

July 22, 2022

**RE: San Joaquin Valley Insurance Authority (SJVIA)
Medical and Prescription Drug (Rx) Request for Proposal (RFP) Final Report**

Under the direction of the SJVIA Board, Keenan prepared an RFP to secure the following services:

Services Requested for the SJVIA's Self-Funded Medical and Prescription Drug Program

- Medical: Administrative Services Contract Only (ASC or ASO) or Third-Party Administration (TPA)
- Medical: Preferred Provider Organization (PPO) network
- Prescription Drug (Rx): Pharmacy Benefits Manager (PBM)

Contract Term

- Medical: An initial period of three (3) years, followed by annual renewals
- Prescription Drug: An initial period of three (3) years, followed by another three (3) year optional renewal
- Note: The SJVIA reserves the right to end the contract period for cause at any point in time, or without cause based on mutual agreement between the SJVIA and the Vendor

Effective Date of Coverage

- SJVIA County of Tulare: January 1, 2023
- SJVIA County of Fresno: January 1, 2023 for some covered members, and December 12, 2022 for the balance of Fresno County

Keenan invited the following vendors to submit proposals:

Medical ASO/ASC/TPA Vendors

Aetna
Anthem
Blue Shield of CA
United HealthCare
Compass Health Administrators
Delta Health Systems
HealthComp
Pinnacle

Prescription Drug PBM Vendors

Aetna (CVS)
IngenioRx (Anthem)
Blue Shield of CA
Optum Rx
EmpiRx
ExpressScripts
IPM
MedImpact

All vendors submitted proposals except for MedImpact. OptumRx submitted a proposal through UHC.

Recommendation

The responses from the vendors were thorough and competitive. Each vendor is to be thanked for their participation in the process and for their time and effort given to respond to this RFP. After careful review of each proposal, impact on members (disruption analysis), EPO/PPO network strength, PBM rebate guarantees, PBM discount evaluation, reference checks, vendor interviews, and pricing, SJVIA staff and Keenan request the SJVIA Board approve the recommendation to contract with the following vendors:

Medical EPO/PPO provider Network: Anthem Blue Cross

Medical Administrative Services: Anthem Blue Cross

Pharmacy Benefit Manager: EmpiRx

The only change recommended is the elimination of IngenioRx as the PBM for the SJVIA's high deductible health plans (HDHPs). EmpiRx would provide the services to the HDHPs as well.

EVALUATION OF PROPOSALS

SJVIA staff and Keenan undertook a three-phase review process to evaluate the vendors:

PHASE ONE - PRELIMINARY REVIEW PROCESS

Proposals were reviewed to determine:

- (a) completeness of required documentation,
- (b) compliance with the SJVIA's administrative and general contracting requirements, and
- (c) ability to meet the minimum requirements outlined in this RFP.

Proposers who failed to submit or complete the required documentation, failed to satisfactorily comply with the SJVIA's general contracting requirements, or failed to meet the SJVIA's minimum requirements were deemed non-responsive, eliminated from further consideration, and did not proceed to the Level Two review process. Proposers were notified in writing or email regarding the results of the Level One review.

In the preliminary review phase only Drexii, a PBM quoted through Delta Health Systems was eliminated.

PHASE TWO - REVIEW CRITERIA AND EVALUATION PROCESS

Keenan evaluated and scored the technical competence of all proposals and generated findings for the SJVIA.

Review Criteria - All written responses to the RFP questionnaire were considered and evaluated.

Evaluation Process – The SJVIA's evaluation process included the following:

- A review by SJVIA staff of the SJVIA consultant's report and recommendation.
- In rating vendors, Keenan reviewed RFP responses from each Proposer.
- Evaluation Methodology – Quantitative and qualitative methods were applied to evaluate each Proposer's Response.

- Quantitative analysis were applied to these selection criteria:
 - Access to Care/Network
 - Member Disruption
 - Cost Proposal
 - Plan Design
- Qualitative analysis were applied to these selection criteria:
 - Organizational Strength and Plan Sponsor Services
 - Administration Support and Account Management
 - Member Quality of Care, Resources, and Service

As presented at the May 6, 2022 SJVIA Board Meeting, Keenan reported the Quantitative analysis for:

- Access to Care/Network
- Member Disruption

And, Qualitative analysis (Questionnaire and content responses to RFP) for:

- Organizational Strength and Plan Sponsor Services
- Administration Support and Account Management
- Member Quality of Care, Resources, and Service

This final report will provide Quantitative analysis for:

- Overall proposed cost
- Performance guarantees
- Plan design

PHASE THREE - SELECTION OF FINALISTS, REFERENCE CHECKS, INTERVIEWS

Keenan conducted reference checks on all qualifying vendors (four carriers, four TPAs, and three PBMs). All references provided positive endorsements.

The RFP process was competitive for all vendors, as each demonstrated areas of strength and some deficiencies. Based on Phase One, Phase Two and Phase Three reference checks, SJVIA staff and Keenan conducted finalist interviews with:

- Anthem Blue Cross
- Blue Shield of California
- CVS Aetna
- HealthComp
- EmpiRx (PBM)
- Integrated Pharmacy Management (PBM)

Based on Keenan's analysis and reporting, reference checks, and finalist interviews, SJVIA staff and Keenan made the vendor recommendations. Should the SJVIA Board have any questions regarding this report, SJVIA staff and Keenan are happy to respond.

Sincerely,

A handwritten signature in blue ink that reads "Bordan Darm". The signature is fluid and cursive.

Bordan Darm
Vice President
AP Keenan

Questionnaire – The following chart summarizes the scoring of each vendor from the Questionnaire. Scoring was done on a 1-3 point basis (3 being the best).

SJVIA Questionnaire Evaluation Summary		Aetna	UMR	Anthem	Blue Shield	Compass	HealthComp	Pinnacle	DHS	Express Scripts	EmpiRx	IPM
Question #	GENERAL INFORMATION (1-12 NOT RATED)											
1-5a	General Information											
5b-12	Required Documentation & Disclosure											
ORGANIZATIONAL STRENGTH AND PLAN SPONSOR SERVICES (10%)		1.98	2.00	2.03	2.03	2.00	1.95	1.98	1.98	2.03	1.95	1.98
13-18	Background	2.00	2.00	2.00	2.00	2.00	1.80	2.00	2.00	2.00	1.90	1.90
19-21	Contractual Issues	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
22-27	Firm Experience	1.90	2.00	2.10	2.10	2.00	2.00	1.90	1.90	2.10	1.90	2.00
28-33	Regulatory and Compliance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
ADMINISTRATION SUPPORT AND ACCOUNT MANAGEMENT (15%)		2.02	2.00	2.02	2.07	2.00	1.98	2.00	2.02	1.97	2.02	2.00
34-36	Implementation	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
37-40	Claims Processing	2.10	2.00	2.20	2.30	2.00	2.00	1.90	2.00	2.00	2.00	2.00
41-51	Billing	2.00	2.00	2.00	2.00	2.00	1.90	2.00	2.00	2.00	2.00	2.00
52-57	Plan Sponsor Services	2.00	2.00	2.00	2.00	1.90	1.90	2.00	2.00	1.90	2.00	1.90
58-59	Call Center Administration	2.00	2.00	2.00	2.10	2.10	2.10	2.10	2.10	1.90	2.10	2.10
60-67	Systems and Cybersecurity	2.00	2.00	1.90	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
MEMBER QUALITY OF CARE, RESOURCES, AND SERVICES (15%)		1.98	2.00	1.96	2.00	2.00	2.01	2.02	2.02	1.88	2.03	2.02
68-69	Enrollment	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10	2.20	2.20	2.20
70-74	Call Center Member Services	1.80	2.00	1.80	2.00	2.10	2.10	2.10	2.10	2.10	2.10	2.10
75-78	Customer Service and Quality Control	2.00	2.00	1.90	2.00	1.90	1.90	2.00	2.00	1.00	2.00	1.90
79-83	Grievances and Appeals	2.00	2.00	1.90	2.00	2.00	2.00	2.00	2.00	1.50	2.00	2.00
84-85	Member Advocacy and Support Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
89-92	Quality Measurement Standards	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
93-95	Online Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
96-101	Wellness Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
102-104	Condition Management Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
105-106	Miscellaneous Services	2.00	2.00	2.00	2.00	1.90	2.00	2.00	2.00	2.00	2.00	2.00
ACCESS TO CARE/NETWORK (30%)		2.00	1.95	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
107-108	Provider Groups, Networks, and Geographic Access	2.00	1.90	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
109-110	Emergency and Urgent Care Access & Extended Hours	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
COST PROPOSAL AND PLAN DESIGN (30%)		2.05	1.98	2.00	2.03	2.03	2.00	2.00	2.03	2.00	1.98	2.00
111-112	Premium Costs and Fee Commitments	2.00	1.90	2.00	2.00	2.00	1.90	2.00	2.00	2.00	1.90	2.00
113-117	Provider Reimbursements and Discounts	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
118-120	Hospital and Outpatient Facility Charges	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
121-122	Fee Guarantees and/or Fee Caps	2.20	2.00	2.00	2.10	2.10	2.10	2.00	2.10	2.00	2.00	2.00
Total Summary (100%)		2.012	1.978	1.999	2.020	2.008	1.994	2.001	2.011	1.980	1.995	2.001
13-125	Total All Rated Questions	52.00	51.80	51.80	52.60	52.10	51.80	52.10	52.30	50.70	52.10	52.10

Based on the results of the questionnaire, all vendors responded favorably.

