



# District School Board of Pasco County

20430 Gator Lane • Land O' Lakes, Florida 34638 • 813/ 794-2221

Heather Fiorentino, Superintendent

[www.pasco.k12.fl.us](http://www.pasco.k12.fl.us)

Department of Purchasing  
Kendra Goodman, CPPB, Purchasing Agent  
813/ 794-2221 Fax: 813/ 794-2111  
727/ 774-2221 TDD: 813/ 794-2484  
352/ 524-2221 e-mail: [kgoodman@pasco.k12.fl.us](mailto:kgoodman@pasco.k12.fl.us)  
August 16, 2005

## **MEMORANDUM**

**TO:** Honorable Board Members

**FROM:** Kendra Goodman, CPPB, Purchasing Agent

**RE:** RFP 03-122, Pharmacy Benefits Management Services  
Walgreen's Health Initiatives  
Third Year of a Five-Year Agreement

On August 24, 2004, official action (attached) was taken to award the above-referenced contract to Walgreen's Health Initiatives (WHI). The agreement is a five-year contract, renewable annually at the mutual consent of the parties. The second year of the agreement will expire on December 31, 2005.

After comparing the costs of remaining self-funded with WHI for pharmacy benefits, or being fully insured with Blue Cross/Blue Shield of Florida (our health insurance plan provider), the Committee recommends remaining with WHI for the 2006 contract year. We estimate over \$82,000 in savings in 2006 by inclusion of the following plan changes:

- Increase of rebates from \$2.30 to \$2.40 per paid claim
- Elimination of the Specialty Pharmacy Dispensing Fee, currently \$1.50
- Elimination of the Advantage90 Dispensing fee, currently \$.50
- Addition of generic drugs, resulting in a 3.9% plan savings on generics
- SSRI Step Care Program

There is potential for additional savings, as more members utilize generic drugs and the Advantage90 program. At this time, it is my recommendation to enter into the third year of the agreement with Walgreen's Health Initiatives under the existing terms and conditions. The contract term will be January 1 – December 31, 2006. Should you have any questions or wish to discuss this matter further, please feel free to contact Michael Hudson, Employee Benefits & Risk Manager, or me at your earliest convenience.

KDG/az  
Attachments