Evelyn Minor-Lawrence
Director

DEPARTMENT OF HUMAN RESOURCES

PUBLIC SERVICES BUILDING
2051 Kaen Road | Oregon City, OR 97045

August 6, 2026 BCC Agenda Date/Item: _____

Board of County Commissioners
Clackamas County

**Approval to initiate negotiations with Aetna and Optum Rx for employee health insurance and pharmacy benefit service agreements. Estimated Agreement Value with Aetna is $32,746,000 for 1 year. Estimated Agreement Value with Optum Rx is $5,052,000 for 1 year. Funding is through contributions and fees paid by County departments, retirees, and COBRA beneficiaries, as well as approximately $10,583,440 in budgeted County General Funds.**

**Previous Board Action/Review:** Executive Session: July 28, 2026
**Performance Clackamas:** Building trust through good government
**Counsel Review:** Yes **Procurement Review:** N/A
**Contact Person:** Evelyn Minor-Lawrence **Contact Phone:** 503-655-8812

**EXECUTIVE SUMMARY**: Clackamas County maintains self-insured employee health plans with Providence Health Plan who provides provider network access, medical claims administration, customer service, and other administrative services for eligible employees, retirees, and their covered dependents through an Administrative Services Agreement (ASA).

On May 20, 2026, Providence Health Plan (PHP) announced it would not be renewing its commercial or individual health plans for 2027. As a result, the County's current Providence medical plans will not be available beginning January 1, 2027, and the County must select a new medical carrier and Pharmacy Benefit Manager to replace the Providence plans.

On behalf of the County, Mercer, the County's insurance broker and benefits advisor, conducted a competitive Request for Proposal (RFP) process, inviting four carriers to participate. Aetna, Moda Health, and Regence submitted timely proposals for evaluation.

**Medical RFP Results and Summary:**

Mercer's evaluation process included a comprehensive analysis of each carrier's proposal, with key evaluation criteria including claims repricing, provider network access, employee disruption, cost-management programs, and overall member experience.

Carriers were asked to submit proposals using the County's 2025 medical claims experience for the 1,450 employees enrolled in Providence Health Plan (general county plans and POA plans combined).

Based on this evaluation, Aetna provided the strongest overall proposal.

| Carrier | Projected Increase 2027 | Claims Repricing Impact | Provider Disruption |
|---|---|---|---|
| Aetna | 6.9% | ~$2.1M | Lowest |
| Moda | 21.4% | ~$6.5M | Moderate |
| Regence | 21.6% | ~$6.6M | Highest |

**Pharmacy RFP Results:**

Mercer also evaluated five Pharmacy Benefit Manager (PBM) proposals, considering pharmacy costs, formulary disruption, and pharmacy network access. All PBM proposals project lower overall net pharmacy costs than the County's current arrangement with Providence. While each proposal includes some formulary disruption, the projected impact is limited, ranging from approximately 12 to 72 members (out of approximately 4,000 members).

**Health Plan Considerations:**

Financial impact: Aetna provided the strongest re-pricing estimate, most consistent with Providence Health Plan.

Provider impact: Compared to Providence Health Plan, Aetna’s provider network showed the least disruption in claims and billed charges.

Employer and Member experience: Mercer’s analysis showed Aetna’s member rating equivalent to Moda and Regence. On a scale of 1.0 – 3.0, Aetna was rated 1.9, Moda 2.0, and Regence 1.8, with scoring based on implementation and account management, financial reporting, and member experience and telemedicine.

Employee access to alternative care providers (such as chiropractic, acupuncture, and massage therapy) was identified as a key consideration during the evaluation process. Because County employees make significant use of these services, staff met with Aetna to discuss network flexibility. Aetna agreed to administer claims for out-of-network alternative care providers in a manner similar to the County's current arrangement with PHP, significantly reducing potential member disruption.

**Pharmacy Benefit Manager Considerations:**

Member impact: Optum Rx showed the lowest projected formulary disruption among the three Aetna approved plans (approximately 40 members).

Pharmacy access: Optum Rx has a broad network that includes retail pharmacies most frequently used by County employees.

Financial value: Optum Rx has competitive pricing with projected pharmacy costs below the County's current arrangement.

**RECOMMENDATION**: Staff recommend the Board authorize Human Resources to work with Mercer and County Counsel to negotiate Administrative Services Agreements with Aetna and Optum Rx for administration of Clackamas County's self-insured employee health care and pharmacy benefit plans.

Staff will return for final Board approval of the 2027 Administrative Services Agreements once they are prepared.

Respectfully submitted,

Evelyn Minor-Lawrence, IPMA-CP

Digitally signed by Evelyn Minor-Lawrence, IPMA-CP
Date: 2026.07.29 16:43:10 -07'00'

Evelyn Minor-Lawrence, IPMA-CS
Director of Human Resources

Attachment A: Health Insurance RFP Results Summary
Attachment B: Pharmacy Benefit RFP Results Summary

