

EC-21-466



Mayor Timothy M. Keller

CITY OF ALBUQUERQUE

Albuquerque, New Mexico

Office of the Mayor

INTER-OFFICE MEMORANDUM

October 14, 2021

TO: Cynthia D. Borrego, President, City Council
FROM: Timothy M. Keller

SUBJECT: Mayor's Recommendation of Award (ROA) for RFP No. RFP-2021-167-DFA-CG
"Workers' Compensation Cost Containment Service-Pharmacy Benefit Management"

The City of Albuquerque's Finance and Administrative Services Department, Strategic Support Program in conjunction with the Purchasing Division, issued the RFP for workers' compensation cost containment service-pharmacy benefit management.

The RFP was posted on the Purchasing E-Procurement, Bonfire website on April 27, 2021 and advertised in the Albuquerque Journal on May 2, 2021.


The City received eight (8) responses to this solicitation. The ad hoc evaluation committee evaluated and scored the proposals received in accordance with the evaluation criteria published in the RFP. After thoroughly reviewing and scoring the proposal, Mitchell International, earned the highest score of 808 points. The ad hoc committee found Mitchell International to be both responsive and qualified and recommends an award to Mitchell International.

I concur with this recommendation.

The City of Albuquerque's Finance and Administrative Services Department, Risk Management Division will manage this contract.

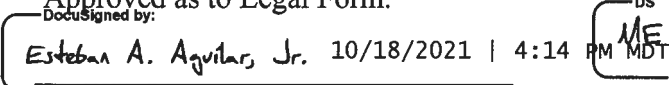
Mayor’s Recommendation of Award (ROA) for RFP No. RFP-2021-167-DFA-CG “Workers’ Compensation Cost Containment Service-Pharmacy Benefit Management”

Approved:

 10/21/21


Sarita Nair Date
Chief Administrative Officer

Approved as to Legal Form:


DocuSigned by: Esteban A. Aguilar, Jr. 10/18/2021 | 4:14 PM MDT

Esteban A. Aguilar, Jr. Date
City Attorney

Recommended:


DocuSigned by: Renee Martinez 10/14/2021 | 12:49 PM PDT

Renee Martinez Date
Director, Finance and Administrative Services

Cover Analysis

1. What is it?

This is a request for approval of award to Mitchell International Inc. to provide workers' compensation cost containment service - Pharmacy Benefit Management (PBM) services to comply with the New Mexico Worker's Compensation Act for the City of Albuquerque's Self-Insured Worker's Compensation Program.

2. What will this piece of legislation do?

This Legislation will authorize Risk Management to enter into a contract with Mitchell International Inc. for the following: 1) Payment reduction of pharmacy bills to the lowest dollar value available pursuant to the New Mexico Fee Schedule and pharmacy contracted rates; 2) A first-fill prescription program for City of Albuquerque injured employees; 3) Real time notifications for authorizations; 4) A comprehensive pharmaceutical utilization program; and 5) Interface with the City of Albuquerque's worker's compensation claims management system.

3. Why is this project needed?

Contract for PBM services will provide an efficient cost-effective process to reduce annual pharmacy costs beyond the New Mexico Fee Schedule increasing savings in costs paid out on workers' compensation claims and reducing administrative time and effort.

4. How much will it cost and what is the funding source?

An estimated annual cost for workers' compensation pharmaceuticals services is \$410,835.81

Claim Expense offset by Reserves is budgeted in the Risk Fund 705: Risk Workers Compensation Section, Department 2542000, under WC Medical 526311.

5. Is there a revenue source associated with this Plan? If so, what level of income is projected?

N/A

FISCAL IMPACT ANALYSIS

TITLE: Workers' Compensation Cost Containment Service - Pharmacy Benefit Management

R:
FUND: 705

O:

DEPT: 2542100

- ☒ No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.
- ☐ (If Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

	Fiscal Years			
	2022	2023	2024	Total
Base Salary/Wages				-
Fringe Benefits at	-	-	-	-
Subtotal Personnel	-	-	-	-
Operating Expenses		-		-
Property		-	-	-
Indirect Costs	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ -
[X] Estimated revenues not affected				
[] Estimated revenue impact				
Revenue from program				0
Amount of Grant		-	-	
City Cash Match				
City Inkind Match				
City IDOH	-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	\$ -

These estimates do not include any adjustment for inflation.
* Range if not easily quantifiable.

