Broward County

Legislation Details (With Text)

File #:	20-1642 **Version:** 1		
		Status:	Agenda Ready
		In control:	Finance - Human Resources Division
On agenda:	10/20/2020	**Final action:**	10/20/2020

Title: A. MOTION TO APPROVE Second Amendment to the Agreement between Broward County and United Healthcare Services, Inc., for the Administrative Management Services, for Self-Insured Group Health Insurance Coverage and Benefits, for Broward County employees, retirees, COBRA participants, survivors and their eligible dependents.

(Transferred to the Consent Agenda.)

ACTION: (T-10:25 AM) Approved.

VOTE: 8-0. Commissioner Rich voted in the affirmative telephonically. Commissioner Sharief was not present.

ACTION: (T-10:30 AM) Commissioner Sharief requested being shown voting in the affirmative.

VOTE: 9-0.

B. MOTION TO APPROVE Second Amendment to the Agreement between Broward County and OptumRx PBM of Illinois, Inc., for the Administrative Management Services, for Self-Insured Group Pharmacy Insurance Coverage and Benefits, for Broward County employees, retirees, COBRA participants, survivors and their eligible dependents.

(Transferred to the Consent Agenda.)

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VOTE: 9-0.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - UHC Agreement Summary, 2. Exhibit 2 - Second Amendment UHC 2021, 3. Exhibit 3 - OptumRx Agreement Summary, 4. Exhibit 4 - Second Amendment OptumRx 2021

Date	Ver.	Action By	Action	Result

Broward County Commission Regular Meeting
Director's Name: George Tablack
Department: Finance and Administrative Services **Division:** Human Resources

Information

Requested Action

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Why Action is Necessary

In accordance with the Broward County Procurement Code, Section 21.31.a.4, Board approval is required for professional services agreements greater than $100,000 per annum or $200,000 for multi-year contracts; and Board approval is necessary to select and implement the County's insurance plans.

What Action Accomplishes

Provides Board approval to renew health and pharmacy insurance Administrative Service Agreements for Calendar Year 2021.

Is this Action Goal Related

No

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Previous Action Taken
None.

Summary Explanation/Background
THE FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT AND THE HUMAN RESOURCES DIVISION RECOMMEND APPROVAL OF THE ABOVE MOTIONS.

On October 6, 2020 (Item No. 31), the Board approved the funding for continuation of the County's self-insured health and pharmacy programs for Calendar Year 2021. Consistent with the Board's funding approval, this current item seeks amendments to the respective agreements necessary to continue the administration of the County's self-insured health and pharmacy programs through our current providers.

MOTION A seeks the Board's approval of the Second Amendment of the Agreement for Administrative Management Services with United Healthcare Services, Inc. (UHC) for the continuation of the administration of the Consumer Driven Health Plan, High Deductible Base Plan, and High Deductible Out of Network Coverage Plan, all with a national network (Exhibit 2).

For Plan Year 2017, on December 6, 2016 (Item No. 37), the Board approved an agreement with UHC to provide Administrative Management Services for Self-Insured Group Health Insurance Coverage and Benefits. The Agreement included negotiated administrative fees for the initial three-year period and for two one-year renewals.

For Plan Year 2018, the County eliminated the CDH Low Plan and reduced the coinsurance for the HDHP Out of Network Plan in-network benefit from 30% to 20%.

For Plan Year 2019, the County implemented the Real Appeal and Diabetes Health Plan.

For Plan Year 2020, on August 20, 2019 (Item No. 69), the Board approved the First Amendment renewing with UHC for continuation of administrative services for the health plans. In addition, the County implemented a full bariatric program with a separate $4,500 deductible if member is approved for surgery with an additional administrative fee of $0.24 per employee per month. UHC will offer at no additional cost an Orthopedic Health Support Program with bundled fees should the member require surgery.

For Plan Year 2021, this Second Amendment provides a renewal with UHC for continuation of administrative services for the health plans with no plan design changes.

