

RESOLUTION NO. 2024-204

A RESOLUTION AUTHORIZING EXTRAORDINARY, UNSPECIFIABLE SERVICES AGREEMENTS FOR HEALTH BENEFIT COVERAGES FOR EMPLOYEES OF THE CITY OF VINELAND (PRESCRIPTION).

WHEREAS, there exists a need for the placement of Prescription Coverages for employees of the City of Vineland; and

WHEREAS, Allen Associates, Vineland, NJ, has submitted proposals indicating the services to be rendered by the provider stated below; and

WHEREAS, the availability of funds for said contract has been certified by the City Comptroller; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et seq.) requires that the resolution authorizing the award of contracts for "Extraordinary, Unspecifiable Services" without competitive bids and the contract itself must be available for public inspection; and

WHEREAS, the Business Administrator has certified that this meets the statute and regulations governing the award of said contracts;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VINELAND, as follows:

1. That the Mayor and Clerk are hereby authorized and directed to execute Non-Fair and Open Agreements and other related documents on behalf of the City of Vineland pursuant to N.J.S.A. 19:44A-20.5.
2. That the Business Disclosure Entity Certification, the Political Contribution Disclosure Form and the Determination of Value be placed on file with this Resolution.
3. THAT the Purchasing Agent be and the same is hereby authorized and directed to issue purchase order contracts for placement of Prescription coverages, as follows:

<u>Coverage/Item</u>	<u>Broker</u>	<u>Provider</u>	<u>Estimated Cost (based on current enrollment)</u>
1. Prescription	Allen Associates	Benecard	\$3,480,294.00
Contract Period beginning July 1, 2024 through June 30, 2025.			

4. These contracts are awarded in accordance with N.J.S.A. 40A:11-5(1)(m) of the Local Public Contracts Law which permits the award of a contract without public advertising for bids and bidding thereof if the subject matter thereof consists of insurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary, unspecifiable services.
5. A notice of this action shall be printed once in the Daily Journal.

Adopted:

President of Council

ATTEST:

City Clerk

**STANDARD CERTIFICATION DECLARATION FOR AND
EXTRAORDINARY UNSPECIFIABLE SERVICE (EUS)**

To: Members of the Governing Body

From: Robert E. Dickenson, Jr., Business Administrator

Date: May 21, 2024

Subject: This is a contract for **Health Benefits Coverages for Employees of the City of Vineland**

This is to request your approval of a resolution authorizing contracts to be executed as follows:

This is to request an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service (N.J.S.A. 40A:11-5(1)(a)(ii) and N.J.A.C. 5:34-2.3(b)). I do hereby certify to the following:

1. Provide a clear description of the nature of the work to be done:
Purchase of Prescription coverages, in accordance with N.J.S.A. 40A:11-6.1(b).
2. Describe in detail why the contract meets the provisions of the statute and rules:
Insurance is exempted by virtue of N.J.S.A. 40A:11-5(1)(a)(ii) and 40A:11-5(1)(m).
3. The service(s) is of such a specialized and qualitative nature that the performance of the service(s) cannot be reasonably described by written specifications because:
Professional evaluation of various insurance products demand specific training and experiences in industry.
4. Describe the informal solicitation of quotations:
Quotations are continually solicited by the broker for varying Health Benefits coverages needed by the City from numerous providers:

Coverage/Item	Broker	Provider	Estimated Cost (based on current enrollment)
1. Prescription Contract Period beginning July 1, 2024 through June 30, 2025.	Allen Associates	Benecard	\$3,480,294.00

5. I have reviewed the rules of the Division of Local Government Services pursuant to N.J.A.C. 5:34-2.1 et seq. and certify that the proposed contract may be considered an extraordinary unspecifiable service in accordance with the requirements thereof.

Respectfully,



Business Administrator

(Original to be retained by City Clerk with the affirmed copy of the resolution; signed duplicate to be kept by Business Administrator.)

BENECARD®
Benecard Services, LLC

April 11, 2024

Mr. Rich Allen
Rx Alliance
630 S. Brewster Road
P.O. Box 973
Vineland, NJ 08362-0973

Re: **Benecard®** Prescription Benefit Program 2024-2025 Renewal with Alternatives,
Rx Alliance / PEPT City of Vineland

Dear Rich,

Benecard has reviewed the prescription benefit program activities to date for the current plan year and is pleased to offer the following program renewal. The new program charges will become effective July 1, 2024 expiring June 30, 2025 and reflect an overall increase of approximately 9%. These program charges are contingent upon the Benecard/PEBT Trust Agreement remaining active for the term, the City of Vineland remaining a member of the PEPT, and signing and returning the 2024-2025 Benecard agreement prior to July 1, 2024. This offering will remain valid for (60) days.

