



Vineland, New Jersey

RESOLUTION NO. 2025- 216

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 Chief Financial Officer; 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:

Coverage/Item	Broker	Provider	Estimated Cost (based on current enrollment)
1. Prescription	Allen Associates	Benecard	\$4,196,446.00
Contract Period beginning July 1, 2025 through June 30, 2026. (19.75% increase)			

- 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: May 13, 2025

\_\_\_\_\_  
President of Council pfs

ATTEST:

\_\_\_\_\_  
City Clerk rgf

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

To: Members of the Governing Body

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

Date: May 6, 2025

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:

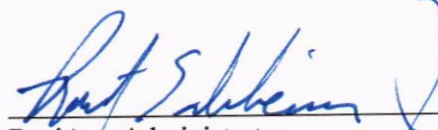
This is to request an award of a contract without the receipt of formal bids as an Extraordinary Unspecifiable Service (N.J.S.A. 40A:11-5(1)(a)(ii) and N.J.A.C. 5:34-2.3(b)). I do hereby certify to the following:

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	Allen Associates	Benecard	\$4,196,446.00
<b>Contract Period beginning July 1, 2025 through June 30, 2026. (19.75% increase)</b>			

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.)



2025 RENEWAL PACKAGE

# *CITY OF VINELAND*



April 11, 2025

City of Vineland  
640 E. Wood Street  
Vineland, NJ 08360

Attn: Robert Dickenson  
Business Administrator

Re: RxAlliance/PEBT – Renewal Effective 7/1/25

Dear Bob:

RxAlliance/PEBT – Enclosed is the renewal documentation for the prescription program with The RxAlliance/PEBT, effective July 1, 2025, through June 30, 2026. Your renewal rates reflect a 19.75% increase over your current rates, detailed on the attached rate sheet. While we acknowledge this is a high renewal, it is important to note that it remains under trend relative to the rest of the market.

Specialty drugs like Humira and Stelara continue to be a major factor in rising healthcare costs. These medications, while crucial for managing chronic conditions and improving patient outcomes, pose significant pricing challenges. In fact, specialty claims now account for 47% of total spend but only 2% of total claims, highlighting their outsized impact on overall costs. Additionally, the growing demand for diabetes and weight loss drugs has substantially impacted healthcare expenditures, placing further strain on prescription programs due to their high costs.

Despite these challenges, The RxAlliance has successfully maintained program costs. Through Benecard's effective management strategies, strategic planning, and the collective strength of our member groups, we remain competitive in addressing these rising pharmaceutical expenses. Our approach allows us to navigate the complex landscape of specialty medications and emerging therapies while continuing to provide value to our members.

Allen Associates considers the City of Vineland a valued client, and we appreciate your business. We look forward to serving you and your employees in the years to come.

Sincerely,



Richard S. Allen  
RSA:cp  
Enc:

# BENECARD®

Benecard Services, LLC

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

Re: **Benecard®** Prescription Benefit Program 2025-2026 Renewal, Rx Alliance / PEBT 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, 2025 expiring June 30, 2026 and reflect an overall increase of approximately 19¾%. These program charges are contingent upon the Benecard/PEBT Trust Agreement remaining active for the term, City of Vineland remaining a member of the PEBT, and signing and returning the 2025-2026 Benecard agreement prior to July 1, 2025. 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 **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

<sup>1</sup>Out of Pocket Limits (separate): \$1,840 for individual and \$3,680 for family

Census Coverage	<u>Single</u>	<u>Parent/Child</u>	<u>Parent/Children</u>	<u>Member/Spouse</u>	<u>Family</u>	<u>Totals</u>
Current Census	223	49	32	109	154	567
Monthly Program Charges	<b>373.25</b>	<b>728.89</b>	<b>930.59</b>	<b>588.24</b>	<b>930.59</b>	
Annualized Program Cost Based on Current Census						4,273,899

Over Age Dependent Program Charge for 7/1/2025 - 6/30/2026 **\$297.72**

Should the proposed program charges change at any point during the 2025-2026 contract period the overage dependent program charge will be changed accordingly.