Number of Positions created

COMMENTS:

COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:

PREPARED BY: Alan R. Gutowski, Risk Finance Manager

DocuSigned by:
Alan P. Gutowski

FISCAL ANALYST

APPROVED:

DocuSigned by:
Renee Martinez

DIRECTOR

10/14/2021 | 12:49 PM PDT

(date)

REVIEWED BY:

DocuSigned by:
Jayne Aranda

EXECUTIVE BUDGET ANALYST

DocuSigned by:
Lawrence L. Davis

BUDGET OFFICER

10/18/2021 | 4:14 PM MDT

(date)

DocuSigned by:
Christine Boerner

CITY ECONOMIST



City of Albuquerque

Department of Finance and Administrative Services

Timothy M. Keller, Mayor

Interoffice Memorandum

Date August 18, 2021

TO: Sarita Nair, Chief Administrative Officer

FROM: Renee Martinez, Director, Department of Finance and Administrative Services

SUBJECT: **Recommendation of Award –**
RFP Number: RFP-2021-167-DFA-CG
RFP Name: Workers' Compensation Cost Containment Service - Pharmacy Benefit Management

DS
RM

The Department of Finance and Administrative Services, Purchasing Division, issued the subject solicitation in conjunction with the Risk Management Division for Workers' Compensation Cost Containment Service - Pharmacy Benefit Management.

The solicitation was posted on the Purchasing website and advertised in the Albuquerque Journal. The number of responses received for evaluation were eight (8).

The Ad Hoc Evaluation Committee evaluated and scored the responses in accordance with the evaluation criteria published in the RFP and recommends award of contract to Mitchell International.

I concur with this recommendation. Listed below are the composite scores for the top three responses received:

COMPANY NAME	SCORE
Mitchell International	808
My Matrixx	760
Definiti Comp Solution	740

The Department that will be managing this contract is Finance and Administrative Services, Risk Management Division.

Approved:

DocuSigned by:

8/19/2021 | 10:40 AM MDT

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Sarita Nair

(Date)

Chief Administrative Officer

Attachment: Scoring Summary



RFP-2021-167-DFA-CG - Workers’ Compensation Cost Containment Service - Pharmacy Benefit Management
Scoring Summary

	Total	Experience	Past performance	Objectives of each task	General approach	Innovative plans	Cost	Local	Small Business	NM Resident Business	Veterans Business	Pay Equity
Supplier	/ 1,250.0	/ 100 pts	/ 50 pts	/ 400 pts	/ 100 pts	/ 100 pts	/ 250 pts	/ 50 pts	/ 50 pts	/ 50 pts	/ 50 pts	/ 50 pts
Mitchell International	808	90	43	331	88	59	198	0	0	0	0	0
myMatrixx	760	91	49	356	88	75	101	0	0	0	0	0
Definiti Comp	740	86	39	341	88	85	101	0	0	0	0	0
CorVel Corporation	685	84	38	300	88	46	80	0	0	50	0	0
MC-Rx	665	79	43	235	35	54	220	0	0	0	0	0
Preferred	591	73	31	293	86	73	36	0	0	0	0	0
Optum Workers	576	90	45	264	90	34	53	0	0	0	0	0
CompDME	408	38	26	193	70	65	17	0	0	0	0	0

Appendix A

Pharmacy Bill Review Fees

1. What discounts will be given off of Average Wholesale Pricing (AWP) and the New Mexico Fee Schedule for:

Retail

Brand:	<u>-16</u>	%
Generic:	<u>-58</u>	%
Dispensing Fee: \$	<u>0.00</u>	

90 Day Retail

Brand:	<u>-16</u>	%
Generic:	<u>-58</u>	%
Dispensing Fee: \$	<u>0.00</u>	

Mail Order

Brand:	<u>-17</u>	%
Generic:	<u>-62</u>	%
Dispensing Fee: \$	<u>0.00</u>	

2. Will the City of Albuquerque receive refunds, on a prorated basis, of rebates or any other discounts received by manufacturers/distributors/suppliers?

