

RESOLUTION NO. 2017-301

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

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

WHEREAS, the City of Vineland has a need to acquire such services as a Non-Fair and Open Contract pursuant to N.J.S.A. 19:44A-20.5; and

WHEREAS, the purchasing agent has determined and certified in writing that the value of said services will exceed \$17,500.00; and

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

WHEREAS, Allen Associates has completed and submitted a Business Entity Disclosure Certification for Non-Fair and Open Contract which certifies that Allen Associates has not made any reportable contributions to a political or candidate committee in the City of Vineland in the previous one year and that the contract will prohibit Allen Associates from making any reportable contributions through the term of the contract to a political or candidate committee in the City of Vineland; and

WHEREAS, the availability of funds for said contracts 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 and Dental coverages, as follows:

Coverage/Item	Broker	Provider	Estimated Cost (based on current enrollment)
1. Prescription for the contract period July 1, 2017 through June 30, 2018	Allen Associates	Benecard	\$3,727,913.00*
2. Dental (Premier Plan) for the contract period August 1, 2017 through July 31, 2018	Allen Associates	Delta Dental	\$ 140,122.56**
3. Dental (PPO) for the contract period August 1, 2017 through July 31, 2018	Allen Associates	Delta Dental	\$ 30,888.48**
4. Dental (Deltacare/Flagship), for the contract period August 1, 2017 through July 31, 2018	Allen Associates	Delta Dental	\$ 118,560.00***
TOTAL			<u>\$4,017,484.04</u>

- *7.5% annual increase Benecard
- **0 % increase for Dental Premier and PPO Plans
- ***0% increase for Flagship Plan

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



March 29, 2017

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

Attn: Robert Dickenson
Assistant Business Administrator

Re: Delta Dental Plan, Renewal Effective July 1, 2017
Group # 1187, et al ; Flagship Group # 9001

Dear Bob:

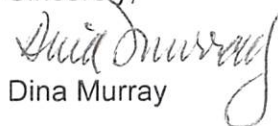
We are pleased to enclose the renewal information for your Delta Dental plan that becomes effective August 1, 2017 through July 31, 2018. As you know, Allen Associates formed the Dental Alliance, underwritten by Delta Dental Plan of NJ, in July of 2015, and your group became a member at that time. The guaranteed renewal rates this year reflect a 0% increase for one year and the rates are shown on the enclosed rate sheets. Please sign where indicated and return the rate sheet to our office for processing.

Your Flagship plan begins on August 1, 2017 and runs through July 31, 2018. The guaranteed renewal rates reflect a 0% increase over your current rates and are shown on the attached amendment.

We have also enclosed a financial comparison as well as a rate history for your review.

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,


Dina Murray

DM/ag
Encs.

630 S. BREWSTER RD • BUILDING C • PO BOX 790 • VINELAND, NJ 08361
600 WEST GERMANTOWN PIKE • SUITE 400 • PLYMOUTH MEETING, PA 19462
524 PACIFIC AVENUE • ATLANTIC CITY, NJ 08401

City of Vineland

2017 Dental Renewal DeltaCare/Flagship

Delta Dental	2016 Contract Year			Delta Dental	2017 Contract Year		
	Current Rates				Renewal Rates		
	<u>lives</u>	<u>8/1/16-7/31/17</u>	<u>premium</u>		One Year Contract Rates		
	<u>lives</u>	<u>8/1/17-7/31/18</u>	<u>premium</u>		<u>lives</u>	<u>8/1/17-7/31/18</u>	<u>premium</u>
Super Composite	205	\$ 49.40	\$ 121,524		205	\$ 49.40	\$ 121,524
	<u>205</u>		<u>\$ 121,524</u>		<u>205</u>		<u>\$ 121,524</u>
TOTAL DENTAL PREMIUM 8/1/16-7/31/17			\$ 121,524	TOTAL DENTAL PREMIUM 8/1/17-7/31/18			\$ 121,524
Increase						\$ -	0.00%



March 9, 2017

Ms. Dina Murray
630 South Brewster Road
Building C
Vineland, NJ 08362

RE: City of Vineland – G# 01187, 01483, 01484, 01516, 01527, 01528, 03332 – August 2017 Renewal Rates

Dear Ms. Murray,

Attached please find the August 1, 2017 Delta Dental Allen Associates Alliance renewal rates for City of Vineland. The one year rates result in a rate continue for the non-DMO benefit plans.

