



BROOKE'S BPW BRIEF



Breaking down the Board of Public Works

Meeting Date

August 7, 2024

PHARMACY BENEFITS MANAGEMENT SERVICES

The BPW approved a request from the Dept. of Budget and Management (DBM) to award MedImpact Healthcare Systems, Inc. (San Diego, CA) a contract to provide pharmacy benefits management and prescription drug coverage for the Maryland Rx Program. The 3-year contract was awarded at a cost of \$1.3 billion.

The Maryland Rx Program provides prescription drug coverage to nearly 218,000 current and retired employees and their dependents (as part of the State Employee Retiree Health and Welfare Benefits Program).

In 2020, the legislature passed the "Maryland Competitive Pharmacy Benefits Manager Marketplace Act" which required DBM to procure these services utilizing a **reverse auction**. This special procurement process was designed to mimic a successful reverse auction executed by the state of New Jersey which resulted in a \$2.5 billion reduction in prescription drug spending over a 5-year period. Utilizing a special platform, Maryland conducted this unique procurement in 3 phases.

On June 26, 2024 DBM denied a protest from the incumbent provider, Caremark PSC Health LLC. Caremark filed an appeal of DBM's decision to the Maryland State Board of Contract Appeals (MSBCA). MedImpact countered with a motion to dismiss Caremark's appeal, which MSBCA granted due to a technicality.

Summary Figures

The BPW approved 100 items, representing a total State expenditure of \$1.5 billion including:

- 11 items awarding \$11 million to prime certified small businesses.
- 5 items awarding \$3.7 million to prime Minority Business Enterprises (MBEs).
- 7 items awarded with established participation goals for MBEs.
- 2 items awarded with goals for Veteran-owned Small Businesses.

EAST COLUMBIA LIBRARY PARK

The BPW approved a request from Howard County to commit \$1 million in Program Open Space Local Share funding for **renovations at the East Columbia Library Park**. Renovations include a pavilion, 2 lighted basketball courts, 2 natural turf multipurpose fields, a playground, and pathways to the Village Center.

MERITUS SCHOOL OF OSTEOPATHIC MEDICINE

The BPW approved a request from the Dept. of General Services to grant \$1.5 million in capital grant funding for the construction of the new Meritus School of Osteopathic Medicine, located in Hagerstown. The state-of-the-art facility, which is anticipated to open in Fall 2025, is **intended to address a regional shortage of physicians in Maryland**, particularly in under-served, rural, and racially and ethnically diverse communities.