<sup>1</sup> 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, 2025. 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

## 2025 RX Alliance Renewal

2024 Current Rates				2025 Renewal Rates			
Retail: \$15 Generic / \$25 Brand Mail Order: \$15 Generic / \$25 Brand				Retail: \$15 Generic / \$25 Brand Mail Order: \$15 Generic / \$25 Brand			
	<u>Employees</u>	<u>Current</u>	<u>Annualized Premium</u>	<u>Employees</u>	<u>Renewal</u>	<u>Annualized Premium</u>	
single	223	\$ 311.69	\$ 834,082	223	\$ 373.25	\$ 998,817	
parent/child	81	\$ 608.68	\$ 591,637	81	\$ 728.89	\$ 708,481	
husband/wife	109	\$ 491.22	\$ 642,516	109	\$ 588.24	\$ 769,418	
family/parent children	154	\$ 777.11	\$ 1,436,099	154	\$ 930.59	\$ 1,719,730	
	567		\$ 3,504,334	567		\$ 4,196,446	19.75%
TOTAL PRESCRIPTION PREMIUM			\$ 3,504,334	TOTAL PRESCRIPTION PREMIUM			\$ 4,196,446
				Difference		\$ 692,112	19.75%

Average increase over the past	5	Years:	7.50%
Average increase over the past	25	Years:	7.84%

\*Enrollment Census as per Benecard  
For illustrative purposes only.

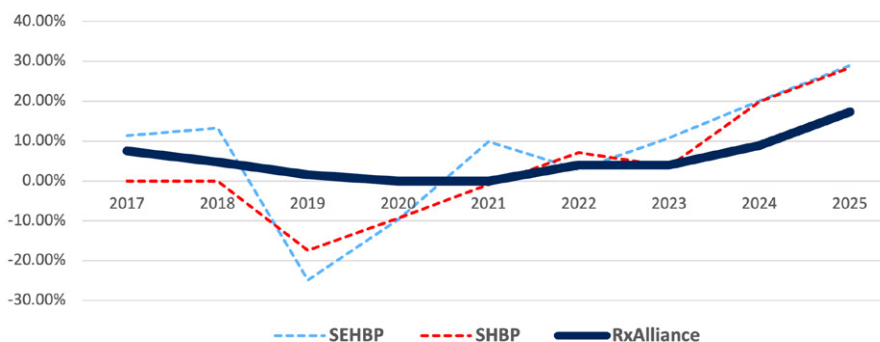
- **Fully Funded Public Sector Trust**
  - 0% Risk Sharing
  - Budget Predictability
  - No Supplemental Invoices Regardless of Claims Performance
- **Group Retains Control of Individual Plan Design**
- **Renewal Information:**
  - Based on Collective Experience of Trust
  - Typically Provided on 24 Month Terms
  - Offered on Calendar or Fiscal Year Basis
- **Benecard was Ranked #1 in Overall Client Satisfaction Survey for the Last (9) Years \***
- **\$0 Copay Specialty Drug Assistance Program**

## Growth Since Inception (2011):

	2011:	2025:
<b>Annual Premium:</b>	..... \$24m	\$105m
<b>Total Entities:</b>	..... 15	71
<b>Total Employees:</b>	..... 6,460	13,729
<b>Total Members:</b>	..... 14,850	35,617

## RxAlliance Renewal History:

Average Since Inception (2011): **6.45%**  
 Last Five Years (Average): **6.84%**



\* Benecard is the Fund's Prescription Benefit Administrator and the satisfaction survey was conducted by an independent company Pharmaceutical Strategies Group (PSG).