GeoAccess –

Four PPO networks are being considered for the SJVIA. Anthem Blue Cross PPO network, Aetna PPO network, Blue Shield of CA PPO network, and UHC (UMR) PPO network. We asked the carriers to show the number of providers and facilities available by each zip code in each County and outside of the two Counties based on where members live. The following Chart summarizes the number of providers and facilities in each County.

Anthem	Employees	Primary Care	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Fresno	6,193	616	977	188	386	381	4,106	21	3	6	11
Tulare	3,374	288	301	77	155	172	1,083	6	1	1	4
All Other	516	2,227	3,243	859	1,222	4,792	16,506	118	38	64	62
Total	10,083	3,131	4,521	1,124	1,763	5,345	21,695	145	42	71	77
Blue Shield	Employees	Primary Care	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Fresno	6,193	276	630	117	190	285	2,110	18	33	10	11
Tulare	3,374	136	225	44	71	74	759	9	14	2	4
All Other	516	498	472	461	464	487	492	128	485	117	124
Total	10,083	910	1,327	622	725	846	3,361	155	532	129	139
Aetna CPII	Employees	Primary Care	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Fresno	6,193	948	528	157	355	273	5,382	23	2	5	18
Tulare	3,374	467	231	65	137	126	1,800	8	1	4	9
All Other	516	4,236	2,376	1,009	1,619	2,176	28,014	280	14	14	93
Total	10,083	5,651	3,135	1,231	2,111	2,575	35,196	311	17	23	120
UHC	Employees	Primary Care	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Fresno	6,193	709	1,643	270	454	866	2,739	19	42	10	7
Tulare	3,374	380	401	108	206	720	892	10	17	3	4
All Other	516	2,828	4,560	1,158	1,686	4,019	11,528	116	199	48	55
Total	10,083	3,917	6,604	1,536	2,346	5,605	15,159	145	258	61	66

Based on the GeoAccess report, all four carriers provide adequate coverage to cover the required SJVIA areas.

PPO/EPO In-Network Disruption –

Keenan had each carrier reprice and determine whether the provider was in-network or out-of-network for all 2021 medical charges. This included 385,235 claims valued at \$161,629,455 in medical charges. The following chart illustrates the results:

Disruption Summary	Charges		Provider Encounters	
	In-Network	Out-Network	In-Network	Out-Network
Anthem	93.3%	6.7%	88.3%	11.7%
Blue Shield	97.4%	2.6%	95.2%	4.8%
Aetna CPIX	94.8%	5.2%	89.2%	10.8%
UMR	95.2%	4.8%	95.0%	5.0%

Disruption Summary	Charges		Provider Encounters	
	In-Network	Out-Network	In-Network	Out-Network
Anthem	\$ 156,329,937	\$ 5,299,518	339,989	45,246
Blue Shield	\$ 157,384,399	\$ 4,245,056	366,664	18,571
Aetna CPIX	\$ 153,176,298	\$ 8,453,157	343,587	41,648
UMR	\$ 153,805,826	\$ 7,823,629	365,960	19,275

All four carriers provide strong in-network coverage. Having in-network coverage in the 93% to 97% range is acceptable.

PPO/EPO Network Discount Analysis –

Keenan had each carrier reprice 2021 eligible medical charges to determine each carrier’s average in-network PPO/EPO discount. Each carrier reported the following discounts:

SJVIA EPO/PPO Network Discount Analysis - Summary				
PPO	Anthem	Blue Shield	Aetna	UMR
In-Network				
IP Facility	62.3%	58.5%	63.0%	55.7%
OP Facility	70.8%	67.0%	64.4%	67.9%
Professional	63.5%	60.4%	57.7%	57.2%
Total	66.3%	62.9%	61.8%	61.3%

All carriers had in-network discounts above 60%. Anthem slightly outperformed the others with a 66.3% in-network discount.

Strength of PPO/EPO Network –

Based on the Disruption and Discount analysis, Keenan was able to complete a strength of network analysis. Out-of-network claims were treated equal among the carriers assuming each utilized a similar usual and customary value.

PPO/EPO Network Strength Analysis	Anthem	Blue Shield	Aetna	UMR
Total Billed Charges	\$161,629,455	\$161,629,455	\$161,629,455	\$161,629,455
In-Network Utilization	93.3%	97.4%	94.8%	95.2%
In-Network Charges	\$150,801,196	\$157,384,399	\$153,176,298	\$153,805,826
In-Network Discount	66.3%	62.9%	61.8%	61.3%
Total In-Network Discount	\$100,041,512	\$98,951,451	\$94,658,059	\$94,338,911
Total Net In-Network Charges	\$50,759,684	\$58,432,948	\$58,518,239	\$59,466,914
Out of Network Utilization	6.7%	2.6%	5.2%	4.8%
Out of Network Charges	\$10,828,259	\$4,245,056	\$8,453,157	\$7,823,629
Out of Network Discount	22.3%	22.3%	22.3%	22.3%
Total Out of Network Discount	\$2,416,016	\$947,163	\$1,886,080	\$1,745,619
Total Net Out of Network Charges	\$8,412,243	\$3,297,893	\$6,567,077	\$6,078,011
Total Charges	\$59,171,927	\$61,730,841	\$65,085,316	\$65,544,925
\$ Difference		\$2,558,914	\$5,913,389	\$6,372,998
% Difference		4.3%	10.0%	10.8%

Anthem has a 4.3% (\$2.5 million) claim cost advantage over Blue Shield and 10.0% to 10.8% (\$5.9 to \$6.3 million) advantage over Aetna and UMR.

Prescription Drug Evaluation – Disruption Analysis

Currently SJVIA utilizes EmpiRx for PPO/EPO and Anthem IngenioRx for HDHP prescription drug benefit administration. Seven different PBMs bid on the SJVIA. Based on 2021 data (46,239 drug transactions), EmpiRx would minimize disruption by only having 180 drug transactions negatively impact SJVIA covered members. CVS Aetna came in second with 697 drug transactions with only 53 excluded transactions.

SJVIA Prescription Drug Disruption Analysis							
# of Drugs	Anthem IngenioRx	Blue Shield	CVS Aetna	UHC/UMR OptumRx	EmpiRx	IPM	ESI
EPO/PPO # of Drugs							
No Change	36,248	31,793	37,580	35,012	38,639	37,452	36,852
Positive Change	209	1,488	374	139	0	8	79
Negative Change	2,124	3,728	639	1,606	0	53	461
Excluded	58	1,630	46	1,882	0	1,126	1,247
Total	38,639	38,639	38,639	38,639	38,639	38,639	38,639
HDHP # of Drugs							
No Change	4,901	6,079	7,362	6,758	6,651	404	6,487
Positive Change	460	735	173	260	769	63	563
Negative Change	525	551	58	160	180	23	195
Excluded	1,714	235	7	422	0	7,110	355
Total	7,600	7,600	7,600	7,600	7,600	7,600	7,600
EPO/PPO/HDHP # of Drugs							
No Change	41,149	37,872	44,942	41,770	45,290	37,856	43,339
Positive Change	669	2,223	547	399	769	71	642
Negative Change	2,649	4,279	697	1,766	180	76	656
Excluded	1,772	1,865	53	2,304	0	8,236	1,602
Total	46,239	46,239	46,239	46,239	46,239	46,239	46,239

Prescription Drug Discount Comparison

The PBMs offered the following AWP discounts for 2023. Discount offers increased with each PBM for 2024 and 2025. Keenan recognizes that AWP discounts and pricing is based on each PBM’s contractual obligations with manufacturers and formulary arrangements. To quantify the cost proposal of each vendor Keenan needed to make assumptions on pre-AWP discount values for SJVIA based its utilization of Generic, Brand, and Specialty measured over Retail, Retail 90, and Mail Order. Assumptions were equally applied towards each PBM to determine overall values.