For Filing Use Only

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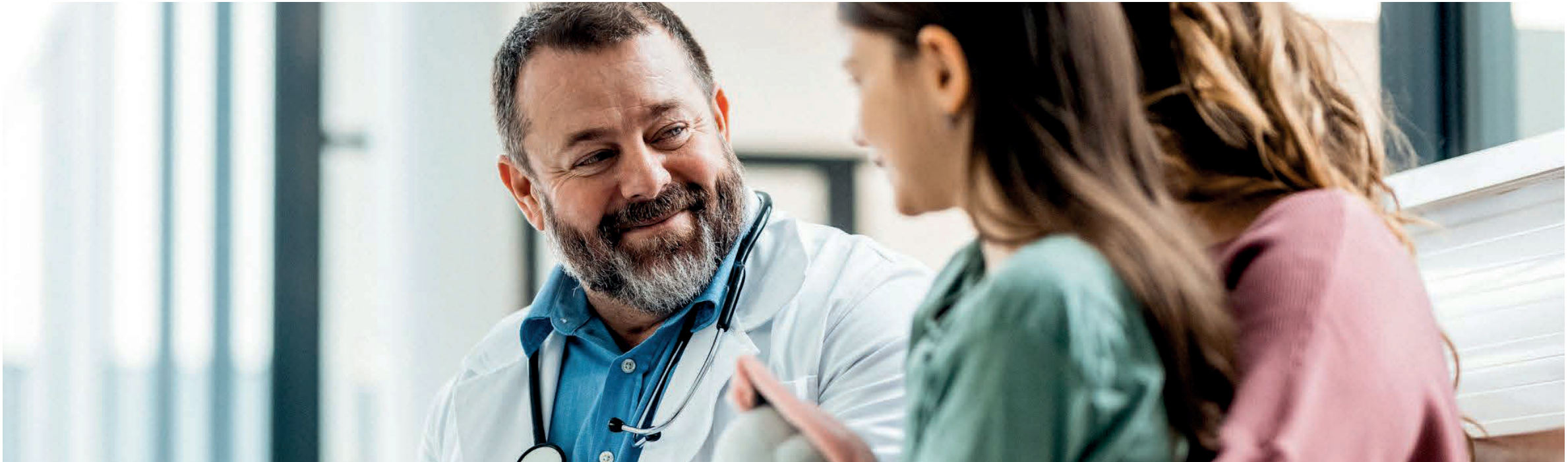
Attachment A

July 2026

# Clackamas County Medical RFP Results



# Medical RFP summary

## Strategic approach

- Evaluate market for best-in-class vendor partner for health benefits delivery
- Select carriers that offer robust network access for population in and outside OR
- Partner with a vendor(s) that offer a wide array of clinical and wellbeing programs to control costs and support employees
- Search for a vendor partner who can consistently demonstrate the following:
  - Proactive management of medical trend
  - Responsive, excellent member experience
  - Continuation of (or) seamless match to current carrier programs
  - Offer multi-year pricing arrangements

## Bidding carriers

Five traditional plan administrators:

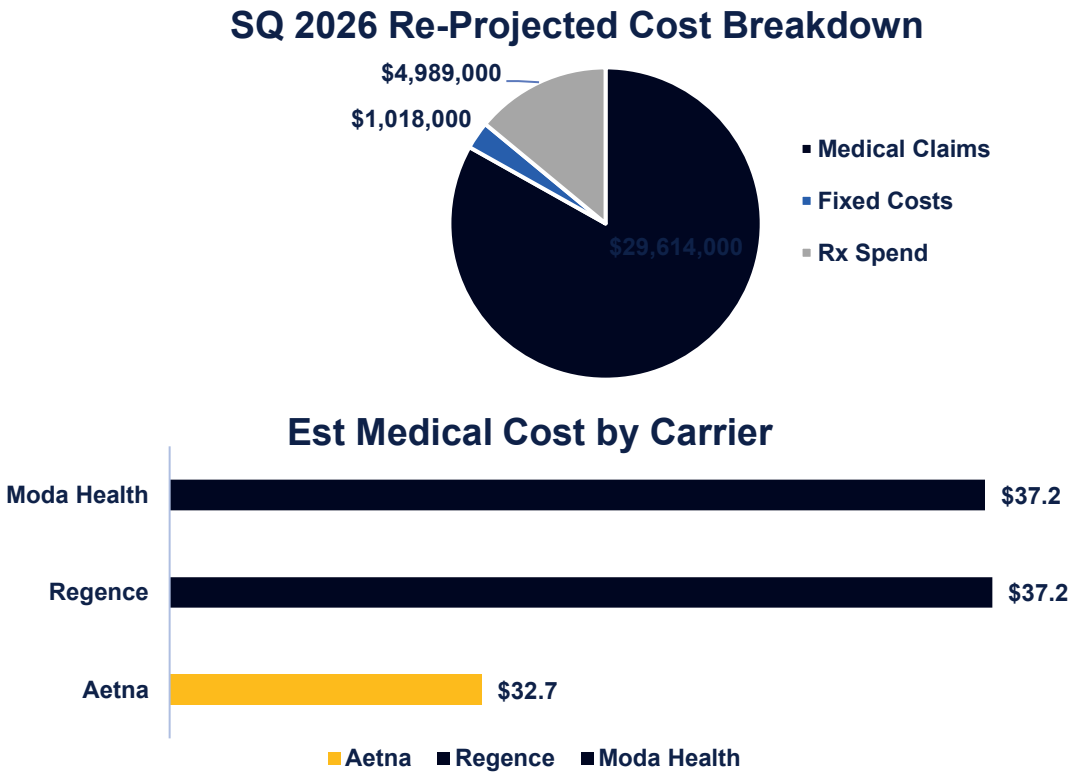
- **Providence Health Plan** (Incumbent) – Did not renew their contract, as they are exiting the insurance space in 2027
- **Aetna** – proposal represents an 6.9% increase over 2026 re-projected costs.
- **Moda Health** – Proposal represents a 21.4% increase over 2026 re-projected costs.
- **Regence** – Proposal represents a 21.6% increase over 2026 re-projected costs.
- **UHC** – DTQ as they could not meet the proposal deadline.