If the Allen Associates Alliance would like to renew for a two year period, the two year renewal increase is a +3.3%. Please advise if the Alliance is accepting the one year or two year renewal. Individual groups do not have the option of selecting different renewal timeframes.

August 1, 2016 – July 31, 2017
Current Rates

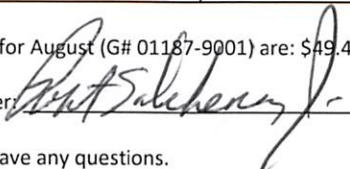
01187-01-02, 01483-01, 01484-01, 01516-01, 01527-01, 01528-01, 03332-01-02-04	6001
Super-composite	\$51.44 \$44.38

Please see the renewal rates listed below:

August 1, 2017 – July 31, 2018
One Year Rates

01187-01-02, 01483-01, 01484-01, 01516-01, 01527-01, 01528-01, 03332-01-02-04	6001
Super-composite	\$51.44 \$44.38

The Flagship renewal rates for August (G# 01187-9001) are: \$49.40.

Signature for 12 month offer: 

Please let me know if you have any questions.

Sincerely,
Crista O'Donnell
Account Manager
Delta Dental of New Jersey, Inc.



March 9, 2017

Ms. Dina Murray
630 South Brewster Road
Building C
Vineland, NJ 08362

RE: City of Vineland – G# 01187, 01483, 01484, 01516, 01527, 01528, 03332 – August 2017 Renewal Rates

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Super-composite	\$51.44	\$44.38

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August 1, 2017 – July 31, 2018
One Year Rates

01187-01-02, 01483-01, 01484-01, 01516-01, 01527-01, 01528-01, 03332-01-02-04		6001
Super-composite	\$51.44	\$44.38

The Flagship renewal rates for August (G# 01187-9001) are: \$49.40.

Signature for 12 month offer: _____

Please let me know if you have any questions.

Sincerely,
Crista O'Donnell
Account Manager
Delta Dental of New Jersey, Inc.

City of Vineland
2017 Renewal Dental Plans
Premier & PPO Plan

Delta Dental	2016 Contract Year			Delta Dental	2017 Contract Year		
	Current Rates				Renewal Rates		
	Premier Plan				Premier Plan		
	50% P & D	\$1000 Annual Max.			50% P & D	\$1000 Annual Max.	
	50% Basic				50% Basic		
	50% Major				50% Major		
	<u>lives</u>	<u>8/1/16-7/31/17</u>	<u>premium</u>		<u>lives</u>	<u>8/1/17-7/31/18</u>	<u>premium</u>
Super-Composite	222	\$ 51.44	\$ -		222	\$ 51.44	\$ 137,036
			\$ -				
	<u>222</u>		<u>\$ 137,036</u>		<u>222</u>		<u>\$ 137,036</u>
							0.00%
	PPO Plan				PPO Plan		
	60% P & D	\$1000 Annual Max.			60% P & D	\$1000 Annual Max.	
	60% Basic				60% Basic		
	50% Major				50% Major		
	<u>lives</u>	<u>8/1/16-7/31/17</u>	<u>premium</u>		<u>lives</u>	<u>8/1/17-7/31/18</u>	<u>premium</u>
Super-Composite	55	\$ 44.38	\$ 29,291		55	\$ 44.38	\$ 29,291
	<u>55</u>		<u>\$ 29,291</u>		<u>55</u>		<u>\$ 29,291</u>
							0.00%
TOTAL DENTAL PREMIUM			\$ 166,327	TOTAL DENTAL PREMIUM			\$ 166,327
	8/1/16-7/31/17				8/1/17-7/31/18		
				Increase		\$ -	0.00%

