



FARMERS BRANCH
TEXAS

FY26–27 Medical & Pharmacy Plan RFP Update and Budget Planning

Study Session Meeting | July 7th, 2026

Presented By: Human Resources

How Does Our Health Plan Work?

We're a Self-Funded Health Plan

This means we only pay for claims as they are incurred throughout the year. This allows for more control over plan design, pharmacy strategy and cost management.

Medical

- \$2,000/\$4,000 Deductible.
- 80% Coinsurance.
- \$3,000/6,000 Out-Of-Pocket Max.
- \$74 to \$404/month employee cost.

John takes his son to the doctor.

- He has met \$2,500 of his \$4,000 deductible.
- The office visit costs \$175 and prescriptions cost \$75.
- John pays \$250 and the City pays \$0.

Pharmacy

- Integrated with Medical.
- ~15% of total cost.
- Best opportunity for savings and redesign.

Jill's spouse has a surgery.

- She has met \$3,500 of her \$4,000 deductible.
- The surgery costs \$5,000.
- Jill pays \$900 (\$500 remaining deductible and \$400 remaining cost with 20% coinsurance)
- City pays 80% coinsurance split of \$3,600.

Stop-Loss

- Protects the City against high-cost claims.
- City is reimbursed for claims exceeding \$200,000.

Employee Type	Enrollment %
General	82%
Police	90%
Fire	92%

RFP Process and Responses

RFP Administration

- Our Insurance Broker, McGriff, administered an RFP in partnership with our purchasing department to solicit proposals for 2027 Medical Plan offerings.
- We received 6 proposals for pharmacy and 5 for medical plans.

Pharmacy

Vendor	Savings / Increase
ServeYou Rx	19% (-\$135,347)
ProAct Rx (Current)	3% (-\$28,000)
Southern Scripts	+4.9% (+\$42,000)
Script Guide Rx	+40% (+\$340,000)
ProCare Rx	<i>Not provided</i>
Optum Rx	<i>Not provided</i>

Medical

Vendor	Savings / Increase
UMR (Current)	1% (-\$52,734)
Baylor Scott & White	0.5% (-\$30,000)
Blue Cross/Shield	0.0% (+\$184)
Aetna	+2% (+\$117,600)
MotivHealth	+8% (+\$477,700)

FY26-27 Medical & Pharmacy Plan RFP

RFP Process and Responses

RFP Considerations

- Proposing consideration of ServeYou Rx (pharmacy) and UMR (Medical) for three (3) year agreement.
- ServeYou Rx is a UMR preferred pharmacy manager.

Pharmacy

Vendor	Savings / Increase
ServeYou Rx (New)	19% (-\$135,347)
- Biosimilars	\$178,000 Savings
- GLP-1 Carveout	\$150,000 Savings
- Specialty Rx	\$33,000 Savings
- International Rx	Up to \$63,000 savings
- Disruption	Moderate

Medical

Vendor	Savings / Increase
UMR (Current)	-1% (-\$52,734)
- Admin. Credits	\$50,000 each year
- Rate Guarantees	3 years
- Disruption	None

**Estimates based on plan spends and trends data.*



FY26–27 Medical & Pharmacy Plan RFP

Budgeting and Contract Award

- ☐ Estimated health fund increase of \$600,000 for medical claims, pharmacy and stop-loss insurance premium increases.
- ☐ Bring resolution for City Council consideration August 18, 2026, with UMR (Medical) and ServeYou Rx (Pharmacy).

Questions?



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