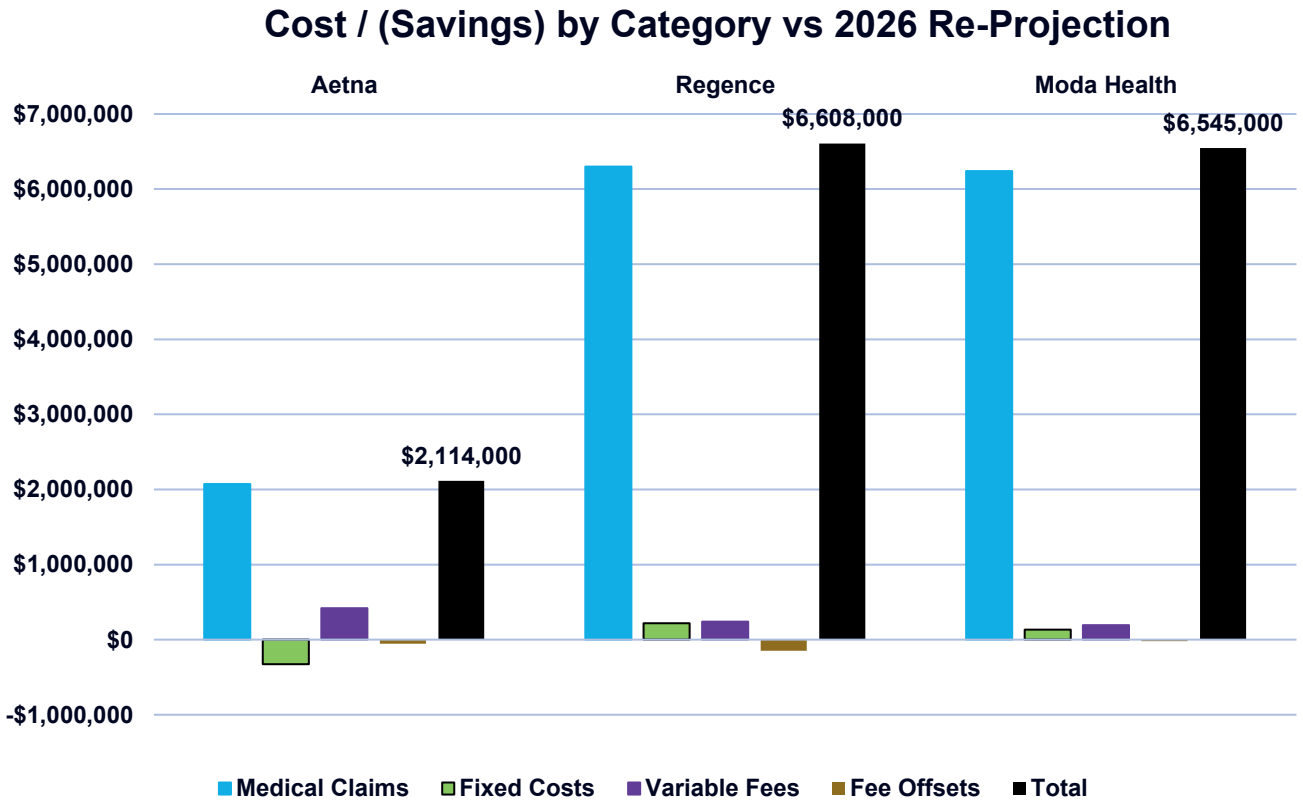
## Process

- Requested self-Insured quotes for medical coverage for active employees and dependents
- Match current benefits/administrative services and programs

# Medical RFP financial impact

**Based on the carrier's proposals and claims repricing, moving to Aetna offers the most cost-effective terms.**




Caveats and assumptions: Medical Claims costs are being estimated with each carrier providing a re-pricing of claims incurred in the same time period (1/1/25-12/31/25, paid through 3/31/26), and have not been independently verified

# Medical RFP summary recommendation

**Based on carrier's proposals and claims repricing, moving to Aetna offers the most cost-effective terms**

| Financial | Network | Data integration | Clinical management | Innovation |
|---|---|---|---|---|
| • All carriers provided a re-pricing of actual Clackamas County claims for 2025. These are being used for claims savings estimates and have not been independently verified.<br>• **Aetna** provided the strongest re-pricing estimate and accordingly is expected to have significant savings over other bidders. | • **Aetna** is showing the strongest network, followed closely by Moda Health<br>• **Regence** also showed reasonable results, however due to upcoming contract changes with a major health system (Oregon Health Science University - OHSU), they are showing significant disruption. | • All three carriers will provide a dedicated team to oversee the integration.<br>• Regence will also offer a $50K in implementation guarantees. | • Aetna offers Aetna One Flex with the option to buy up to Aetna One Choice.<br>• Moda offers an inclusive Base Plan with buy up options to include behavioral health.<br>• Regence offers Core Care Management with buy ups for SpecifiCare and Condition Manager. | • Aetna's One Care Management goes beyond other carriers by offering support for Autism and advocates transgender people.<br>• Moda offers more credits since it's a smaller vendor but promises to offer the same quality service as a large vendor.<br>• Regence is part of the Blue Cross Blue Shield of Oregon network. |