City of Vineland

Dental Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>
<u>1990</u>										
1/1/1990	UCR					\$16.36		Group# 0001	Delta	Dental
1/1/1990	HMO					\$16.36		Group# 9001	Delta	Dental
<u>1991</u>										
1/1/1991	UCR					\$19.02	16.26%	Group# 0001	Delta	Dental
1/1/1991	HMO					\$19.02	16.26%	Group# 9001	Delta	Dental
1/1/1991							16.26%	Overall %	Delta	Dental
<u>1992</u>										
1/1/1992	UCR					\$20.91	9.94%	Group# 0001	Delta	Dental
1/1/1992	PPO					\$18.03		Additional plan, Gr# 6001	Delta	Dental
1/1/1992	HMO					\$20.91	9.94%	Group# 9001	Delta	Dental
1/1/1992							9.94%	Overall %	Delta	Dental
<u>1993</u>										
1/1/1993	UCR					\$21.42	2.44%	Group # 0001	Delta	Dental
1/1/1993	PPO					\$18.47	2.44%	Group # 6001	Delta	Dental
1/1/1993	HMO					\$21.42	2.44%	Group # 9001	Delta	Dental
1/1/1993							2.44%	Overall %	Delta	Dental
<u>1994</u>										
1/1/1994	UCR					\$24.20	12.98%	Group # 0001	Delta	Dental
1/1/1994	PPO					\$20.87	12.99%	Group # 6001	Delta	Dental
1/1/1994	HMO					\$24.20	12.98%	Group # 9001	Delta	Dental
1/1/1994							12.98%	Overall %	Delta	Dental
<u>1995</u>										
1/1/1995	UCR					\$26.38	9.01%	Group # 0001	Delta	Dental
1/1/1995	PPO					\$22.75	9.01%	Group # 6001	Delta	Dental
1/1/1995	HMO					\$26.38	9.01%	Group # 9001	Delta	Dental
1/1/1995							9.01%	Overall %	Delta	Dental

City of Vineland

Dental Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>
<u>1996</u>										
1/1/1996	UCR					\$27.18	3.03%	Group # 0001-18 month rate	Delta	Dental
1/1/1996	PPO					\$23.44	3.03%	Group # 6001-18 month rate	Delta	Dental
1/1/1996	HMO					\$27.18	3.03%	Group # 9001-18 month rate	Delta	Dental
1/1/1996							3.03%	Overall %	Delta	Dental
<u>1997</u>										
7/1/1997	UCR					\$25.96	-4.49%	Group # 0001	Delta	Dental
7/1/1997	PPO					\$22.39	-4.48%	Group # 6001	Delta	Dental
7/1/1997	HMO					\$25.96	-4.49%	Group # 9001	Delta	Dental
7/1/1997							-4.49%	Overall %	Delta	Dental
<u>1998</u>										
8/1/1998	UCR					\$30.50	17.49%	Group # 0001	Delta	Dental
8/1/1998	PPO					\$26.31	17.51%	Group # 6001	Delta	Dental
8/1/1998	HMO					\$30.50	17.49%	Group # 9001	Delta	Dental
8/1/1998							17.49%	Overall %	Delta	Dental
<u>1999</u>										
8/1/1999	UCR					\$34.90	14.43%	Group # 0001	Delta	Dental
8/1/1999	PPO					\$30.10	14.41%	Group # 6001	Delta	Dental
8/1/1999	HMO					\$34.90	14.43%	Group # 9001	Delta	Dental
8/1/1999							14.43%	Overall %	Delta	Dental
<u>2000</u>										
8/1/2000	UCR					\$38.04	9.00%	Group # 0001	Delta	Dental
8/1/2000	PPO					\$32.81	9.00%	Group # 6001	Delta	Dental
8/1/2000	HMO					\$27.00	-22.64%	Group # 9001	Delta	Dental
8/1/2000							-4.75%	Overall %	Delta	Dental

City of Vineland

Dental Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>
<u>2001</u>										
8/1/2001	UCR					\$39.75	4.50%	Group # 0001	Delta	Dental
8/1/2001	PPO					\$34.29	4.50%	Group # 6001	Delta	Dental
8/1/2001	HMO					\$28.21	4.50%	Group # 9001	Delta	Dental
8/1/2001							4.50%	Overall %	Delta	Dental
<u>2002</u>										
8/1/2002	UCR					\$41.34	4.00%	Group # 0001	Delta	Dental
8/1/2002	PPO					\$35.66	4.00%	Group # 6001	Delta	Dental
8/1/2002	HMO					\$29.79	5.60%	Group # 9001	Delta	Dental
8/1/2002							4.56%	Overall %	Delta	Dental
<u>2003</u>										
8/1/2003	UCR					\$45.20	9.30%	Group # 0001 & 0002	Delta	Dental
8/1/2003	PPO					\$39.00	9.40%	Group # 6001	Delta	Dental
8/1/2003	HMO					\$31.98	7.40%	Group # 9001	Delta	Dental
8/1/2003							8.64%	Overall %	Delta	Dental
<u>2004</u>										
8/1/2004	UCR					\$48.76	7.88%	Group # 0001 & 0002	Delta	Dental
8/1/2004	PPO					\$42.07	7.88%	Group # 6001	Delta	Dental
8/1/2004	HMO					\$33.93	6.10%	Group # 9001	Delta	Dental
8/1/2004							7.25%	Overall %	Delta	Dental
<u>2005</u>										
8/1/2005	UCR					\$51.44	5.50%	Group # 0001,02 - 2 year	Delta	Dental
8/1/2005	PPO					\$44.38	5.50%	Group # 6001 - 2 year	Delta	Dental
8/1/2005	HMO					\$34.55	1.80%	Group # 9001 - 1 year	Delta	Dental
8/1/2005							4.22%	Overall %	Delta	Dental

