

## **MEMORANDUM**

**TO:** Health Care Commission  
Dr. DeAngela Burns-Wallace  
Steve Dechant  
Dr. Ximena Garcia  
Vicki Schmidt  
Heather Young

**FROM:** Mike Michael

**DATE:** August 19, 2019

**SUBJECT:** Medicare Part D Prescription Drug Plan

Request for Proposal (RFP) number EVT0006581 for a fully insured Medicare Part D prescription drug plan was released April 26, 2019, and closed June 25, 2019. Two (2) bids were received from Aetna Life Insurance Company and Envision Insurance Company. The Aetna bid was disqualified. The State Employee Health Plan staff held negotiation meetings.

The Medicare Part D Prescription Drug program offered to SEHP Direct Bill members is an Employer Group Waiver Plan (EGWP). EGWP plans limit enrollment to only the plan sponsors Medicare members and allows for the Plan and the vendor to negotiate the final benefit package offered to the group members which may include benefits not available in the individual Part D market. For example: the SEHP Part D EGWP has always offered coverage options that paid for prescriptions through the Part D donut hole or initial coverage limit phase. The cost of the Part D insurance is entirely paid for by the Direct Bill members.

Some of the items reviewed were the monthly cost to the member. The ability to offer three benefit plan designs with different price points to allow members a range of options. A network evaluation, member disruption, access to a quality prescription drug plan. The vendor's ability to provide quality customer service, the ability to manage the eligibility and billing process, and the ability to provide effective account management.

Current enrollment numbers:

Premier Plan	2530
Value Plan	182
Total	2612

**Contract Award Options:**

- Award a one-year contract offering one plan design, two plan designs or all three plan designs offered in the RFP and have staff release an RFP next year
- Award a one-year contract offering one plan design, two plan designs or all three plan designs offered in the RFP with future year renewals providing the opportunity to review each year for renewal
- Award a three-year contract offering one plan design, two plan designs or all three plan designs offered in the RFP with the option to review annually for renewal
- Award no contract and the health plan would not offer the Part D for Plan Year 2020