



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

RFP 25-019 Prescription Benefit Management (PBM) BAFO Responses



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Agenda

- 1 Executive Summary
- 2 Stop Loss History
- 3 Summary of Final Proposals
- 4 Recommendation

Executive Summary



Executive Summary

League City has retained HUB International to provide consulting for its health and welfare benefits plans. The purpose of this presentation is to provide the results of the Pharmacy Benefit Management (PBM) RFP for 10/1/2025.

Pharmacy Benefit Management (PBM) RFP

In conjunction with Purchasing and Human Resources, HUB conducted an RFP for the Pharmacy Benefit Management (PBM) services. The RFP was publicly advertised and distributed to all available markets.

The City of League City's pharmacy program is currently administered by Express Scripts through a carve-out arrangement with RxBenefits. RxBenefits is a pharmacy benefit optimizer offering leveraged pricing for their clients from the nation's three largest PBMs: CVS, Express Scripts, and OptumRx.

RFP Response Listing



RFP Response Listing

Carrier	Response	Comments
RxBenefits		
Express Scripts	Quoted	Incumbent - Finalist
CVS	Quoted	Did not complete submission requirements
Optum Rx	Quoted	Finalist
Benecard PBF	Quoted	Not compatible with TXHBP/BCBS
Employers Health – CVS	Quoted	Finalist
HEB	Quoted	Not compatible with TXHBP/BCBC
BCBS / Prime Therapeutics	None	Missed the submission deadline
Script Care	Quoted	Not compatible with TXHBP/BCBS
TXHBP / Navitus	Quoted	Finalist
Veracity Benefits	Quoted	Not compatible with TXHBP/BCBS
Vivid Clear Rx	Quoted	Not compatible with TXHBP/BCBS

While there were multiple bidders, only those vendors that have real time accumulation connection with BCBS TX, were considered.

Pharmacy Financial Analysis



Pharmacy Financial Analysis | Characteristics

<i>City of League City</i>	RxB-ESI- Current	Employers Health-CVS	TxHB Pool-(Navitus)	RxB-ESI	RxB-OptumRx
<i>Contract Type</i>	Traditional	Traditional	Transparent, Pass-Thru	Traditional	Traditional
<i>Contract Length</i>	3	3	3	3	3
<i>Formulary Name</i>		Standard Control with Advanced Control Specialty	Premium Option 2	-	
<i>Formulary Type</i>	Exclusion Based	Exclusion Based	Exclusion Based	Exclusion Based	Exclusion Based
<i>Network Type</i>	Broad	Broad	Broad	Broad	Broad
<i>Specialty Network Type</i>	Open	Open	Open	Open	Open
<i>Bundle Type</i>	Carved Out	Carved Out	Carved Out	Carved Out	Carved Out

- All bidders were provided the City's 2024 pharmacy data, current plan design, and cost management strategies to confirm ability to duplicate these strategies as well as to support their underwriting.
- All bidders offered their national formularies that mirror the current formulary philosophy in place today.
- All bidders pricing mirrors the current plan strategies in place today, except for TxHB Pool-Navitus.
- Termination language and penalties for early termination vary across bidders.

Pharmacy Financial Analysis | BAFO Financial Results

<i>City of League City</i>	RxB-ESI- Current	Employers Health- CVS	TxHB Pool- (Navitus)	RxB-ESI	RxB-OptumRx
Financials-BAFO					
Gross Ingredient Cost	\$2,193,802	\$2,120,008	\$2,062,054	\$2,131,579	\$2,090,385
PBM Rebate Estimate	\$658,625	\$1,036,329	\$927,699	\$827,205	\$811,965
HUB Rebate Estimate	\$658,625	\$932,696	\$834,929	\$744,485	\$730,769
(+) Admin Fees	\$0	\$20,562	\$37,801	\$7,372	\$7,372
(+) Carve Out Fees	\$0	\$0	\$0	\$0	\$0
Net Plan Cost	\$1,535,176	\$1,207,874	\$1,264,926	\$1,394,467	\$1,366,989
Net Plan PMPM	\$88.53	\$69.66	\$72.95	\$80.42	\$78.83
Est. Savings vs Current		-\$327,302	-\$270,250	-\$140,710	-\$168,188
Savings Percent		-21.3%	-17.6%	-9.2%	-11.0%

- HUB reduced the bidders Rebate Estimates by 10% to account for marketplace events and formulary impact from biosimilar and low wholesale acquisition cost (WAC) utilization.
- TxHB Pool-Navitus, RxBenefits-ESI and CVS are offering a biosimilar-forward formulary.
- RxBenefits-ESI requires specific levels of utilization management programs.

Pharmacy Financial Analysis | Credits

<i>City of League City</i>	RxB-ESI- Incumbent	Employers Health-CVS	TxHB Pool- (Navitus)	RxB-ESI	RxB-OptumRx
Credits					
(-) Implementation Credit	N/A	\$17,248	\$0	\$0	\$0
(-) PMF	N/A	\$4,312	\$10,000	\$15,000	\$17,400

- Implementation Credits are one-time offsets to the cost of transitioning to a new pharmacy administrator.
- Pharmacy Management Fund (PMF) are used to offset costs associated with managing the pharmacy benefit.
- PMF are annual credits and do not roll-over to the next year based on per member per year (PMPY) amount.
- RxBenefits and Navitus PMF is a one-time credit.
- The incumbent, RxB-ESI has no need to offer an implementation credit as they are the current provider.

Formulary Disruption

<i>City of League City</i>	RxB-ESI- Current	Employers Health- CVS	TxHB Pool- (Navitus)	RxB-ESI	RxB-OptumRx
Formulary Disruption					
# of Patients	N/A	105	288	26	49
# of Claims	N/A	310	799	84	191
% of Total Claims	N/A	2.73%	7.10%	0.74%	1.68%

- Impact includes negative tier changes and drug exclusions.
- **The top classes causing the disruption are the usual classes seen in current formulary disruptions:**
 - Attention Deficit Disorder – generally PBM electing to cover the generic over the brand
 - Asthma - typically associated with recently available generic inhalers
 - Diabetes - blood testing meters and the supplies
 - Immunologic – ex. Humira and the new biosimilars
- 2026 formularies have not been announced.
 - The implementation process would be required to produce a deeper analysis of more current data against the known 2026 formulary for the selected vendor.

Bid Nuances

RxBenefits – ESI

- Incumbent administrator.
- Offers the least member impact.
- RxBenefits negotiations with ESI may not be complete for 2026, which could offer improvements to their offer.

Employers Health-CVS

- Has the strongest financial offer.
- Typical coalition service model, offering “gold standard” contract terms and conditions.
- Offer annual price improvement with CVS.
- Employers Health offers direct account and member management relationship with CVS.

TXHB Pool - Navitus

- Offering a pass-through, transparent contract through Navitus.
- Navitus is known for client flexibility.
- Navitus’ formulary is focused on low-cost products which can produce high formulary impact.

RxBenefits – OptumRx

- RxBenefits could still be involved in 2026 with Optum contract negotiations which could offer improvements to their offer.
- The OptumRx formulary is slightly Biosimilar-forward.

Recommendation



Pharmacy Benefit Management (PBM) Recommendation

HUB recommends award of the Prescription Benefit Management RFP to Employers Health – CVS effective 10/1/2025 based on the lowest gross ingredient cost, proposed rebates and service guarantees.

Thank you