SJVIA Prescription Drug Discount from AWP Summary Coverage EPO/PPO/HDHP Discount from AWP							
Retail	EmpiRx	IPM	ESI	Anthem IngenioRx	Blue Shield	CVS Aetna	UMR OptumRx
1 Generic	85.00%	82.75%	84.70%	85.00%	85.25%	85.00%	84.50%
2 Preferred Brand	19.00%	19.00%	19.00%	19.50%	19.10%	19.90%	19.25%
3 Non-Preferred / Specialty	19.00%	19.00%	19.00%	22.00%	N/A	19.90%	19.25%
4 Specialty	19.00%	17.00%	20.00%	22.00%	20.00%	19.90%	19.25%
Mail Order							
1 Generic	90.00%	84.15%	86.75%	87.00%	86.75%	89.25%	87.00%
2 Preferred Brand	25.50%	23.15%	23.50%	25.00%	26.25%	24.75%	25.50%
3 Non-Preferred / Specialty	23.00%	23.15%	23.50%	22.00%	N/A	24.75%	25.50%
4 Specialty	23.00%	17.00%	20.00%	22.00%	20.00%	20.00%	21.50%
Retail 90							
1 Generic	86.00%	84.25%	84.70%	85.00%	85.75%	85.00%	85.50%
2 Preferred Brand	23.00%	23.50%	23.00%	21.50%	22.00%	21.40%	22.50%
3 Non-Preferred / Specialty	19.00%	23.50%	23.00%	22.00%	N/A	21.40%	22.50%
4 Specialty	19.00%	See Note	20.00%	22.00%	N/A	21.40%	22.50%
AP Keenan Valuation							
Average AWP Discount	54.20%	52.67%	53.98%	54.50%	54.29%	54.09%	53.94%
Projected 2023 RX Spend	\$25,087,651	\$25,479,616	\$25,146,482	\$25,011,748	\$25,066,657	\$25,117,440	\$25,156,564
\$ Difference		\$391,965	\$58,831	-\$75,903	-\$20,994	\$29,789	\$68,913
% Difference		1.56%	0.23%	-0.30%	-0.08%	0.12%	0.27%

Keenan estimates a range differential between carriers of \$467,868.

Prescription Drug Rebate Comparison

The PBMs proposed and projected the following prescription drug rebates. Based on five years of experience, the EmpiRx rebate annual total is accurate.

Rx Rebate PG per Script	EmpiRx	IPM	ESI	Anthem	Blue Shield	CVS Aetna	UHC(UMR) OptumRX
Retail 30-day supply	\$190.00	\$138.34	\$220.00	\$209.16	\$205.00	\$253.99	\$280.00
Retail 90-day supply	\$475.00	\$423.17	\$660.00	\$787.02	\$450.00	\$651.22	\$820.00
Retail Specialty	\$1,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mail Order	\$500.00	\$423.17	\$660.00	\$720.31	\$540.00	\$723.58	\$875.00
Specialty Mail Order	\$1,800.00	\$1,802.29	\$2,100.00	\$3,069.40	\$1,800.00	\$2,911.29	\$2,350.00
Projected Annual Rebate	\$3,796,860	\$2,995,428	\$4,260,480	\$3,151,884	\$2,304,520	\$7,306,564	\$5,170,005
\$ Difference		-\$801,432	\$463,620	-\$644,976	-\$1,492,340	\$3,509,704	\$1,373,145
% Difference		-21.1%	12.2%	-17.0%	-39.3%	92.4%	36.2%
% to SJVIA	100%	100%	100%	100%	100%	100%	100%
Rebate Basis	# of Scripts	# of Scripts	# of Scripts	\$35.00 PEPM	# of Scripts	\$96.04 PEPM	UMR Estimate

ESI, CVS Aetna, and UMR (OptumRx) offer higher rebates, but did not provide the required number of qualifying scripts in each category with their original proposal. CVS Aetna did provide the backup for their calculation, the number of scripts utilized was substantially higher than the other PBMs. In general, there is a concern as to whether these higher rebate levels would be achieved.

Performance Guarantees – Medical Carriers, Medical TPAs, and PBMs

SJVIA Performance Guarantees	Response: Yes or Yes w/ Adj. or No or To Be determined (TBD)										
Medical PGs	Anthem	Blue Shield	CVS Aetna	UHC/UMR	Compass	DHS	HealthComp	Pinnacle	ESI	EmpiRx	IPM
Claims Timeliness (14 Calendar Days)	Yes with Adj.	Yes	Yes	Yes		Yes	Yes	Yes			
Claim Timeliness (30 Calendar Days)	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.		Yes	Yes with Adj.	Yes			
Claim Payment Accuracy	Yes with Adj.	Yes	Yes	Yes		Yes	Yes	Yes			
Claim Financial Accuracy	Yes with Adj.	Yes	Yes	Yes		Yes	Yes	Yes			
Open Enrollment ID Card Issuance	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.		Yes	Yes	Yes			
Processing of Ongoing Eligibility Information	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.		Yes	Yes with Adj.	Yes			
Ongoing ID Cards Issuance	Yes	Yes	Yes	Yes		Yes	Yes	Yes			
Eligibility Error Reports - Ongoing	Yes	Yes	Yes	Yes with Adj.		Yes	Yes	Yes			
Average Speed to Answer	Yes with Adj.	Yes	No	Yes		Yes	Yes with Adj.	Yes			
Call Abandonment Rate	Yes with Adj.	Yes	Yes with Adj.	Yes		Yes	Yes	Yes	Does Not Apply	Does Not Apply	Does Not Apply
First Call Resolution	Yes with Adj.	Yes	Yes	Yes		TBD	Yes	Yes			
Member Satisfaction	Yes with Adj.	Yes	Yes with Adj.	Yes		TBD	Yes with Adj.	Yes			
Management Reports	Yes with Adj.	Yes	Yes with Adj.	Yes		Yes	Yes	Yes			
Annual Performance Report	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.		Yes	Yes	Yes			
Performance Guarantee Objectives Results Report	Yes	Yes	Yes with Adj.	Yes		Yes	Yes	Yes			
Account Management Satisfaction	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.		Yes	Yes with Adj.	Yes			
Appeals	No	Yes	Yes	Yes		No	No	Yes			
Network Alerts	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.		No	No	Yes			
Provider Accessibility	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.		No	No	Yes			
Security Breach	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.		Yes	Yes	Yes			
PBM PGs	Anthem	Blue Shield	CVS Aetna	UHC/UMR	Compass	DHS	HealthComp	Pinnacle	ESI	EmpiRx	IPM
Claims Accuracy - Retail	Yes	Yes	Yes with Adj.	Yes						Yes	Yes
Claims Accuracy - Mail Order	Yes	Yes	Yes with Adj.	Yes						Yes	Yes
Dispensing Accuracy – Retail	No	Yes	No	Yes with Adj.						Yes	Yes
Dispensing Accuracy – Mail Order	Yes	Yes	Yes with Adj.	Yes	Does Not Apply	Does Not Apply	Does Not Apply	Does Not Apply		Yes	Yes
Claim Processing Turnaround Time - Mail Order Claims (no Intervention)	Yes	Yes	Yes with Adj.	Yes						Yes	Yes
Claim Processing Turnaround Time - Mail Order Claims (w/ Intervention)	Yes	Yes	Yes with Adj.	Yes						Yes	Yes
PBM Rebate PGs Category	Anthem	Blue Shield	CVS Aetna	UHC/UMR	Compass	DHS	HealthComp	Pinnacle	ESI	EmpiRx	IPM
Prescription Drug Rebates	Yes	Yes	No	No						Yes	Yes
Prescription Drug Discounts	Yes	Yes	No	No						Yes	Yes
Prescription Drug Dispensing Fee	Yes	Yes	No	No	Does Not Apply	Does Not Apply	Does Not Apply	Does Not Apply		Yes	Yes
Prescription Drug - Clinical Management	No	No	No	No						Yes	TBD

Performance Guarantees – Condition Management and Case Management

Condition Mgmt PGs	Anthem	Blue Shield	CVS Aetna	UHC/UMR	Compass	DHS	HealthComp	Pinnacle	ESI	EmpiRx	IPM
Condition Care Enrollment Rate	No	Yes	No	No		Yes with Adj.	Yes with Adj.	No			
Condition Care Engagement Rate	Yes with Adj.	Yes	No	Yes		Yes with Adj.	Yes with Adj.				
Heart Failure ACE Inhibitors/ARB	No	Yes with Adj.	No	No		No	Yes		Does Not Apply	Does Not Apply	Does Not Apply
Diabetes Annual Hemoglobin A1c (HbA1c) Testing	No	Yes	No	No		Yes with Adj.	Yes				
Persistent Asthma Prescription Drug	No	Yes	No	No		No	TBD				
Diabetes Nephropathy Testing/Identification	No	Yes	No	No		Yes with Adj.	No				
Case Management PGs	Anthem	Blue Shield	CVS Aetna	UHC/UMR	Compass	DHS	HealthComp	Pinnacle	ESI	EmpiRx	IPM
Case Management High Dollar Claimant Outreach	Yes with Adj.	Yes	No	No		Yes with Adj.	Yes	No			
Case Management Member Outreach for Preadmission Counseling	Yes with Adj.	Yes	No	No		Yes with Adj.	Yes with Adj.		Does Not Apply	Does Not Apply	Does Not Apply
Case Management Member Outreach for Post Discharge Counseling	Yes with Adj.	Yes	No	No		Yes with Adj.	Yes with Adj.				