## ***Current Members of the RxAlliance:***

- Belleville Board of Education
- Bergenfield, Borough of
- Berkeley, Township of
- Berkeley Township Board of Education
- Bloomsbury Board of Education
- Branchburg Board of Education
- Bridgeton Board of Education
- Brigantine, City of
- Buena Regional Board of Education
- Burlington Township Board of Education
- CCIA (The Authority)
- Clayton Board of Education
- Clearview Regional Board of Education
- Collingswood Board of Education
- Cumberland County
- Cumberland County Technical Education Center
- Cumberland Regional Board of Education
- Delran Township Board of Education
- Dennis Township Board of Education
- Denville, Township of
- Downe Township Board of Education
- East Greenwich Board of Education
- Florence Township Board of Education
- Garfield Board of Education
- Garfield, City of
- Glen Ridge Board of Education
- Greenwich Board of Education
- Hammonton Board of Education
- Harrison Township Board of Education
- High Point Board of Education
- Hopewell Township Board of Education
- Lawrence Township Board of Education
- Long Beach, Township of
- Longport, Borough of (eff. 12/1/24)
- Lower Township Board of Education
- Lumberton Township Board of Education
- Mansfield Board of Education
- Mantua Township Board of Education
- Maple Shade Board of Education
- Medford Township Board of Education
- Millville Board of Education
- Millville, City of
- Newton Board of Education
- North Arlington Board of Education
- Northern Burlington Board of Education
- Paulsboro Board of Education
- Penns Grove, Borough of
- Penns Grove - Carney's Point Board of Education
- Pohatcong Board of Education
- Point Pleasant, Borough of
- Pompton Lakes Board of Education
- Ramapo Indian Hills Regional Board of Education
- Riverside Board of Education
- Robbinsville Township Board of Education
- Seaside Heights, Borough of
- Shamong Board of Education
- South River, Borough of
- Sparta Township Board of Education
- Springfield Township Board of Education
- Summit Board of Education
- Tabernacle Board of Education
- Toms River, Township of
- Upper Pittsgrove Township Board of Education
- Upper Township Board of Education
- Vineland Board of Education
- Vineland, City of
- Warren Hills Regional Board of Education
- Washington Borough Board of Education
- White Board of Education
- Woodbury City Board of Education
- Woodstown-Pilesgrove Board of Education

# MANAGING THE COSTS OF WEIGHT LOSS & SPECIALTY DRUGS

## — The Impact of GLP-1 Drugs

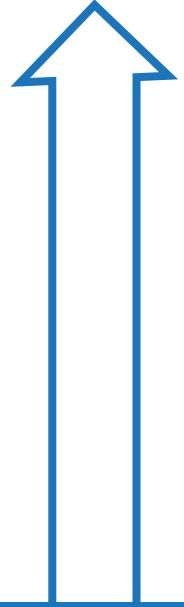
- **Prescription drug costs are rising due to:**
  - Increased utilization of GLP-1 drugs
  - Growing expenses of specialty medications
- **This trend is expected to continue beyond 2024:**
  - Wegovy patent could last until 2032
  - Introduction of oral GLP-1 formulations may further escalate costs
- **Recent industry-wide spending trends:**
  - Costs for Wegovy, Ozempic & Rybelus doubled
  - Costs for Mounjaro & Zepbound rose by 373%
  - Ave. monthly claim cost for GLP-1s is approx. \$1,300

**91%**

increase for weight loss prescriptions \*

**73%**

increase for diabetes prescriptions \*



## — The Continued Growth of Specialty Medications

**60%**

Specialty spend has increased from \$218B to \$366B+ in 5 years.

**40%**

Number of specialty meds has climbed from about 200 to 500+ since 2008.

- **Benecard's effective strategies demonstrate the ability to manage the impact of specialty prescriptions while still ensuring access.**
- **Benecard's specialty spending:**
  - Currently avg. around 47% of total drug spend
  - Specialty claims account for about 2% of total claims
- **Industry avg. show specialty spending typically:**
  - 54% of total drug spend
  - 5% of total claims

## — Innovative Management Strategies Considerations

- **Targeted Coverage:**
  - Limit coverage to patients with clinically severe obesity.
- **Exclude Oral Tablets:**
  - Exclude coverage for new oral GLP-1 drugs for both weight loss and type 2 diabetes.
- **Limit Fills:**
  - Cap all oral and non-oral GLP-1 drugs approved for weight loss to twelve 30-day supplies per member for a lifetime max.
  - Optional grandfathering for current users.

\* Based on utilization of GLP-1 drugs since the beginning of 2024 compared to the same period in 2023 (January - August).