**SECTION IX**

**PHARMACY BENEFIT**

To be completed for fully insured and self-insured benefit integrated or not integrated with medical.

**SERVICES TO BE PROVIDED**

A number of factors which are listed in Section III will be considered in the selection process.

All OFFERORS are required, at a minimum, to duplicate the plan features and level of coverage presently offered to EUTF’s covered member population. Please refer to the plan design information in Exhibit E. No PBM Services are required for the Supplemental or Closed Panel HMO.

OFFERORS should also provide pricing on their standard formulary with exclusions. However, OFFERORS will only be evaluated on the current EUTF formulary. Proposals contingent on the OFFEROR’s standard formulary with exclusions will be rejected.

Prospective OFFERORS are to offer comprehensive PBM services including but not limited to the following:

Claims adjudication and coordination of benefits with non-EUTF plans at point of sale

EGWP with a Commercial Wrap Contract for Medicare Eligible Retirees in PPO

Ability to integrate PBM services with medical vendors, as applicable

Electronic eligibility maintenance

Patient and provider education, including notification of formulary and/or copay changes to impacted members

Systematic prospective, concurrent, and retrospective drug utilization review

Network pharmacy management

Formulary management and rebate sharing

Data reporting

Distribution of pharmacy directories and other materials for enrollees

Specialty pharmacy program

Complete availability of IT services, including online/real time availability to EUTF and/or its designee(s)

Pricing administration

Customer services: Walk-in customer service office, telephone call center, and mail order fulfillment center located in Hawaii

Ad hoc reporting

Website with enrollee portal

Clinical programs

Disease management: MTM (Medication Therapy Management Program)

COBRA Administration

Daily sharing of out of pocket information with medical provider to comply with PPACA. Medical provider will also share on a daily basis, out of pocket information with PBM to comply with PPACA.

Adherence to CMS EGWP Guidelines

**1.1 Core Requirements**

The following are the EUTF’s core requirements. Please include your responses within this form. Indicate “yes” or “no” as to your organization’s ability and willingness to comply. **OFFEROR’s compliance with these requirements is mandatory. However, OFFERORS may also provide pricing on their standard formulary with exclusions. Proposals which only include an “Exclusionary Formulary” will not be accepted. An “Exclusionary Formulary” is one that does not permit the reimbursement of medications from the plan that are not on the preferred formulary listing of the Contractor. The Contractor must also agree to a 90-day adoption of the current contractor’s formulary during the first 90 days of the plan year, with no impact on rebate guarantees.**

a. The OFFEROR agrees to all of the contractual requirements of this RFP as required by the State. All exceptions must be separately noted in Attachment 5, *Exceptions*.

*Yes/No.*

b. Provide a copy of your most recent external rating from either: Standard & Poor’s, Moody’s, or AM Best. If your company is not rated by any of these agencies, submit documentation of a similar nature which attests to your financial stability.

c. The OFFEROR agrees to the contract terms contained in Section IV, *Scope of Work*.

*Yes/No.*

d. The OFFEROR agrees to provide a walk-in customer service office, telephone call center, and mail order fulfillment center located in Hawaii.

*Yes/No.*

**1.2 Term/Termination**

1.2.1 The EUTF will have the right to terminate the contract with cause at any time with 30 days' notice without penalty if an effective remedy is not provided to the satisfaction of the EUTF. The financial guarantees for any partial contractual year that results from an early termination will still be guaranteed, reconciled and the PBM will still make payments for any shortfalls for those resulting partial contractual years with less than 12 months.

*Yes/No.*

1.2.2 The EUTF will have the right to terminate the contract without cause given a 90-day notice period without penalty to the EUTF. The financial guarantees for any partial contractual year that results from an early termination will still be guaranteed, reconciled and the PBM will still make payments for any shortfalls for those resulting partial contractual years with less than 12 months.

*Yes/No.*

1.2.3 The PBM agrees to a mid-contract term market check, that may start as soon as the second quarter of the second contract year, conducted by an independent third party to ensure the EUTF is receiving appropriate current pricing terms competitive within the industry based on its volume and membership, and will improve pricing in the event that the EUTF's contract terms are less than current. The PBM will review the financial terms of the EUTF compared to financial offering presented to similar employers in the marketplace as deemed appropriate as part of this process and offer improved pricing to the EUTF. The EUTF will have the right to terminate the contract without penalty if EUTF does not agree with the revised pricing terms.

*Yes/No.*

1.2.4 Confirm that the improved pricing terms will become effective on the first day of the third year of the contract.

*Yes/No.*

1.2.5 The PBM contract will not include automatic renewal language unless requested by the EUTF.

*Yes/No.*

1.2.6 Confirm all rebate revenue earned by the EUTF under the contract will be paid to the EUTF regardless of their termination status as a client. Lag rebates on claims incurred prior to the termination date will continue to be paid to the EUTF after termination until 100% of earned rebates are paid.

*Yes/No.*

**2.1 Financial Definitions**

2.1.1 Confirm you agree to the following contract definitions:

|  | **Response**  **(Yes/No)** | **Comments** |
| --- | --- | --- |
| a. **Brand Drug(s)** – The term “Brand Drug(s)” shall mean the following: The Multisource Code field in Medi-Span contains an “M” (co-branded product), or an “N” (single source brand), or an “O” (originator brand) (except where the Claim is submitted with a DAW Code of “3”, “4”, “5” or “6”, in which case it shall be considered a Generic Drug). Claims with a Multisource Code of “O” and with a DAW Code of “0”, “1”, “2”, “7”, “8” or “9” shall be considered a Brand Drug. The Parties agree that when a drug is identified as a Brand Drug, it shall be considered a Brand Drug for all purposes by OFFEROR, including but not limited to adjudicating the Claim, reimbursing the relevant pharmacy, invoicing the EUTF, determining the copayment or coinsurance to be paid by the Plan Beneficiary, calculating the satisfaction of guarantees as described in 6.1 of this Section, and calculating the satisfaction of generic dispensing guarantees as described in 6.7 of this Section. |  |  |
| b. **Generic Drug(s)** – The term “Generic Drug(s)” shall mean the following: The Multisource Code field in Medi-Span contains a “Y” (generic). Claims submitted with a Multisource Code field in MediSpan containing the value of “O” and also submitted with a DAW Code of “3”, “4”, “5” or “6” shall also be considered a Generic Drug. OFFEROR agrees that when a drug is identified as a Generic Drug, it shall be considered a Generic Drug for all purposes, including but not limited to adjudicating the Claim, reimbursing the relevant pharmacy, invoicing the EUTF, determining the copayment or coinsurance to be paid by the Plan Beneficiary, calculating the satisfaction of guarantees as described in 6.1 of this Section, and calculating the satisfaction of generic dispensing guarantees as described in 6.7 of this Section. |  |  |
| c. **“Pass Through” and “Transparent”** – PBM contractor agrees to pass-through 100% of negotiated discounts with network pharmacies at the point-of-service, and with no pricing spread between what is paid to the pharmacy and invoiced to the EUTF. PBM agrees to provide auditing protocol, enabling tracking of individual claims back to original pharmacy network contract documents. The PBM agrees to pass through 100% of ALL rebate revenue earned and will not charge an administrative fee for this arrangement. The PBM also agrees to disclose details of all other programs and services generating financial remuneration from outside entities, including manufacturers and retailers. |  |  |
| d. Confirm the PBM will pass through 100% of Manufacturer Administrative Fees paid by manufacturers to the PBM in relation to the EUTF’s utilization. |  |  |
| e. Confirm the PBM will pass through 100% of Inflation Protection Payments paid by pharmaceutical manufacturers to the PBM in relation to the EUTF’s utilization. |  |  |
|  |  |  |
| g. **Rebates** - Compensation or remuneration of any kind received or recovered from a pharmaceutical manufacturer attributable to the purchase or utilization of covered drugs by eligible persons, including, but not limited to, incentive rebates categorized as mail order purchase discounts; credits; rebates, regardless of how categorized; market share incentives; promotional allowances; commissions; educational grants; market share of utilization; drug pull-through programs; implementation allowances; clinical detailing; rebate submission fees; and administrative or management fees. Rebates also include any fees that PBM receives from a pharmaceutical manufacturer for administrative costs, formulary placement, and/or access. |  |  |
| h. **AWP** (Average Wholesale Price) is based on the actual date sensitive, 11-digit NDC (national drug code) for the strength and form of the drug being dispensed as supplied by a nationally-recognized pricing source (i.e., Medi-Span) for retail, mail order, and specialty adjudicated claims (subject to outstanding litigation). |  |  |
| i. **Member Copay** – Members will pay the lowest of the following: plan copay/coinsurance, plan-negotiated discounted ingredient cost plus dispensing fee, usual and customary charges (if at retail), MAC (maximum allowable cost) or cash price at retail, mail and specialty pharmacies. |  |  |
| j. **Members** – All eligible employees, retired employees, and their eligible dependents enrolled under the EUTF’s prescription benefit program. |  |  |
| k. **Paid Claims** – Defined as all transactions made on eligible members that result in a payment to pharmacies or members from the EUTF or the EUTF member copays. (Does not include reversals, rejected claims and adjustments.) Each unique prescription that results in payment shall be calculated separately as a paid claim. |  |  |
| l. Confirm the PBM will only charge a fee (e.g., administrative fee or dispensing fee) for Paid Claims and will not charge a fee for reversals, rejected claims, adjustments or reprocessed claims. |  |  |
| m. **Client eligibility and claim data** – All eligibility and claims records are the sole property of the EUTF and must be made available upon request to the EUTF and its representatives. Selling or providing of the EUTF’s data to ANY outside entities must be approved in advance, reported on a monthly basis and all income derived must be disclosed and shared per agreement with the EUTF. Even if PBM has not "sold" the data, it is NOT free to use the data for analyses that they publish or provide to outside industries. |  |  |

3.1 Financial Assumptions and Calculations

3.1.1 Confirm the pricing listed in this proposal reflects the following:

| **Assumptions** | **Response**  **(Yes/No)** | **Comments** |
| --- | --- | --- |
| a. All guarantees are calculated using the date sensitive AWP based on the 11-digit NDC of the actual product and actual package size that is dispensed. |  |  |
| b. All-in generic guarantee inclusive of single-source generics |  |  |
| c. Drugs with an “Insufficient Supply” are included in the guarantees |  |  |
| d. Select, sole source or authorized generics from at least one FDA-approved generic manufacturer with exclusivity, limited supply, limited availability, or limited competition will be included in the generic pricing guarantees and excluded from the brand pricing guarantees. |  |  |
| e. No single-source generic or generic drug will be included in the brand drug component for the annual discount guarantee reconciliation. |  |  |
| f. Confirm “House Generics”/ Brand claims with a DAW 5 will be included in the generic guarantee financial reconciliation calculations and GDR (generic dispensing rate) guarantee calculations. |  |  |
| g. Confirm how the PBM will calculate the “House Generics” or DAW 5 claims AWP that will be used in the generic guarantee financial reconciliation calculations and GDR guarantee calculations. |  |  |
| h. Confirm “House Generics”/ Brand Claims with DAW 5 will be included as brands in the minimum rebate guarantee calculations. |  |  |
| i. Confirm any rebates derived from “House Generics” or DAW 5 claims will be passed through at 100% to the EUTF. |  |  |
| j. Confirm the EUTF will not pay more for any “House Generics” or DAW 5 claims compared to the respective generic equivalent before the application of rebates. |  |  |
| k. Confirm members will pay the generic copay for any “House Generics” or DAW 5 claims. |  |  |
| l. Confirm all “House Generics” or Brand Claims with DAW 5 will adjudicate at the generic member copay regardless of whether the doctor checks off a DAW on the script. |  |  |
| m. Confirm brands with a DAW code (DAW 1 or DAW 2) requiring the substitution of a brand product over a generic product will be included in the brand discount guarantees, dispensing fees, and minimum rebate guarantees. |  |  |
| n. Confirm brands with a DAW code of 0, 1, 2, 7, 8, and 9 will be included in the brand discount guarantees, dispensing fees, and minimum rebate guarantee calculations. |  |  |
| o. Confirm any formulary excluded brand products that were adjudicated as a result of an exception process such as for medical necessity will be included in the discount, dispensing fee, minimum rebate guarantees and any rebates associated with such drugs will be passed through at 100% to the EUTF. |  |  |
| p. Confirm any penalty amounts paid by the member as a result of the DAW 1 or 2 penalty program will not be used by the PBM in discount guarantee reconciliations. |  |  |
| q. Confirm diabetic strips are included in rebate guarantees. |  |  |
| r. Confirm all brand claims are included in the rebate guarantees. |  |  |
| s. Confirm all multi-source brand claims are included in the minimum rebate guarantee calculations. |  |  |
| t. Member Cost Share at the point-of-sale (for retail and mail) is based on the lowest of the plan copay/coinsurance, usual and customary charges, negotiated discounted ingredient cost plus dispensing fee or retail cash price. |  |  |
| u. All guarantees are calculated before the application of member cost share. |  |  |
| v. Confirm all of the proposed dispensing fee guarantees are on a maximum guaranteed basis. |  |  |
| w. Confirm all applicable claims from all 50 states and the District of Columbia will be included in the discount, dispensing fee and rebate guarantee calculations. |  |  |

3.1.2 Please confirm your proposed drug type designation or classification (e.g. brand, generic) source (i.e. First DataBank, Medi-Span, Redbook, Other). If other, please specify.