Note: Anthem PBM PGs \$75,000
 Aetna/CVS Condition and Case Mgmt PG \$10.03 PEPM

Prescription Drug Total Cost Comparison

Keenan added the Projected claim cost, subtracted the Prescription drug rebates, and added the PBM Administration fee to arrive at the prescription drug total cost. Please note Anthem, Blue Shield, CVS Aetna, and UMR OptumRx included their prescription drug administration cost in with the medical cost.

AP Keenan Valuation with Rebate and Administration	EmpiRx	IPM	ESI	Anthem IngenioRx	Blue Shield	CVS Aetna	UMR OptumRx
Projected 2023 RX Spend	\$25,087,651	\$25,479,616	\$25,146,482	\$25,011,748	\$25,066,657	\$25,117,440	\$25,156,564
Projected Rebate	\$3,796,860	\$2,995,428	\$4,260,480	\$3,151,884	\$2,304,520	\$7,306,564	\$5,170,005
<u>Administration Cost</u>	<u>\$277,452</u>	<u>\$0</u>	<u>\$0</u>	<u>w/ med</u>	<u>w/ med</u>	<u>w/ med</u>	<u>w/ med</u>
Total RX Cost	\$21,568,243	\$22,484,188	\$20,886,002	\$21,859,864	\$22,762,137	\$17,810,876	\$19,986,559
\$ Difference		\$915,945	-\$682,241	\$291,621	\$1,193,894	-\$3,757,367	-\$1,581,684
% Difference		4.25%	-3.16%	1.35%	5.54%	-17.42%	-7.33%

Both IPM and ESI are offering a \$0 administration fee. IPM was asked to provide their estimated revenue from SJVIA and did not provide the value. ESI was asked to review their proposal with Keenan and declined the invitation, so validation of their administrative revenue could not be accomplished.

Given the concerns with CVS Aetna, ESI, and UMR (OptumRx) rebate realization, EmpiRx then Anthem’s IngenioRx would be the preferred PBM vendors.

Administrative Costs, The Carriers - The following chart illustrated the administration costs per carrier. Fee descriptions are provided on each vendor.

SJVIA First Year Administrative Cost Summary		Anthem Blue Cross				Blue Shield		Aetna	UHC/UMR
Per Employee per Month (PEPM)	Enrollment Assumption	Option 1 Medical Only	Option 2 Medical Only	Option 3 Med/RX	Option 4 Med/RX	Option 1 Medical Only	Option 2 Med/RX	Med/RX	Med/RX
Administration Fee EPO/PPO	6,189	\$37.90	\$34.90	\$37.90	\$34.90	\$28.40	\$25.90	\$37.19	\$27.50
Administration Fee HSA Compatible HDHP PPO	720	\$37.90	\$34.90	\$37.90	\$34.90	\$28.40	\$25.90	\$37.19	\$27.50
EPO/PPO Network Access Fee	6,909	Included	Included	Included	Included	Included*	Included*	Included	Included
Case Management Fee (Shield Support)	6,909	Included	Included	Included	Included	\$2.30	\$2.30	Included	Included
Condition/Disease Management Fee	6,909	\$0.10	\$0.10	\$0.10	\$0.10	Included**	Included**	Included	\$3.85
Clinical Management Fee	6,909	Included	Included	Included	Included	Included**	Included**	Included	Included
Utilization Review Fee	6,909	Included	Included	Included	Included	Included	Included	Included	Included
Wellness Fee	6,909	Included	Included	Included	Included	Included	Included	Included	Included
1 Other (Name)	6,909		\$250,104		\$250,104	\$5.42	\$5.42		
2 Other (Name)	6,909			\$100,000	\$100,000	\$500K annual	\$1 million	\$250,000	\$100,000
3 Wellness Fund	6,909	\$60,000	\$60,000	\$60,000	\$60,000	\$100,000	\$100,000	\$231,313	\$100,000
4 Other (Name)	6,909					Included	Included		\$698,914
5 Other (Name)	6,909			(\$35.00)	(\$35.00)				\$2.37
Total Cost (PEPM)	6,909	\$38.00	\$35.00	\$3.00	\$0.00	\$36.12	\$33.62	\$37.19	\$33.72
Gross 2023 Annual Cost	6,909	\$3,150,504	\$3,151,884	\$248,724	\$250,104	\$2,994,637	\$2,787,367	\$3,083,349	\$2,795,658
First Year Credit	6,909	\$0	\$0	\$100,000	\$100,000	\$400,000	\$900,000	\$250,000	\$798,914
Net 2023 Annual Cost	6,909	\$3,150,504	\$3,151,884	\$148,724	\$150,104	\$2,594,637	\$1,887,367	\$2,833,349	\$1,996,743

Among the four insurance carriers, each offered competitive pricing for plan administration with a range of \$33.62 to \$38.00 PEPM prior to first year credits.

The Carriers – Fee Descriptions

Fee Descriptions - Anthem
<p>Medical Only ASO: ASO Basic Foundational Package plus Anthem Health Guide (AHG), Claims Fiduciary Coverage, LiveHealth Online, Blue Distinction</p> <p>Blue Association Fees are billed in claim invoice</p> <p>Case Management – Behavioral Health (includes Behavioral Health Advantage with CBT), Case Management – Medical (includes ESRD, NICU and Transplant) , ESRD (cost included in Case Management), Transplant (costs included in Case Management)</p> <p>Future Moms with pro-active identification and lactation support</p> <p>Clinical Review Cancer Care Quality program (through AIM)</p> <p>Utilization Management – Medical and Behavioral Health</p> <ul style="list-style-type: none"> • Anthem Health Guide • Budget - An annual Wellness/Communication credit in the amount of \$60,000 will be applied for the purchase of services provided from Anthem, or an outside vendor through 12/31/2023. Credit will be forfeited if not used by 12/31/2023. This credit is also extended towards years 2 (2024) through 5 (2027). The annual credit value must be used within each policy year, and forfeited if not used within the applicable policy year. Anthem must receive all invoices no later than the 8th of December for each policy year. Examples of communications include magnets, posters, brochures and flyers. Expenses for items such as programming, personnel expenses and travel are not reimbursable. The credit could also be applied towards Wellness programs purchased by the client from Anthem Blue Cross or an outside vendor. This credit can be split between communication and wellness, but it cannot be cross-applied. <p>Option 2 & 4 - Discount Share The fee will be equal to 0.25% of in-network discounts. In-network discount is the difference between billed charges for covered services and the negotiated amount. The negotiated amount is the amount Anthem is contractually obligated to pay a network provider under a negotiated reimbursement arrangement, before application of member cost-share amounts, such as deductibles, copayments and coinsurance. Prescription drug claims, claims paid on a capitated basis, Traditional network fee schedule and Payment Innovation program payments are excluded from the fee calculation. This fee will be limited as follows: Up to \$5,000 per Claim.</p> <p>1 Discount Share the fee cost \$250,104</p> <p>2 First year RX Implementation allowance \$100,000.</p>
Fee Descriptions - Blue Shield
<p>EPO/PPO Network Access Fee: *Network access is included for CA network. Blue Card fees for non-CA network will be invoiced.</p> <p>Case Management Fee: Shield Support Program</p> <p>Condition/Disease Management Fee: ** Included in Shield Support OR Connect Program</p> <p>Clinical Management Fee: **Included in Shield Support OR Connect Program</p> <p>1 Connect Program - Connect our Concierge integrated clinical and customer service model with a designated team including integration of 3rd party</p> <p>2 Implementation Credit for Medical/RX (can be used for implementation, wellness, audits, communications and more)</p> <p>3 \$100,000 wellness fund included in \$500k Medical Only \$1 million Medical/RX credit for year 1, wellness fund provided annually</p> <p>4 Health Improvement Program - Wellvolution: comprehensive life-style and disease prevention and reversal program, including coaching. Personaliz</p>
Fee Descriptions - CVS Aetna
<p>Our network access fee is included in the proposed administrative fees; however our National Advantage Program, Subrogation, Coordination of Offering Aetna One Flex care management model and Enhanced Maternity program</p> <p>Our proposed administrative fees include our Aetna One Flex care management model which also includes disease management.</p> <p>Offering Member Engagement Platform w/reward and Lifestyle Conditioning and Coaching</p> <p>Offering Aetna Concierge (includes First Impression Treatment)</p> <p>Including Managed Behavioral Health and Behavioral Health Condition Management Program - Standard</p> <p>2 Implementation Credit</p> <p>3 Offering a wellness allowance of \$2.48 PEPM and a communication/technology allowance of \$0.31 PEPM that can be used towards audits and benefits administration</p>
Fee Descriptions - UHC / UMR
<p>2 Implementation Credit</p> <p>3 Wellness fund included in the implementation credit for year 1, and annually \$100,000 thereafter</p> <p>4 Three month fee waiver (requires UHC be in place through 1/1/26)</p> <p>5 NurseLine (NL) \$0.50</p> <p>5 Maternity CARE \$0.65</p> <p>Ongoing Condition CARE \$3.85</p> <p>5 Optum Benefits Analytic Manager (BAM) \$0.25</p> <p>5 Telemedicine (Teladoc)* \$0.97</p> <p>5 Total \$2.37</p>

