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**AGENDA ITEM**

Action Item

Information Only

**Date:** June 11, 2021  
**Item Number:** VII  
**Title:** Contract Status Report

**Summary**

This report addresses the status of PEBP contracts to include:

1. Contract Overview
2. New Contracts for approval
3. Contract Amendments for approval
4. Contract Solicitations for approval
5. Status of Current Solicitations

**7.1 Contracts Overview**

Below is a listing of the active PEBP contracts as of April 30, 2021.

<b>PEBP Active Contracts Summary</b>							
<b>Vendor</b>	<b>Service</b>	<b>Contract #</b>	<b>Effective Date</b>	<b>Termination Date</b>	<b>Contract Max</b>	<b>Current Expenditures</b>	<b>Amount Remaining</b>
HealthScope Benefits	TPA	11825	2/8/2011	6/30/2022	\$ 62,600,000	\$ 56,235,106	\$ 6,364,894
Health Claim Auditors Inc.	Health Plan Auditor	12614	10/11/2011	9/30/2022	\$ 2,827,910	\$ 1,535,497	\$ 1,292,413
HealthScope Benefits	National PPO	13330	7/1/2012	6/30/2022	\$ 15,455,000	\$ 10,879,338	\$ 4,575,662
The Standard	Group Basic Life Insurance	14276	7/1/2013	6/30/2022	\$ 80,587,091	\$ 74,630,314	\$ 5,956,777
HealthScope Benefits	Voluntary Flexible Spending Account	14465	7/1/2013	6/30/2022	\$ 125,000	\$ -	\$ 125,000
Diversified Dental Services Inc.	Dental Contract	14563	7/9/2013	6/30/2021	\$ 3,081,984	\$ 2,478,732	\$ 603,252
HealthScope Benefits	Dental Claims	14574	7/9/2013	6/30/2022	\$ 6,100,000	\$ 4,941,957	\$ 1,158,043
Hometown Health Providers	In-state PPO Network	15510	7/1/2014	6/30/2021	\$ 9,955,139	\$ 8,297,913	\$ 1,657,226
Standard Insurance Company	Voluntary Life Insurance	15503	7/1/2014	6/30/2023	\$ 22,500,000	\$ -	\$ 22,500,000
Morneau Shepell LTD	Benefits Management System	15941	1/1/2015	12/31/2023	\$ 8,623,789	\$ 5,875,124	\$ 2,748,665
Extend Health, Inc	Medicare Exchange	16468	7/1/2015	6/30/2025	\$ 1,546,000	\$ 1,233,742	\$ 312,258
KPS3	Website Redesign	17226	11/1/2015	6/30/2021	\$ 80,775	\$ 69,172	\$ 11,603
Casey,Neilon & Associates	Financial Auditor	17424	3/8/2016	12/31/2021	\$ 236,500	\$ 225,052	\$ 11,448
Express Scripts, Inc.	Pharmacy Benefit Manager	17551	4/12/2016	6/30/2022	\$226,500,000	\$ 222,858,434	\$ 3,641,566
AON Consulting	Consulting Services	17596	7/1/2016	6/30/2022	\$ 3,601,585	\$ 930,764	\$ 2,670,821
Health Plan of Nevada Inc	Southern Nevada HMO	18362	7/1/2017	6/30/2021	\$231,000,000	\$ 143,260,708	\$ 87,739,292
American Health Holdings	PPO Utilization Management Case Management	21376	7/1/2019	6/30/2023	\$ 8,000,000	\$ 3,549,094	\$ 4,450,906
Labyrinth Solutions, Inc.	Benefits Management System	23678	12/8/2020	6/30/2027	\$ 6,849,000	\$ -	\$ 6,849,000
Aetna	PPO Network	23846	7/1/2021	6/30/2026	\$ 7,127,250	\$ -	\$ 7,127,250
Health Plan of Nevada Inc	HMO Provider	23802	7/1/2021	6/30/2025	\$192,093,848	\$ -	\$192,093,848
Diversified Dental Services Inc.	Dental Provider	23810	7/1/2021	6/30/2026	\$ 1,601,613	\$ -	\$ 1,601,613
Claim Technologies	Health Plan Auditor	24030	4/13/2021	6/30/2027	\$ 1,407,656	\$ -	\$ 1,407,656
CliftonLarsonAllen	Financial Auditor	24088	5/15/2021	12/31/2024	\$ 212,485	\$ -	\$ 212,485

**Recommendation**

No action necessary

**7.2 New Contracts**

PEBP does not currently have any new contracts for ratification.