City of Vineland

Dental Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>
<u>2006</u>										
	UCR					\$51.44	0.00%	Middle of 2 yr agreement	Delta	Dental
	PPO					\$44.38	0.00%	Middle of 2 yr agreement	Delta	Dental
8/1/2006	HMO					\$35.82	3.70%	Group # 9001 - 1 year	Delta	Dental
8/1/2006							0.83%	Overall %	Delta	Dental
<u>2007</u>										
8/1/2007	UCR					\$51.44	0.00%	Group # 0001,02 - 2 year	Delta	Dental
8/1/2007	PPO					\$44.38	0.00%	Group # 6001 - 2 year	Delta	Dental
8/1/2007	HMO					\$37.19	3.82%	Group # 9001 - 1 year	Delta	Dental
8/1/2007							0.89%	Overall %	Delta	Dental
<u>2008</u>										
	UCR					\$51.44	0.00%	Middle of 2 yr agreement	Delta	Dental
	PPO					\$44.38	0.00%	Middle of 2 yr agreement	Delta	Dental
8/1/2008	HMO					\$38.66	4.00%	Group # 9001 - 1 year	Delta	Dental
8/1/2008							0.95%	Overall %	Delta	Dental
<u>2009</u>										
8/1/2009	UCR					\$51.44	0.00%	Group # 0001,02 - 1 year	Delta	Dental
8/1/2009	PPO					\$44.38	0.00%	Group # 6001 - 1 year	Delta	Dental
8/1/2009	HMO					\$40.18	3.90%	Group # 9001 - 1 year	Delta	Dental
8/1/2009							0.97%	Overall %	Delta	Dental
<u>2010</u>										
8/1/2010	UCR					\$51.44	0.00%	Group # 0001,02 - 2 year	Delta	Dental
8/1/2010	PPO					\$44.38	0.00%	Group # 6001 - 2 year	Delta	Dental
8/1/2010	HMO					\$41.77	4.00%	Group # 9001 - 1 year	Delta	Dental
8/1/2010							1.01%	Overall %	Delta	Dental

City of Vineland

Dental Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>	
<u>2011</u>											
	UCR					\$51.44		0.00%	Middle of 2 year agreement	Delta	Dental
	PPO					\$44.38		0.00%	Middle of 2 year agreement	Delta	Dental
8/1/2011	HMO					\$43.44		3.99%	Group # 9001 - 1 year	Delta	Dental
8/1/2011							1.05%	Overall %		Delta	Dental
<u>2012</u>											
8/1/2012	UCR					\$51.44		0.00%	2 year contract	Delta	Dental
8/1/2012	PPO					\$44.38		0.00%	2 year contract	Delta	Dental
8/1/2012	HMO					\$45.17		4.00%	Group # 9001 - 1 year	Delta	Dental
8/1/2012							1.30%	Overall %		Delta	Dental
<u>2013</u>											
8/1/2013	UCR					\$51.44		0.00%	Middle of 2 year agreement	Delta	Dental
8/1/2013	PPO					\$44.38		0.00%	Middle of 2 year agreement	Delta	Dental
8/1/2013	HMO					\$47.05		4.16%	Group # 9001 - 1 year	Delta	Dental
8/1/2013							1.38%	Overall %		Delta	Dental
<u>2014</u>											
8/1/2014	UCR					\$51.44		0.00%	1 year contract	Delta	Dental
8/1/2014	PPO					\$44.38		0.00%	1 year contract	Delta	Dental
8/1/2014	HMO					\$47.80		1.59%	Group # 9001 - 1 year	Delta	Dental
8/1/2014							1.59%	Overall %		Delta	Dental
<u>2015</u>											
8/1/2015	UCR					\$51.44		0.00%	1 year contract	Dental Alliance/Delta	Dental
8/1/2015	PPO					\$44.38		0.00%	1 year contract	Dental Alliance/Delta	Dental
8/1/2015	HMO					\$48.59		1.65%	Group # 9001 - 1 year	Dental Alliance/Delta	Dental
8/1/2015							0.99%	Overall %		Dental Alliance/Delta	Dental