Administrative Costs, The TPAs -

SJVIA First Year Administrative Cost Summary		DHS	Compass	HealthComp		Pinnacle	
Per Employee per Month (PEPM)	Enrollment Assumption	Anthem Medical Only	Blue Shield Medical Only	Option 1 Medical Only	Option 2 Med/RX	Option 1 Medical Only	Option 2 Med/RX
Administration Fee EPO/PPO	6,189	\$18.45	\$22.50	\$19.75	\$19.75	\$20.75	\$20.75
Administration Fee HSA Compatible HDHP PPO	720	\$18.45	\$22.50	\$19.75	\$19.75	\$20.75	\$20.75
EPO/PPO Network Access Fee	6,909	\$17.94	\$18.00	\$18.54	\$5.60	\$17.94	\$5.00
Case Management Fee	6,909	\$175 per hour	\$2.30	\$160/Hour	\$160/Hour	Included	Included
Condition/Disease Management Fee	6,909	\$3.95	See Blue Shield	included	included	\$0.30	\$0.30
Clinical Management Fee	6,909	Included	Included	Included	Included	Included	Included
Utilization Review Fee	6,909	\$0.70	Included	\$0.70	\$0.70	\$2.50	\$2.50
Wellness Fee	6,909						
1 Other (Name)	6,909						
2 Other (Name)	6,909		\$350,000				
3 Wellness Fund	6,909	\$50,000	\$75,000	\$58,036	\$58,036	\$207,270	\$207,270
4 Other (Name)	6,909						
5 Other (Name)	6,909			\$1.70	\$1.70		
Total Cost (PEPM)	6,909	\$41.04	\$42.80	\$46.29	\$33.35	\$41.49	\$28.55
Gross 2023 Annual Cost	6,909	\$3,402,544	\$3,548,462	\$3,837,811	\$2,764,982	\$3,439,853	\$2,367,023
First Year Credit	6,909	\$0	\$350,000	\$0	\$0	\$0	\$0
Net 2023 Annual Cost	6,909	\$3,402,544	\$3,198,462	\$3,837,811	\$2,764,982	\$3,439,853	\$2,367,023

The TPAs – Fee Description

Fee Descriptions - Compass Health Administrators	
\$75,000 annual wellness fund	
\$350,000 first year credit	
Fee Descriptions - Delta Health Systems	
Case Management Fee	\$175 per hour/\$4.45 PEPM
Condition/Disease Management Fee	\$3.95
Clinical Management Fee	Included w/Network Fees
Utilization Review Fee	Included w/Network Fees
Wellness Fee (\$50,000 Stipend from Delta)	\$0.70 PEPM
1 Other ACA Reporting 1095 Reporting - State & Federal	\$6.75 per form
2 Other Delta Navigator (includes Condition/Disease Management)	\$7.75
3 Other Dependent Audit	\$1,200 plus depending on scope of work (# of dependents)
4 Other HSA Account Admin	\$4.95 PPPM
5 Other Medical Bill Review	25% of Savings
6 Other Remote Patient Monitoring	\$75 PPPM
7 No Co-pay Telemedicine (Requires Navigator Enrollment)	\$1.50
8 Premium Accounting (Non Delta enrolled members - Kaiser & D&V Only)	\$3.95
Fee Descriptions - HealthComp	
Administration Fee EPO/PPO: HealthComp admin fee includes various features. Please see SJVIA HealthComp Proposal for more details.	
Administration Fee HSA Compatible HDHP PPO: HealthComp admin fee includes various features. Please see attachment SJVIA HealthComp Proposal	
EPO/PPO Network Access Fee: Represents the Anthem Network Access fee if HealthComp is chosen as the TPA and the RX is carved out. HealthComp is proposing OptumRx as the PBM should RX be carved out.	
Case Management Fee: The fee is \$160.00 Per Hour (billed in 6 min increments)	
Condition/Disease Management Fee: HealthComp's program proactively engages the riskiest members before any hospitalizations (and before case management) to help them address gaps in care.	
Clinical Management Fee: HealthComp's Population Preventive Care is inclusive of Disease Management: helping members with chronic conditions and also members without chronic conditions but other high risk factors. Leveraging advanced analytics to create personalized care plans for each member, HealthComp's clinical team then applies a high-touch service model to proactively engage members, co-create goals, and consistently follow-up with members to remind and remove barriers – all while reviewing for site of care optimization opportunities and adverse medication interactions.	
Utilization Review Fee: HealthComp does not provide this service when utilizing the Anthem network. Anthem does this.	
Wellness Fee: HealthComp's wellness solution analyzes the member's historical data to create a personalized wellness plan.	
1 Other - Cancer Awareness: Program is designed to promote a culture of health at your company, create awareness, and ultimately reduce the participants' risk of cancer through early detection and intervention.	
2 Other - Emergency Room Solutions: ER Solutions program identifies members who have recently visited the Emergency Room and performs outreach to educate them on alternatives to the ER.	
3 Other - Mommies 2-B: HealthComp's program provides expectant mothers with services and educational materials that are designed to help give their babies a healthy start.	
4 Other - Teladoc: 24/7 access to care by web, phone or mobile app. Care is delivered through a network of U.S. board-certified physicians with 20 years average experience.	
5 Other - Compliance Fee: Covers compliance on CAA and NSA, 1099's, PCORI Reporting Data, W2 Reporting Data, Medicare Part D Notices (includes mailings), State Surcharge Reporting and Form 5500 (Schedule A) Reporting	
Fee Descriptions - Pinnacle	
1 Other - Set-Up Fee	\$1,500
2 Other - Deerwalk Reporting	\$0.50
3 Other - 1-800 Dedicated Customer Support Number (one time fee)	\$500
4 Other - \$50k wellness budget (per year)	\$0.60
5 Other - Data File Feed	Included
6 Other - PCMI Disease Management Program	\$5.00

Administrative Costs – The PBMs

SJVIA First Year Administrative Cost Summary		ESI	EmpiRx	IPM
Per Employee per Month (PEPM)	Enrollment Assumption	RX Only	RX Only	RX Only
Administration Fee EPO/PPO	6,189	\$0.00	\$0.00	\$0.00
Administration Fee HSA Compatible HDHP PPO	720	\$0.00	\$0.00	\$0.00
EPO/PPO Network Access Fee	6,909	Does Not Apply	Does Not Apply	Does Not Apply
Case Management Fee	6,909			
Condition/Disease Management Fee	6,909			
Clinical Management Fee	6,909			
Utilization Review Fee	6,909			
Wellness Fee	6,909	See Fee Description	See Fee Description	See Fee Description
1 Other (Name)	6,909			
2 Other (Name)	6,909			
3 Wellness Fund	6,909			
4 Other (Name)	6,909			
5 Other (Name)	6,909			
Total Cost (PEPM)	6,909	\$0.00	\$3.35	\$0.00
Gross 2023 Annual Cost	6,909	\$0	\$277,452	\$0
First Year Credit	6,909	\$0	\$0	\$0
Net 2023 Annual Cost	6,909	\$0	\$277,452	\$0

Both ESI and IPM use a no cost administrative fee model. Their revenue from SJVIA is based on the spread in pricing between the purchase price of prescription drugs for SJVIA and the price the PBMs charge SJVIA for those same prescription drugs. We asked IPM to provide an estimate of expected revenue from SJVIA based on this model but did not receive it.

