



CITY COUNCIL AGENDA
SPECIAL MEETING

THURSDAY, MARCH 1ST, 2018 – 12:00 NOON
CITY COUNCIL CHAMBER

CALL TO ORDER

FLAG SALUTE

ROLL CALL

STATEMENT OF COMPLIANCE

NOTICE OF MEETING

RESOLUTIONS

Department of Administration

1. Resolution authorizing the City to enter into a contract for one (1) year with Express Scripts, Inc., ("ESI") to provide employee prescription drug program

PUBLIC COMMENT

ADJOURNMENT

IML
03-01-18

**RESOLUTION AUTHORIZING THE CITY TO ENTER INTO A CONTRACT FOR ONE (1)
YEAR WITH EXPRESS SCRIPTS, INC. ("ESI") TO PROVIDE EMPLOYEE
PRESCRIPTION DRUG PROGRAM**

WHEREAS, the City of Camden seeks to enter into a contract with Express Scripts, Inc. ("ESI") for the provision of a prescription drug benefit program for City employees; and

WHEREAS, pursuant to a contract with the City's insurance broker, Connor Strong, the City's broker received proposal's and recommended awarding a contract to ESI which was deemed the lowest responsible bidder for an amount not to exceed ONE MILLION FIVE-HUNDRED AND TWO THOUSAND FOUR HUNDRED AND SIXTY-SIX DOLLARS (\$1,502,466.00); AND

WHEREAS, pursuant to the directive of the Division of Local Government Services, a certification has been attached hereto which certifies that the funds for this expenditure are available and appropriated under the trust account of the City of Camden under line item "T-35-900-104", and said certification has been signed by the Chief Financial Officer and approved as to form by the City Attorney; now, therefore

BE IT RESOLVED, by the City Council of the City of Camden, that the proper City Officers of the City of Camden are hereby authorized to execute a contract with Express Scripts, for an amount not to exceed ONE MILLION FIVE-HUNDRED AND TWO THOUSAND FOUR HUNDRED AND SIXTY-SIX DOLLARS (\$1,502,466.00), for the provision of a prescription drug benefit program for the City of Camden employees for a period of one year, according to Public Contracts Law, P.L. 1971, Chapter 198, and that the Mayor and the City Clerk shall execute said contract on behalf of the City of Camden.

BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Resolution shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Resolution. All notices of veto shall be filed in the Office of the Municipal Clerk.

Date of Introduction: March 1, 2018

The above has been reviewed
and approved as to form.

MICHELLE BANKS-SPEARMAN
Interim City Attorney

CURTIS JENKINS
City Council President

ATTEST: _____
LUIS PASTORIZA
Municipal Clerk

CITY OF CAMDEN
CITY COUNCIL REQUEST FORM

Council Meeting Date: March 1, 2018
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TO: City Council
FROM: Jason J. Asuncion, Esq., Business Administrator
Department Making Request: Administration

TITLE OF RESOLUTION/ORDINANCE: Resolution authorizing the City to enter into a contract for one (1) year with Express Scripts, Inc. ("ESI") to provide employee prescription drug program.

BRIEF DESCRIPTION OF ACTION: Upon the evaluation and recommendation of the City's Consultant and Broker for Employee Prescription Drug Program. The City is authorizing a contract with Express Scripts, Inc. to provide said program.

BIDDING PROCESS:
Procurement Process: Bid#, RFP#, State Contract#, Non-Fair & Open, EUS:

APPROPRIATION ACCOUNT(S): *(If applicable)*

AMOUNT: *(If applicable)*

Waiver Request Form Attached for State DCA/DLGS Approval - *(If applicable)*
For Example: Form "A" - Request for approval of Employees Requiring Advice and Consent of Governing Body, Form "D" - Contract Request, Form "E" - Creation/Extension of Services, Form "G" - Grant Approval, Form "H" - Bond Ordinance or Contract Request, Form "I", "Best Price Insurance Contracting" Model Ordinance

	<u>Date</u>	<u>Signature</u>
Approved by Relevant Director:	_____	_____
Approved by Grants Management:	_____	_____
Approved by Finance Director:	_____	_____
<input type="checkbox"/> CAF -Certifications of Availability of Funds		<i>(If applicable)</i>
Approved by Purchasing Agent:	_____	_____
Approved by Business Administrator:	2.28-18	<i>Jason J. Asuncion</i>
Received by City Attorney:	_____	_____

	<i>(Name) Please Print</i>	<i>(Extension #)</i>
Prepared By: Diana Gonzalez	_____	7150
Contact Person: Jason J. Asuncion, Esq., B.A.	_____	7154

Please note that the Contact Person is the point person for providing pertinent information regarding request.
If request is a walk-on, the Contact Person will be responsible for picking up the Council request(s) from the City Attorney's Office to make necessary copies for Council Meeting.

******Please attach all supporting documents******

**STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF LOCAL GOVERNMENT SERVICES
CONTRACT REQUEST FORM**

This form must be filled out in its entirety and is intended to provide the Division with appropriate information to determine whether to approve a new or extended service. Please provide any additional information you believe will help the Division make an informed decision.

