



**PURCHASING DEPARTMENT**

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**MEMORANDUM**

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**DATE:** 07/30/2012

**TO:** Kevin Startt  
Director of Purchasing

**FROM:** Jacqueline Posey  
Procurement Specialist

**Subject:** Executive Summary - Request for Proposal No. 13-22-17  
Pharmacy Benefits Management

**Dept:** Benefits  
**Pre-Proposal Date:** NA  
**Proposal Due Date:** June 5, 2012

**Date Issued:** May 17, 2012  
**No. of Individuals Attending:** NA  
**No. of Proposals Received:** 7

**BACKGROUND**

Tucson Unified School District currently offers Pharmacy Benefit Manager (PBM) services to approximately 6,500 full and part time employees through US Script.

**Eligibility** Active employees of TUSD who are in classified positions and work a minimum of 20 hours per week or who work in certified positions and have a minimum of a 1/5<sup>th</sup> contract.

Tucson Unified School District offers medical benefits through a self-funded employee benefits trust. Currently the medical benefits are offered through 3 distinct self-funded medical plan designs, an EPO, PPO and HDHP with an HSA. The plans are administered through Ameriben and utilize the Blue Cross Blue Shield of Arizona network. Ameriben also coordinates eligibility with TUSD's current PBM vendor, US Script.

The pharmacy benefits are offered to all benefit eligible employees and retirees who enroll in one of the district's medical plan offerings and the benefits are fully-integrated into the medical plan customer service model.

The purpose of this RFP process is to select a vendor that meets both the District's strategic and operational needs and objectives going forward as it shapes the future direction of its health and welfare pharmacy benefit program. The District will partner with the selected vendor(s) who can accommodate the District's desire to place a greater focus on keeping people healthy, well and productive, and who can identify areas for aggressive disease (care) management for the District's employee and retiree population, and thereby maintain or reduce costs. The partnership will support the objectives of the customized benefit package for which proposals are being sought.

**EVALUATION**

A committee was formed to evaluate the proposals based upon the selection criteria set forth in the original RFP. The committee was comprised of the following members and signed Committee Member Statements were received from all:

Janet Underwood, TUSD Benefits Manager  
 Thomas Reed, Owner of Reed's Compounding Pharmacy  
 Nikki Stefan, TUSD Program Coordinator for Health Services

The District received seven (7) proposals from the following firms:

Humana  
 CVS/Caremark  
 US Script  
 SXC Health Solutions, Inc.  
 WellDyne, RX  
 Cigna  
 Catalyst RX

Ten (10) No-Bids were also received.

Prior to releasing the proposals to the committee, I conducted an initial review of the proposals to ensure that all requested information had been submitted. As a result, all proposals were deemed eligible for the committee's review. However, the committee is charged with the final determination of acceptability.

On June 29, 2012, I met with the evaluation committee and discussed the role of the committee and the evaluation process. Each committee member received copies of the Conflict of Interest And Confidentiality Statement For Procurement Evaluations, the District's Procedures For Evaluation of Proposals By A Committee, a copy of the RFP document and copies of all the proposals. Louis Montoya and Robert Ferraro from Buck Consultants were also at the meeting to go over the data that Buck Consultants compiled and provided each member with a copy of the deviations from each responding vendor and summary book. Louis and Robert went through a review of the complied information. Buck Consultants compiled a list of clarification questions that needed to be asked to the vendors, the committee decided to have phone discussions with each vendor to clarify the questions that were unclear. The phone discussions took place on July 9, 2012 with all seven (7) vendors and Best and Final Offers were due July 13, 2012.

On July 12, 2012 TUSD was informed that the acquisition between SXC Health Solutions, Inc and Catalyst RX had been completed and that one best and final offer would be submitted by SXC Health Solutions, Inc. A letter of withdrawal was received to withdraw Catalyst RX from consideration.

The committee reconvened on July 27, 2012. The committee met to discuss the best and finals. Members scored and submitted final scores via email on July 30, 2012. Out of a possible 1500, CVS/Caremark scored highest with 1360, the final scores are as follows;

## 13-22-17 Pharmacy Benefits Management

### TOTALS

|              | Janet Underwood | Nikki Stefan | Thomas Reed | Total | Average  |
|--------------|-----------------|--------------|-------------|-------|----------|
| CVS/Caremark | 470             | 420          | 470         | 1360  | 453.3333 |

|                           |     |     |     |     |          |
|---------------------------|-----|-----|-----|-----|----------|
| US Script                 | 360 | 290 | 240 | 890 | 296.6667 |
| SXC Health Solutions, Inc | 340 | 220 | 170 | 730 | 243.3333 |
| Humana                    | 340 | 230 | 320 | 890 | 296.6667 |
| WellDyne RX               | 340 | 190 | 260 | 790 | 263.3333 |
| Cigna                     | 400 | 280 | 290 | 970 | 323.3333 |

The committee came to a consensus to recommended award to CVS/Caremark. An formal recommendation letter was submitted by Janet Underwood.

**AWARD RECOMMENDATION:**

I attest that the evaluation process was conducted in accordance with Arizona Administrative Code R7-2-1041 (Competitive Sealed Proposals) and all applicable Tucson Unified School District rules and regulations.

Contract awards are recommended to the following firms for the indicated services:

CVS/Caremark for Pharmacy Benefits Management

Attachment: Dept Recommendation