3.1.3 How do you guarantee that members will always pay the lowest price (member cost share, discounted ingredient cost plus dispensing fee, MAC, U&C)? What procedures are established to ensure that the pharmacy is in compliance with this provision? Confirm the EUTF's members will never pay a full co-payment in instances where the plan co-pay is greater than the discounted cost plus dispensing fee plus any sales taxes.

3.1.4 Provide a list, with NDCs, of any non-specialty drug products that are excluded from your drug pricing guarantees (discounts, dispensing fees, and/or rebates).

3.1.5 Using the EUTF's detailed claim-by-claim prescription drug data, provide an exhibit with NDCs identifying the EUTF's applicable claims that are excluded from your non-specialty drug pricing guarantees (discount, dispensing fee, and/or rebate). **Provide separately for Non-Specialty Drugs Dispensed at Participating Retail 30 Pharmacies, Non-Specialty Drugs Dispensed at Participating Retail 90 Pharmacies, and Non-Specialty Drugs Dispensed at the PBM's Mail Order Pharmacy. (Provide name of attachment(s).)**

3.1.6 Provide a list with NDCs of any specialty drug products (whether found in the claims data or not) that are excluded from your specialty drug pricing guarantees (Overall Effective Discount, Dispensing Fee, and/or Rebate). **Provide separately for Specialty Drugs Dispensed at Participating Retail 30 Pharmacies, Specialty Drugs Dispensed at Participating Retail 90 Pharmacies, and Specialty Drugs Dispensed at the PBM's Specialty Pharmacy. (Provide name of attachment(s).)**

3.1.7 Using the EUTF's detailed claim-by-claim prescription drug data, provide an exhibit with NDCs identifying the EUTF's applicable specialty drug claims that are excluded from your specialty drug pricing guarantees. **Provide separately for Specialty Drugs Dispensed at Participating Retail 30 Pharmacies, Specialty Drugs Dispensed at Participating Retail 90 Pharmacies, and Specialty Drugs Dispensed at the PBM's Specialty Pharmacy. (Provide name of attachment(s).)**

3.1.8 Brand and Generic Discount Guarantee Calculations:

|  | **Response** | **Comments** |
| --- | --- | --- |
| a. Minimum Brand and Minimum Generic Discount Guarantees for retail, mail and specialty shall be defined and calculated as follows: (1-Aggregate Ingredient Cost/Aggregate AWP) |  |  |
| b. Aggregate Ingredient Cost prior to the application of the plan specific co-payments (including member paid penalties) will be the basis of the calculation. |  |  |
| c. All guarantee measurements will be calculated prior to the application of member cost share (including member paid penalties). |  |  |
| d. Aggregate AWP will be from a single, nationally recognized price source for all claims. Please indicate source. |  |  |
| e. Dispensing Fees are not included in the Aggregate Ingredient Cost. |  |  |
| f. Zero balance due claims or zero amount claims will be included in the guaranteed measurement for AWP, ingredient cost, achieved discounts or dispensing fee calculations at the discounted cost before copay. |  |  |
| g. Both the Aggregate Ingredient Cost and Aggregate AWP from the actual date of claim adjudication will be used. |  |  |
| h. Aggregate AWP will be the date sensitive, 11-digit NDC of the actual product dispensed. |  |  |
| i. Both non-MAC, MAC, single-source and multiple source generic products are to be included in the generic guarantee measurement. |  |  |
| j. The guarantee measurement must exclude the savings impact from DUR (drug utilization review) programs, formulary programs, utilization management programs, and/or other therapeutic interventions. |  |  |
| k. Confirm all the proposed discount guarantees are on a minimum guaranteed basis (i.e., not a flat, fixed or locked basis) and any discount achieved beyond the minimum guarantee will be passed on to the EUTF. |  |  |

3.1.9 Indicate if the following products are included or excluded from your proposed discount and dispensing fee guarantees:

|  |  |  |
| --- | --- | --- |
| **List of Products** | **Response** | **Comments** |
| a. Compounds |  |  |
| b. 340b Pharmacy Claims |  |  |
| c. Out of Network Claims |  |  |
| d. Paper Submitted Claims |  |  |
| e. Secondary Payor Claims (COB or Subrogation) |  |  |
| f. Vaccines |  |  |
| g. Non Blood Glucose/ Diabetic Test Strip Over the Counter (OTC) Products |  |  |
| h. Blood Glucose/ Diabetic Test Strips |  |  |
| i. Lipid Disorder – PCSK9 Products |  |  |
| j. Long Term Care (LTC) |  |  |
| k. Home Infusion |  |  |
| l. Indian Health Services and Tribal Claims |  |  |
| m. Over the Counter (OTC) Claims |  |  |

3.1.10 Indicate if the following products are included or excluded from your proposed rebate guarantees:

|  |  |  |
| --- | --- | --- |
| **List of Products** | **Response** | **Comments** |
| a. Compounds |  |  |
| b. 340b Pharmacy Claims |  |  |
| c. Out of Network Claims |  |  |
| d. Paper Submitted Claims |  |  |
| e. Secondary Payor Claims (COB or Subrogation) |  |  |
| f. Vaccines |  |  |
| g. Non Blood Glucose/ Diabetic Test Strip Over the Counter (OTC) Products |  |  |
| h. Blood Glucose/ Diabetic Test Strips |  |  |
| i. Lipid Disorder – PCSK9 Products |  |  |
| j. Long Term Care (LTC) |  |  |
| k. Home Infusion |  |  |
| l. Indian Health Services and Tribal Claims |  |  |
| m. Ancillary Supplies |  |  |
| n. Over the Counter (OTC) Claims |  |  |

3.1.11 Confirm the PBM agrees to provide upon request any proprietary algorithms, hierarchy or other logic employed to define a prescription drug as generic or brand.

*Yes/No.*

3.1.12 Confirm the PBM will agree to the Medispan MONY multisource indicators:

* Generics are indicated as “Y”
* Brands are indicated as either “O”, “M” or “N”

*Yes/No.*

**4.1 Financial**

4.1.1 Each distinct non-rebate pricing guarantee (including discounts and dispensing fees) will be measured and reconciled on a component (e.g. retail 30 brand, retail 30 generic, retail 90 brand, retail 90 generic, mail order brand, mail order generic, specialty drugs at participating retail pharmacies, and specialty drugs at the PBM's Specialty Pharmacy) basis only and guaranteed on a dollar-for-dollar basis with 100% of any shortfalls recouped by the EUTF. **Surpluses in one component (including rebates) may not be utilized to offset deficits in another component.**

*Yes/No.*

4.1.2 Each distinct rebate guarantee will be measured and reconciled on a component (e.g. retail 30 brand, retail 90 brand, mail order brand, specialty drugs at participating retail pharmacies, and specialty drugs at the PBM's Specialty Pharmacy) basis only and guaranteed on a dollar-for-dollar basis with 100% of any shortfalls recouped by the EUTF. Surpluses in one component may not be utilized to offset deficits in another component. **Rebates surpluses will not be utilized to offset deficits in any other non-rebate guaranteed component.**

*Yes/No.*

4.1.3 The PBM will provide a financial reconciliation report within 90 days after the end of each contractual year, and the report will include the contractual and actual discounts and dispensing fees for each component (e.g. retail 30 brand, retail 30 generic, retail 90 brand, retail 90 generic, mail order brand, mail order generic, specialty drugs at participating retail pharmacies, and specialty drugs at the PBM's Specialty Pharmacy).

*Yes/No.*

4.1.4 Confirm retail 30 network guarantees for prescriptions with up to 83 days' supply and retail 90 network guarantees for prescriptions with 84 to 90 days' supply are measured and reconciled on a separate component basis given that they have separate guaranteed rates. A surplus for either of these guarantees will not be used to offset a shortfall for one of the other retail components or any other component guarantees.

*Yes/No.*

4.1.5 The PBM agrees that any shortfall between the actual result and the guarantee will be paid, dollar-for-dollar, to the EUTF within 90 days of the end of each contractual year.

*Yes/No.*

4.1.6 The PBM agrees that any shortfall amount between the actual result and the guarantee that is not paid, dollar-for-dollar, to the EUTF within the agreed upon time frame after the end of each contractual year will accrue a pro-rated 2% monthly late fee.

*Yes/No.*

4.1.7 The PBM's financial reconciliation that occurs after the end of the contract year will use the lower of the AWP pricing at the point of adjudication or the retroactive AWP pricing, if the pricing source the PBM uses issues retroactive AWP pricing for that annual reconciliation time period.

*Yes/No.*

4.1.8 All pricing submitted will **NOT** be contingent on participation in any proposed clinical management programs, group medical or behavioral health programs proposed by the PBM or any other vendor other than programs that are requested by the EUTF. Further, the pricing guaranteed in the Financial Section of this RFP reflects a) the PBM’s broad national retail 30 network that includes all national retail chains similar to what is currently in place, b) a retail 90 network at one retail chain (or multiple) similar to what is currently in place, and c) the PBM’s broadest formulary or preferred drug listing, without any drug coverage exclusions.

*Yes/No.*

4.1.9 Confirm the PBM will, at a minimum, duplicate the plan features and levels of coverage presently offered by the EUTF without impacting the proposed pricing.

*Yes/No.*

4.1.10 Confirm that mail order and specialty drug dispensing fees will remain constant throughout the contract term and will not be increased for any increases in postage charges (i.e., U.S. mail and/or applicable commercial courier services).

*Yes/No.*

4.1.11 Mail order pricing and rebates will apply to all claims that adjudicate at mail regardless of days’ supply.

*Yes/No.*

4.1.12 Confirm retail 90 pricing and rebates will apply to all claims that adjudicate at the retail 90 network with greater than 83 days' supply.

*Yes/No.*

4.1.13 Confirm retail 30 pricing and rebates will apply to all claims that adjudicate at the retail 30 network with 1 - 83 days' supply.

*Yes/No.*

4.1.14 Confirm specialty pricing and rebates will apply to all claims that adjudicate at the retail pharmacies and the PBM's specialty pharmacy, respectively, regardless of days' supply.

*Yes/No.*

4.1.15 Guaranteed rebates will apply to all brand prescriptions dispensed (i.e., not only on formulary prescriptions dispensed and not limited to products that should be eligible to receive a rebate based on products from which the PBM receives a rebate).

*Yes/No.*

4.1.16 Confirm all rebates are guaranteed on a minimum (i.e., not fixed or flat) basis, and the PBM will pass through 100% of the rebates, including non-specialty and specialty, it has received to the EUTF.

*Yes/No.*

4.1.17 Confirm that quarterly rebate payments will be based on the minimum rebate guarantees (i.e., not limited to the amount collected).

*Yes/No.*

4.1.18 Confirm that within ninety (90) days after the end of each quarter, the PBM will pay to the EUTF the minimum rebate guarantees and provide detailed reports listing the number of brand drugs per delivery channel, rebate amount per brand drug at each delivery channel, and the resulting minimum guaranteed rebate payment per delivery channel owed to the EUTF as well as the rebates received by the PBM from manufacturers for the EUTF's utilization without a request being made by the EUTF.

*Yes/No.*

4.1.19 The PBM will provide the annual rebate reconciliation report within 90 days of the end of each contract year. Confirm any shortfall between the rebates paid and the greater of the minimum rebate payments or the rebates invoiced by the PBM for the EUTF's utilization will be paid, dollar-for-dollar, to the EUTF within 90 days of the end of the contract year.

*Yes/No.*

4.1.20 Confirm that lag rebates will continue to be paid to the EUTF throughout the term of the contract until 100% of all earned rebates are paid even after all of the minimum rebate guarantees have been paid.

