

**RESOLUTION NO. 2007- 173 R**

**A resolution awarding a contract for Pharmacy Benefit Manager Services to CaremarkPCS Health, L.P., a Delaware limited partnership, and authorizing the City Manager to execute a Prescription Benefit Services Agreement and all other documents necessary to accept the final offer of said entity, and declaring an effective date.**

IT IS RESOLVED BY THE CITY COUNCIL OF THE CITY OF VICTORIA, TEXAS:

1.

The City Manager is authorized to accept the final offer of CaremarkPCS Health, L.P., a Delaware limited partnership, for Pharmacy Benefit Manager Services and is authorized to execute a Prescription Benefit Services Agreement and all other documents necessary to accept the final offer of said entity which is attached hereto as **Exhibit "A"**, with said Agreement and other documents to be in the form approved by the City Attorney.

2.

This resolution shall become effective immediately upon adoption.

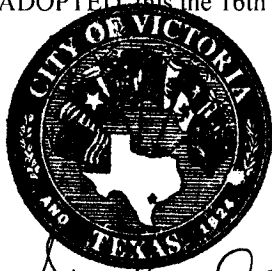
PASSED, this the 16th day of October, 2007.

AYES: **7**

NAYS: **0**


ABSTENTIONS: **0**

APPROVED AND ADOPTED, this the 16th day of October, 2007.



ATTEST:

  
SCARLET SWOBODA, City Secretary

  
WILL ARMSTRONG, Mayor of the  
City of Victoria, Texas

APPROVED AS TO LEGAL FORM

  
DAVID ATMAR SMITH, City Attorney

Distribution:   Legal Department  
                  Finance Department  
                  Department of Environmental Services

Copies Sent:   **OCTOBER 17, 2007**

**Exhibit "A"**

<b>RETAIL PRICING (30 day supply)</b>	
Minimum Brand Effective Rate Guarantee	AWP – 16.25%
Maximum Brand Dispensing Fee Guarantee	\$1.65
Minimum Generic Effective Rate Guarantee	MAC
Maximum Generic Dispensing Fee Guarantee	Non-Mac: AWP – 16% (Guarantee of AWP -52%) <i>all in</i> \$1.65
Admin. Fee (Electronic)	\$0.00 per claim
Admin. Fee (Manual)	\$1.50 per paper claim
Claim Fee	
<b>MAIL ORDER PRICING (90 DAY SUPPLY)</b>	
Minimum Brand Effective Rate Guarantee	AWP-24%
Maximum Brand Dispensing Fee Guarantee	\$0.00
Minimum Generic Effective Rate Guarantee	AWP - 56%
Maximum Generic Dispensing Fee Guarantee	\$0.00
Admin. Fee (Electronic)	\$0.00 per claim
Admin. Fee (Manual)	\$1.50 per paper claim
Claim Fee	
<b>RETAIL REBATE GUARANTEE PER SCRIPT</b>	
Contract Year 1	\$5.48
Contract Year 2	\$5.48
Contract Year 3	\$5.48
<b>MAIL REBATE GUARANTEE PER SCRIPT</b>	
Contract Year 1	\$16.48
Contract Year 2	\$16.48
Contract Year 3	\$16.48
<b>SPECIALTY REBATE GUARANTEE PER SCRIPT</b>	
Contract Year 1	\$0.00 per claim
Contract Year 2	\$0.00 per claim
Contract Year 3	\$0.00 per claim
<b>IMPLEMENTATION ALLOWANCE</b>	
<b>MISCELLANEOUS FEES</b>	
EOB production and mailing every month in which a prescription is dispensed. Formulary information to be included in EOB.	TBD
Formulary Development and P&T Committee oversight if PBM's standard formulary is used.	Included
Transition Plan letters	Included
Formulary Guide development and Maintenance	Included
Other Drug Utilization Review Programs	CustomCare Mail: \$2.50 per mail claim/ Caremark guarantees a 200% savings guarantee over the three-year term of the contract. Any savings beyond that will be equally shared between Caremark and the City.
Retrospective DUR programs	CustomCare Retail: \$0.50 per retail claim/ Caremark guarantees a 200% savings guarantee over the three-year term of the contract. Any savings beyond that will be equally shared between Caremark and the City.
Concurrent DUR programs	Included

Prospective DUR programs	iBenefit - \$1.50 per participant specific mailing iScribe - TBD
Generic or Formulary maximization programs	Included
Step Therapy Programs	\$40.00 per clinical consultation/ programs, set-up, and edits are included if fully automated
Appeals: • Physician review • Administrative review	1 <sup>st</sup> level: \$100 per case 2nd level: \$500 per case
Other Clinical Programs Prior Authorization Clinical Overrides Disease State Management Programs Full Call Center Support • For pharmacies and providers • For members • Mail-order services Partial Call Center Support (as defined in RFP) • For pharmacies and providers • For members • Mail-order services Standard On-Line management reporting • Allowing manipulation/customization • Including Specialty products	UR Plus: \$0.75 PEPM/ There is no associated savings guarantee for this program.  Included  Included  \$1,500 per user license
Ad-Hoc Reporting	No additional charge unless programming is required. Programming is charged at \$150 per hour.
Monthly pharmacy benefit cost report to the plan	Included
Weekly City data files	Caremark will provide claims data tapes to two locations each month at no additional charge to the City. Additional tapes are available at an extra charge of \$125 per month per location.
Rebate Reports (based on standard or custom formularies)	Included
Member submitted paper claims processing	\$1.50 per paper claim
Claims Reverse and Reprocessing (due to client error in benefit set-up or client decision to change benefit and reprocess claims)	Case by case basis
Welcome Kits	Included
Annual Notice of Change	Included
Member Requested Materials	Case by case basis/ replacement ID Cards - \$1.00 per card
Standard Internet site access for members.	Included
Other member or physician communications	Included

**Exhibit "A"**