2016

8/1/2016	UCR	\$51.44		0.00%	1 year contract	Dental Alliance/Delta	Dental
8/1/2016	PPO	\$44.38		0.00%	1 year contract	Dental Alliance/Delta	Dental
8/1/2016	HMO	\$49.40		1.67%	Group # 9001 - 1 year	Dental Alliance/Delta	Dental
8/1/2016			0.99%		Overall %	Dental Alliance/Delta	Dental

2017

8/1/2017	UCR	\$51.44		0.00%	1 year contract	Dental Alliance/Delta	Dental
8/1/2017	PPO	\$44.38		0.00%	1 year contract	Dental Alliance/Delta	Dental
8/1/2017	HMO	\$49.40		0.00%	Group # 9001 - 1 year	Dental Alliance/Delta	Dental
8/1/2017			0.00%		Overall %	Dental Alliance/Delta	Dental

Average increase over the past 27 years: 4.35%



March 29, 2017

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

Attn: Robert Dickenson
Assistant Business Administrator

Re: RX Alliance/PEBT
Renewal Effective 7/1/17

Dear Bob:

We are pleased to enclose the renewal documentation for your prescription program with The RX Alliance/PEBT which becomes effective July 1, 2017 through June 30, 2018. The RX Alliance has been proven to establish a stability in rates over the past 8 renewals at an average of 8.05% per year. This is well under the industry trend. The renewal this year reflects a 7.5% increase.

While our renewals remain very competitive, we are consistently monitoring the trends in specialty pharmacy drugs that are being developed. The specialty pharmacy area accounts for high percentages of the overall cost in our plans.

The RX Alliance has continued to do an excellent job at maintaining program costs through Benecard's management strategies to minimize expenses. We remain competitive because of this and the strength in numbers established with the member groups. We will be sending you an updated contract in the very near future for your signature. The renewal contract will also contain required updates compliant with Federal and State mandates, but does not change your plan design or benefits in any way.

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,

Dina Murray

DM:ag
Encs.

630 S. BREWSTER RD • BUILDING C • PO BOX 790 • VINELAND, NJ 08361
600 WEST GERMANTOWN PIKE • SUITE 400 • PLYMOUTH MEETING, PA 19462
524 PACIFIC AVENUE • ATLANTIC CITY, NJ 08401

BENECARD[®]
Benecard Services, LLC

March 23, 2017

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

Re: **Benecard**[®] Prescription Benefit Program, Rx Alliance / PEPT City of Vineland Renewal

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, 2017 expiring June 30, 2018 and reflect an overall increase of approximately 7½%. These program charges are contingent upon the Benecard/PEBT Trust Agreement remaining active for the term, City of Vineland remaining a member of the PEPT, and signing and returning the 2017-2018 Benecard agreement prior to July 1, 2017.

The proposed renewal program charges provided below does 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.

Program Charges Effective July 1, 2017 Expiring June 30, 2018:

Benecard Client ID# 3117 – Group #'s 0410500/0410510/0410598/0410599:

Retail Co-pay: \$20 Brand / \$10 Generic

Retail Day Supply Limitations: 34 days or 100 units, whichever is greater

Mail Order Co-pay: \$20 Brand / \$10 Generic

Mail Order Day Supply Limitations: up to 90 days

¹Out of Pocket Limits (separate): \$1,430 for individual and \$2,860 for family

Coverage	<u>Single</u>	<u>Parent/Child</u>	<u>Parent/Children</u>	<u>Member/Spouse</u>	<u>Family</u>	<u>Totals</u>
Current Census	2	0	0	3	13	18
Monthly Program Charges	301.51	588.77	751.70	475.16	751.70	
Annualized Program Cost Based on Current Census						141,607

Over Age Dependent Program Charge for 7/1/2017 - 6/30/2018 **\$240.49**

Should the proposed program charges change at any point during the 2017-2018 contract period the overage dependent program charge will be changed accordingly.