The PBMs – Fee Description

Fee Descriptions - ESI	
Manual Submissions	
Member Submit Fee	\$3.00 per claim
Medicaid Subrogation Claims	\$3.00 per paid claim
Medicare Subrogation Claims	\$3.00 per paid claim
Communication with physicians and/or members (e.g., program descriptions, notifications, formulary compliance, non-Medicare EOBs, etc.)	\$1.35/letter plus postage
Medicare Explanation of Benefits (EOB)	
Custom non-standard materials	
Claims reverse and reprocessing	\$1.75/letter plus postage
Coordination of Benefits (COB)	
• Custom reimbursement formula	\$0.01 PMPM
• Setup and ongoing maintenance	
• Product support	
Electronic Medicare Part D EOB	
Electronic Medicare EOB is an e-mail notification to the member informing them at the time of EOB production that their Medicare Part D Explanation of Benefits is available for viewing.	\$0.95/EOB
Electronic EOB includes:	
· Email notification to the member	
· Solicitation e-mail sent to registered members	
· Prominent Web messaging	
Reporting Services	
Custom ad hoc reporting – applies for reporting outside of self-services reporting tool	\$150/hour, with a minimum of \$500
Replacement Member Communication Packets	
Member-requested replacement packets	\$1.50 per packet
Sponsor-requested re-carding	\$1.50 per packet
Communication Fee	
Mail (EHD, SHD & HDE) Programs	No charge for electronic communications
Announcement Letters and Communications after each Courtesy Fill	Postage (on-going fee) for mailed communications
Cost Exceeds Maximum	
Cost Exceeds Maximum (CEM) edit (For non-compound drugs)	\$10,000 CEM limit – included in pricing Custom CEM limit less than \$10,000 - \$0.01 PMPM fee
Cost Exceeds Maximum (CEM) edit	Included in pricing
Fee Descriptions - EmpiRx	
1 Other - Per Rx Administration fee	\$6 per Rx (est annual projected cost \$277,452)
2 Other - Direct Reimbursement Claims Processing	\$5.00 per Direct Reimbursement Claim
3 Other - Annual Benefit Summary (EOB)	\$3.00 per summary, plus postage
4 Other - Replacement ID Cards	\$2.50 per card, plus postage for 10mil card stock
5 Other - Administrative Prior Authorization	\$15.00 per plan prior authorization
6 Other - Clinical Prior Authorization (including re	\$55.00 per determination
7 Other - Clinical Program Mailings (e.g., Step The	\$1.75 per communication, plus postage
8 Other - Fraud, Waste & Abuse – Retrospective	\$5.00 per letter, plus postage
9 Other - External Third-Party Appeals	\$500.00 Per Hour for preparation / participation in external appeals, + reasonable travel expenses
10 Other - Medicare Part D RDS Support	Annual base charge of \$10,000 and an additional per eligible life per month fee
11 Other - Integration with health plan providers	As mutually agreed by the parties on a case-by-case basis
Total Cost PEPM (\$3.35) based on \$277,452/6,909/12	
Fee Descriptions - IPM	
Clinical Prior Authorization by a Pharmacist	\$45/PA
Third Party Independent Review	\$300/review
Direct Member Reimbursement	\$5/claim
Custom ad-hoc Reporting (Five included per year	\$150/hr

Total Cost Summary

Keenan conducted analysis on

- medical: member disruption, network pricing, network adequacy, network valuations, and cost valuation
- prescription drug: member disruption, AWP discount, rebating, and cost valuations

The following chart summarized Keenan's cost findings.:

Medical Vendor PBM Vendor	Anthem EmpiRx	Anthem IngenioRx	Blue Shield EmpiRx	Blue Shield Blue Shield	Aetna CVS	UMR OptumRx
Claim Cost						
Medical	\$59,171,927	\$59,171,927	\$61,730,841	\$61,730,841	\$65,085,316	\$65,544,925
RX	\$25,087,651	\$25,011,748	\$25,087,651	\$25,066,657	\$25,117,440	\$25,156,564
<u>RX Rebates</u>	<u>\$3,796,860</u>	<u>\$0</u>	<u>\$3,796,860</u>	<u>\$2,304,520</u>	<u>\$7,306,564</u>	<u>\$5,170,005</u>
Total	\$80,462,718	\$84,183,675	\$83,021,632	\$84,492,978	\$82,896,192	\$85,531,484
Administrative Cost						
Medical	\$3,150,504	\$248,724	\$2,994,637	\$2,787,367	\$3,083,349	\$2,795,658
<u>RX</u>	<u>\$277,452</u>	<u>w/ Med</u>	<u>\$277,452</u>	<u>w/ Med</u>	<u>w/ Med</u>	<u>w/ Med</u>
Total	\$3,427,956	\$248,724	\$3,272,089	\$2,787,367	\$3,083,349	\$2,795,658
Total Cost						
Total Claims and Admin	\$83,890,674	\$84,432,399	\$86,293,721	\$87,280,345	\$85,979,541	\$88,327,142
\$ Difference		\$541,725	\$2,403,047	\$3,389,671	\$2,088,867	\$4,436,468
% Difference		0.6%	2.9%	4.0%	2.5%	5.3%
Total Cost w/ Credits						
First Year	\$0	\$100,000	\$400,000	\$900,000	\$250,000	\$698,914
<u>Wellness Annually</u>	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$231,313</u>	<u>\$100,000</u>
Total Cost w/ Credits	\$83,830,674	\$84,272,399	\$85,793,721	\$86,280,345	\$85,498,228	\$87,528,227
\$ Difference		\$441,725	\$1,963,047	\$2,449,671	\$1,667,553	\$3,697,553
% Difference		0.5%	2.3%	2.9%	2.0%	4.4%

Based on Keenan's analysis, Anthem with IngenioRx offers the greatest cost savings.

Medical Vendor PBM Vendor	DHS EmpiRx	Compass EmpiRx	HealthComp EmpiRx	HealthComp IngenioRx	Pinnacle EmpiRx	Pinnacle IngenioRx
Claim Cost						
Medical	\$59,171,927	\$61,730,841	\$59,171,927	\$59,171,927	\$59,171,927	\$59,171,927
RX	\$25,087,651	\$25,087,651	\$25,087,651	\$25,011,748	\$25,087,651	\$25,011,748
<u>RX Rebates</u>	<u>\$3,796,860</u>	<u>\$3,796,860</u>	<u>\$3,796,860</u>	<u>\$0</u>	<u>\$3,796,860</u>	<u>\$0</u>
Total	\$80,462,718	\$83,021,632	\$80,462,718	\$84,183,675	\$80,462,718	\$84,183,675
Administrative Cost						
Medical	\$3,402,544	\$3,548,462	\$3,837,811	\$2,764,982	\$3,439,853	\$2,367,023
<u>RX</u>	<u>\$277,452</u>	<u>\$277,452</u>	<u>\$277,452</u>	<u>w/ Med</u>	<u>\$277,452</u>	<u>w/ Med</u>
Total	\$3,679,996	\$3,825,914	\$4,115,263	\$2,764,982	\$3,717,305	\$2,367,023
Total Cost						
Total Claims and Admin	\$84,142,714	\$86,847,547	\$84,577,981	\$86,948,657	\$84,180,023	\$86,550,699
\$ Difference	\$252,040	\$2,956,872	\$687,307	\$3,057,983	\$289,349	\$2,660,024
% Difference	0.3%	3.5%	0.8%	3.6%	0.3%	3.2%
Total Cost w/ Credits						
First Year	\$0	\$350,000	\$0	\$0	\$0	\$0
<u>Wellness Annually</u>	<u>\$0</u>	<u>\$75,000</u>	<u>\$58,036</u>	<u>\$58,036</u>	<u>\$207,270</u>	<u>\$207,270</u>
Total Cost w/ Credits	\$84,142,714	\$86,422,547	\$84,519,946	\$86,890,621	\$83,972,753	\$86,343,429
\$ Difference	\$312,040	\$2,591,872	\$689,272	\$3,059,947	\$142,079	\$2,512,754
% Difference	0.4%	3.1%	0.8%	3.7%	0.2%	3.0%

Value Proposition Statements

Keenan asked each carrier/vendor to briefly state their value proposition. Some carriers/vendors complied while others provided lengthier responses (lengthier responses are attached as files).

