



STATE OF WISCONSIN
Department of Employee Trust Funds
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CORRESPONDENCE MEMORANDUM

DATE: October 20, 2009
TO: Group Insurance Board
FROM: Jeff Bogardus, Manager, Pharmacy Benefit Programs
SUBJECT: Pharmacy Benefit Manager Request for Proposal

Staff requests that the Board authorize staff to proceed with the release of a Request for Proposal (RFP) for administration of Pharmacy Benefit Manager (PBM) services.

The Department is set to release an RFP for PBM services subsequent to Board approval. The contract with the current PBM, Navitus Health Solutions, LLC, will expire on December 31, 2010. Staff expects to bring a recommendation and proposal to award a new contract to the Board at its February 2010 meeting.

Background

In 2002 the *Health Insurance Study Group* convened to recommend to the Board changes regarding the design of the group health insurance program. One of the recommendations was to utilize a pharmacy benefit manager to provide pharmacy services to all participants. . Subsequently, the Board chose to contract with DeanPoint, Inc., which later became Navitus Health Solutions. The proposed RFP was developed to be consistent with the goals and methods used in the 2003 process.

The PBM RFP

The objective of the RFP is to ensure that the PBM selected is able to provide services that will accommodate and enhance the current pharmacy benefit plan design. It is staff's intent to contract for the most transparent, cost-effective pricing and service agreement and select a PBM that is committed to working for the benefit of the State and the Wisconsin Public Employers group health insurance programs and its members.

Reviewed and approved by Tom Korpady, Division of Insurance Services.

Signature Date

Board	Mtg Date	Item #
GIB	11/10/09	3

The following is the proposed timeline established for the RFP:

<u>DATE</u>	<u>EVENT</u>
November 16, 2009	Issue RFP
November 25, 2009	Letter of intent and vendor questions due
December 4, 2009	Vendor conference (if necessary)
December 9, 2009	Post answers to questions on ETF Extranet
December 30, 2009	RFP proposals due
February 16, 2010	GIB Meeting/Vendor Recommendation from Staff.
February 17, 2010	Begin contract negotiations
July 1, 2010	Transition implementation start date
January 1, 2011	Contract Effective Date

Staff will be available at the meeting to answer questions the Board may have.