional information after proposals are opened.

**EVALUATION CRITERIA**

The evaluation of proposals will be based on the following criteria:

- Qualifications of the Company and the team assigned to Kitsap County
- Responses to the following specific questionnaire
- Total resources of the Company that can be applied to the advantage of Kitsap County
- The scope of services offered and the extent to which they meet or exceed the requirements of Kitsap County, including an evaluation of proposers' capabilities in managing the retail network and access standards
- Track record for successfully providing these services to comparable clients
- Compatibility and integration with BenefitFocus, the County's HRIS, and the third party administrator selected for administration of the County's self-funded PPO medical plans.
- Proposed pricing over the term of the engagement, including both administrative service fees and claims analysis
- Qualifying references
- Adequacy of proposed implementation plan

## **SUBMISSION REQUIREMENTS / DEADLINE**

All proposals must be received by November 20, 2018, at 3:00 PM (PST) and must be submitted with one (1) paper copy as well as in one (1) electronic copy in USB or cd form (Excel or Word, as applicable). Please submit proposals to the following recipients:

### **Please submit by mail to:**

Colby Wattling  
Kitsap County Purchasing Office  
614 Division Street, MS-7  
Port Orchard, WA 9836

### **For hand delivery, express or courier:**

Colby Wattling  
Kitsap County Administration Building  
Purchasing Office – Fourth Floor  
619 Division Street  
Port Orchard, WA 98366

A complete proposal includes:

1. Responses to the RFP Questionnaire
2. Retail Pharmacy Disruption Analysis (Full Data File Form)
3. Contract Discount Analysis (Full Data File Form)

All proposals submitted become the property of Kitsap County, and will not be returned. This RFP may be modified or withdrawn by Kitsap County at any time.

## **TRANSITION PLAN/TIMELINE**

The projected time effective date for this engagement is January 1, 2020. The County typically holds open enrollment during the month of October. Please propose a sample implementation schedule that would comfortably support this effective date assuming you are awarded the engagement no later than March 1, 2019.