

34954
ADOPTED-BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
NOVEMBER 2, 2023

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

MANAGEMENT OF THE PREFERRED PROVIDER ORGANIZATION (“PPO”)
PRESCRIPTION DRUG PLAN
THE OFFICE OF HUMAN RESOURCES AND STAFF DEVELOPMENT
DISTRICT WIDE

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair, upon final approval of the General Counsel of the legal form of such agreements, to execute a new agreement with Caremark PCS Health, L.L.C. “CVS Health” to manage the District’s prescription drug plan under the District PPO Medical Plan for the period from January 1, 2024 through December 31, 2026, at a total administrative fee cost not to exceed \$11,000,000 annually.

VENDOR: Caremark PCS Health, LLC
3100 Sanders Road
Northbrook, IL 60062

USERS: All Eligible Employees, Retirees, and their dependents

TERM:

The original term of this agreement will commence January 1, 2024 and end on December 31, 2026, with options for two (2) additional one-year extensions.

BENEFIT TO CITY COLLEGES OF CHICAGO:

The Caremark PCS Health contract will offer CCC savings of approximately \$2 million, \$350,000 related to drug pricing and \$1 million related to rebates.

SCOPE OF SERVICES:

City Colleges of Chicago (CCC) will retain Caremark to manage the prescription drug plan under the CCC PPO Medical Plan.

VENDOR SELECTION CRITERIA:

On April 12, 2023, Request for Proposals (the “RFP”) for Pharmacy Benefits Manager” (Specification No. CBO 2023-01) was advertised by the City of Chicago (the “City” or the “Lead Agency”) on behalf of itself and the Chicago Public Schools (“CPS”), Chicago Park District (“CPD”), Chicago Transit Authority (“CTA”), City Colleges of Chicago (“CCC”), and the Chicago Transit Authority Retiree Healthcare Trust (“CTA-RHT”), which are sometimes

referred to individually as an Agency or Municipal Agency, and collectively as the Agencies or Municipal Agencies). A Pre-Submittal Meeting was held on April 17, 2023 and three (3) proposals were received on May 11, 2023 from three (3) vendors: 1) CaremarkPCS Health, LLC (“Caremark” or “CVS/Caremark”), 2) Health Care Services Corporation dba Blue Cross Blue Shield of Illinois/Prime Therapeutics (“BCBS”), and 3) Optum RX, Inc. (“Optum”).

The Evaluation Committee individually scored each submitted proposal. The two (2) highest rated vendors, Caremark and BCBS, were selected as finalists and invited for oral presentations. On June 21, 2023 and July 20, 2023, oral presentations were made to the Committee by the two finalists. Subsequently, the Committee discussed the presentations. The committee determined that a final set of questions would be sent along with a request for finalist to consider price and terms improvements (Best and Final Offer) with a deadline of July 31, 2023. The Agencies reviewed the responses and submitted final evaluation scores on August 4, 2023. An Evaluation Committee meeting was held on August 7, 2023 to review the composite final evaluation scores at which time the Committee unanimously determined that it would recommend Caremark as the selected vendor.

MBE/WBE COMPLIANCE:

The Office of Procurement Services has reviewed the proposed compliance plan and has determined the Vendor has complied with the Board Approved MBE/WBE Contract Participation Plan:

<u>Vendor</u>	<u>MBE or WBE</u>	<u>%</u>	<u>Participation</u>	<u>Certifying Agency</u>
Planned Packaging of Illinois 19558 S. Harlem Avenue, Suite 5 Frankfort, IL 60423	MBE	25	Indirect	NMSDC
Universal Printing Company 1205 O’Neill Highway Dunmore, PA 18512	WBE	7	Indirect	WBENC

GENERAL CONDITIONS:

Inspector General – 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 2, Section 2.7.4(b) of the Board Bylaws.

Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions of the Board’s Ethics Policy adopted January 7, 1993, and as amended by the Board.

Contingent Liability – Pursuant to Section 7-14 of the Illinois Public Community College Act, all agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year.

FINANCIAL

Total: \$11,000,000

Charge to: Office of Human Resource and Staff Development

Source of Funds: Education Fund

FY24: 520000-00003-0025006-80000

Respectfully submitted,

November 2, 2023 – The Office of Human Resources and Staff Development