



County of El Dorado

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Legislation Details (With Text)

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Title: Human Resources Department, Risk Management Division, recommending Chairman be authorized to sign Amendment II to Agreement 196-S0811with Caremark, L. L. C., to provide prescription drug benefits to the County of El Dorado.
RECOMMENDED ACTION: Approve.

Sponsors:

Indexes:

Code sections:

Attachments: 1. CaremarkAmndmntII, 2. CaremarkAmndmtIIBlueRoute, 3. Amendment No. 1 Caremark 10-14-08.pdf

Date	Ver.	Action By	Action	Result
10/14/2008	1	Board Of Supervisors	Approved	Pass

Human Resources Department, Risk Management Division, recommending Chairman be authorized to sign Amendment II to Agreement 196-S0811with Caremark, L. L. C., to provide prescription drug benefits to the County of El Dorado.

RECOMMENDED ACTION: Approve.

BUDGET SUMMARY:		
Total Estimated Cost		\$0
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost: 0

Reason for Recommendation:

The County's agreement with Caremark includes a pricing schedule which sets discount rates for brand-name and generic drugs. This discount structure is guaranteed for the three-year term of the contract. For fiscal years 2008-09 through 2010-11, AON, the County's health benefits consultant, negotiated a "Generic effective rate guarantee" of 56% off the average wholesale price (AWP) for generic drugs. The County is guaranteed to save this amount on all generic drug prescriptions over the term of the contract.

This amendment excludes one specific pain-relieving drug, Fentanyl Citrate, from the rate guarantee. The drug will continue to be covered by the plan under the same pricing schedule as other generic drugs and will be available to plan participants as indicated by their physicians. Aon has advised that even with the exclusion of this one drug, the rate guarantee will provide substantial savings.

Action to be taken following Board approval:

Signed amendment will be forwarded to Caremark. Human Resources - Risk Management Division shall continue to process payments upon receipt and approval of incoming invoices.

Contact: Larry Costello, x. 6625

Concurrences: County Counsel, Risk Management, CAO