*Yes/No.*

4.1.21 Confirm rebates will be paid based on the proposed pricing while the contract is finalized.

*Yes/No.*

4.1.22 The EUTF will be notified of any switch to the source of the aggregate AWP with at least a 180-day notice. Any switch must be based on a book of business decision and apply to similarly situated clients like the EUTF. In the event that a switch is made, it must be price neutral and acceptable to the EUTF.

*Yes/No.*

4.1.23 The PBM will be responsible for collecting any outstanding member cost shares for prescriptions dispensed through the mail order facility. The PBM will not invoice the EUTF for any uncollected member cost shares even if there is a debit threshold in place.

*Yes/No.*

4.1.24 The PBM will invoice the EUTF twice monthly for claims and the EUTF will pay the PBM once monthly for the administrative services based on EUTF enrollment counts.

*Yes/No.*

4.1.25 The EUTF will pay all undisputed claim invoice amounts to the PBM within twenty (20) business days after the EUTF receives such invoice from the PBM.

*Yes/No.*

4.1.26 Confirm that if the EUTF disputes all or a portion of any invoice, the EUTF will pay the undisputed amount timely and notify the PBM in writing, of the specific reason and amount of any dispute before the due date of the invoice. The PBM and the EUTF will work together, in good faith, to resolve any dispute. Upon resolution, the EUTF or the PBM will remit the amount owed to the other party, if any, within ten (10) business days as the parties agree based on the resolution.

*Yes/No.*

4.1.27 Confirm the PBM will provide a paid claims data file that corresponds to the invoices at no additional cost to the EUTF.

*Yes/No.*

4.1.28 There are NO additional fees (beyond those outlined in the Financial Section) required to administer the services outlined in this RFP. Any mandatory fees, including clinical and formulary program fees, must be clearly outlined in the Financial Section.

*Yes/No.*

4.1.29 All applicable fees include the cost of claims incurred/filled during the effective dates of this contract regardless of when they are actually processed and paid (run-out).

*Yes/No.*

4.1.30 Confirm the PBM will provide run-out claims processing for the EUTF after contract termination.

*Yes/No.*

4.1.31 Confirm all pricing will be effective and guaranteed for the term of the agreement and will not include adjustments for claims volume changes or claims volume shifts amongst the various provider channels (e.g., mail utilization rates decline or 90-day retail utilization increases).

*Yes/No.*

4.1.32 Confirm all pricing will be effective and guaranteed for the term of the agreement.

*Yes/No.*

4.1.33 Confirm all pricing will be effective and guaranteed for the term of the agreement and will not be modified or amended if the EUTF expands its current 75/25 PPO and other consumer-driven health plan option.

*Yes/No.*

4.1.34 The PBM mail order service must notify the individual member, the EUTF or its designee prior to substituting products that will result in a higher member co-pay.

*Yes/No.*

4.1.35 The PBM will NOT implement, administer, or allow any program that results in the conversion from lower discounted ingredient cost drug products to higher ingredient cost drug products or increases the member's cost share without the prior written consent of the EUTF or its designee.

*Yes/No.*

4.1.36 Confirm the PBM guarantees that any preferred drug or program the PBM recommends the EUTF to implement will result in a lower ingredient cost before the application of rebates on the promoted drug to both the member and the EUTF.

*Yes/No.*

4.1.37 Confirm products subject to patent actions are not excluded from the financial discount, dispensing fee and rebate guarantees.

*Yes/No.*

4.1.38 Confirm the PBM agrees to produce a date-sensitive comparison report showing unit costs charged to the EUTF at a GCN-level, and reimburse the EUTF on a dollar-for-dollar basis for all instances where mail order unit costs exceed retail unit costs. Report and reconciliation will be provided on a quarterly basis, without a request being made by the EUTF.

*Yes/No.*

4.1.39 Confirm the PBM will guarantee Retail/Mail Order unit cost equalization meaning that Mail Order unit costs prior to member cost sharing, dispensing fees, and sales taxes charged will be no greater than the unit cost for the same NDC-11 adjusted for quantity and days' supply at Retail.

*Yes/No.*

4.1.40 Confirm the PBM guarantees that the cost of a drug at mail will be equal to or less than the cost of the identical drug at retail on the same day, inclusive of U&C pricing. In the case that the EUTF identifies any situation in which the EUTF paid more for a prescription at mail than he/she would have paid at retail on the same day, including U&C pricing, the PBM will reimburse the   
EUTF on a dollar-for-dollar basis.

*Yes/No.*

4.1.41 In order to ensure the PBM is managing the MAC list appropriately and its impact on member cost, confirm the PBM will limit the impact of MAC price increases on member copays to not exceed 25% from one quarter to the next quarter.

*Yes/No.*

4.1.42 Provide the discounts, dispensing fees and logic associated with the compounds the PBM administers when it is clinically appropriate.

*Yes/No.*

4.1.43 Confirm there are no additional fees to coordinate the deductible and the maximum out-of-pocket with the medical carrier.

*Yes/No.*

4.1.44 Confirm the PBM agrees to remove any retiree drug only data from the claims file that is shared with the medical carrier at no additional cost.

*Yes/No.*

4.1.45 The PBM will credit the EUTF the cost difference for any claims in which the EUTF was considered “primary” for the claim, but the claim should have been considered “secondary” for the EUTF (e.g., workers' compensation claim).

*Yes/No.*

4.1.46 Confirm that the PBM will not bill for medical supplies and services in the dispensing/usage of specialty medications not covered by the EUTF's prescription drug plan.

*Yes/No.*

**5.1 Administrative Fees**: **EUTF and HSTA VB Active and Non Medicare Eligible Retiree Plans (Excluding EGWP Plan):**

5.1.1 Complete the following Administrative Fee Table:

| **(PASS THROUGH) TRANSPARENT**  **Broad Retail 30 Network with all retail chains/ Retail 90 Network at one retail chain (or multiple)/ Open Specialty/ 100% Rebate Pass Through**  **PROPOSAL ADMINISTRATIVE SERVICES** | **Contract Term 1 Yes/No** | **Contract Term 2 Yes/No** | **Contract Term 3 Yes/No** | **Contract Term 4 Yes/No** |
| --- | --- | --- | --- | --- |
| Retail/Mail Administrative Fee per employee/retiree per month (Self-insured bid) |  |  |  |  |
| Retail/Mail Administrative Fee per employee/retiree per month ((Fully-insured bid) |  |  |  |  |
| Indicate which of these services are included at no additional cost: |  |  |  |  |
| *Toll Free Phone Lines* |  |  |  |  |
| *Monthly Data Feeds to the EUTF or Designee(s); including daily exchange of out-of-pocket information with medical vendor* |  |  |  |  |
| *Prospective /Concurrent/Retro DUR* |  |  |  |  |
| *Standard Reports* |  |  |  |  |
| *Ad Hoc Reports* |  |  |  |  |
| *COB Program* |  |  |  |  |
| *Mail Program* |  |  |  |  |
| *Dose Optimization Program* |  |  |  |  |
| *Prior Authorization Program* |  |  |  |  |
| *Step Therapy Program* |  |  |  |  |
| *Quantity Limitations* |  |  |  |  |
| *Custom System Overrides* |  |  |  |  |
| *Annual EOB Statements* |  |  |  |  |
| *Retro Termination Letters* |  |  |  |  |
| *Group Coding* |  |  |  |  |
| *Drug Notification Letters* |  |  |  |  |
| *Formulary Administration/Management* |  |  |  |  |
| *ID Cards* |  |  |  |  |
| *Pharmacy Directories and other member materials* |  |  |  |  |
| *Standard 1st level appeals processing* |  |  |  |  |
| *Standard 2nd level appeals processing* |  |  |  |  |
| *Urgent appeals processing* |  |  |  |  |
| *Overrides* |  |  |  |  |
| *Audit Recovery Fees* |  |  |  |  |
| *Compound Drug Management* |  |  |  |  |
| *Retrospective DUR* |  |  |  |  |
| *ePrescribing Fees* |  |  |  |  |
| *Opioid Management Fees* |  |  |  |  |
| *Utilization Management Fee* |  |  |  |  |
| *Urgent Appeal Service for utilization management, formulary, and benefit reviews* |  |  |  |  |
| **Services above that have additional costs (i.e., services marked “N” above) (show fees separately):** |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

5.1.2 Detail all services and supplies to be provided under your basic fees that are not included in your response to the chart above.

5.1.3 Detail all data related services included under the base administrative fees including ad hoc reporting, electronic claims files, plan design options, custom mailings, etc. In addition, detail any data-related service fees not included in the base administrative fees.

5.1.4 Do you offer a Vaccine Program? If so, what is the cost for Influenza and Other Vaccines at Participating Pharmacies? Please ensure to include the Ingredient Cost, Dispensing Fee, Professional Service Fee, Program Fee and any other cost/fee in your description below.

5.1.5 How will your system ensure retail pharmacies will only charge members $0 for ACA vaccines?

5.1.6 Confirm that postage is included in all mail order prescriptions and any mailings.

5.1.7 Confirm that quoted fees include postage paid mail order envelopes for member prescription submission.

5.1.8 Will there be any additional charges if plans/benefits are restructured or new classes of eligible members are added? If so, how are these charges determined and state amount of charges?

5.1.9 Do you have edits or programs in place designed to detect fraud and/or abuse, address potential drug fraud and/or abuse, and notify the EUTF? If yes, (1) explain and include a listing of the specific drugs targeted by this program, (2) describe the enrollee outreach after fraud or abuse is identified, and (3) detail the controls put into place after fraud or abuse is identified. (Provide name of attachment(s).)

**5.2 Administrative Fees: EUTF and HSTA VB EGWP Plan:**

5.2.1 Complete the following Administrative Fee Table:

| **(PASS THROUGH) TRANSPARENT PROPOSAL ADMINISTRATIVE SERVICES** | **Contract Term 1 Yes/No** | **Contract Term 2 Yes/No** | **Contract Term 3 Yes/No** | **Contract Term 4 Yes/No** |
| --- | --- | --- | --- | --- |
| Retail/Mail Administrative Fee per employee/retiree per month (Self-insured bid) |  |  |  |  |
| Retail/Mail Administrative Fee per employee/retiree per month (Fully-insured bid) |  |  |  |  |
| Indicate which of these services are included for no additional cost: |  |  |  |  |
| *Toll Free Phone Lines* |  |  |  |  |
| *Monthly Data Feeds to the EUTF or Designee(s); including daily exchange of out-of-pocket information with medical vendor* |  |  |  |  |
| *Prospective /Concurrent/Retro DUR* |  |  |  |  |
| *Standard Reports* |  |  |  |  |
| *Ad Hoc Reports* |  |  |  |  |
| *COB Program* |  |  |  |  |
| *Mail Program* |  |  |  |  |
| *Dose Optimization Program* |  |  |  |  |
| *Prior Authorization Program* |  |  |  |  |
| *Step Therapy Program* |  |  |  |  |
| *Quantity Limitations* |  |  |  |  |
| *Custom System Overrides* |  |  |  |  |
| *Annual EOB Statements* |  |  |  |  |
| *Retro Termination Letters* |  |  |  |  |
| *Group Coding* |  |  |  |  |
| *Drug Notification Letters* |  |  |  |  |
| *Formulary Administration/Management* |  |  |  |  |
| *ID Cards* |  |  |  |  |
| *Pharmacy Directories and other member materials* |  |  |  |  |
| *Standard 1st level appeals processing* |  |  |  |  |
| *Standard 2nd level appeals processing* |  |  |  |  |
| *Urgent appeals processing* |  |  |  |  |
| *Overrides* |  |  |  |  |
| *Audit Recovery Fees* |  |  |  |  |
| *Compound Drug Management* |  |  |  |  |
| *Retrospective DUR* |  |  |  |  |
| *ePrescribing Fees* |  |  |  |  |
| *Opioid Management Fees* |  |  |  |  |
| *Utilization Management Fee* |  |  |  |  |
| *Urgent Appeal Service for utilization management, formulary, and benefit reviews* |  |  |  |  |
| **Services above that have additional costs (i.e., services marked “N” above) (show fees separately):** |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

5.2.2 Detail all services and supplies to be provided under your basic fees that are not included in your response to the chart above.

5.2.3 Detail all data related services included under the base administrative fees including ad hoc reporting, electronic claims files, plan design options, custom mailings, etc. In addition, detail any data-related service fees not included in the base administrative fees.

5.2.4 Do you offer a Vaccine Program? If so, what is the cost for Influenza and Other Vaccines at Participating Pharmacies? Please ensure to include the Ingredient Cost, Dispensing Fee, Professional Service Fee, Program Fee and any other cost/fee in your description below.

