



County of El Dorado

330 Fair Lane, Building A
Placerville, California
530 621-5390
FAX 622-3645
www.edcgov.us/bos/

Legislation Text

File #: 09-0763, **Version:** 1

Human Resources Department, Risk Management Division, recommending Chairman be authorized to sign Version 2 of Amendment 2 to Agreement 196-S0811 with Caremark, L. L. C., to provide prescription drug benefits to the County of El Dorado.

FUNDING: Risk Management Internal Service Fund.

Fiscal Impact/Change to Net County Cost: No change to Net Cost; savings on prescriptions of approximately \$123,000 over life of contract.

Reason for Recommendation:

Attached is the second version of the second amendment to the County's contract with our prescription drug vendor Caremark. The first version of this second amendment was approved by the Board in October of last year and was meant to exclude a specific drug, Fentanyl Citrate, from the County's generic rate guarantee that had been inadvertently included in the 7/1/08 renewal. When Risk Management sent the approved amendment to Caremark via our health benefits consultant Aon, rate reduction discussions occurred which resulted in this updated second amendment.

Aon was able to successfully negotiate the following savings: retail by 4% and our mail generic Average Wholesale Price (AWP) discount by 1%. These changes will be retroactive to the effective date of the 7/1/08 renewal and represent approximately \$123,000 in savings for El Dorado County over the life of the contract.

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: Allyn Bulzomi, X5572

Concurrences: HR, CAO