# Financial summary

## Proposal highlights

**Aetna** – coming in at $32.7M, about $2.1M over 2026 re-projected claims

$2.1M

**Regence** – coming in at $37.2M, about $6.6M over 2026 re-projected claims

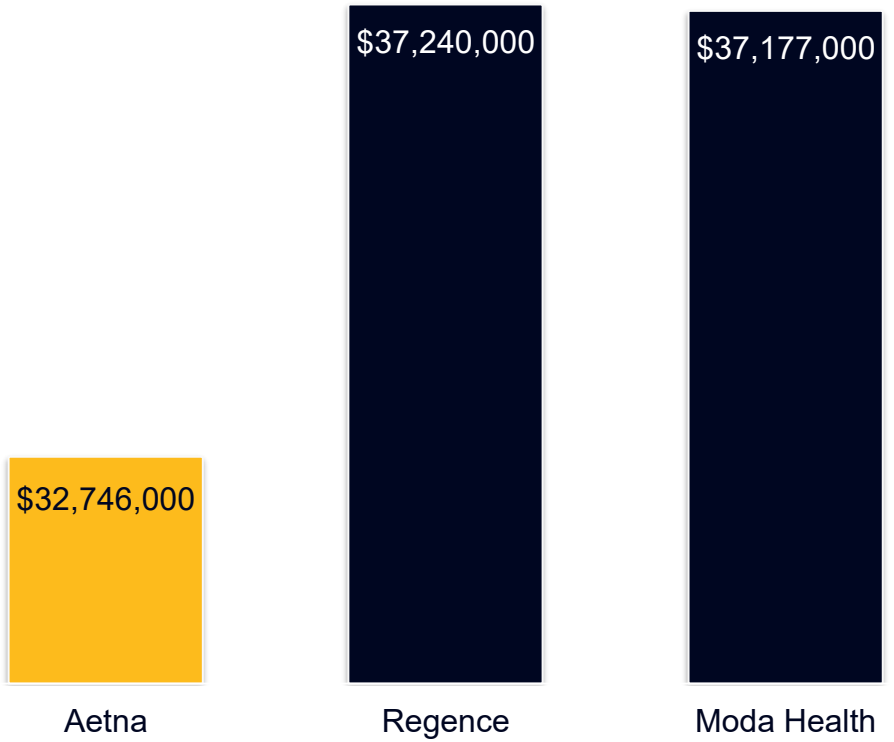
$6.6M

**Moda Health** – coming in at $37.2M, about $6.5M over 2026 re-projected claims

$6.5M

**Aetna's claims repricing results show them to be the most favorable renewal relative to other carriers.**

### Total Medical Cost Analysis




*Includes fee credits, but not program specific allowances.*

# Network discounts drive efficiencies

Discount results based on repricing and will impact RFP scope and participants

| Repricing Analysis Summary | Aetna | Regence | Moda Health |
|---|---|---|---|
| **Discount** | **49.6%** | **40.5%** | **40.6%** |
| **Claims Repricing Relativity** | **1.000** | **1.133** | **1.131** |

- Based on repricing analysis, Aetna is expected to have the best network discounts
- During RFP we review discounts in tandem with administration fees, and other vendor specific solutions and costs

This exhibit represents medical claims only. This does not include differences from prescription drugs, administrative fees, variable or shared savings fees, or stop loss premiums.
Figures less than 1.000 represent projected medical claim savings (compared to current state).

# Network analysis and disruption

## Utilization

Based on 1/1/2025 – 12/31/2025 Clackamas County claims utilization is as follows:

- Billed Claims: $62,102,750
- Claim count: 166,182

## Network

All carriers indicated which claims would be considered in-network and out-of-network under the broad network.

Provider status is based on the carrier's broad networks.

Regence is losing the Oregon Health Science University (OHSU) as INN as of 1/1/2027. The analysis was run both with the actual responses from Regence, as well as with this information being accounted for.

## Disruption

Urban, Rural and Suburban Geo Access analysis was performed which analyzed access to primary care physicians, specialist, OB/GYN, hospital, and pediatricians.

- All rural and suburban locations have strong access to the respective provider types.

**Overall, all carriers responded with strong network matches. Disruption results showed minimal disruption across carriers.**