Municipality	CAMDEN
Professional Service or EUS Type	Professional Service
Name of Vendor	EXPRESS SCRIPTS
Purpose or Need for service:	This is necessary to have a prescription drug benefit for City employees
Contract Award Amount	\$1,502,466.00
Term of Contract	1 yr.
Temporary or Seasonal	
Grant Funded (attach appropriate documentation allowing for service through grant funds)	No
Please explain the procurement process (i.e. bids, RFQ, competitive contracting, etc.)	EVALUATION AND RECOMMENDATION OF THE CITY'S CONSULTANT AND BROKER CONNER STRONG.
Were other proposals received? If so, please attach the names and amounts for each proposal received?	

Please attach the RFP, evaluation memoranda or evaluation forms used to evaluate the vendors and a list of all bidders and the bid amounts associated with each bidder.

If the lowest bidder was not selected, please have the appropriate personnel sign the certification on page 2.

Mayor's Signature*

Date _____

Business Administrator/Manager Signature

Date _____

*For direct appointments of the Governing Body, Council President or at the discretion of the Director, the most senior member of the Governing Body may sign the waiver in lieu of the Mayor.

The Chief Financial Officer affirms that there is adequate funding available for this personnel action.

_____ Funding Source for this action

Chief Financial Officer Signature

I certify that the vendor selected is in compliance with the adopted Pay to Play Ordinance and that the vendor was notified of any restrictions with respect to campaign contributions.

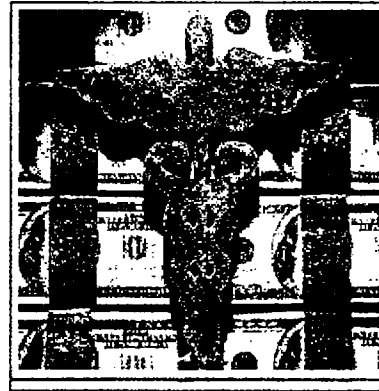
_____ Date _____
Certifying Officer

For LGS use only:

Approved Denied

_____ Date _____
Director or Designee,
Division of Local Government Services

Number Assigned _____



City of Camden

Medical and Pharmacy Benefits Review

Alternatives to State Health Benefits Plan

November 2017

Employee Benefit Plan Review

The City of Camden requested its medical and pharmacy claims data from the State Health Benefits Plan (SHBP) in order for Conner Strong & Buckelew to evaluate whether the City can secure medical and/or pharmacy benefits at a more advantageous cost.

Data provided by the SHBP:

Aetna medical claims	5/1/15 – 4/30/17
Horizon medical claims	5/1/15 – 4/30/17
Express Scripts pharmacy claims	5/1/15 – 6/30/17

Claim Projections

Conner Strong & Buckelew performed a claims-projection for calendar year 2018 and compared the results to the 2018 SHBP premiums. The projection used reasonable trend rates and assumptions to forecast the City's claim costs based on current demographics and a maintenance of the same plan design.

	<u>Medical</u>	<u>Pharmacy</u>
Required Premium*	\$26,280,144	\$1,453,666
SHBP Premium for CY 2018	\$20,751,011	\$1,973,844
Percentage Difference	+26.65%	-26.35%

*Based upon claims-projection of the City's actual claims, forecasted for 2018 using the claims data provided by the SHBP

Conclusion

- The SHBP provides the same premium rates for all entities, regardless of each individual entity's claims performance. If an entity's claims performance is favorable, the entity can successfully secure an alternative from the SHBP.

Medical Coverage

- City of Camden's projected claims spend is well above the premium level that will be paid to the SHBP for 2018. At this time there is no opportunity to exit the SHBP to secure a more favorable result.

Pharmacy Coverage

- The City's claims projection for 2018 is well below the 2018 SHBP premium. The City can secure a significant savings by exiting the SHBP.

Recommendation

- Exit the SHBP Pharmacy Program for the Active population only
- Continue to utilize Express Scripts as the Pharmacy Benefit Manager
- Maintain Equal-to-or-Better-Than benefits
- Use Express Scripts' self-funded platform with the Pharmacy Savings Guarantee to cap the overall cost

ESI Pharmacy Savings Guarantee

Pharmacy Savings Guarantee (PSG) for City of Camden

Expected Members	442
Expected Claims	\$1,158,606
Pharmacy Savings Guarantee PMPM	\$262.13
Premium PMPM	\$7.00
Maximum Liability PMPM	\$269.13
Expected Aggregate Attachment Point	\$1,390,338
Expected Premium	\$37,128
Expected Maximum Liability	\$1,427,466

Cost Comparison

Claims		1,158,606	1,390,338
PSG Premium		37,128	37,128
CS&B Fee		75,000	75,000
Total	1,973,844	1,270,734	1,502,466
Projected Savings		703,110	471,378

This exhibit is based upon the current enrollment of 442 employees

Next Steps

1. Decision to exit the SHBP for pharmacy – active population
2. Select start date
3. Submit resolution to terminate coverage – requires 60 day notification
4. CSB to create employee communication materials and manage entire process