The proposed renewal program charges provided below do not account for any Federal and/or State government programs, fees, taxes or regulations including, but not limited to, the Patient Protection and Affordable Care Act with the exception of certain preventive health services and coverage for dependents to the age 26. The proposed renewal program charges also assume that the present benefit design, co-pay structure, and participation level will remain unchanged. Should any of these factors change during the contract period, Benecard reserves the right to revise these program charges. The proposed program charges include insurance carrier charges by Heartland Fidelity Insurance Company. These charges guarantee program costs by the carrier for the contract period.

Benecard Client ID# 3117 – Group #'s Group #'s **0410100, 0410110, 0410198, 0410199**
0410400, 0410410, 0410498, 0410499

Retail Co-pay: \$25 Brand / \$15 Generic
Retail Day Supply Limitations: 34 days or 100 units, whichever is greater
Mail Order Co-pay: \$25 Brand / \$15 Generic
Mail Order Day Supply Limitations: up to 90 days
Specialty Medications Eligible for Co-pay Assistance Program: \$0
¹Out of Pocket Limits (separate): \$1,890 for individual and \$3,780 for family

Census Coverage	Single	Parent/Child	Parent/Children	Member/Spouse	Family	Totals
Current Census	213	46	29	112	166	566
Monthly Program Charges	311.69	608.68	777.11	491.22	777.11	
Annualized Program Cost Based on Current Census						3,611,308

Over Age Dependent Program Charge for 7/1/2024 - 06/30/2025 **\$248.62**
Should the proposed program charges change at any point during the 2024-2025 contract period the overage dependent program charge will be changed accordingly.

Weight Loss Medications Cost Savings Alternatives

As a result of social media influencers touting the use of certain weight loss medications for physical appearance purposes, we have seen over the past year and on a national level, the dramatic increase in the use and cost of weight loss injectable medications (Wegovy and Saxenda). These two medications in particular are expected to continue to rise in utilization as the pharmaceutical manufacturer for both of these drugs is seeking FDA approval for their oral tablet form which if approved could likely be available to the marketplace by the end of 2024. Benecard is closely monitoring the usage of these medications to ensure members are adhering to the prescribing guidelines set forth by the manufacturer's drug label and FDA. If the City removed coverage of all weight loss medications from their prescription plan, it would result in a savings of approximately 4.9%. Benecard also has the ability to add step therapy specifically to just weight loss medications as another alternative. An alternative can be provided to reflect these savings as well whether including grandfathering or no grandfathering. Please reach out to me should you wish to see these alternatives as well.

¹ The Affordable Care Act requires the City of Vineland's health benefits program implement an out-of-pocket (OOP) limit to protect individuals from excessive OOP expenses on all essential health benefits on or after January 1, 2015. The OOP limits represented above are based on the City of Vineland's request to have a separate prescription OOP and at these required dollar limits effective January 1, 2024. It is our understanding that the City of Vineland's acceptance of this proposal is based on their request to have a separate OOP limit combined with all other essential health benefit OOP limits that does not exceed the annual limitation on the OOP's for that year as outlined by the Department of Labor. The Rx OOP limits are subject to change if the ACA OOP limits are modified. Benecard reserves the right to revise the City of Vineland's prescription benefit program charges if the client modifies or implements a different copayment level, coinsurance, deductible or any other benefit design change, including a change to the OOP amount that differs from what was used for underwriting purposes to develop for the program charges provided herein or enacts a change after inception of the new contract start date.

We look forward to continuing to provide the highest quality of client and participant services during the coming plan year, and to continue our longstanding relationship based on quality of service and careful program cost management. Do feel free to contact me should any questions arise regarding this renewal proposal.

Very truly yours,

Barbara Seifert
Client Relations Manager

cc: Kelly Monahan, Client Services Director
Colleen Gorman, Vice President Operations & Client Services

City of Vineland

2024 RX Alliance Renewal

2023 Current Rates				2024 Renewal Rates 12 Month Renewal			
Retail: \$15 Generic / \$25 Brand Mail Order: \$15 Generic / \$25 Brand				Retail: \$15 Generic / \$25 Brand Mail Order: \$15 Generic / \$25 Brand			
	Employees	7/1/23-6/30/24	Annualized Premium		Employees	7/1/24-12/31/25	Annualized Premium
single	193	\$ 284.00	\$ 657,744		193	\$ 311.69	\$ 721,874
parent/child	50	\$ 554.60	\$ 332,760		50	\$ 608.68	\$ 365,208
husband/wife	107	\$ 447.58	\$ 574,693		107	\$ 491.22	\$ 630,726
family/parent children	189	\$ 708.07	\$ 1,605,903		189	\$ 777.11	\$ 1,762,485
	539		\$ 3,171,099		539		\$ 3,480,294
			9.75%				
TOTAL PRESCRIPTION PREMIUM			\$ 3,171,099	TOTAL PRESCRIPTION PREMIUM			\$ 3,480,294
			Difference	\$	309,195	9.75%	

*Enrollment Census as per Benecard

For illustrative purposes only.