Value Statement – Anthem Blue Cross

We know that the health plan SJVIA selects will be the most valued employee benefit, as well as a significant business investment. We are committed to delivering a customized, coordinated solution that will help your employees take control of their health and become their healthiest self, and improve cost savings for all. We will continue to leverage our superior network discounts and access, while delivering innovative, cost saving programs, tools, and services to achieve the best outcomes for your employees now and for years to come.

Our specific value proposition and key differentiators for SJVIA's consideration include the following:

Integrated Benefits Solutions

We feel our integrated medical and pharmacy programs and services offer the best value to you. The integration of Anthem's medical and pharmacy services will allow you to offer your employees access to the care they need, all packaged in a seamless, simple experience. We provide guidance and coordinated solutions for better total health. Our extensive resources and networks allow us to be flexible, building the ideal benefit solution to fit your needs. We coordinate our information, programs, and interactions to help enrollees manage their conditions and live healthier lives. Healthier enrollees mean increased productivity and lower health care costs for you. We coordinate our data between doctors, pharmacists, members, and our disease management teams. This gives us the power to help ensure that good health does not fall through the cracks.

We help improve member health outcomes and reduce total healthcare costs by integrating our medical and pharmacy programs — and by focusing on our members holistically. We integrate our medical, pharmacy, and lab data — and we go beyond the data to ensure coordination of our people, programs, and knowledge. We work to drive consistent strategies for our medical and pharmacy programs.

Based on a 2020 HealthCore, Inc., Value of Medical and Pharmacy Integration study analyzing our 2015 to 2018 data, clients with our integrated pharmacy and medical benefits through Anthem experienced on average medical costs \$30.70 PMPM lower compared to those who carved out pharmacy. This translates to an average of \$315 PMPY client savings and \$53 in member out-of-pocket savings — a total of \$368 lower average medical costs PMPY.

Other key findings illustrate the following for the carve-in population:

- 11.6% lower outpatient costs
- 5.5% lower inpatient costs

Our integrated medical and pharmacy benefits help drive lower costs, better outcomes, and increased member satisfaction through the following:

- • Outcomes-based formulary that includes medications proven to improve and lower total costs
- • Aligned medical and pharmacy clinical criteria and policies
- • Effective, coordinated medication management programs
- • Proactive site-of-care management
- • More closely and quickly identified care gaps because of connected data that leads to more actionable insights
- • Seamless and coordinated experience for members, clients, and providers

Member Engagement Platform — A Smarter Personalized Healthcare Journey

Like SJVIA, Anthem values innovative member resources designed to help members make informed decisions and increase engagement with their health plan. Sydney Health, our member engagement platform, focuses on driving a smarter healthcare journey for members by putting health management tools in their hands. Sydney Health integrates all benefits together for whole-person care. It not only supplies information but also, uses the information, driven by artificial intelligence (AI), to help members proactively stay healthier. Proactive support includes alerting members to gaps in care notifications, helping them find a provider based upon quality and cost information, and providing health tips based on each member's history and interests.

By delivering a member-personalized experience, Sydney Health will support your employees to achieve goals. Sydney Health is all about saving members time and connecting them with the care they need, when they need it. It delivers total procedure cost estimates, member pay cost estimates, plan pay cost estimates, and the capability to view costs for all procedures performed by a provider. Sydney Health sorts data and recommend products, programs, and content according to a member's unique needs to deliver better outcomes and lower costs. Leveraging the Blue Cross Blue Shield Association national data, Sydney Health accurately provides cost estimates and expenses for more than 700 procedures, and that list continues to grow.

Additional features for members include, but are not limited to, the following:

- • Curated, personalized experiences that drive members toward outcomes
- • The ability to set personal goals, sync their fitness trackers, and review content related to their unique needs
- • Integrated benefits, claims and health and wellness programs
- • Members will receive content based on their personal risk factors, identified by our AI engine
 - They can select areas of interest, such as weight loss or getting active
 - They can enter goals for monetary or non-monetary rewards
 - They receive personalized program recommendations

We look forward to further discussion about the many programs and services Anthem has to offer you and a continued partnership and a mutually successful relationship between our two organizations.

Value Statement – Blue Shield

Below is a summary of our differentiated value proposition for SJVIA **Our commitment to the San Joaquin Valley Insurance Authority is significant:**

- **Blue Shield is a leader in serving public sector entities.** We partner with over **1,300** public sector entities in California, including direct client relationships with 18 cities and towns, 7 counties, and associations with a variety of public agencies through joint powers authorities and trusts. We have a deep understanding of the particular challenges that organizations such as SJVIA face, including the need for predictable budgeting, reducing costs while increasing efficiencies, and addressing the expectations of multiple stakeholders.
- **A 5 year-comprehensive core service fee of \$25.90 PEPM**, including flat fees for years 1 and 2 with 3% escalator for years 3-5 that includes comprehensive administrative services as well as telehealth, tele-behavioral health, NurseHelp 24/7, Fiduciary and **Wellvolution** comprehensive health improvement program: lifestyle and chronic care management services personalized for every SJVIA member
- **Network Strength** – little to no disruption for SJVIA given a Blue-to-Blue transition AND given we expanded our PPO ACO models in both Fresno and Tulare County in 2022, our Network Discount/Total Cost of Care is even stronger – **we expect a 2% improvement for SJVIA given these new PPO ACO provider contracts.** Through claims evaluation, 35% of SJVIA are already using these providers, so the value will happen without any disruption.
- **Strong Performance guarantees with 36% of fees at risk including:**
 - 21% for operational and account management performance
 - Discount guarantee with 15% of fees at risk
- **A comprehensive fund offer:**
 - Transition fund of \$500,000 for Medical services and \$1,000,000 for the Medical and Pharmacy offering (can be used for Wellness, Communications, audits, staffing, implementation costs, etc.)
 - Annual wellness and audit fund in Year 2 and 3: \$100,000/year
- **Expanded Access to Primary and Specialty Care through Health@Home and Walgreens** – In addition to our PPO network we have a new Health@Home offering that includes near-site primary care at Walgreens Health Corners and Dispatch Health – increasing access to primary care and removing barriers to care. This will expand primary care and chronic condition support for SJVIA employees and family members. **The Walgreen Health Corners will be available in both Tulare and Fresno Counties!** Blue Shield also offers the CVS minute clinics as a part of our PPO network... therefore, through Blue Shield, SJVIA would get access to the CVS Minute Clinics, and the exclusive Walgreens Health Corners
- **Wellvolution®, our digital healthcare platform that offers a large scope of services, from prevention (e.g., diet, physical activity, stress, sleep, social support, smoking cessation) to the treatment and reversal of conditions (e.g., heart disease, diabetes, hypertension, hyperlipidemia, metabolic syndrome, obesity)** to support optimal health. Wellvolution's digital platform uses decades of research and leading technology to deliver personalized support. Offering multiple digital applications and 30,000 brick-and-mortar locations, members have unprecedented choice in preventing, treating, and reversing a number of health conditions.

- **Expanded Mental Health Services: On-demand mental health support day or night through Ginger and Briteline** including behavioral health coaching 24/7/365 via text-based chat, informational content, self-guided activities, and support from licensed therapists and psychiatrists via video.
- **Integrated medical and pharmacy offering: Blue Shield serves as its own pharmacy benefits manager (PBM)**, making us uniquely qualified to provide quality and affordable pharmacy benefits to SJVIA. The advantages of our fully integrated model include:
 - **Simplified administration** through a single source and consolidated reporting to ensure you have a complete picture of your health benefits program
 - **Better value and results** through technology-driven solutions, pharmacist outreach, and coordinated case management
 - **Lower total cost of care** through competitive pricing, end-to-end specialty solutions, and integrated analytics
 - **Seamless and engaging member-facing experience** through an integrated and consistent online and mobile platform and high-touch and high-tech pharmacist support

Our model saves **\$16–\$24 per member per month** compared to carve-out PBM models and lowers hospitalization and emergency room rates. We also provide consolidated reporting for a comprehensive insight into both financials and the qualitative member experience.

- **Executive Commitment** By partnering with Blue Shield, you will be collaborating with a company whose leadership will be engaged in your interests and needs at every turn and stand by our commitments!

Value Statement – Aetna CVS

We're taking health care where you want us to be by creating unrivaled connections on every corner in every neighborhood close to home.

With the combined capabilities of CVS Health and Aetna, our care support and health guidance are so deeply embedded, they become part of our members' everyday lives. And perhaps most important of all, we deliver better costs and greater simplicity than ever, helping our members get on and stay on an affordable, connected path to better health.

