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Correspondence Memorandum

Date: October 5, 2023

To: Group Insurance Board

From: Tricia Sieg, Pharmacy Benefits Program Manager
 Tom Rasmussen, Dental and Life Insurance Program Manager
 Office of Strategic Health Policy

Subject: Administrative Services for the State of Wisconsin Pharmacy Benefits Program Request to Release a Request for Proposals (RFP)

The Department of Employee Trust Funds (ETF) recommends the Group Insurance Board (Board) authorize ETF to prepare and issue a Request for Proposals (RFP) to select a vendor to provide Administrative Services for the State of Wisconsin Pharmacy Benefits Program, effective January 1, 2026.

Background

On January 1, 2018, the Board began a contract with Navitus Health Solutions, LLC (Navitus) to act as the Board’s Pharmacy Benefit Manager (PBM) after a competitive RFP process. The current contract was originally for a term of three years with two, two-year extensions. The Board, wanting Navitus to show they could meet the financial expectations laid out in the contract, decided initially to issue a one-year contract from January 1, 2018, through December 31, 2018, with an extension from January 1, 2019, through December 31, 2019. After the first contract extension, the Board approved a two-year contract extension with Navitus from January 1, 2020, through December 31, 2021, and the last extension under the current contract of three years from January 1, 2022, through December 31, 2024.

On November 16, 2022, the Board approved ([Ref. GIB | 11.16.22 | 9](#)) an additional one-year extension to the contract due to overlapping resource needs for the Insurance Administration System (IAS) and any potential vendor change resulting from a PBM RFP. The approved one-year extension has the current contract ending on December 31, 2025.

Request for Development and Release of an RFP

Over the past three and a half years, ETF has fielded questions from multiple PBMs inquiring about when the current PBM contract will expire and requesting a timeline for when the RFP might be circulated. Between those inquiring vendors and the number of

Eileen Mallow

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
 Electronically Signed 10/10/2023

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qualified providers in the marketplace, ETF believes a PBM RFP will solicit several competitive and innovative proposals from vendors.

The proposed contract will be for a three-year period, January 1, 2026, through December 31, 2028, with two additional two-year extensions permitted. If approved by the Board, ETF will proceed with the preparation and distribution of the RFP as outlined in the timetable below.

Table 1. RFP Timetable with Proposed Contract Extension

Month/Year	Action
April 2024	Publish the Pharmacy Benefits Program RFP
August 2024	Proposals due from vendors
September 2024– November 2024	Evaluation committee reviews vendor submissions and if necessary, vendor presentations will be given
December 2024	Evaluation committee makes their selection
February 2025	Board Presentation on evaluation committee’s findings
May 2025	New pharmacy contract negotiated and signed
May 2025– December 2025	Vendor works with ETF, health plans, and stakeholders
January 1, 2026	Members’ pharmacy benefits begin under new contract

Staff will be at the Board meeting to answer any questions.