Our deeply discounted pricing proposal reflects the value of rebates. Our pharmacy network administrator collects rebates and incorporates them to provide the lowest possible wholesale pharmacy acquisition cost for drugs. This innovative approach enables us to pass on the value of rebates immediately to our customers, at the time the drug is dispensed, with the lowest possible pricing. It ensures that our customers receive the lowest total plan cost (which includes the cost of drugs, the value of rebates, and PBM administrative fees) without having to deal with the complexity, delayed timing and uncertainty that comes with collecting rebates from drug manufacturers.

3. If yes, at what percentage?

N/A

RETAIL MEDICATION COST

Medication Name	QTY	AWP- Generic Drug	Discounted Price- off AWP Medi-Span Generic Drug	DISCOUNTED PRICE- off AWP 2nd Publication generic drug (identify publication)	AWP- Brand	Discounted Price- off AWP Medi- Span Brand Drug
REVLIMID CAP 10MG NDC#59572041028	28				\$26,790.76	\$22,504.24
PREGABALIN CAP 100MG NDC#69097068105	90	\$654.16	\$274.75			
CELECOXIB CAP 200MG NDC#13668044201	30	\$227.10	\$95.38			
LIDOCAINE PAD 5% NDC#68462041827	30	\$228.56	\$95.99			
DULOXETINE CAP 60MG NDC#51991074810	60	\$452.46	\$190.03			
TEMOZOLOMIDE CAP 180MG NDC#16729013053	10	\$5,179.68	\$2,175.47			
DICLOFENAC GEL 1% NDC#49884093547	100	\$51.92	\$21.81			
DICLOFENAC GEL 3% NDC#00472178310	100	\$1,179.46	\$495.37			
OXYCODONE TAB 15MG NDC#10702000801	60	\$113.69	\$47.75			
NARCAN SPRAY NDC#69547035302	2				\$150.00	\$126.00
OXYCONTIN TAB 20MG CR NDC#59011042020	60				\$611.07	\$513.30
TIZANIDINE TAB 2MG NDC#55111017915	90	\$109.97	\$46.19			
EMTRICITABINE-TENOFOVIR DISOPROXIL FUMARATE 200-300 NDC#00093760756	28	\$1,960.19	\$823.28			
ISENTRESS TAB 400MG NDC#00006022761	28				\$971.71	\$816.24
GABAPENTIN TAB 800MG NDC#65862052405	90	\$272.79	\$114.57			
HYDROCODONE-APAP TAB 5-325 NDC#00406012301	60	\$41.49	\$17.43			
TRAMADOL TAB 50MG NDC#65162062750	60	\$50.03	\$21.01			
XARELTO TAB 10MG NDC#50458058030	30				\$591.00	\$496.44

Identify 2nd AWP Publication (if applicable): _____

90 DAY RETAIL MEDICATION COSTS
if you don't offer 90 Day Retail, please indicate.

Medication Name	QTY	AWP- Generic Drug	Discounted Price- off AWP Medi-Span Generic Drug	DISCOUNTED PRICE- off AWP 2nd Publication generic drug (identify publication)	AWP- Brand	Discounted Price- off AWP Medi- Span Brand Drug
REVLIMID CAP 10MG NDC#59572041028	84				\$80,372.28	\$67,512.72
PREGABALIN CAP 100MG NDC#69097068105	270	\$1,962.48	\$824.24			
CELECOXIB CAP 200MG NDC#13668044201	90	\$681.30	\$286.15			
LIDOCAINE PAD 5% NDC#63481068706	90				\$2,370.21	\$1,990.98
DULOXETINE CAP 60MG NDC#51991074810	180	\$1,357.38	\$570.10			
TEMOZOLOMIDE CAP 180MG NDC#16729013053	30	\$15,539.04	\$6,526.40			
DICLOFENAC GEL 1% NDC#49884093547	300	\$155.76	\$65.42			
DICLOFENAC GEL 3% NDC#00472178310	300	\$3,538.38	\$1,486.12			
OXYCODONE TAB 15MG NDC#10702000801	180	\$341.06	\$143.25			
NARCAN SPRAY NDC#69547035302	2				\$150.00	\$126.00
OXYCONTIN TAB 20MG CR NDC#59011042020	180				\$1,833.21	\$1,539.90
TIZANIDINE TAB 2MG NDC#55111017915	270	\$329.90	\$138.56			
GABAPENTIN TAB 800MG NDC#65862052405	270	\$818.37	\$343.72			
HYDROCODONE-APAP TAB 5-325 NDC#00406012301	180	\$124.47	\$52.28			
TRAMADOL TAB 50MG NDC#65162062750	180	\$150.08	\$63.04			
XARELTO TAB 20MG NDC#50458058030	90				\$1,773.00	\$1,489.32