**However, due to upcoming changes in the Regence network, they may not be as competitive as their response shows**

**Least Disruptive**

Aetna

**Most Disruptive**

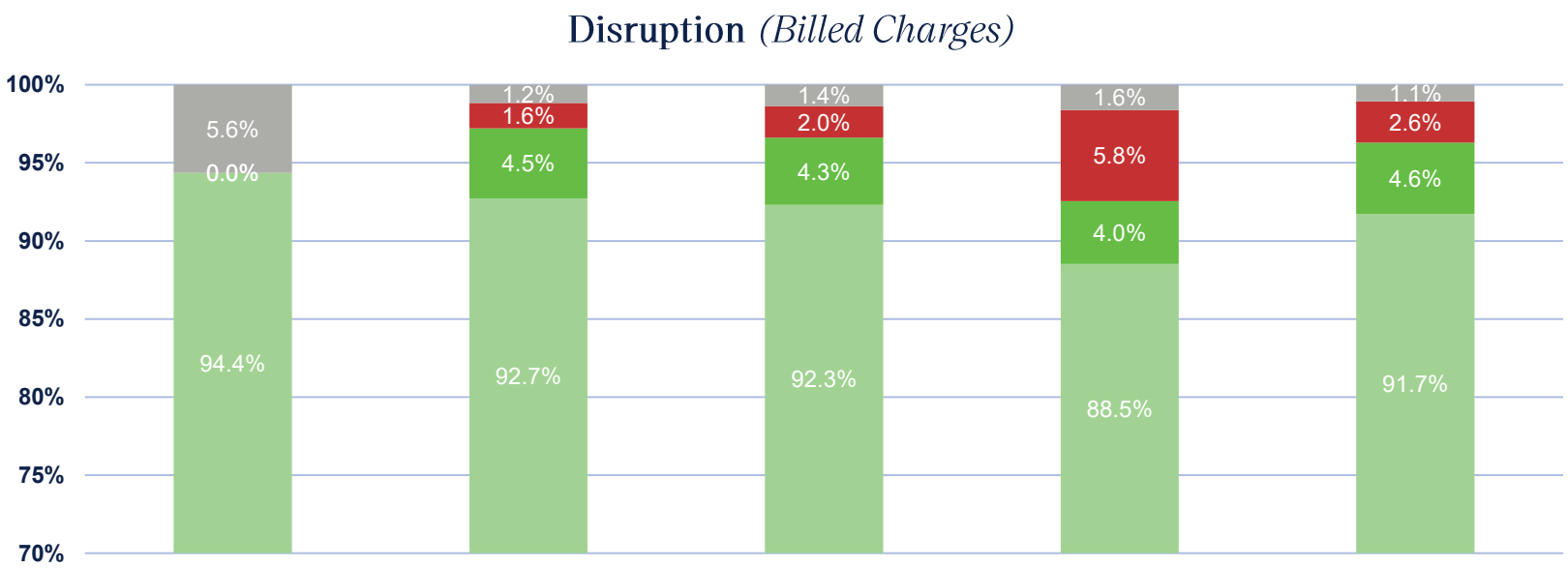
Regence

**Evaluation Criteria**

- Network breadth
- Disruption of INN to OON
- Disruption to members and cost
- Access

# Financial and network summary

## Billed Charges disruption

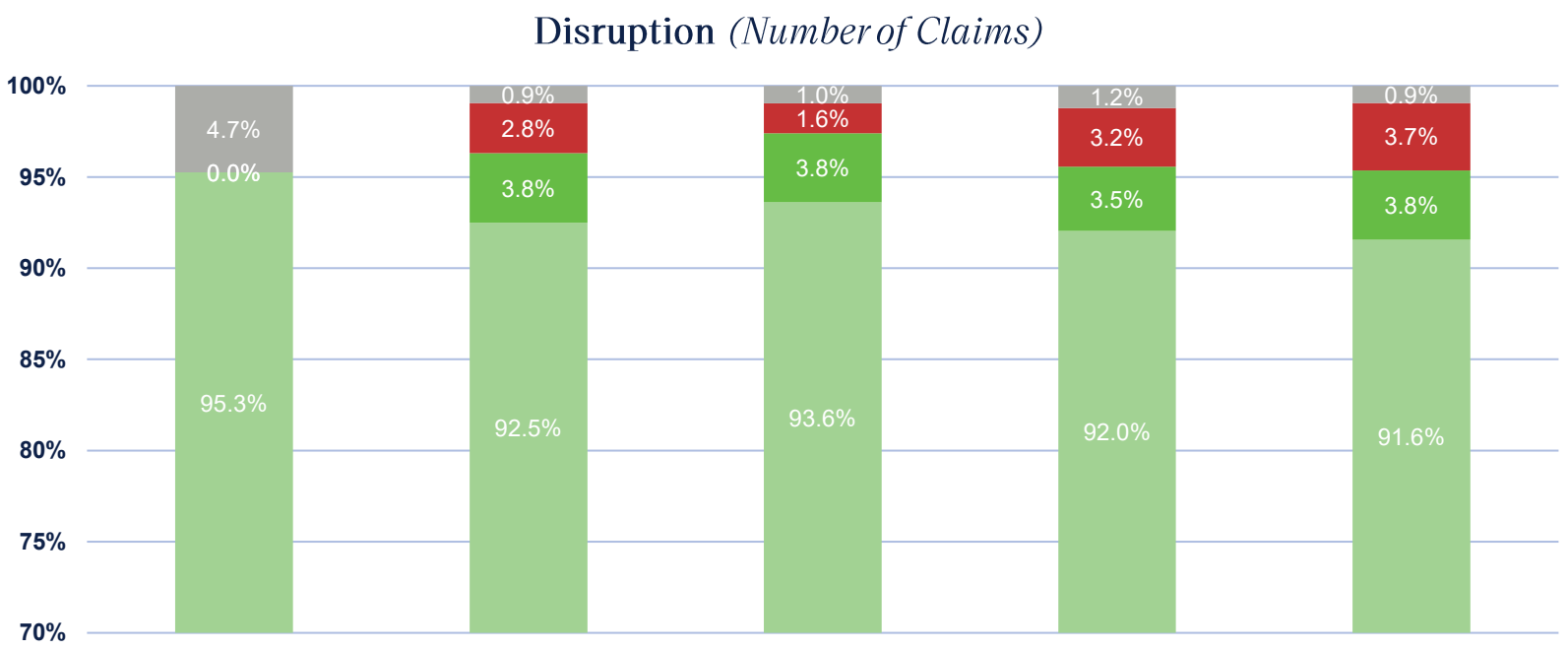



| | Providence | Aetna | Regence | Regence - OHSU as OON | Moda Health |
|---|---|---|---|---|---|
| INN to INN | $58,594,042 | $57,582,543 | $57,331,589 | $54,976,795 | $56,960,532 |
| OON to INN | | $2,790,452 | $2,667,134 | $2,501,041 | $2,843,887 |
| INN to OON | | $1,011,499 | $1,262,453 | $3,617,247 | $1,633,510 |
| OON to OON | $3,508,708 | $718,256 | $841,574 | $1,007,668 | $664,821 |

- Aetna is showing as the least disruptive provider, followed closely by Moda Health.
- Regence is showing very close to both, however due to contracting changes for the plan year, disruption is likely to be worse with their network.