5.2.5 How will your system ensure retail pharmacies will only charge members $0 for Medicare Part D vaccines?

5.2.6 Confirm that postage is included in all mail order prescriptions and any mailings.

5.2.7 Confirm that quoted fees include postage paid mail order envelopes for member prescription submission.

5.2.8 Will there be any additional charges if plans/benefits are restructured or new classes of eligible members are added? If so, how are these charges determined and state amount of charges?

5.2.9 Do you have edits or programs in place designed to detect fraud and/or abuse, address potential drug fraud and/or abuse, and notify the EUTF? If yes, (1) explain and include a listing of the specific drugs targeted by this program, (2) describe the enrollee outreach after fraud or abuse is identified, and (3) detail the controls put into place after fraud or abuse is identified. (Provide name of attachment(s).)

**6.1 Prescription Drug Pricing: EUTF and HSTA VB Active and Non-Medicare Retiree Plans Excluding EGWP Plan (Self-Insured)**

AWP Reimbursement Basis - Complete the following tables using the drug reimbursement that your organization is willing to guarantee on a dollar-for-dollar basis for each year of the contract. Columns marked "AWP Discount” are to be completed using a discount from 100% AWP and dispensing fee logic. If alternative pricing is proposed, explain in detail. All guarantees must be based on the AWP unit cost dispensed at the point of sale, and post September 26, 2009 AWP rollback.

PASS THROUGH (TRANSPARENT) PROPOSAL

Notes:

(1). Including both single source and multi-source brands.  
(2). Post September 26, 2009 AWP rollback  
(3). Including single-source generics.

6.1.1 Contract Term 1

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.1.2 Contract Term 2

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.1.3 Contract Term 3

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.1.4 Contract Term 4

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

**6.2 Prescription Drug Pricing: EUTF and HSTA VB Active and Non-Medicare Retiree Plans Excluding EGWP Plan (Fully-Insured)**

AWP Reimbursement Basis - Complete the following tables using the drug reimbursement that your organization is willing to guarantee on a dollar-for-dollar basis for each year of the contract. Columns marked "AWP Discount” are to be completed using a discount from 100% AWP and dispensing fee logic. If alternative pricing is proposed, explain in detail. All guarantees must be based on the AWP unit cost dispensed at the point of sale, and post September 26, 2009 AWP rollback.

PASS THROUGH (TRANSPARENT) PROPOSAL

Notes:

(1). Including both single source and multi-source brands.  
(2). Post September 26, 2009 AWP rollback  
(3). Including single-source generics.

6.2.1 Contract Term 1

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.2.2 Contract Term 2

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.2.3 Contract Term 3

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply 1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.2.4 Contract Term 4

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

**6.3 EUTF and HSTA VB (Self-Insured) EGWP Plan Pricing**

AWP Reimbursement Basis - Complete the following tables using the drug reimbursement that your organization is willing to guarantee on a dollar-for-dollar basis for each year of the contract for a self-insured EGWP plan. Columns marked "AWP Discount” are to be completed using a discount from 100% AWP and dispensing fee logic. Any applicable administrative fees are requested on a per-Retiree-per-month (RPM) basis and dispensing fees are requested on a per-prescription paid basis and must be based on prescriptions dispensed (not adjustments, errors, or redos). If alternative pricing is proposed, explain in detail. No fees may be proposed on a per-member, per month basis. All guarantees must be based on the AWP unit cost dispensed at the point of sale, and post September 26, 2009 AWP rollback.

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Notes:

1. Including both single source and multi-source brands.  
2. Post September 26, 2009 AWP rollback  
3. Including single-source generics.

6.3.1Contract Term 1

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.3.2Contract Term 2

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.3.3Contract Term 3

|  |  |  |  |
| --- | --- | --- | --- |
| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.3.4Contract Term 4

|  |  |  |  |
| --- | --- | --- | --- |
| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

**6.4 EUTF and HSTA VB (Fully-Insured) EGWP Plan Pricing**

AWP Reimbursement Basis - Complete the following tables using the drug reimbursement that your organization is willing to guarantee on a dollar-for-dollar basis for each year of the contract for a fully insured EGWP plan. Columns marked "AWP Discount” are to be completed using a discount from 100% AWP and dispensing fee logic. Any applicable administrative fees are requested on a per-Retiree-per-month (RPM) basis and dispensing fees are requested on a per-prescription paid basis and must be based on prescriptions dispensed (not adjustments, errors, or redos). If alternative pricing is proposed, explain in detail. No fees may be proposed on a per-member, per month basis. All guarantees must be based on the AWP unit cost dispensed at the point of sale, and post September 26, 2009 AWP rollback.

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Notes:

1. Including both single source and multi-source brands.  
2. Post September 26, 2009 AWP rollback  
3. Including single-source generics.

6.4.1Contract Term 1

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount**  **Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.4.2Contract Term 2

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.4.3Contract Term 3

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

6.4.4Contract Term 4

| **Broadest Retail Network (List any Major Retail Chains Excluded)** | **AWP Discount Retail Supply Up to 30 days** | **AWP Discount Retail Supply 31-90 days** | **AWP Discount Mail Supply**  **1-90 days** |
| --- | --- | --- | --- |
| **Brand Drugs**[1] |  |  |  |
| Discount from AWP[2] for all brands |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Generic Drugs**[3] |  |  |  |
| Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price) |  |  |  |
| Dispensing Fee Per Rx |  |  |  |
| **Rebates** |  |  |  |
| Three Tier Plan – Per Rx (brand & generic) |  |  |  |

**6.5 Specialty Pharmacy Program Pricing**

6.5.1 Please confirm your agreement to the following definition and qualification criteria of a “specialty drug product”:

The term “Specialty Drug(s)” shall mean each drug identified on Exhibit K of this Agreement. The term “Specialty Drug” shall also include any new-to-market specialty drug that the EUTF approves the dispensing of, in writing. The EUTF shall have the right to select which Specialty Drugs on Exhibit K shall (or shall not) be dispensed to its Plan Beneficiaries.

6.5.2 Provide an AWP-based pricing list **in Excel** of all specialty pharmaceuticals, including Limited Distribution Drugs, that your company dispenses and distributes to providers and patients for your proposed specialty pharmacy program. Your pricing must include adequate supplies of ancillaries such as needles, swabs, syringes, and containers. The following items must be included in your list:

1. Product Name
2. Therapeutic Group/Therapeutic Category
3. NDC
4. Guaranteed Minimum AWP Discount and Dispensing Fee for all specialty pharmacy program prescriptions for the specialty arrangement.
5. Limited Drug Designation

6.5.3 Confirm you provided the most recent Limited Distribution Drug Indicator and Exclusive Distribution Indicator in the attachment for the previous question. If not, please provide your proposed Limited Distribution Drug List and Exclusive Distribution List with NDC in an Excel File that will be in place.

6.5.4 How often does your organization evaluate specialty drug classifications? What is the process that your organization uses to move drugs from a specialty drug classification to a non-specialty drug classification and vice versa? Confirm you allow the EUTF the ability to reject any changes in such classification.

6.5.5 Confirm the PBM agrees to notify the EUTF and its members at least 60 days prior to changing the classification of a drug from non-specialty drug classification to a specialty drug classification and at least 60 days prior to the change in classification of a drug from a specialty drug classification to a non-specialty drug classification, previously approved by the EUTF.

6.5.6 Complete the following table:

| **Specialty Drugs Dispensed at Participating Retail 30 Pharmacies under the Open Specialty Pharmacy Program (30-day supply)** | **Contract Term 1** | **Contract Term 2** | **Contract Term 3** | **Contract Term 4** |
| --- | --- | --- | --- | --- |
| Overall Effective Discount (OED) Guarantee for Specialty Brand Drugs | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| Overall Effective Discount (OED) Guarantee for Specialty Generic Drugs (including biosimilars) | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| Confirm Limited Distribution and Exclusive Distribution Specialty Drugs will be included in the above OED guarantees |  |  |  |  |
| If Limited Distribution Specialty Drugs are not included in the above OED guarantees, then please indicate the Limited Distribution and Exclusive Distribution Drug Guarantee | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| Confirm Biosimilars will be included in the above OED guarantee for Specialty Generic Drugs |  |  |  |  |
| If not, then please indicate the Biosimilars Discount Guarantee | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| Confirm New to Market Specialty Drugs, New to Market Limited Distribution Drugs and New to Market biosimilars will be included in the above OED guarantees |  |  |  |  |
| If not, then please indicate the New to Market Specialty Drug Discount Guarantee | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| If not, then please indicate the New to Market Limited Distribution Drug Discount Guarantee | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| If not, then please indicate the New to Market Biosimilars Discount Guarantee | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| Dispensing Fee Guarantee - Per Prescription | *Dollars.* | *Dollars.* | *Dollars.* | *Dollars.* |
| Administrative Fee Guarantee - Per Prescription | *Dollars.* | *Dollars.* | *Dollars.* | *Dollars.* |
| Minimum Rebate Guarantee – Per Brand Prescription *(Passed Through at 100%)* | *Dollars.* | *Dollars.* | *Dollars.* | *Dollars.* |
| Confirm covered Biosimilar Products will be included in the above Biosimilars Ingredient Cost and Specialty Drug Dispensing Fee guarantee and although Biosimilar Products will not be included in the Rebate Guarantees, the EUTF will receive 100% of all rebates related to Biosimilar Products, if any. |  |  |  |  |
| Confirm any Exclusions from Minimum Rebate Guarantees.  List Drugs and provide Separate Guarantees. |  |  |  |  |

6.5.7 Complete the following table:

| **Specialty Drugs Dispensed at the PBM’s Specialty Pharmacy under the Open Specialty Pharmacy Program** | **Contract Term 1** | **Contract Term 2** | **Contract Term 3** | **Contract Term 4** |
| --- | --- | --- | --- | --- |
| Overall Effective Discount (OED) Guarantee for Specialty Brand Drugs | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| Overall Effective Discount (OED) Guarantee for Specialty Generic Drugs (including biosimilars) | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| Confirm Limited Distribution and Exclusive Distribution Specialty Drugs will be included in the above OED guarantees |  |  |  |  |
| If Limited Distribution Specialty Drugs are not included in the above OED guarantees, then please indicate the Limited Distribution and Exclusive Distribution Drug Guarantee | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| Confirm Biosimilars will be included in the above OED guarantee for Specialty Generic Drugs |  |  |  |  |
| If not, then please indicate the Biosimilars Discount Guarantee | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| Confirm New to Market Specialty Drugs, New to Market Limited Distribution Drugs and New to Market biosimilars will be included in the above OED guarantees |  |  |  |  |
| If not, then please indicate the New to Market Specialty Drug Discount Guarantee | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| If not, then please indicate the New to Market Limited Distribution Drug Discount Guarantee | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| If not, then please indicate the New to Market Biosimilars Discount Guarantee | *Percent.* | *Percent.* | *Percent.* | *Percent.* |
| Dispensing Fee Guarantee - Per Prescription | *Dollars.* | *Dollars.* | *Dollars.* | *Dollars.* |
| Administrative Fee Guarantee - Per Prescription | *Dollars.* | *Dollars.* | *Dollars.* | *Dollars.* |
| Minimum Rebate Guarantee – Per Brand Prescription *(Passed Through at 100%.)* | *Dollars.* | *Dollars.* | *Dollars.* | *Dollars.* |
| Confirm covered Biosimilar Products will be included in the above Biosimilars Ingredient Cost and Specialty Drug Dispensing Fee guarantees, and although Biosimilar Products will not be included in the Rebate Guarantees, the EUTF will receive 100% of all rebates related to Biosimilar Products, if any. |  |  |  |  |
| Confirm any Exclusions from Minimum Rebate Guarantees.  List Drugs and provide Separate Guarantees. |  |  |  |  |

6.5.8 Confirm the EUTF will have the ability to renegotiate and/or “carve-out” specialty drug pricing and service terms without penalty or changes to the financial guarantees.

6.5.9 Confirm your proposed guarantees for your retail/mail program are not contingent upon the EUTF's purchase of your specialty drug program?

6.5.10 Indicate how long a drug would be considered “New to Market” and the process to move a drug from the New to Market pricing to being discounted under the OED guarantee.

