

**INDIAN RIVER COUNTY
MEMORANDUM**

TO: The Honorable Board of County Commissioners

THRU: John A. Titkanich, Jr., County Administrator

FROM: Suzanne Boyll, Human Resources Director

DATE: June 27, 2023

SUBJECT: Addendum to RXBenefits Administrative Services Agreement Reflecting Improved Pricing and Updates effective January 1, 2023

BACKGROUND:

Effective May 1, 2018, Indian River County Board of County Commissioners approved a recommendation to carve-out the pharmacy benefit under the County’s group health insurance program from Florida Blue and select Express Scripts as the pharmacy benefit manager. Administrative services for the pharmacy benefit are provided by RX Benefits. Pricing and rebates are updated annually effective January of each year and approved by the BOCC. The agreement has also been updated to reflect changes as outlined below.

The improved pricing projections under the attached Addendum are reflected below and reflect an estimated improvement of 14.16% or \$554,496.

Indian River County Board of County Commissioners Comparable Analysis (01/01/2023 - 04/14/2023)

Results Summary	2023 RxBenefits - Express Scripts	2024 RxBenefits - Express Scripts
Gross Cost	\$2,191,922	\$2,173,094
Rebates	-\$678,505	-\$817,670
Administrative Fees	\$7,555	\$7,555
Member Amount Paid	-\$405,402	-\$405,402
Plan Cost	\$1,115,570	\$957,577
Annualized Plan Cost	\$3,915,223	\$3,360,727
Annualized \$ Pricing Improvement over 2023 claims financial guarantees		\$554,496
Annualized % Pricing Improvement over 2023 claims financial guarantees		14.16%

SUMMARY OF LANGUAGE CHANGES FROM RX BENEFITS AND REVIEWED BY LOCKTON:

- *Overall, the updates this year were made to improve formatting, align and defines terms, and continue our attempt to have our contracts be more transparent.*
- *Due to ever evolving Federal, state and/or local laws/legislative requirements, a stipulation has been added addressing the potential for pricing variations and claims may be exempt from reconciliation of financial guarantees.*
- *Biosimilar products are no longer excluded from pricing guarantees.*
- *Rebate payout timeline enhancements and additional clarifying language.*

The agreement has been reviewed by Lockton and is recommended for approval.

FUNDING:

Funding for the pharmacy benefit will be budgeted for Fiscal Year 2023/2024 in the Employee Health/Health Insurance/Pharmacy Claims account, number 50412719-034586, in the amount of \$3,360,727.

Account Name	Account Number	Amount
Employee Health/Health Insurance/Pharmacy Claims	50412719-034586	\$3,360,727

RECOMMENDATION:

Staff respectfully requests the Board of County Commissioners approve and authorize the Board Chairman to sign the January 1, 2023 Addendum to the Administrative Services Agreement addendum with RXBenefits after review and approval by the County Attorney.

Attachments:

2023 ASA Addendum RX Benefits