# Financial and network summary

## Claims disruption




| | Providence | Aetna | Regence | Regence - OHSU as OON | Moda Health |
|---|---|---|---|---|---|
| INN to INN | 158,296 | 153,713 | 155,569 | 152,942 | 152,147 |
| OON to INN | | 6,334 | 6,301 | 5,866 | 6,335 |
| INN to OON | | 4,583 | 2,727 | 5,354 | 6,149 |
| OON to OON | 7,886 | 1,552 | 1,585 | 2,020 | 1,551 |

- Aetna is showing as the least disruptive provider if OHSU remains out of network with Regence, followed closely by Moda Health. If Regence can retain OHSU, they would be the least disruptive provider

# Top 25 facilities/specialists

## Incumbent carrier

| Provider Name | State | Service Type | Claims Count | Paid Amounts | Providence | Aetna | Regence | Regence - OHSU as OON | Moda Health |
|---|---|---|---|---|---|---|---|---|---|
| Providence Willamette Falls Medical Center | OR | Hospital | 8518 | $6,476,216 | INN | INN | INN | INN | INN |
| Providence Portland Medical Center | OR | Hospital | 4712 | $5,342,419 | INN | INN | INN | INN | INN |
| Providence St Vincent Medical Center | OR | Hospital | 3923 | $5,313,606 | INN | INN | INN | INN | INN |
| OHSU Hospital | OR | Hospital | 2626 | $2,354,568 | INN | INN | INN | OON | INN |
| Providence Milwaukie Medical Center | OR | Hospital | 3304 | $1,944,858 | INN | INN | INN | INN | INN |
| Legacy Emanuel Hospital & Health Center* | OR | Hospital | 816 | $1,871,146 | INN | INN | INN | INN | INN |
| Labcorp - Portland Ne Halsey | OR | Laboratory | 13412 | $1,349,701 | INN | INN | INN | INN | INN |
| Legacy Emanuel Hospital & Health Center* | OR | Hospital | 420 | $606,710 | OON | INN | INN | INN | INN |
| Oregon Surgical Institute | OR | Ambulatory Surgery | 27 | $487,538 | INN | INN | INN | INN | INN |
| Stanford Medical Center | CA | Hospital | 161 | $484,230 | INN | INN | INN | INN | INN |
| Prov Home Medical Equipment | OR | Durable Medical Equipment | 2264 | $483,861 | INN | INN | INN | INN | INN |
| Providence Newberg Medical Center | OR | Hospital | 529 | $438,516 | INN | INN | INN | INN | INN |
| Plaza Ambulatory Surgery Center | OR | Ambulatory Surgery | 32 | $433,223 | INN | INN | INN | INN | INN |
| Pearl Surgicenter Oath Central* | OR | Ambulatory Surgery | 5 | $405,800 | OON | INN | INN | INN | INN |
| Summerlin Hospital Medical Center | NV | Hospital | 90 | $370,923 | INN | INN | INN | INN | INN |
| Option Care At Legacy Health Llc | OR | Home Health Service | 93 | $350,013 | INN | INN | INN | INN | INN |
| Quest Diagnostics - Seattle | WA | Laboratory | 2411 | $344,141 | INN | INN | INN | INN | INN |
| Pearl Surgicenter Oath Central* | OR | Ambulatory Surgery | 3 | $316,600 | INN | INN | INN | INN | INN |
| Option Care Enterprises Inc - Tukwila/Seattle | WA | Home Health Service | 26 | $314,402 | INN | INN | INN | INN | INN |
| South Portland Surgical Center | OR | Ambulatory Surgery | 39 | $309,968 | INN | INN | INN | INN | INN |
| Valencia, Alexa N. | OR | Behavioral Analyst | 319 | $294,180 | INN | INN | INN | INN | INN |
| Ahmed, Sharif I. | OR | Oncology/Hematology | 118 | $252,059 | INN | INN | INN | INN | INN |
| East Pavilion Surgery Center | OR | Ambulatory Surgery | 20 | $249,484 | INN | INN | INN | INN | INN |
| Hillsboro Medical Center | OR | Hospital | 109 | $248,374 | INN | INN | INN | INN | INN |
| Legacy Salmon Creek Hospital | WA | Hospital | 212 | $237,328 | INN | INN | INN | INN | INN |

**Legacy Emanuel Hospital and Pearl Surgicenter have multiple individual providers listed, some as INN and some as OON. They are being treated as multiple providers for this analysis.*

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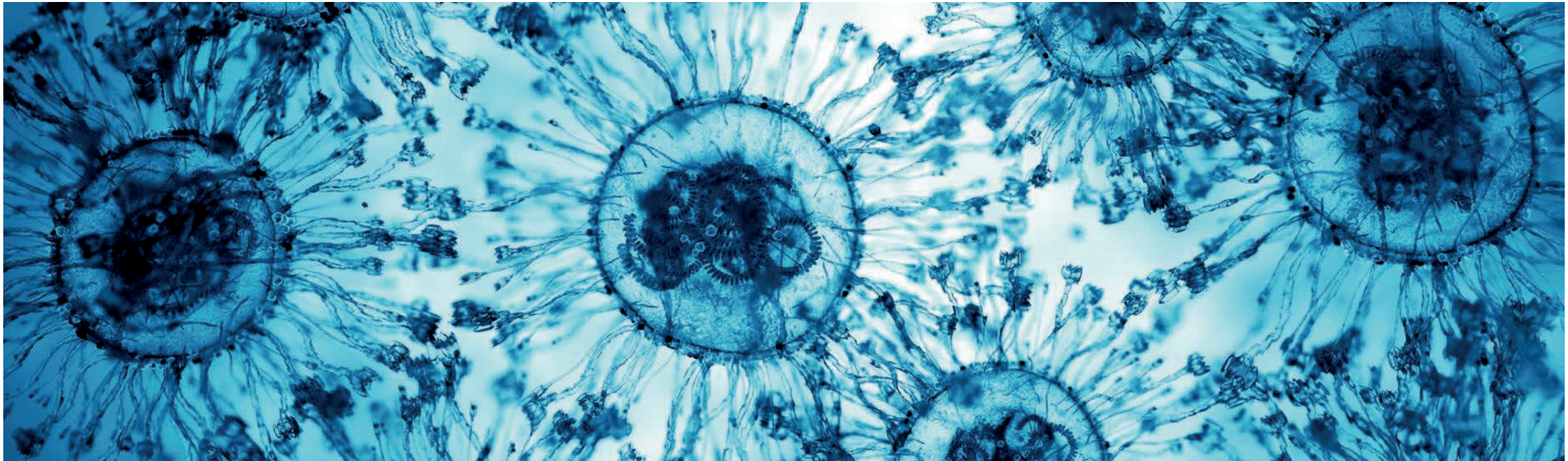
Attachment B