### **7.3 Contract Amendment Ratifications**

The following active PEBP contracts require amendments:

#### ***7.3.1 HOMETOWN HEALTH***

PEBP contracted with Hometown Health for In-State Preferred Provider Organization (PPO) Network Services which began July 1, 2014 resulting from RFP 3100.

This contract amendment is required to add a scope for claims runout, extends the contract with the reduced scope through June 30, 2022; and increases the contract authority by \$1,395,049. When this contract was initially negotiated, it appears that the runout scope and costs were not included to provide claims runout services for the 1-year timely filing of claims. This amendment will allow Hometown Health to reprice all claims with service dates before July 1, 2021.

#### **Recommendation**

PEBP recommends the Board authorize staff to complete a contract amendment between PEBP and Hometown Health for In-State PPO Network services in contract #15510 to reduce scope, extend, and increase the contract authority.

#### ***7.3.2 THE STANDARD***

PEBP contracted with The Standard for Basic Group Life Insurance and Long-Term Disability Services which began July 1, 2013 resulting from RFP 3020.

This contract amendment is required to amend the fee schedule to align with the plan design changes included in the Governor's recommended budget effective July 1, 2021. The amendment will include a reduction to the maximum contract authority in the approximate amount of \$14.4 million.

- Reduce basic life insurance coverage to \$15,000 (active) and \$7,500 (retiree)
- Elimination of Long-Term Disability

#### **Recommendation**

PEBP recommends the Board authorize staff to complete a contract amendment between PEBP and The Standard for Basic Group Life Insurance and Long-Term Disability Services in contract #14276 to update the fee schedule and reduce the contract authority in the approximate amount of \$14.4 million.

### **7.3.3 EXPRESS SCRIPTS**

PEBP contracted with Express Scripts Inc. (ESI) for Pharmacy Benefits Manager (PBM) Services which began July 1, 2016. Pursuant to the contract, PEBP may perform, or have performed on its behalf, a market check or an assessment of market conditions, pharmaceutical pricing, dispensing fees, and any other matters, services, or price drivers pertaining to this contract to determine if the terms of the contract are competitive with the then current market conditions.

AON Consulting performed a market check and based on the results, ESI has agreed to additional negotiated discounts consisting of savings on allowed charges for ingredient costs and dispensing fees and increased rebate guarantees. The market check negotiation is anticipated to save the program approximately \$3.6 million per year.

In addition to updating the pricing proposal to reflect the market check updates, this amendment will add \$64.6M in authority to the contract to ensure sufficient authority to pay administrative fees and claims for the remainder of the contract. Authority was never added for the additional population and claims that began in 2019 for the EPO plan.

#### **Recommendation**

PEBP recommends the Board authorize staff to complete a contract amendment between PEBP and Express Scripts, Inc. for PBM services in contract # 17551 to amend the pricing proposal through the contract term.

### **7.4 Contract Solicitation Ratifications**

PEBP does not currently have any contract solicitations for ratification.

### **7.5 Status of Current Solicitations**

The chart below provides information on the status of PEBP's in-progress solicitations:

Service	Anticipated/Actual RFP release date	Anticipated/Actual NOI	Anticipated Board Approval
Medical TPA	04/26/2021	08/15/2021	Nov 2021
Dental TPA	04/26/2021	08/15/2021	Nov 2021
Medical National Network	04/26/2021	08/15/2021	Nov 2021
Medical Statewide Network	04/26/2021	08/15/2021	Nov 2021
HSA HRA Admin	06/30/2021	09/16/2021	Nov 2021
2 <sup>nd</sup> Opinion	07/07/2021	10/15/2021	Jan 2022
Telemedicine	07/20/2021	11/05/2021	Jan 2022
Transparency	08/09/2021	11/30/2021	Jan 2022
Pharmacy	08/27/2021	12/03/2021	Jan 2022

**Recommendation**

No action necessary