Benecard Client ID# 3117 – Group #'s 0410000/0410100/0410110/0410111/0410198/0410199
0410200/0410210/0410298/0410299 0410300/0410310/0410398/0410399
0410400/0410410/0410498/0410499 0410600/0410610/0410698/0410699
0410800/0410810/0410898/0410899 0410900/0410910/0410998/0410999
0411000/0411010/0411098/0411099 0411100/0411110/0411198/0411199

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

¹ Out of Pocket Limits (separate): \$1,430 for individual and \$2,860 for family

Coverage	<u>Single</u>	<u>Parent/Child</u>	<u>Parent/Children</u>	<u>Member/Spouse</u>	<u>Family</u>	<u>Totals</u>
Current Census	133	39	32	124	219	547
Monthly Program Charges	301.51	588.77	751.70	475.16	751.70	
Annualized Program Cost Based on Current Census						3,727,913

Over Age Dependent Program Charge for 7/1/2017 - 6/30/2018 **\$240.49**

Should the proposed program charges change at any point during the 2017-2018 contract period the overage dependent program charge will be changed accordingly.

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, 2017. 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 program 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
Dina Murray, Rx Alliance
Rick Alessandrini, Rx Alliance
Abbie Geletka, Rx Alliance

City of Vineland
Prescription Rates for 2017

Benecard RX Alliance	2016 Contract Year			Benecard RX Alliance	2017 Contract Year		
	Current Rates				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>lives</u>	<u>7/1/16-6/30/17</u>	<u>premium</u>	<u>lives</u>	<u>7/1/17-6/30/18</u>	<u>premium</u>	
single	133	\$ 280.47	\$ 447,630	133	\$ 301.51	\$ 481,210	
parent/child(ren)	39	\$ 547.69	\$ 256,319	39	\$ 588.77	\$ 275,544	
husband/wife	124	\$ 442.01	\$ 657,711	124	\$ 475.16	\$ 707,038	
family	251	\$ 699.26	\$ 2,106,171	251	\$ 751.70	\$ 2,264,120	
	<u>547</u>		<u>\$ 3,467,831</u>	<u>547</u>		<u>\$ 3,727,913</u>	7.50%
Retail: \$10 Generic / \$20 Brand Mail Order: \$10 Generic / \$20 Brand				Retail: \$10 Generic / \$20 Brand Mail Order: \$10 Generic / \$20 Brand			
	<u>lives</u>	<u>7/1/16-6/30/17</u>	<u>premium</u>	<u>lives</u>	<u>7/1/17-6/30/18</u>	<u>premium</u>	
single	2	\$ 280.47	\$ 6,731	2	\$ 301.51	\$ 7,236	
parent/child(ren)	0	\$ 547.69	\$ -	0	\$ 588.77	\$ -	
husband/wife	3	\$ 442.01	\$ 15,912	3	\$ 475.16	\$ 17,106	
family	13	\$ 699.26	\$ 109,085	13	\$ 751.70	\$ 117,265	
	<u>18</u>		<u>\$ 131,728</u>	<u>18</u>		<u>\$ 141,607</u>	7.50%
TOTAL PRESCRIPTION PREMIUM			\$ 3,599,559	TOTAL PRESCRIPTION PREMIUM			\$ 3,869,520
				Annual Increase		\$ 269,961	7.50%