July 2026

# Clackamas County Rx RFP Results



# Financial Summary: Year One Comparison

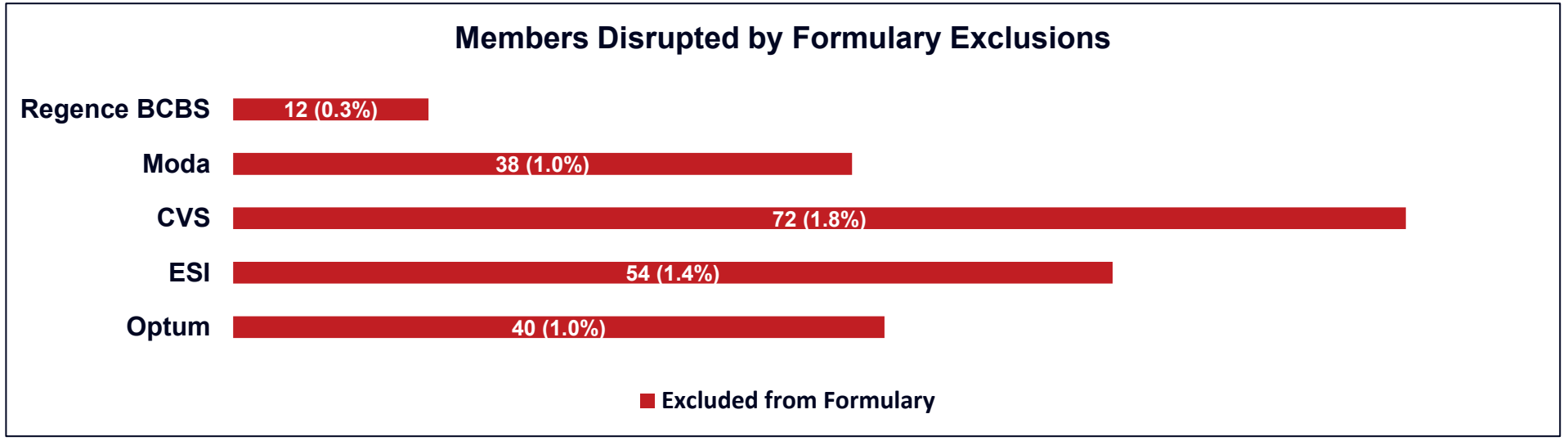
| Year 1<br>1/1/2027 | Current<br>Providence Contract<br>PassThrough | Proposed<br>Regence BCBS<br>Traditional | Proposed<br>Moda Health<br>PassThrough | Collective<br>CVS (NCP)<br>PassThrough | Collective<br>ESI (PBMC)<br>PassThrough | Collective<br>Optum<br>PassThrough |
|---|---|---|---|---|---|---|
| Gross Claim Cost | $7,622,000 | $7,931,000 | $8,033,000 | $7,739,000 | $7,753,000 | $7,823,000 |
| Estimated Member Paid | -$458,000 | -$477,000 | -$483,000 | -$465,000 | -$466,000 | -$470,000 |
| Net Paid Claim Cost | $7,164,000 | $7,454,000 | $7,550,000 | $7,274,000 | $7,287,000 | $7,353,000 |
| | | | | | | |
| Total Rebates | -$1,365,000 | -$1,510,000 | -$2,071,000 | -$2,165,000 | -$2,406,000 | -$2,508,000 |
| Rebates as a % of Gross Claims | 17.9% | 19.0% | 25.8% | 28.0% | 31.0% | 32.1% |
| | | | | | | |
| Base Administration Fees | $104,000 | $2,000 | $90,000 | $58,000 | $148,000 | $48,000 |
| Rebate Administration Fees | $28,000 | $0 | $0 | $0 | $0 | $0 |
| Directorship Fees | $0 | $55,000 | $55,000 | $109,000 | $109,000 | $109,000 |
| Implementation Fees | $0 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| Invoice Discount Credit | $0 | $0 | $0 | $0 | -$53,000 | $0 |
| Total Fees and Credits | $132,000 | $107,000 | $195,000 | $217,000 | $254,000 | $207,000 |
| | | | | | | |
| **Total Net Program Cost** | **$5,931,000** | **$6,051,000** | **$5,674,000** | **$5,326,000** | **$5,135,000** | **$5,052,000** |
| **$ Change vs Current Contract** | | **$120,000** | **-$257,000** | **-$605,000** | **-$796,000** | **-$879,000** |
| **% Change vs Current Contract** | | **2.0%** | **-4.3%** | **-10.2%** | **-13.4%** | **-14.8%** |

- Providence did not provide a 2027 pricing offer, and does not have any discount or rebate guarantees in their current contract. Current contract baseline projections are based on 2025 calendar year data trended to 2027 and priced based on experience period discounts and rebates adjusted for formulary biosimilar strategy and recent market events impacting certain drug list prices and rebates
- Regence quoted a Traditional (spread) pricing arrangement; All others are Pass-through pricing offers
- Mercer Directorship fees are $3.05 PEPM for carve-in arrangements (+$0.05 PEPM annually) and $2.29 PMPM for the collectives (+$0.02 PMPM annually)
- 2027 collective pricing is final, but negotiations with Regence and Moda can still occur to try to get their pricing up to market competitiveness

Additional assumptions are included in the appendix. Projection is based on Dec 2025 enrollment of 1,503 employees and 3,979 members.