6.5.11 Provide examples of success with managing specialty costs for other clients.

**6.6 Allowances**

6.6.1 Please complete the following table:

|  |  |  |
| --- | --- | --- |
| **Allowance** | **Description** | **Response** |
| General Pharmacy Program Management | Place the $ (dollar) Per Member amount or the flat dollar ($) amount you are offering the EUTF for general expenses related to the management of the pharmacy benefits program such as communication expenses, clinical programs, consulting fees or be used as a credit against claim invoices. Credit excludes pharmacy claim and rebate audit amounts. | *Dollars.* |

6.6.2 Confirm the PBM will allow the EUTF to rollover any unused allowances to the next contract year or contract if the proposed allowances are on a contract year basis and/or contract term basis.

6.6.3 If the Allowances described above are offered on a per “Member” basis, describe how the “member” counts will be determined for the allowance calculations described above (i.e., membership at the start of the year, membership over a certain period in time). The actual member counts at a point in time will be based on EUTF enrollment records.

6.6.4 Confirm the EUTF will be able to use the Implementation Credit or the General Administrative Credit for a Pre-Implementation Audit and/or a Post-Implementation Audit.

6.6.5 Confirm the EUTF may use the General Pharmacy Program Management Allowance for services related to managing the pharmacy benefit such as pharmacy audits and pharmacy benefit consulting services.

6.6.6 Confirm the EUTF does not have to repay either the full or a pro-rated share of any of the Allowances if the EUTF terminates the contract early with or without cause.

**6.7 Generic Drugs—Dispensing Rate Guarantees**

6.7.1 Complete the table below for Contract Years 1, 2, 3, and 4. Note that generic dispensing rate includes only true instances of generic dispensing (i.e., exclude multi-source brand drugs dispensed under member-pay-difference plan designs).

|  |  |  |  |
| --- | --- | --- | --- |
| **Guaranteed GDR** | **Retail 30** | **Retail 90** | **Mail Order** |
| Contract Term 1 | *Percent.* | *Percent.* | *Percent.* |
| Contract Term 2 | *Percent.* | *Percent.* | *Percent.* |
| Contract Term 3 | *Percent.* | *Percent.* | *Percent.* |
| Contract Term 4 | *Percent* | *Percent* | *Percent* |

6.7.2 What dollar amount are you prepared to put at risk for failure to meet your GDR guarantee?

6.7.3 Confirm the PBM's Generic Dispensing Rate Guarantee will be measured and reconciled on a component basis and a shortfall in one delivery channel will not be used to offset a shortfall in another delivery channel or any other financial component guarantee.

6.7.4 Confirm the PBM's Generic Dispensing Rate Guarantee does not include copays or rebates into the calculation.

**6.8 Trend Guarantees**

6.8.1 Confirm the PBM will provide the EUTF with an annual 4% Non-Specialty Gross Drug Spend per Member per Year Trend Guarantee.

6.8.2 Please describe any price inflation guarantee you are putting forth for specialty drugs.

6.8.3 The PBM guarantees that the percentage increase in the Generic Drug Ingredient Cost compared on a Contract Year basis with the immediately prior Contract Year will be no greater than 2% throughout the term of the contract.

**7 Technical Services Requirements Questionnaire**

7.1 Formulary Management

7.1.1 Provide the name of the non-specialty Formulary (i.e. for preferred and non-preferred status) you are proposing to the EUTF. Provide Information and Names of Attachments.

7.1.2 Provide the name of the Specialty Formulary you are proposing to the EUTF. (Provide names of any attachments.) The current EUTF Specialty Formulary excludes certain brands. See attached Exhibit K.

7.1.3 Provide a description of one alternative formulary option for the EUTF. Please provide revised pricing.

7.1.4 Confirm the PBM will allow members to obtain non-formulary drugs with a prior authorization for medical necessity without impacting the rebate guarantees.

7.1.5 The PBM agrees to remove drugs from coverage under specialty formulary (other than FDA recalls and other safety reasons) at most quarterly and no greater than two percent (2%) of members will be disrupted by any specialty formulary deletions on a quarterly basis.

7.1.6 The PBM agrees to seek EUTF or its designee approval 90 days in advance of when a drug is targeted to be moved to/from the non-specialty and specialty preferred drug list. The PBM must provide a detailed disruption and financial impact analysis at the same time. No greater than two percent (2%) of members will be disrupted by any non-specialty and specialty formulary deletions or all deletions in total on an annual basis.

7.1.7 The PBM agrees to notify the EUTF or its designee 90 days in advance of when a drug is targeted to change tiers or be moved to or from a preferred or non-preferred non-specialty/ specialty formulary tier. The PBM must provide a detailed disruption and financial impact analysis at the same time.

7.1.8 The PBM agrees to notify members 30 calendar days in advance of when a member's utilized drug is targeted to be moved to a higher cost tier. The PBM must provide at least one notification to the member with the formulary alternative. This includes a change in the member’s cost share due to a service warranty.

7.1.9 Provide a description of the PBM's process on how impacted members will be communicated regarding formulary drug shifts from a Preferred to a Non-Preferred Tier.

7.1.10 Does the PBM use an external rebate aggregator? If so, which one?

7.1.11 Confirm the PBM will be able to provide a list of the non-preferred brand drugs that are covered by the EUTF upon request at any time during the term.

7.1.12 Confirm the PBM agrees to grandfather the EUTF's current formulary for up to 90 days following the contract effective date, with no impact on rebate guarantees.

7.1.13 As a reminder, all bidders must complete and submit a formulary disruption based on your proposed formulary and on the claims data that will be provided upon the submission of the “Confidentiality Form”. Results to be included are the number of members that will require a change as well as the number of prescriptions associated with the formulary change. An Excel file that lists the specific drugs that will be negatively impacted (higher-cost tier) along with the total number of scripts and members impacted for each of these drugs should also be provided. Please provide a summary of your formulary disruption analysis using the table below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type of Change** | **Member Impact** | **% of Total Members** | **Number of Scripts Impacted** | **% of Total Scripts (including all brands and generics)** |
| No Change | *Integer.* | *Percent.* | *Integer.* | *Percent.* |
| Positive (higher-cost tier to lower tier) | *Integer.* | *Percent.* | *Integer.* | *Percent.* |
| Negative (lower tier to higher-cost tier) | *Integer.* | *Percent.* | *Integer.* | *Percent.* |
| Moving from covered to not covered | *Integer.* | *Percent.* | *Integer.* | *Percent.* |
| Total | *Integer.* | *Percent.* | *Integer.* | *Percent.* |

7.1.14 Please complete the following table.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **#1 Top Drug that is Moving from Preferred to Non-Preferred based on impacted Members: [Indicate Member and Script Impact.]** | **#2 Top Drug that is Moving from Preferred to Non-Preferred based on impacted Members: [Indicate Member and Script Impact.]** | **#3 Top Drug that is Moving from Preferred to Non-Preferred based on impacted Members: [Indicate Member and Script Impact.]** |
| Name of Drug | *Unlimited.* | *Unlimited.* | *Unlimited.* |
| Member Impact | *Integer.* | *Integer.* | *Integer.* |
| % of Total Members | *Percent.* | *Percent.* | *Percent.* |
| Number of Scripts Impacted | *Integer.* | *Integer.* | *Integer.* |
| % of Total Scripts (including all brands and generics) | *Percent.* | *Percent.* | *Percent.* |

7.2 Clinical Programs

7.2.1 Provide descriptions of the PBM's capabilities regarding compounds and ability to only administer them when it is clinically appropriate based on the EUTF's guidance.

7.2.2 Describe your home infusion capabilities. Provide the contractual discounts, dispensing fees, administrative fees and rebates you are proposing to the EUTF for home infusion claims.

7.2.3 Provide descriptions of the PBM's capabilities to use medical claims data and prescription claims data to identify safety and health risks.

7.2.4 Provide descriptions of the PBM's online capabilities to allow members to view actionable items and enhance the care for patients with chronic and complex conditions.

7.2.5 Provide descriptions of the PBM's Prior Authorization, Drug Quantity Management, Step Therapy capabilities for non-specialty and specialty drugs.

7.2.6 Confirm the PBM will not charge more than once for a Prior Authorization fee for a single prescription (e.g., the PBM won't charge multiple times if they have to reach out to the doctor multiple times for a single prescription). Confirm the PBM will guarantee to charge the lowest of the Prior Authorization fee or the EUTF's Net Cost (before rebates).

7.2.7 Provide descriptions of the PBM's programs to better manage the high cost of Hepatitis C, PCSK9 inhibitors and Oncology drugs.

7.2.8 Provide a description on how the PBM will manage Non-FDA approved drugs.

7.2.9 Provide a description on how the PBM will manage DESI drugs.

7.2.10 Provide descriptions of the PBM's process to better manage drug inflation.

7.2.11 Provide a description of how the PBM will manage 510k products based on the EUTF's benefits coverage.

 7.2.12 Provide descriptions of the PBM's programs to better manage high cost non-specialty generics and brands as well as hyperinflation drugs. Does the PBM guarantee to refund the EUTF for every non-specialty drug over $1,000 that adjudicates that was not properly reviewed by the PBM?

7.2.13 Provide descriptions of PBM's process to introduce new clinical programs to the EUTF that would take into consideration what is currently in place, what is needed and what is no longer needed. Describe how you will provide adequate time to inform the EUTF about the program, provide the EUTF with member and financial specific information and allow the EUTF sufficient time to come up with a decision on the program.

7.2.14 Provide information on how prior authorizations and step therapies will work for those members that have already gone through the process prior to the implementation date assuming you'll receive a claims history file, open mail refill file and a prior authorization file for only the past 12 months. Provide information how these members will be impacted at a retail pharmacy (assuming the member is paying the higher copay for maintenance drug refills at retail) and via mail order.

7.2.15 Provide a complete list of your clinical programs with pricing associated with each program and highlight those programs recommended for the EUTF. Describe the type of impact members will face for each of these programs.

7.2.16 Not used

7.2.17 Do you require two generic products in order for a brand drug with a DAW 1 or 2 code to get the DAW penalty? Does the DAW penalty process apply to just DAW 1 and 2 or all DAW codes? Describe any additional details on how your organization's DAW penalty process works. Does your process allow an appeals process that allows a member's doctor to provide information showing that the brand name drug is medically necessary? If so, how does that process work? Would the regular brand discount, fee, rebate and member copay apply to that drug?

7.3 Retail Network Management

7.3.1 Provide a description of the program you are proposing that will allow a member to fill a maintenance medication at one retail chain (or network) at the mail order copay and mail order pricing to the EUTF. Confirm the proposed offer will remain the same if the EUTF participates in this program assuming the current plan design stays in place.

7.3.2 Provide the names of the retail chain(s) that are part of your proposed retail 90 Network that allows members to pay the mail order copay and the EUTF obtain the mail order pricing. (Provide names and name of attachment(s), if any.)

7.3.3 The PBM agrees that it will not remove any participating network pharmacies that impact greater than 2% of the EUTF's prescriptions without communicating to the EUTF at least sixty (60) days in advance of the scheduled change. The current guarantees will be honored if the EUTF opts out of the network changes. If the change is not agreeable to the EUTF, the EUTF will have the right to terminate the agreement without penalty with 30 days' notice.

7.3.4 The PBM agrees that it offers a performance guarantee that will guarantee that at least 95% of members will have access to a network pharmacy within a five-mile radius of their residence.

7.3.5 The PBM agrees to offer improved pricing terms to the EUTF if greater than 2% of utilizing members are impacted by proposed changes to the participating retail 30 and retail 90 pharmacy network.

7.3.6 Confirm the EUTF reserves the right to remove any retail pharmacy from its retail pharmacy network.

7.3.7 Confirm the PBM will not withhold any financial recoveries from audits performed on the contracted pharmacy network including mail order and specialty pharmacies. Any recoveries will be disclosed and credited to the EUTF.

7.3.8 Confirm the PBM will not charge the EUTF or offset any costs from a retail pharmacy audit recovery even if the PBM has to pursue additional collection action to recover retail pharmacy audit discrepancies.

7.3.9 Confirm the PBM will maintain the retail pharmacy audit recovery fee paid to the PBM at 0% of the collections throughout the life of the contract.

7.3.10 Provide a description of the escalation process for urgent drug claim issues in which a claim is rejecting at the pharmacy and members need immediate assistance and resolution.

