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**ADOPTED – BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
OCTOBER 7, 2010**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS**

**DISTRICT AGREEMENT WITH CAREMARK LLC FOR MANAGEMENT
OF THE PRESCRIPTION DRUG PLAN UNDER THE PPO MEDICAL PLAN
FOR EMPLOYEES AND RETIREES**

THE CHANCELLOR

REPORTS

that Prime Therapeutics, LLC, owned by BlueCross BlueShield has been the pharmacy benefit manager for the prescription drug plan under the PPO Medical Plan for employees and retirees of the City Colleges of Chicago since 2004; and

that in 2009 the City Agency Coalition received and reviewed competitive bids for pharmacy benefit management services from Walgreens Health Initiatives, Inc. (Walgreens), Sav-Rx Chicago, Inc. (Sav-Rx), Medco Health Solutions, Inc. (Medco) and Caremark LLC (Caremark) ; and

that as a result of the evaluation and review of the proposals submitted by the above vendors, the City Agency Coalition selected Caremark as the pharmacy benefit manager for a three year period as advertised in the Request for Proposal with an option to renew for two one year periods; and

that the Caremark proposed rates will result in an estimated 2.5 million dollar savings to the City Colleges of Chicago for the PPO Medical Plan prescription drug component over the terms of a three year contract; and

that this approval was based on the recommendation from the Joint Union-Administration committee comprised of a chancellor designee and designees from the Local 1600 and 1708 Unions; and

that the estimated expenditure during the terms of the three year contract beginning January 1, 2011 and ending December 31, 2013 will not exceed \$15,000,114; and

that a formulary disruption analysis indicated minimal impact on employees and retirees; and

that the City Colleges of Chicago wishes to end its relationship with Prime Therapeutics, LLC for the management of the City Colleges of Chicago prescription drug plan under the PPO Medical Plan effective December 31, 2010; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced contract and CVS/Caremark PCS Health LLC is in compliance with the City of Chicago's goals, and based on documentation of the utilization of certified firms is in compliance with the Board Approved Participation Plan; and

that it shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General's authority under Article II, Section 2.6.4(b) of the Board Rules for Management and Government.

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees authorizes the Chairman to terminate the relationship with Prime Therapeutics, LLC effective December 31, 2010, and to enter into a contract with Caremark LLC for the period January 1, 2011 through December 31, 2013 at a cost not to exceed \$15,000,114.

FINANCIAL

FY 2011 Not to exceed \$ 2,377,212- 00003-0025006-521100-00084-10000-0000000
FY 2012 Not to exceed \$4,781,794.50-00003-0025006-521100-00084-10000-0000000
FY 2013 Not to exceed \$4,860,828- 00003-0025006-521100-00084-10000-0000000
FY 2014 Not to exceed \$2,456, 245.50- 00003-0025006-521100-00084-10000-0000000

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

October 7, 2010-Human Resources – District Office