MOTION B seeks the Board's approval of the Second Amendment of the Agreement for Pharmacy Benefit Management Services with OptumRx PBM of Illinois, Inc. (OptumRx) for the continuation of the administration of pharmacy services for the Consumer Driven High Plan, High Deductible Base Plan and High Deductible Out of Network Coverage Plan provided by UHC (Exhibit 4).

For Plan Year 2017, the County contracted with OptumRx through the RFP procurement process. The Agreement included negotiated Per Claim Administrative Fees, discounts and rebate guarantees for the initial three-year period and for two one-year renewals. Other than normal changes to the Formulary, there were no plan design or program changes for Plan Years 2018 and 2019.

For Plan Year 2020, on December 3, 2019 (Item No. 28), the Board approved the First Amendment renewing with OptumRx for continuation of administrative services for pharmacy plans. In addition, the County implemented a custom Formulary Override Exception Program for non-formulary prescriptions requiring physicians to document that member has tried one therapeutically-equivalent drug on the formulary unsuccessfully (currently requires two therapeutically equivalents on the formulary) to be approved for the non-formulary prescription. In addition, the County implemented a Manufacturer Copay Card/Assistance Program for Specialty pharmacy only, which will take into consideration the amount of assistance received from the manufacturer by the member thereby allowing only the amount the member actually pays out of pocket to be applied to their annual deductible.

The First Amendment with OptumRx also included clarifying definitions and other language changes reflected in the County Auditor's Audit of Pharmacy Benefit Management Services Agreement (Performed by StoneBridge Business Partners) Report No.18-13 and from the County Auditor's Consultant review of the current Agreement language approved by the Board on August 20, 2019 (Item No. 35).

For Plan Year 2021, this Second Amendment with OptumRx provides for a renewal for continuation of administrative services for pharmacy plans.

The renewal was negotiated on August 24, 26 and September 1, 2020, with representatives of the Finance and Administrative Services Department, the Human Resources Division, the Purchasing Division, the County Attorney's Office and USI (County's Benefits Consultant) which resulted in the following:

- Increase in Minimum Guaranteed Rebates for most Channels:
    - Retail 30-day increased from $125.30 to $140
    - Retail 90-day increased from $421.95 to $550
    - Mail Order 90-day increased from $421.95 to $550
    - Specialty Pharmacy 30-day increased from $1,100 to $1,505
- Increase in Pharmacy Discount Percentages:
    - Brand Formulary Retail 30-day increased from 17.75% to 17.85%
    - Generic Formulary Retail 30-day increased from 82.25% to 82.35%
    - Brand Formulary Retail 90-day increased from 24.5% to 24.6%
    - Specialty Drugs (Exclusive Network) increased from 19.5% to 19.65%
- Estimated $1,263,338 in increased Minimum Guaranteed Rebates and increased Pharmacy Discount Percentages.
- Contract Allowance:

  The current agreement provides for an allowance of $10 per member for the duration of the Agreement, approximately $110,000. The allowance is provided by OptumRx and is reserved for implementations of new programs, services and the annual Member Satisfaction survey.

OptumRx offered the County a special opportunity to utilize the remaining balance of $95,500 to offset some of the Clinical Management Fees. Two fees were selected:

- Medication Therapy Management - $0.47 Per Member Per Month for 12 months - $62,243.
- Medication Adherence Program - $0.23 Per Member Per Month for 13 months - $32,997.

- Estimated savings $95,500 in direct costs to Plan.

Source of Additional Information
David Kahn, Director, Human Resources Division, 954-357-6005

Fiscal Impact

Fiscal Impact/Cost Summary
Motions A and B: Fiscal impact is consistent with the 2021 Health Insurance Funding approved by the Board on October 6, 2020 (Item No. 31), which is estimated based on anticipated member utilization.

The funding source for the self-insured health and pharmacy coverage:

Health:
5050 023 8221 4515 - Claims
5050 023 8221 4951 - Admin Fees

Pharmacy:
5050 023 8221 4549 - Prescription Plan Self-Insured