

Brevard Public Schools 2022 ASO/PBM Renewal

March 7, 2022



Historical Changes Since Inception

The following are programs Cigna has implemented since 2018 to help Brevard Public Schools control the costs of the medical plan:

Implemented 1/1/2019

- Mandatory Generics
- ESHD (Exclusive Specialty Home Delivery) with only a 30-day supply of specialty at Home Delivery
- Cigna 90 Now network
- Value PDL without PPI (proton pump inhibitors) and NSAs (non-steroidal anti-inflammatory drugs)
- Essential Utilization Management program for pharmacy including quantity limits, prior authorizations, and step therapy

Implemented 4/1/2021

- SaveOnSP program and the PAP (Patient Assurance Program)

Cigna's estimated annual savings for all items listed above since 2019 is approximately \$3.16M.

2022 Pharmacy Renewal

Lockton began negotiating the pharmacy renewal with Cigna in March 2021. The final renewal offers approximately **\$416k in annual savings** to Brevard Public Schools' forecasted 2022 prescription drug costs (\$202k from discounts and dispensing fees, \$214k from rebate minimums).

Pharmacy Pricing Summary

			Current Pass Through	Traditional
			1/1/2021	1/1/2022
Admin	Per Script Administrative Fee (Retail and HD)	Per paid script	\$0.00	\$0.00
	PEPM Administrative Fee	PEPM	\$0.70	\$0.00
	Clinical Program Fee	PEPM	\$0.00	\$0.00
Retail	Retail 30 day Network:		Generic	Generic
	Retail Brand Discount	AWP -	18.75%	19.00%
	Retail Generic Discount*	AWP -	81.25%	82.50%
	Retail Dispensing Fee Brand	Per script	\$0.55	\$0.50
	Retail Dispensing Fee Generic	Per script	\$0.55	\$0.50
	Retail 90 day Network:			
	Retail Brand Discount	AWP -	25.00%	25.00%
	Retail Generic Discount*	AWP -	82.50%	84.50%
	Retail Dispensing Fee Brand	Per script	\$0.00	\$0.00
	Retail Dispensing Fee Generic	Per script	\$0.00	\$0.00
Mail Order	Cigna Home Delivery:			
	Cigna Home Delivery Brand Discount	AWP -	28.00%	28.00%
	Cigna Home Delivery Generic Discount*	AWP -	84.50%	86.00%
	Cigna Home Delivery Dispensing Fee	Per script	\$0.00	\$0.00
Specialty - Specialty discounts on a combined basis (retail, home delivery, brand, and generic) will average an aggregate discount of 20%.				
Drug List	Rebate Sharing		Value_DRT	Value_DRT
			Per Brand	Per Brand
		Retail 30	\$175.36	\$191.29
		Retail 90	\$307.05	\$324.43
		Home Delivery	\$462.13	\$486.80
		Home Delivery Specialty Rebates	\$1,380.16	\$1,534.40
			100% to Client	100% to Client

2022 ASO Renewal

2022 is year 3 of a 5-year contract with Cigna and Brevard Public Schools (BPS). Lockton negotiated the 2022 ASO renewal with the following results.

1. Reduction to the ASO fees for 2022-2024 (**estimated savings of \$54k**)
2. Annual **\$50k Communication fund with \$25k rollover from 2021.**
3. The annual **wellness initiative fund is \$150k** (to be used for Cigna designated and arranged health & wellness improvement – e.g., biometric screenings, flu shots, etc.).
4. On-site RN Health Coach
5. On-site Client Service Partner
6. On-site Well-being Coordinator **valued at \$140k annually**
7. Addition of BPS MotivateMe Engage at no additional cost to BPS **valued at approximately \$145k annually.** Cigna's incentive tracking program combines rewards, technology and goal setting to inspire employees to improve their health.
8. Final one-month premium holiday in 2022 = **\$241,308.**
9. 2022 plans and services include: Open Access, Pharmacy, Total Behavioral Health, One Guide, Your Health First 200, HMCM Preferred Care Management, HPHB III, Complex Oncology.
10. No commission is included

2022 Performance Guarantees and Allowances

Performance Guarantees

The 2022 Performance Guarantees proposed by Cigna were updated from 2020 to reflect the Pharmacy Clinical improvements and omission of implementation-related guarantees.

Allowances

The Cigna ASO contract includes two additional allowances that can be used at the discretion of BPS. Both allowances are permitted each year.

- Pharmacy Administrative Allowances \$50,000/year
- Pharmacy Audit Fund \$75,000/year

BPS can use these funds to fund a pharmacy formulary review, audit of the Pharmacy Benefit Manager, or other pharmacy related administrative service (rebate review, specialty drug savings analysis, etc.).

2022 Stop Loss Recap

- 2021 Current policy: \$450k Individual Stop Loss (ISL) level and \$387k Aggregating Specific Deductible (ASD).
 - Policy terms did not include renewal rate cap or provision to prohibit new lasers
- Marketing to eleven (11) carriers, including Cigna
 - All carriers declined to quote due to poor experience, except Cigna
- Final Proposals
 - Cigna 30% increase to current costs with \$450 ISL and \$387 ASD
 - One New Laser \$1.6M
- **Final Contract and Terms**
 - Increases ISL to \$500k for 8% over current, savings of \$354,886 from renewal
 - No New Lasers at renewal
 - Rate cap of 45% at renewal