# Formulary Disruption

## Member Disruption




Shown above is the formulary exclusion impact for each bidder's proposed formulary based upon Clackamas County's utilization from 9/1/2025 through 12/31/2025. The analysis uses Providence's proposed formulary tier as a baseline to project formulary change, and so Providence's formulary change impact is assumed to be zero. Because the current plan designs are 2-tier plan designs, generic and brand drugs are expected to be the same member cost share for all bidders

| Top 5 Negative Drug Impacts | Rank | Regence BCBS | Moda | CVS | ESI | Optum |
|---|---|---|---|---|---|---|
| Exclusion | 1 | Brimonidine Tartrate | Armour Thyroid | Qvar Redihaler | Synthroid | Synthroid |
| | 2 | Soluvita | NP Thyroid 60 | Slynd | Slynd | Slynd |
| | 3 | Brinzolamide | NP Thyroid 15 | Vyvanse | Vyvanse | Fluticasone Propionate HFA |
| | 4 | Eliquis | Esomeprazole | Fluticasone Propionate HFA | Fluticasone Propionate HFA | Levalbuterol Tartrate HFA |
| | 5 | Fluoxetine | Lansoprazole | Humalog Kwikpen | Hadlima Pushtouch | Ajovy |

For a full list of analysis assumptions and caveats, please refer to additional information included in the Appendix.

# Top 20 Most Disrupted Medications Due to Exclusion

| Drug Name | Condition | Members | Disruption Rank by PBM | | | | | Commentary |
|---|---|---|---|---|---|---|---|---|
| | | | Regence BCBS | Moda | CVS | ESI | Optum | |
| Qvar Redihaler | Asthma | 16 | | | 1 | | | Therapeutic alternatives available. |
| Synthroid | Low Thyroid Hormone | 12 | | | | 1 | 1 | Direct generic equivalent available. Additional monitoring and labs may be required during transition. |
| Armour Thyroid | Low Thyroid Hormone | 10 | | 1 | | | | Therapeutic alternatives available. Additional monitoring and labs may be required during transition. There is potential that animal-derived thyroid products such as Armour Thyroid may become unavailable later this year due to FDA action. |
| NP Thyroid 60 | Low Thyroid Hormone | 7 | | 2 | | | | Therapeutic alternatives available. Additional monitoring and labs may be required during transition. There is potential that animal-derived thyroid products such as NP Thyroid may become unavailable later this year due to FDA action. |
| Slynd | Contraception | 6 | | | 2 | 2 | 2 | Therapeutic alternatives available. Some alternatives may be available for $0 member cost share as part of ACA requirements. |
| Fluticasone Propionate HFA | Asthma | 5 | | | 3 | 3 | 3 | Therapeutic alternatives available. |
| Humalog Kwikpen | Diabetes – Insulin | 5 | | | 4 | | | Alternative brands of insulin available. Additional monitoring and dosage adjustments may be required during transition. |
| NP Thyroid 15 | Low Thyroid Hormone | 5 | | 3 | | | | Therapeutic alternatives available. Additional monitoring and labs may be required during transition. There is potential that animal-derived thyroid products such as NP Thyroid may become unavailable later this year due to FDA action |
| Vyvanse | ADHD | 5 | | | 5 | 4 | | Direct generic equivalent available. |
| Esomeprazole | Acid Reflux | 4 | | 4 | | | | Therapeutic alternatives available with a prescription and over the counter. |
| Hadlima Pushtouch | Inflammatory Conditions | 4 | | | 6 | 5 | | Therapeutic alternatives available including other biosimilars for Humira. |
| Lansoprazole | Acid Reflux | 4 | | 5 | | | | Therapeutic alternatives available with a prescription and over the counter. |
| Levalbuterol Tartrate HFA | Asthma / COPD | 4 | | | | 6 | 4 | Therapeutic alternatives available. |
| Advair HFA | Asthma / COPD | 3 | | | 7 | | | Therapeutic alternatives available. |
| Humalog Junior Kwikpen | Diabetes – Insulin | 3 | | | 8 | | | Alternative brands of insulin available. Additional monitoring and dosage adjustments may be required during transition. |
| Insulin Lispro Kwikpen | Diabetes – Insulin | 3 | | | 9 | | | Alternative brands of insulin available. Additional monitoring and dosage adjustments may be required during transition. |
| NP Thyroid 30 | Low Thyroid Hormone | 3 | | 6 | | | | Therapeutic alternatives available. Additional monitoring and labs may be required during transition. There is potential that animal-derived thyroid products such as NP Thyroid may become unavailable later this year due to FDA action |
| Ajovy | Migraines | 2 | | | | | 5 | Therapeutic alternatives available. |
| Arnuity Ellipta | Asthma | 2 | | | 10 | 7 | | Therapeutic alternatives available. |
| Brimonidine Tartrate | High Eye Pressure | 2 | 1 | | | | | Therapeutic alternatives available. |
| **Total Members taking excluded medications in Top 20** | | | **2** | **32** | **52** | **37** | **28** | |
| **Total Members taking excluded medications** | | | **12** | **38** | **72** | **54** | **40** | |
| **Top 20 as Percent of all members taking excluded medications** | | | **17%** | **84%** | **72%** | **69%** | **70%** | |