Identify 2nd AWP Publication (if applicable): _____

MAIL ORDER MEDICATION COSTS

Medication Name	QTY	AWP- Generic Drug	Discounted Price- off AWP Medi-Span Generic Drug	DISCOUNTED PRICE- off AWP 2nd Publication generic drug (identify publication)	AWP- Brand	Discounted Price- off AWP Medi- Span Brand Drug
REVLIMID CAP 10MG NDC#59572041028	84				\$80,372.28	\$66,708.99
PREGABALIN CAP 100MG NDC#69097068105	270	\$1,962.48	\$745.74			
CELECOXIB CAP 200MG NDC#13668044201	90	\$681.30	\$258.89			
LIDOCAINE PAD 5% NDC#63481068706	90				\$2,370.21	\$1,967.28
DULOXETINE CAP 60MG NDC#51991074810	180	\$1,357.38	\$515.80			
TEMOZOLOMIDE CAP 180MG NDC#16729013053	30	\$15,539.04	\$5,904.84			
DICLOFENAC GEL 1% NDC#49884093547	300	\$155.76	\$59.19			
DICLOFENAC GEL 3% NDC#00472178310	300	\$3,538.38	\$1,344.58			
TIZANIDINE TAB 2MG NDC#55111017915	270	\$329.90	\$125.36			
GABAPENTIN TAB 800MG NDC#65862052405	270	\$818.37	\$310.98			
TRAMADOL TAB 50MG NDC#65162062750	180	\$150.08	\$57.03			
XARELTO TAB 20MG NDC#50458058030	90				\$1,773.00	\$1,471.59

Identify 2nd AWP Publication (if applicable): _____

Pharmacy Benefit Management Pricing Proposal

I. Mitchell ScriptAdvisor Pharmacy Benefit Management

Price is based on a discount off the Average Wholesale Price (AWP) using the Medi-Span® drug compendium for all prescriptions processed at point-of-sale and invoiced through Mitchell ScriptAdvisor. ScriptAdvisor processed medications will be priced at lesser of State Fee Schedule or the contracted rates below.

A. Retail, 90 Day, Mail-Order and Specialty Drug pricing:

Retail

Brand: AWP -16 %
Generic: AWP -58 %
Dispensing Fee: \$ 0.00

90 Day Retail

Brand: AWP -16 %
Generic: AWP -58 %
Dispensing Fee: \$ 0.00

Mail Order

Brand: AWP -17 %
Generic: AWP -62 %
Dispensing Fee: \$ 0.00

Specialty Drugs

Brand: AWP -16 %
Generic: AWP -58 %
Dispensing Fee: \$ 0.00

II. Mitchell ScriptAdvisor Optional Medical Management Services

Service	Description	Pricing
Nurse Review	Nurse to review current treatment patterns to evaluate the medical necessity, appropriateness, and relatedness of the prescribed medications. Therapy is reviewed in the context of the injury and current conditions. Nurse will conduct outreach with the prescribing physician to transition to an optimal treatment plan with documented agreement. All review utilizes evidence-based medical guidelines.	\$125 per Hour (minimum 1 hour)
Pharmacist Review	Doctor of Pharmacy to review and provide summary on only drug interactions, therapeutic duplications, dosages, side effects, duration of therapy, cost efficient over-the-counter options. Pharmacist will conduct outreach with the prescribing physician to transition to an optimal treatment plan with documented agreement. All review utilizes evidence-based medical guidelines.	\$150 per Hour (minimum 1.5 hours)
Physician Peer Review	Peer matched reviewer, licensed in the state of the prescriber, competent to evaluate the specific clinical issues involved in medical treatment services, where these services are within the scope of the reviewer's practice. Reviewer will contact prescriber to transition to an optimal treatment plan with documented agreement. All review utilizes evidence-based medical guidelines.	\$350 per hour (minimum 1.5 Hours)
Drug Testing and Monitoring	Prior to long-term use of opioids, we recommend a physician peer review and regular urinalysis testing. If long-term use of opioids is continued, then our philosophy is to recommend use of mail order to enable our customers to reduce expenses through mail order delivery and utilize a single pharmacy provider. In addition to board certified on-staff pharmacists and nurses, Mitchell works with drug monitoring and compounding partners to perform in depth reviews to further assist in controlling overall drug costs through comprehensive utilization strategies.	\$420 per referral

