



PURCHASING DEPARTMENT

200 W. Oak Street, Suite 4000
Fort Collins, Colorado 80521
(970) 498-5955
Fax (970) 498-5959

TO: Bridget Paris, Director of Human Resources
Pam Stultz, Benefits Manager

FROM: Heather MacMillan, CPPB, M.Ed., Purchasing Director

DATE: 3/27/15

SUBJECT: P15-05 Pharmacy Benefit Management

Transmitted for your review and recommendation, are the proposals received to consider contracting for pharmacy benefit manager services for the Larimer County Human Resources Department. Please fill in this form and return it to me via interoffice mail or fax.

The following criteria must be used to evaluate the proposals:

1. Financial
2. Network Access
3. Administration, Billing & Capabilities
4. Service Commitment
5. Fit with Larimer County Objectives, Operations and Culture

This document will be considered a public record and open to inspection. The individual committee score sheets, comment sheets and other evaluation notes are DELIBERATIVE PROCESS records and not public records. Please keep these documents in your files.

Explain why you want to award the work to a particular vendor and the dollar amount of the award:

The Evaluation Committee shortlisted the two (2) highest scored vendors; Magellan Rx Management Inc., and Kroger Prescription Plans, and performed interviews with each. The Evaluation Committee unanimously selects Magellan with the estimated first year amount of \$3,653,713 for the following reasons:

Magellan's proposal of administration fees, guarantees on the negotiated drug cost, and rebates produce the lowest-cost option among the shortlisted vendors, with Magellan's estimated 3-year savings being \$1,144,759.00, while the other vendor's estimated 3-year savings was \$771,781.00.

Magellan's contract more clearly defines each drug category, rebates terms, and audit ability, whereas the other short-listed vendor did not clearly define all drug definitions and categories. Without a clear definition of how a drug may be categorized, the ability to effectively audit claim adjudication and contract discounts is compromised.

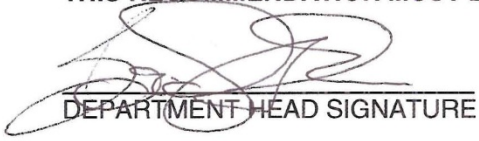
Magellan provides superior reporting capabilities including Average Wholesale Price of each drug, which was not included by other the other shortlisted vendor.

In addition, and also unlike the other shortlisted vendor, Magellan provides a Client Portal to view up-to-date drug utilization and pricing.

Magellan also provides a disaster recovery process, allowing for the transfer of their operations to an alternative facility in the event of a disaster affecting their facilities. To the team's knowledge, this offering is not available with the other shortlisted vendor.

Lastly, Magellan's proposal was the highest scored by the Evaluation Committee.

THIS RECOMMENDATION MUST BE SIGNED BY THE DEPARTMENT HEAD


DEPARTMENT HEAD SIGNATURE

Human Resources
DEPARTMENT

7-23-15
DATE

Thank you.