A new health care experience

Being where you want us to be isn't just about being the most local as Fresno County. It's about going farther – reaching out, making ourselves more accessible, and by doing so, creating a more whole, more connected experience. The result is unmatched human connections, digital access whenever and wherever our members need it and a new reality where our members know that no matter where they are or when they're reaching out, we'll be there to answer.

We've structured our approach on three simple, but meaningful ideas: more caring, more connected, and closer to home. Here's what that means for our members in Fresno and Tulare Counties:

- More caring means we provide health care solutions how they need them by using connected data that creates insights for a more personalized experience, giving members more reasons to engage and helping them take the right health actions.
- More connected means we provide health care solutions based on a simpler, more integrated approach that delivers a better health care experience that feels whole.
- Closer to home means we provide health care solutions where they want them by reaching members in more ways and at more times than any other health care provider. Through our nearly 9,900 CVS Pharmacy® locations, more than 1,100 MinuteClinic® locations and a growing list of CVS HealthHUB® locations, our unmatched local footprint provides access to our members where they live and work because that's where health happens.

What better health feels like

The connected, personalized, and affordable experience we're creating feels different. We're providing our members:

- Unmatched engagement touchpoints for a personalized “what’s best for me” experience
- A holistic approach to health that takes both physical health and mental well-being into account
- A complete member view driven by robust, integrated data that powers our behavioral insights and member outreach
- Pharmacy solutions in your neighborhood and cost-effective retail and specialty drug costs
- Benefits that encourage appropriate and convenient sites of care
- Innovative and low-cost relationships with providers

Value Statement – UHC/UMR



SJVIA UMR

See attached file **Summary Response**.

Value Statement – HealthComp



**HealthComp SJVIA -
Value Proposition.p**

See attached file

Value Statement – Delta Health System



**Delta Health
Systems - Value Prop**

See attached file

Value Statement – Compass Health Administrators

Compass Health Administrators is a true Third-Party Administrator. We work on behalf of the plan sponsor and the membership. We are not beholden to private equity or large health plan interests. Your agenda becomes our agenda with no conflicts. We perform 100% of our work in Fresno CA with no offshoring of claims or calls. We answer all of the calls LIVE, with no IVR. We view our callers as people, and not as transactions. We never assign work to a caller. Our Advocates call pharmacies, PBMs, UM companies and provider offices on behalf of our membership when necessary. We have a very robust set of online (mobile and browser based) tools for both the membership and the plan administrators.

Value Statement – Pinnacle Administrators



**Pinnacle SJVIA
highlights.pdf**

See attached file

Value Statement – EmpiRx



**EmpiRx Health
Follow-up Value Proc**

See attached file

Value Statement – Integrated Pharmacy Management (IPM)

IPM is an independently owned, central CA based, mid-market pharmacy benefit manager. IPM's success is driven through our award-winning account management organization, enhanced by our rigorous pursuit of actionable analytics, and displayed in our extremely high client retention rate (98%).

We pride ourselves on our abilities: flexibility, adaptability, and availability. Our clients are all different and a one size or off the shelf benefit approach fails to meet the unique needs of the mid-market.

What clients find at IPM is a value driven health care partner. Thoughtful benefit design recommendations consider disruption, member experience and bottom-line savings to the plan. Knowing each of our clients have different goals, benefit design conversations always focus on those goals and enhancements that can further our clients' pursuits.

Clinical programs are designed through this value-based care lens as well. Evidence based clinical protocols guide decisions and a lowest net cost approach always prevails when assessing treatment options.

IPM would be proud to partner with the SJVIA in keeping healthcare local.

Value Statement – ExpressScripts (ESI)

Value Proposition: The past year has presented unprecedented challenges that have impacted all of us in different ways. Healthcare, in particular, faced a particular strain in the context of the COVID-19 pandemic, and these tensions have translated to employers and employees alike. Rising healthcare costs, economic downturn, increased employee time away from work, moving to virtual work and healthcare settings—you name it, this past year has had it.

At Express Scripts, we're working to solve for these challenges differently, because we see a better path forward to make healthcare more affordable, predictable, and simple for those we serve. To that end, we're building on our legacy with health services designed to redefine healthcare as we know it with Evernorth, a new brand that unites all of our game-changing health services capabilities.

We thoughtfully crafted our proposal specifically for San Joaquin Valley Insurance Authority to make the choice to join Evernorth on our journey to better health easy.

Total Cost Management

At the core of our proposal for San Joaquin Valley Insurance Authority, we promise to manage drug spend and lower the total cost of care for San Joaquin Valley Insurance Authority and your members, without sacrificing quality of care. We will achieve this goal through a combination of competitive program costs, industry-leading trend management, and avoiding or reducing high-cost claims before they happen.

We are prepared with a unique, flexible suite of programs to optimize your population's generic utilization, savings opportunities, and trend management alongside targeted messaging to help San Joaquin Valley Insurance Authority eliminate waste from your pharmacy benefit. A few key examples of how we will save you and your members money include:

Industry-Leading Trend Management – Our clients have achieved an average drug trend of 1.4% over the past three years, the lowest in the industry.

Specialty Management through Accredo – Accredo, Express Scripts’ Specialty pharmacy, provides industry-leading specialty drug management programs to get results. For example, through our SaveonSP copay assistance program, we achieved specialty drug trend of -5.2% for enrolled clients.

Chronic Care Management – Through advanced utilization management procedures, we improve outcomes and control costs for members with chronic conditions. Tightly managed commercial plans enrolled in our top clinical programs achieved a trend of -4.8% in 2019.

Caring for the whole person.

Our care delivery model goes beyond the pharmacy—we coordinate throughout the entire healthcare ecosystem for the health of the whole person to ensure that every member gets the right care, at the right time, in the right place, and at an affordable price. We have highlighted some of our key whole person health enhancements below:

Health Connect 360 provides the industry’s most comprehensive clinical care solution. This program combines personalization, an outcomes-based methodology, and care coordination to take a transformative approach whole person health.

Our open architecture and ability to partner freely across businesses means we are equipped to solve complex problems across a fragmented landscape like no one else can.

Through an in-depth innovation process, we have created programs designed to ensure members receive the best care with the most value.

Further, we are expanding the ways we include social determinants of health in our program design, and with this emphasis we will continue to remove social barriers and help members get the care they need. As we advance as an organization, we will keep treating the health of the whole person front of mind.

Innovations designed around you.

Express Scripts, through Evernorth, is committed to unlocking new value and taking on your toughest challenges through innovation that benefits you, your members, and healthcare as a whole. We drive innovation through close partnership with our clients, embedding feedback and participation throughout the strategic process. We have accomplished our most important and groundbreaking work by partnering hand-in-hand with clients through our test-and-learn process.

Technology designed with simplicity in mind.

With an eye towards the future, we are concentrating our efforts, as well as our investments, on driving technological advancements focused on interoperability, lower total cost of care, and optimized care coordination.

With these enhancements, we will keep San Joaquin Valley Insurance Authority on the cutting edge of technology in healthcare, dynamically evolving your plan and sharing new technologies with you as the healthcare landscape shifts to help you make healthcare affordable, predictable, and simple for your members. Some of our recent flagship enhancements include automatic prior authorization, the industry’s first, stand-alone Digital Health Formulary, and an upgraded Express Scripts Client Website.

We continually push the envelope on new ideas, interventions, and pilots to improve health outcomes, adherence, and member satisfaction. Looking ahead your members will see chat capabilities, more self-service, prescription photo uploading, virtual consultations with physicians and pharmacists, and more.

Service and implementation in mind.

We keep simplicity at the heart of everything we do. When we introduce new clients to an Express Scripts plan, our goal is simple: make it easy. This includes using core fundamentals like plain language instead of health insurance jargon on all of our customer communications, providing a user-friendly customer app, open enrollment support, and more.

Express Scripts will provide San Joaquin Valley Insurance Authority with an experienced, talented, and committed account team, staffed with knowledgeable team members. This team will lead the transition process to ensure we: understand your requirements; assure quality data; educate your members; and support a smooth implementation.

Our service experience continues beyond the walls of Express Scripts. Our service model through Evernorth allows us to collaborate freely across businesses, meaning we are equipped to partner without boundaries with all of San Joaquin Valley Insurance Authority's vendor partners across a fragmented healthcare landscape like no other company can.

We know that making healthcare affordable, predictable, and simple is challenging, and we know that it takes a partner with unparalleled commitment to San Joaquin Valley Insurance Authority to get that done. We want to be that partner for San Joaquin Valley Insurance Authority.