7.3.11 As a reminder, all bidders must complete and submit a retail network disruption based on your proposed retail 30 and the retail 90 network and on the claims data that will be provided upon the submission of the “Intent to Propose” Form. Results to be included are the number of members that will be required to change the utilized retail pharmacy as well as the number of prescriptions associated with the retail pharmacy change. An Excel file that lists the specific retail pharmacies that will be negatively impacted (will be considered out of network for the proposed retail 30 and/or the retail 90 network) along with the total number of scripts and members impacted for each of these retail pharmacies should also be provided. Please provide a summary of your retail network disruption analysis using the tables below:

|  |  |
| --- | --- |
| **Type of Change** | **Retail 90 Network** |
| Number of Currently Utilized Retail Pharmacies that are Not Part of Proposed Network and are Eligible to Solicit | *Integer.* |
| Number of Members that are Using Those Retail Pharmacies that are Not Part of Proposed Network and are Eligible to Solicit | *Integer.* |
| Number of Prescriptions that Adjudicated via Those Retail Pharmacies that are Not Part of Proposed Network and are Eligible to Solicit | *Integer.* |
| Number of Currently Utilized Retail Pharmacies that are Part of Proposed Network | *Integer.* |
| Number of Members that are Using Those Retail Pharmacies that are Part of Proposed Network | *Integer.* |
| Number of Prescriptions that Adjudicated via Those Retail Pharmacies that are Part of Proposed Network | *Integer.* |

7.3.12 Top 3 Currently Utilized Retail Pharmacies that are Not Part of Proposed Network based on impacted number of members, Location of Pharmacies, Number of members that use each of those pharmacies and Number of prescriptions that use each of those pharmacies.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Out-of-Network Retail Pharmacy #1** | **Out-of-Network Retail Pharmacy #2** | **Out-of-Network Retail Pharmacy #3** |
| State of Hawaii | *Unlimited.* | *Unlimited.* | *Unlimited.* |
| # of Members | *Integer.* | *Integer.* | *Integer.* |
| # of Scripts | *Integer.* | *Integer.* | *Integer.* |

7.4 Audit Rights

7.4.1 The EUTF or an independent auditor retained by EUTF, may review 100% of the claims and rebates. Any independent auditor retained by EUTF must meet the following criteria: (a) is a public accounting firm that is a member of the American Institute of Certified Public Accountants (AICPA), or (ii) a reputable consulting firm with a pharmacy benefit consulting practice that operates nationally and adheres to generally accepted accounting and actuarial principles, provided that, with respect to any audits of pharmaceutical manufacturer rebate contracts or retail network pharmacy contracts, such consulting firm maintains an information “fire wall” between its consulting and auditing divisions; (b) has not previously breached a confidentiality agreement with CONTRACTOR; (c) does not currently provide audit or consulting services or advice to any person, company or other entity in connection with any lawsuit, investigation or other proceeding is unrelated to EUTF; and (d) enters into a confidentiality agreement with CONTRACTOR that is reasonably acceptable to CONTRACTOR and EUTF prior to commencing any audit activities and carries insurance for professional malpractice of at least two million dollars ($2,000,000)

7.4.2 The EUTF or its designee will have the right to audit annually, (for both claims and rebate audits), with full cooperation of the selected PBM, the claims, services and pricing and/or rebates, including the manufacturer rebate contracts held by the PBM, to verify compliance with all program requirements and contractual guarantees with no additional charge from the PBM.

7.4.3 The EUTF or its designee will have the right to audit up to the last four complete contractual years (48 months) of claims at no additional charge from the PBM as long as the audit period has not been previously audited. Confirm all audits will not be limited to information relating to the plan year in which the audit is conducted or the immediately preceding plan year.

7.4.4 The EUTF or its designee will have the right to conduct an audit at any time during the year, at any point during the contract term, and the selected PBM will provide all documentation necessary to perform the audit. Confirm the EUTF may conduct such audit every year regardless of when the prior audit was conducted as long as the audit period has not been previously audited.

7.4.5 The EUTF will not be held responsible for time or miscellaneous costs incurred by the PBM in association with any audit process including, all costs associated with provision of data, audit finding response reports, or systems access, provided to the EUTF or its designee by the PBM during the life of the contract and period after the contract equal to the term of the contract including extensions. Note: This includes any data required to transfer the business to another vendor and money collected from lawsuits and internal audits.

7.4.6 The PBM will provide complete claim files and documentation (i.e., full claim files, financial reconciliation reports, inclusion files, and plan documentation) to the auditor within 30 days of receipt of the audit data request as long as a non-disclosure agreement is in place between the auditor and the PBM.

7.4.7 The PBM will not set a maximum number of claim samples per audit. The EUTF or the auditor, on behalf of the EUTF, will be able to provide all claims in question (e.g., claim samples separately without limit) during an audit for each contract year that is being audited regardless of whether the scope of the audit is for one year or multiple contractual years.

7.4.8 The PBM agrees to a 30-day turnaround time to provide the full responses to all of the sample claims and claims audit findings, including suspected errors, regardless of the number of claim samples sent to the PBM or the number of years that encompass the scope of the audit.

7.4.9 The EUTF or its designee will have the right to audit to the greater of 12 pharmaceutical manufacturer contracts or the pharmaceutical manufacturer rebate contracts that account for 70% of the total rebate payments during the selected audit period during an on-site rebate audit.

7.4.10 Confirm the PBM will correct any errors that the EUTF, or its representative, brings up to the PBM's attention whether identified by an audit or otherwise. Describe the process that the PBM will undergo to correct the error and make the appropriate payments to the member and/or the EUTF, if applicable.

7.4.11 Confirm the audit provision shall survive the termination of the agreement between the parties for a period of equal to the term of the contract including extensions after the termination of the contract at no additional cost to the EUTF.

7.4.12 Confirm only the EUTF, or the auditor on behalf of the EUTF, is able to formally close an audit initiated by the EUTF or the auditor on behalf of the EUTF.

7.4.13 Confirm the EUTF is able to initiate a new audit even if all parties have not agreed that the prior audit is closed.

7.4.14 Confirm how the PBM will be able to proactively provide analytical reports throughout the contract year indicating the actual performance versus the financial guarantees without a formal audit. This is in addition to the annual reconciliation reports that the PBM is expected to proactively provide to the EUTF.

7.4.15 Confirm the PBM will provide the response to the suspected errors within 45 calendar days from the PBM's receipt of such findings during an audit.

7.4.16 Confirm the EUTF will have the ability to fully inspect the contracts between participating pharmacies and the PBM for up to 80% of retail pharmacy claims under the pass through pricing arrangement.

7.5 Implementation

7.5.1 The PBM agrees to provide an Implementation Credit to the EUTF on a Per Member basis.

*Yes/No. If Yes, provide the amount.*

7.5.2 The PBM agrees to provide a fund for a Pre or Post-Implementation Audit of at least $30,000 to be conducted at least 60 days prior to the start of claims adjudication. The PBM will work with the auditor to run test claims in a test environment utilizing the EUTF’s actual plan parameters. The PBM contractor will be selected by the EUTF in accordance with 7.4.1.

*Yes/No.*

7.5.3 The PBM agrees to load all current prior authorizations, open mail order refills, specialty transfer files, claim history files, and accumulator files that exist for current members from the existing PBM at NO charge to the EUTF (with no charges being deducted from the implementation allowance for file loading or IT) even if the EUTF terminates the contract with or without cause at any point of the contractual term.

*Yes/No.*

7.5.4 The PBM agrees to send at least the most current 12 months of claims history data, all current prior authorizations, open mail order refills, specialty transfer files, and accumulator files that exist for the EUTF members to the next/successor PBM at NO charge even if the EUTF terminates the contract with or without cause at any point of the contractual term.

*Yes/No.*

7.5.5 Not used.

7.5.6 The PBM agrees to waive any charges to the EUTF or the EUTF's medical plan claims administrators such as a set-up fee, a programming fee, or a monthly fee, for establishing a connection with a Third Party Administrator/Claims processor for real-time, bidirectional data integration, including non-standard data integration formats.

*Yes/No.*

7.5.7 The PBM agrees to absorb any programming or other administrative costs to meet any existing or future requirements of the Affordable Care Act.

*Yes/No.*

7.5.8 The PBM will provide draft SPD/benefits booklet language for any clinical programs that are to be implemented upon the EUTF's request.

*Yes/No.*

7.5.9 The PBM will have the EUTF's specific 800-telephone number available to all plan members prior to the go-live date.

*Yes/No.*

7.6 Member Service and Account Management

7.6.1 The PBM agrees to service the EUTF from its national accounts service unit.

7.6.2 The PBM agrees to provide dedicated account resources including, but not limited to, a local overall account manager, senior account manager (supervisor of account manager), enrollment manager, IT manager, clinical pharmacist, and implementation manager (if necessary). Please include biographies in attachments. Please provide the following information regarding the proposed account team:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Name of Team Member** | **Years of PBM Experience** | **Number of Assigned Accounts** | **Location** |
| Local Overall Account Manager |  |  |  |  |
| Senior Account Manager (supervisor of above) |  |  |  |  |
| Enrollment Manager |  |  |  |  |
| IT Manager |  |  |  |  |
| Clinical Pharmacist |  |  |  |  |
| Implementation Manager (if necessary) |  |  |  |  |

7.6.3 The PBM agrees to obtain the EUTF's approval for all member communication materials before distribution to members. The PBM will not automatically enroll the EUTF in any programs that involve any type of communications with members or alterations of members' medications, without express written consent from the EUTF.

7.6.4 The EUTF reserves the right to review, edit, or customize any communication from the PBM to its membership, unless restricted by federal law.

7.6.5 Indicate how the PBM will personalize member communications based on the EUTF's various demographics (e.g., age, new hires) and type of enrolled plan.

7.6.6 Confirm that postage is included when mailing ID cards and duplicate cards.

7.6.7 The PBM will be able to print out the full name of the primary member and dependents on the ID Card at no additional charge to the EUTF.

7.6.8 Describe how the PBM will ensure that the PBM does not create unnecessary duplicate ID cards that will be incorrectly charged to the EUTF when receiving and loading eligibility files.

7.6.9 All member service call recordings and notes between the PBM and the EUTF's members will be the EUTF's property.

7.6.10 The PBM agrees to document 100% of the EUTF's member service calls through call recordings and call notes. The PBM will forward written transcripts of calls at the EUTF's request within two business days of the request being made.

7.6.11 The EUTF reserves the right to access all call recordings or call notes from member service calls with its members. The PBM agrees to allow the EUTF the right to request call recordings and/or notes at any time. The PBM agrees to allow the EUTF to listen to any recorded calls within 24 hours of the EUTF's request.

7.6.12 All customer service operations requiring verbal communication with the EUTF and the EUTF's members will be performed in the United States (i.e., will not be performed offshore).

7.6.13 The PBM agrees to allow the EUTF to access its member website with a dummy login prior to the go-live date.

7.6.14 The PBM will provide the EUTF with a virtual tour of its CSR system and any custom messaging system.

7.6.15 The PBM agrees to monthly meetings to review member service issues. The PBM agrees to allow the EUTF to review member service quality issues to the resolution endpoint.

7.6.16 The PBM agrees to a minimum of one annual meeting with call center executives to discuss services regarding enrollment and member issues.

7.6.17 The PBM agrees to provide different levels of access to each of the EUTF's designees to the online, real time, claim system so that not all of the EUTF's designees are able to see all details related to member claims in the system.

7.6.18 The PBM agrees that all future edits required because of plan design changes implemented by the EUTF shall be completed, after testing, by the PBM within 45 days of request/advisory by the EUTF.

7.6.19 The PBM agrees to provide weekly and/or monthly data transmissions (may include feeds to data warehouses) to at least 10 chosen vendors at no charge and two full, annual electronic claims files, in NCPDP format, at no charge as needed. The PBM will also interact/exchange data with all vendors as needed at no additional charge.

7.6.20 Provide information on programs your organization offers that would allow members to contact the same Care Representative.

7.6.21 Confirm that multi-language communication phone line support is included in the base administrative fee. List the languages available to the EUTF members speaking to your customer service representatives.

7.6.22 How do you track member complaints? List the top 5 member complaints related to retail, mail order, and the specialty pharmacy program. What processes/remedies have been put into effect to resolve these complaints?

7.6.23 How are disabled (e.g., hearing-impaired) member calls facilitated through your member services area?

7.6.24 Describe what portion of the EUTF's business with your organization will be serviced by a subcontractor or through leased services/networks.

7.6.25 List all functions you currently outsource to any third party and subcontractor name(s) for the following functions:

|  |  |  |
| --- | --- | --- |
|  | **Outsource to third party? Yes/No** | **Provide subcontractor name** |
| Claim processing system |  |  |
| Formulary Management |  |  |
| Appeals |  |  |
| Clinical programs |  |  |
| Pharmacy and Therapeutics Committee |  |  |
| Customer service |  |  |
| Rebate contracting |  |  |
| Network contracting |  |  |
| Mail order |  |  |
| Specialty Pharmacy |  |  |
| Data Reporting |  |  |

7.6.25.a Describe what portion of the EUTF's business with your organization will be serviced by a subcontractor or through leased services / networks.