File Processing Fee (Nurse / Pharmacist / Peer Review Only)	Pricing Per File
0 – 100 pages medical	Free
101 – 200 pages medical	\$25
201 – 400 pages medical	\$50
400+ pages medical	\$0.125 per page

III. Scope of Services, Maintenance and Support

Service	Description	Pricing
Plan Design	<p>Plan Design developed by Mitchell based on Customer requirements, defining all aspects of the program, including but not limited to:</p> <ul style="list-style-type: none"> • Claim Eligibility & Enrollment Process • Pharmacy Adjudication Parameters (e.g. formulary, drug utilization review edits, prior authorization) • Network Disruption • Legacy Claims Conversion • Card and Communication Materials • Invoicing / Billing Requirements 	Included No Charge
Setup and Implementation	<p>Dedicated Mitchell Implementation Team:</p> <ul style="list-style-type: none"> • Project Manager • Client Services • Development of Plan Design • Systems Setup, Configuration & Testing • Network and Systems Evaluation • Process analysis and recommendations 	Included No Charge
Training	<p>Customized, On-site Process and Portal Training:</p> <ul style="list-style-type: none"> • Onsite Claim Staff and Manager Training • Train-the-Trainer Program • Follow-up Training at no additional charge • Refresher/Follow up training via webinar if necessary. 	Included No Charge

Service	Description	Pricing
Maintenance and Support	<p>Ongoing program maintenance and support, including but not limited to:</p> <ul style="list-style-type: none"> • Program Administration • Changes to Plan Design, formulary and other point of sale controls, or processes • Customer Service / Help Desk (800-Phone and Email Support) <ul style="list-style-type: none"> ○ ScriptAdvisor Portal ○ Pharmacy, patient, provider or claims adjuster calls • Client Services Manager <ul style="list-style-type: none"> ○ Ongoing Client Services including program support ○ Issue Management and Resolution ○ Monthly program updates and reporting ○ Quarterly Partnership Reviews 	Included No Charge
ScriptAdvisor Web Portal	<p>Web Portal interface to perform the following key claim functions:</p> <ul style="list-style-type: none"> • Prior Authorization and escalation process • Formulary modifications, blocks, etc. • Claimant prescription history access • Drug lookup • Claimant ID card request • Temporary card creation • Claim status validation • High risk claim identification & management • Integrated reporting suite • Managed care service referrals • Communication tracking • Network pharmacy locator • Link to ODG Procedure Summaries • NDC based Morphine Equivalent Dose Calculator 	Included No Charge
ScriptAdvisor Reporting	<p>Customizable Reports for Adjustors and Managers</p> <ul style="list-style-type: none"> • Viewable anytime in the web portal and exportable into excel or as a PDF. 	Included No Charge

Service	Description	Pricing
Integration Services	<ul style="list-style-type: none"> • EDI feeds with Customer's Bill Review or Claim Management Systems. • Claim / Claimant eligibility feeds • Retrospective Review for all Out-of-Network paper bills including physician dispensing • Electronic Invoicing / Billing 	Included No Charge
Out-of-Network Review Services	<ul style="list-style-type: none"> • Retrospective review in accordance with Plan Design, Formulary and DUR Edits • Reprice to Network Rates or Fee Schedule • Pharmacy Outreach to Re-index future fills • Physician Dispensing Retrospective Review & Repricing • Specialty Pharmacy Repricing • Pay-on-Behalf (Optional) 	Included No Charge