City of Vineland
Prescription Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>
<u>2000</u>										
8/1/2000	5/3/same MG/D	\$64.20	\$102.00		\$161.00				Aetna	Prescription
8/1/2000	5/3/same	\$69.50	\$110.20		\$174.10				Aetna	Prescription
<u>2001</u>										
8/1/2001	5/3/same MG/D	\$104.52	\$166.06		\$262.10		62.80%		Aetna	Prescription
8/1/2001	5/3/same	\$113.15	\$179.41		\$283.44		62.80%		Aetna	Prescription
8/1/2001						62.80%		Overall %	Aetna	Prescription
<u>2002</u>										
8/1/2002	5/3/same MG/D	\$116.11	\$184.48		\$291.18		10.90%		BeneCard	Prescription
8/1/2002	5/3/same	\$119.76	\$189.89		\$299.99		10.90%		BeneCard	Prescription
8/1/2002						10.90%		Overall %	BeneCard	Prescription
<u>2003</u>										
8/1/2003	Various Copays	\$126.90	\$201.59		\$318.19		9.20%		BeneCard	Prescription
<u>2004</u>										
8/1/2004	Various Copays	\$148.05	\$235.18		\$371.21		16.66%		BeneCard	Prescription
<u>2005</u>										
8/1/2005	Various Copays	\$154.65	\$245.67		\$387.76		4.50%		BeneCard	Prescription
<u>2006</u>										
8/1/2006	Various Copays	\$159.24	\$252.96		\$399.27		3.00%		BeneCard	Prescription
1/1/2007	Various Copays	\$157.74	\$250.59	\$250.59	\$395.92		-0.90%		BeneCard	Prescription
1/1/2007						2.40%		Overall %	BeneCard	Prescription

City of Vineland
Prescription Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>
<u>2007</u>										
8/1/2007	Various Copays	\$160.07	\$252.13	\$311.35	\$397.73		1.90%		BeneCard	Prescription
1/1/2008	Various Copays	\$159.23	\$309.71	\$250.80	\$395.63		3.10%		BeneCard	Prescription
8/1/2007						3.70%		Overall %	BeneCard	Prescription
<u>2008</u>										
8/1/2008	Various Copays	\$170.74	\$268.92	\$332.09	\$424.22		3.50%		BeneCard	Prescription
1/1/2009	Various Copays	\$160.97	\$253.54	\$313.09	\$399.95		-5.72%	Plan Change	BeneCard	Prescription
1/1/2009						1.60%		Overall %	BeneCard	Prescription
<u>2009</u>										
8/1/2009	Various Copays	\$172.36	\$271.41	\$335.97	\$430.16		7.40%		BeneCard	Prescription
1/1/2010	Various Copays	\$162.87	\$256.47	\$317.47	\$406.48		-5.50%		BeneCard	Prescription
1/1/2010						1.40%		Overall %	BeneCard	Prescription
<u>2010</u>										
8/1/2010	Various Copays	\$175.92	\$277.03	\$342.92	\$439.06		8.00%		BeneCard	Prescription
1/1/2011	Various Copays	\$175.92	\$277.03	\$342.92	\$439.06		0.00%	RX Alliance	BeneCard	Prescription
1/1/2011						5.50%		Overall %	BeneCard	Prescription
<u>2011</u>										
7/1/2011	Various Copays	\$186.87	\$294.26	\$364.25	\$466.38		6.20%	RX Alliance	BeneCard	Prescription
<u>2012</u>										
3/1/2012	Various Copays	\$186.53	\$293.97	\$364.25	\$465.05			RX Alliance	BeneCard	Prescription
7/1/2012	Various Copays	\$199.12	\$313.82	\$388.84	\$496.45		6.75%	RX Alliance	BeneCard	Prescription
<u>2013</u>										
7/1/2013	Various Copays	\$212.06	\$334.21	\$414.10	\$528.70		6.50%	RX Alliance	BeneCard	Prescription

City of Vineland
Prescription Rate History

<u>Date</u>	<u>Plan</u>	<u>S</u>	<u>H/W</u>	<u>P/C</u>	<u>F</u>	<u>Inc/Dec%</u>	<u>Inc/Dec%</u>	<u>Comment</u>	<u>Provider</u>	<u>Type</u>
<u>2014</u>										
7/1/2014	Various Copays	\$225.84	\$355.93	\$441.02	\$563.07	6.50%		RX Alliance	BeneCard	Prescription
<u>2015</u>										
7/1/2015	Various Copays	\$244.31	\$385.03	\$477.08	\$609.11	8.18%		RX Alliance	BeneCard	Prescription
<u>2016</u>										
7/1/2016	Various Copays	\$280.47	\$442.01	\$547.69	\$699.26	14.80%		RX Alliance	BeneCard	Prescription
<u>2017</u>										
7/1/2017	Various Copays	\$301.51	\$475.16	\$588.77	\$751.70	7.50%		RX Alliance	BeneCard	Prescription

Average Increase over the past 17 years: 10.30%