7.6.26 Please provide the following information regarding your organization:

|  |  |
| --- | --- |
|  | **CY 2018** |
| Total Number of Covered Lives |  |
| Total Number of Scripts Dispensed |  |
| Total AWP Dollars Processed |  |
| Total Number of Pharmacy Benefit Client Accounts |  |
| Total Number of Pharmacy Benefit Client Accounts with over 30,000 covered lives |  |
| Major Owners of the Organization |  |

7.6.27 Please provide the following information regarding the proposed call center:

|  |  |
| --- | --- |
|  | **CY 2018** |
| Location |  |
| Days of Operation |  |
| Hours of Operation |  |
| Percent of Calls Abandoned |  |
| Average Number of Seconds to Reach Representative |  |

7.6.28 Please provide the following information regarding the proposed mail order facility:

|  |  |
| --- | --- |
|  | **CY 2018** |
| Location |  |
| Days of Operation |  |
| Hours of Operation |  |
| Total Scripts Filled |  |
| Utilization as Percent of Capacity |  |
| Average Turnaround (No Intervention) |  |
| Average Turnaround (Intervention Required) |  |
| Average Generic Dispensing Rate |  |
| Average Generic Substitution Rate |  |

7.6.29 Not used.

7.6.30 Please provide the PBM's Book-of-Business Turnover Rate for the following divisions:

|  |  |
| --- | --- |
|  | **CY 2018** |
| Overall Book-of-Business | *Percent.* |
| Call Center Representatives | *Percent.* |
| Strategic Account Executives | *Percent.* |
| Account Managers | *Percent.* |
| Client-Facing Clinical Pharmacists | *Percent.* |

7.6.31 Please provide three references with over 50,000 covered lives each that the EUTF may contact.  
a. One would be a current client that has been with the PBM for three years.  
b. The second would be a new client that went through the implementation process within the past 6-12 months.  
c. The third would be a client that terminated the PBM.

7.7 Legal Responsibilities

7.7.1 The PBM shall indemnify, defend and hold harmless the EUTF, its Trustees, officers, directors, employees and agents from and against any and all claims, actions, demands, costs, and expenses, including reasonable attorney fees and disbursements, as a result of a breach by the PBM of any of its obligations under the contract or arising out of the negligent act or omission or willful misconduct of the PBM or its employees or agents.

*Yes/No.*

7.7.2 The indemnification set forth above shall cover a breach of protected health information.

*Yes/No.*

7.7.3 The PBM acknowledges that it is compliant with the Electronic Data Interchange (“EDI”), Privacy and Security Rules of the HIPAA, and will execute a BAA. PBM also agrees that in the event of a privacy violation or data breach, that the PBM will notify the EUTF and the impacted members to a breach and provide any required remedies.

*Yes/No.*

7.7.4 Confirm the PBM agrees to hold the EUTF harmless for any HIPAA Violations made by the PBM or its Network Pharmacies.

*Yes/No.*

7.7.5 The PBM will agree to be claims fiduciary for clinical based determinations.

*Yes/No.*

7.7.6 The PBM agrees that these Agreements or any of the functions to be performed hereunder shall not be assigned by either party to another party, absent advance notice to the other party, and written consent to said assignment, which consent shall not be unreasonably withheld. In the event either party shall not agree to an assignment by the other party, then this agreement shall terminate upon the effective date of said assignment.

*Yes/No.*

7.7.7 The PBM must agree that in the event of a dispute between the parties, about the payment or entitlement to receive payment, or any administrative fees hereunder, the PBM and the EUTF shall endeavor to meet and negotiate a reasonable outcome of said dispute. In NO event shall the PBM undertake unilateral offset against any monies due and owed the EUTF, whether from manufacturer rebates, credit adjustment or otherwise.

*Yes/No.*

7.7.8 The PBM agrees to provide the PBM's alternative mediation or appeal options for conflict resolution to help the EUTF resolve disputes. This appeal option should provide a simple, efficient and fair method of providing resolutions to member and plan sponsor issues.

*Yes/No.*

7.7.9 What general and professional errors and omissions liability coverage does the PBM currently have in place? Include name of insurer, per occurrence $ limits and total policy coverage limits.

7.7.10 Confirm the EUTF will have the option of choosing legal counsel to defend claims litigation based on decisions made by the PBM to deny coverage for clinical reasons, and that the PBM will be fully involved in said defense, the cost of which shall be borne by the PBM to the extent the PBM is found to have been negligent or at fault in the denial decision.

*Yes/No.*

7.7.11 Confirm the PBM will respond to and timely incorporate future Health Care Reform changes in full compliance with the law and at no additional cost to the EUTF.

*Yes/No.*

7.7.12 The PBM agrees to handle claims/appeals processing in accordance with the minimum requirements of the PPACA.

*Yes/No.*

7.7.13 The PBM agrees to be responsible for selecting and contracting the external review organizations sufficient to allow the EUTF to comply with the PPACA.

*Yes/No.*

7.7.14 Confirm any disputes between the PBM and the EUTF shall be governed by laws of the State of Hawaii and the exclusive jurisdiction for any judicial suit, action or proceeding relating to the agreements shall be the courts in the State of Hawaii.

*Yes/No.*

**7.8 General**

7.8.1 Complete the following tables as per the Proposal Instructions:

|  |  |
| --- | --- |
| **Organization Name:** |  |
| **Date Founded** |  |
| **Contact Person’s Name** |  |
| **Title** |  |
| **Address** |  |
| **City/State** |  |
| **Phone Number** |  |
| **E-mail Address** |  |
| **Fax Number** |  |

7.8.2 Not used.

7.8.3 Not used

**7.9 Organizational Stability & Experience**

7.9.1 Provide the latest annual report, financial statement, SAS 70 type II, and other financial reports that indicate the financial position of your organization. Including:

a. Current ratio

b. Days cash on hand

c. Debt to equity ratio

7.9.2 Complete the following table:

|  |  |
| --- | --- |
|  | Response |
| a.    Parent Company |  |
| b.     Year PBM Established |  |
| c. Membership count (total covered lives) |  |
| Current (2019) |  |
| 1 year prior (2018) |  |
| 2 years prior (2017) |  |
| % of total potential lives from the EUTF (current) |  |
| % from MCO/HMO plans (current) |  |
| d.     Number of Group Plans In Force (current) |  |
| Total |  |
| Under 10,000 lives |  |
| Over 100,000 lives |  |
| Number of Health Plans |  |
| e.    AWP dollars processed (calendar year 2016) |  |
| Retail |  |
| Mail Order |  |
| f.     Number of Group Plans Added: |  |
| Past 12 months |  |
| Past 24 months |  |
| g.      Number of Group Plans Terminated: |  |
| Past 12 months |  |
| Past 24 months |  |

7.9.3 Have you acquired or sold any organizations in the last 24 months? If so, explain.

7.9.4 Have you relocated staff, changed computer or telephone systems in the last 12 months? Do you anticipate any major changes to your organization or structure in the next 12-24 months? If so, elaborate.

7.9.5 Indicate the number of any outstanding legal actions pending against your organization and/or owners. Explain the nature and status of the action(s). Can you assure the EUTF these actions will not disrupt business operations? Does your company, including any affiliates, subsidiaries, or principals of the company have any pending or has had any legal actions against the State of Hawaii, the EUTF Board, or any EUTF Trustee within the last five years? Explain the nature and status of the action(s).

7.9.6 Provide a disclosure of all potential conflicts of interest (e.g. brand manufacturer payments, programs that shift prescriptions to drugs that are more expensive, etc.)

**7.10 Not used**

**7.11 Drug Utilization Review**

7.11.1 It is expected that all network pharmacies will have real-time online edits. If this is not the case indicate the deviation.  For the following section, please indicate in your response if there are discrepancies between the retail pharmacy network and mail order capabilities.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DRUG UTILIZATION REVIEW** | Real Time Edit Criterion | % of Network Pharmacies that Satisfy Criterion | % of Network Pharmacies with real time, Online edits | Percent of Total Rxs Denied (Last Calendar Year) |
| Eligible Member/Dependent |  |  |  |  |
| Eligible Drug |  |  |  |  |
| Contract Price of Drug |  |  |  |  |
| Drug Interactions |  |  |  |  |
| Coordination of Benefits (COB) |  |  |  |  |
| Duplicate Prescription |  |  |  |  |
| Refill too Soon |  |  |  |  |
| Proper Dosage |  |  |  |  |
| Proper Days' Supply |  |  |  |  |
| Generic Availability |  |  |  |  |
| Patient Copayments |  |  |  |  |
| Other (List) |  |  |  |  |

7.11.2 What edits occur prospectively at point of sale (POS)? Concurrently? Retroactively?

7.11.3 What Drug Utilization Review features, capabilities, and/or processes differentiate your organization from your competitors?

7.11.4 Provide most recent quarterly book of business savings for the following programs:

|  |  |
| --- | --- |
|  | Percent |
| Concurrent DUR \_\_\_\_\_\_\_% of Total Ingredient Costs |  |
| Retrospective DUR \_\_\_\_\_\_\_% of Total Ingredient Costs |  |
| Prior Authorization \_\_\_\_\_\_\_% of Total Ingredient Costs |  |

7.11.5 Are reported savings based on an EUTF specific claim-by-claim analysis? If no, describe the savings calculation process in detail for each of the claim edit services you offer.

7.11.6 Not used

7.11.7 Provide a sample of DUR reports you produce and monitor. Are these reports made available to the EUTF at no additional cost?

7.11.8 What criteria and methodologies are used to identify and monitor high cost claimants? What programs does your company have to reduce any costs of these claims, and include a detailed explanation of the programs and any additional costs that may be associated with these programs. How will the contractor coordinate with the EUTF’s medical benefits provider?

7.11.9 Describe your pre-authorization protocols available to the EUTF. Include information on step therapies and other clinical management programs along with any additional costs for such services and credentials of the staff performing pre-authorization. What drugs or class of drugs do you recommend be pre-authorized?

7.11.10 How will you communicate innovative programs such as genetic testing or therapy-specific management centers to the EUTF?

7.11.11 Explain any financial incentives established for providers to comply with utilization management protocols or treatment benchmarks. (Include withholds, bonuses, or other arrangements.)

7.11.12 How do you guard against the filling of separate prescriptions for the same or similar drugs at different pharmacies on the same day or within 48 hours?

7.11.13 Do you evaluate the appropriateness of the prescribing physician/practitioner credentials?

7.11.14 What clinical programs do you offer that incentivize adherence? Do you have the system capabilities to offer lower cost shares for more adherent members? (e.g., if prescription is consistently filled when 75% to 100% of the prescription has been depleted, the copay is cut in half or a lower co-insurance is applied.)

7.11.15 Do you have the system capabilities for a “starter dose” program where the first few weeks of therapy do not incur a member cost share?

7.11.16 Identify which of the following edits are performed at the point-of-sale:

|  | **Performed at the Point of Sale (Yes or No)** |
| --- | --- |
| Ineligible participant |  |
| COB |  |
| Benefit maximums for certain drug types |  |
| Drug is inappropriate for the patient due to age |  |
| Drug is inappropriate for the patient due to gender |  |
| Quantity versus Time |  |
| Allergy |  |
| Incorrect AWP  or formula price |  |
| UCR input |  |
| Duplicate Rx |  |
| Refill too soon |  |
| Incorrect dosage |  |
| Rx splitting |  |
| Drug interactions |  |
| Over utilization |  |
| Under utilization |  |
| Aggregate Benefit Maximums |  |
| Possible Narcotic Abuse |  |
| Other POS Edits (provide list) |  |

**7.12 Administrative, Member & Claim Paying Services**

7.12.1 Will you agree to monthly face-to-face meetings with the EUTF, if requested, to discuss plan performance, present financial results, etc.?  What information would be shared at these meetings?

7.12.2 Will dedicated customer service representatives be assigned to this account? If so how many at the call center and at the walk-in customer service center?

7.12.3 Do customer service reps have online access to real time claim processing information?

7.12.4 For the customer service call center proposed for the EUTF provide the following for 2016:

|  |  |
| --- | --- |
|  | Response |
| Percent of calls abandoned |  |
| Percent of calls handled by live representative within 20 seconds |  |
| Average number of seconds to reach a live customer service representative |  |
| Inquiries made to service office |  |

7.12.5 Do you offer the EUTF online access to information and services via the Internet? Explain which types of information and services.

7.12.6 Can your organization send recovery letters to members who continue to use their drug card after their termination? If yes, at what cost? What do you do to respond to members who do not respond?

7.12.7 Will you survey the EUTF members annually regarding program administration satisfaction? If yes, provide an example.

7.12.8 Will one toll-free number provide coverage for the retail, mail order, and specialty program?

7.12.9 What type of automated services are available 24/7 to EUTF staff, and to EUTF members? If automated services are available, describe the type of services that are available to members and to EUTF staff.

7.12.10 How do you service members travelling internationally?  What if international stay is for an extended period (visiting semester, etc.)? Does your answer differ between Active and Non-Medicare eligible participants from Medicare eligible participants?

7.12.11 Can you provide early refills for traveling members?

7.12.12 Describe service available to the Deaf, Hard of Hearing, and Blind.

7.12.13 How do you track member complaints?

7.12.14 List the top five member complaints related to each of the retail, mail order, and the specialty pharmacy program.

7.12.15 Do you currently perform membership satisfaction surveys?  What percent of members indicated that they were “satisfied or very satisfied” with the overall program? What percent of members indicated that they were dissatisfied or very dissatisfied with the overall program?

7.12.16 Do you provide member support services for selecting and/or locating network pharmacies and formulary look-ups?

7.12.17 How are members notified of the following events? (Indicate for each below: Phone, Written Document, or Other (specify). Are these services included in the administrative fee?

|  |  |  |
| --- | --- | --- |
|  | Response | Comments |
| Plan Change |  |  |
| New Drug Additions/Formulary Changes |  |  |
| Change in Pharmacy Network Panel |  |  |
| Ineligible, Banned, or Recalled Drug |  |  |
| Generic Substitution |  |  |
| Change in medical/clinical management rules |  |  |

7.12.18 How do you remind members regarding refills and adherence? Indicate methods and frequency of interventions.

a. At mail  
b. At retail

7.12.19 How often are network pharmacy directories updated. Do you distribute these to members on a regular basis or make them available on-line?

7.12.20 What services are available to members via the Internet? Do you have a website for members? Provide details regarding capabilities (e.g., clinical resources, drug cost estimators, etc.).

7.12.21 Does your member website include network pharmacies' usual and customary (U&C) and/or contracted discounted pricing information? If so, please indicate if the pricing is real-time or how often it is updated?

7.12.22 Describe security systems and protocols in place to protect confidential patient records in storage and in transit. Is the site VIPPS certified and licensed in every state?

7.12.23 Do you have programs specifically designed for members, which will increase formulary compliance? Are these programs included in the administrative fee? Explain and include any sample member materials.

7.12.24 Can your organization produce “EOB” type statements for the members? (Should include YTD payments, deductible balances, total paid by plan costs, total paid by enrollee, etc.)

7.12.25 Describe what reporting you will provide to the EUTF regarding formulary use and member satisfaction.

7.12.26 How many sub-group levels can be captured in your claims and billing systems?

7.12.27 Do you administer medical necessity appeals? Please describe the process in detail you are proposing for EUTF. Would the appeal process be included in the proposed administrative fee?

7.12.28 How are out-of-network claims processed?

7.12.29 Does your system have the ability to identify claims for which a manufacturer copay coupon was used? If so, can your system restrict these coupons from being used?

7.12.30 Describe any reports either clinical or financial in nature that would be provided to the EUTF in order to help manage benefit costs.

7.12.31 Confirm that you agree to EUTF payment procedures as described in Section IV, *Payment to Contractor*. Please confirm that the Contractor agrees that the EUTF has twenty (20) days after receipt of invoice to pay the Contractor. What methods of payment are available (e.g., ACH, Direct Deposit, SurePay, Checks)? What exceptions are there to the standard payment terms?

7.12.32 Please confirm and describe your organization's ability to implement and report outcomes for its core clinical programs and non-core (buy-up) programs. Please confirm and describe this reporting availability for the client's account hierarchy structure.

7.12.33 Please confirm that the EUTF will have the ability to access your internal and external national benchmark data (e.g. IMS) and support inquiries from the EUTF regarding benchmark information (e.g. quarterly IMS market shares for select drug classes, IMS generic dispensing rates, etc.).

7.12.34 Please confirm your organization can provide comprehensive plan sponsor benefit description set-up documents upon request or on an ongoing basis to the EUTF. Please provide the guaranteed turn-around time for providing such requested documents. (Evidence of coverage)

7.12.35 Please provide the normal scheduled maintenance hours for the PBM’s claims system.

**7.13 Reporting Capabilities**

7.13.1 Please indicate for each report noted below whether you can provide such a report. If you can provide the requested report, please indicate the price or if the cost is included in the basic administration fee. Please indicate for each report noted below if a report can be separated by bargaining units (BU) as reported to you by the EUTF.

| Report Type | Yes/No | Cost | Frequency | Available by Sub-Group | Available in total | Separated by Bargaining Unit |
| --- | --- | --- | --- | --- | --- | --- |
| Eligibility Report which shows accuracy of updates and changes |  |  |  |  |  |  |
| Paid Claims Summary (Ingredient cost, day supply, dispensing fees, taxes, copay totals by month) |  |  |  |  |  |  |
| Detail Claim Listing (Utilization and ingredient cost by individual claimant, listing the drug name and dosage, quantity, day supply, submitted charge, allowable charge, paid) |  |  |  |  |  |  |
| Cost Sharing Report (Amounts determined to be ineligible, amounts applied to copays and coinsurance, and amounts adjusted for COB) |  |  |  |  |  |  |
| Detailed Utilization Report (# of prescriptions submitted by single source brand, multi-source brand and generic drugs, including average AWP, Ingredient cost per Rx, Dispensing fee, and average days supply) |  |  |  |  |  |  |
| Top Drug Report (detail of cost and utilization by top drug products) |  |  |  |  |  |  |
| High Amount Claimant report |  |  |  |  |  |  |
| Therapeutic Interchange Report detailing success rates and cost impacts of PBM initiated interchanges % if % or drug utilization review |  |  |  |  |  |  |
| Drug Utilization Review activity and Savings Report by type of edit) |  |  |  |  |  |  |
| Formulary Savings and Rebate report |  |  |  |  |  |  |
| Paid Claims Summary showing total number of claims, eligible charges and claim payments for each category |  |  |  |  |  |  |
| Prior Authorization and other clinical program reporting |  |  |  |  |  |  |
| Pharmacy cost and utilization reporting (includes number of patients, scripts, dollar volume) |  |  |  |  |  |  |
| Transcripts of customer service call recordings and detailed call notes upon request (please indicate how soon the report will be available after the call has occurred ) |  |  |  |  |  |  |
| Other Reports |  |  |  |  |  |  |

**7.14 Prescription Reimbursement Issues**

7.14.1 What is your proposed source for AWP data?

1: first data  
2: Medi-Span,   
3: Redbook,   
4: Other

7.14.2 How often are AWP prices updated in your adjudication system?

1: Monthly,   
2: Quarterly,   
3: Semi-annually,   
4: Annually,   
5: Other

7.14.3 What percent of your network pharmacy contracts include the “lesser of retail price, MAC price, or discounted price” provision?

1: 0 – 20%,   
2: 21 - 40%,   
3: 41 - 60%,   
4: 61 – 80%,   
5: 81 – 100%

7.14.4 How do you guarantee that members always receive this lowest price? What procedures are established to ensure that the pharmacy is in compliance with this provision?

7.14.5 Not used.

7.14.6 Explain in detail how network pharmacies’ U&C prices are captured and reported.

7.14.7 Describe the retail network pharmacy reimbursement process in detail.

7.14.8 Are there financial incentives to network pharmacies, physicians and other providers that are tied to utilization rates, compliance goals, quality of care outcomes, or other performance results? If so, explain and include any incentive-based dispensing fees, bonuses, withholds, retroactive capitations, etc.

7.14.9 Do you maintain multiple contracts with individual pharmacies at varying reimbursement rates? If yes, explain.

7.14.10 Describe any financial or other incentives you are willing to offer the EUTF based on increased Internet utilization for mail order claim submission in recognition of the inherent cost savings.

7.14.11 Do your MAC price lists vary contractually between network pharmacies? If yes, why?

7.14.12 Will the retailers provide the lower of the discounted plan cost plus dispensing fee, member cost, U&C, or retail price for plan adjudication?

7.14.13 Explain in detail the process you propose regarding the EUTF verification of drug manufacturer revenue transparency.

7.14.14 Define your electronic process for determining a product's brand or generic status for both retail and mail order claims using First DataBank and/or Medi-Span definitions.

7.14.15 How often are your retail network provider contracts renegotiated?

1: Annually,   
2: Every two years,   
3: Every 3 to 5 years,   
4: Other

7.14.16 Is it possible for a retail pharmacy to submit NDC numbers for adjudication that contain AWP prices designed to maximize their discounted ingredient costs?

7.14.17 How do you ensure that submitted NDCs at retail are indicative of pharmacy drug purchasing patterns?

7.14.18 Does your organization share in any financial remuneration that retail pharmacies receive from drug manufacturers or other sources?

7.14.19 Specify if you are able to readily provide a detailed listing of all of the various ingredients that are included in multi-ingredient compound claims and confirm multi-ingredient compounds can take a specified cost-share.

7.14.20 Do you have the capabilities to capture and support cost share tiers based on diagnosis codes (ICDs) as well as associated claims reporting.

7.14.21 Complete the following table indicating the amount that would be collected from the participant for each prescription claim scenario (copays are illustrative).

| **Rx Cost** | Scenario 1 (Retail) | Scenario 2 (Retail) | Scenario 3 (Mail Order) | Scenario 4 (Mail Order) |
| --- | --- | --- | --- | --- |
| Ing.  Cost plus Disp. Fee plus Sales Tax | *$9.00* | *$9.00* | *$22.00* | *$22.00* |
| Copay/Coinsurance | *$10.00* | *$5.00* | *$35.00* | *$5.00* |
| U&C | *$25.00* | *$25.00* | *$55.00* | *$55.00* |
| Amount Collected from Participant |  |  |  |  |
| Amount Charged to the EUTF |  |  |  |  |

7.14.22 Confirm you will be able to provide integration assistance to EUTF to help track PPACA required copayments for member out-of-pocket maximums and it is included in your proposed administrative fee? If so, is there an additional charge associated with this?

**7.15 Network Management & Quality Assessment**

7.15.1 Complete the following table. Check off those elements that are included in your pharmacy selection process and provide the percentage of pharmacies that satisfy the following selection criteria elements.

|  | **Standard Selection Criterion** | **Percent of Pharmacies that Satisfy Criteria** | **Comments** |
| --- | --- | --- | --- |
| a.    Require unrestricted licensure |  |  |  |
| b.    Review malpractice coverage and history |  |  |  |
| c.    Require full disclosure of current litigation and other disciplinary activity |  |  |  |
| d.    Require signed application/agreement |  |  |  |
| e.    Require current DEA registration |  |  |  |
| f.     On-site review of pharmacy location and appearance |  |  |  |
| g.    Review hours of operation and capacity of network pharmacies to handle the added volume the EUTF would generate |  |  |  |
| h.    On-site electronic access to patient data |  |  |  |

7.15.2 Describe the general credentialing and re-credentialing process and minimum criteria for selecting a network pharmacy. Include the minimum required malpractice coverage per individual practitioner, or group. If the process differs by type of pharmacy (i.e., independent vs. chains), indicate and describe separately. Provide the number of years that a pharmacy contract is in effect.

7.15.3 Describe any incentives or programs in place with providers designed to increase generic dispensing and formulary compliance. Explain in detail.

7.15.4 Describe the process in place to ensure that the EUTF is credited for prescriptions filled but not obtained (Return to Stock situations).

7.15.5 What procedures are established to ensure that network pharmacies are in compliance with negotiated MAC provisions and prices?

7.15.6 Not used.

7.15.7 Provide the total number of pharmacies included in your proposed pharmacy network.

7.15.8 Summarize the quality assurance programs your organization presently has in place and list the most important actions these programs have taken in the past year to improve performance.

7.15.9 Do you monitor individual physician prescribing patterns? If so, what action is taken with prescribers who have a high degree of non-compliance or outlier prescribing? Will you agree to exchange this data with the medical carriers at no cost to the EUTF.

7.15.10 If you provide mail order benefits through a third party, explain any audit procedures in place to ensure proper dispensing and pricing practice adherence.

7.15.11 What safeguards exist for preventing breaches in patient confidentiality with regard to pharmacy/medical claims information?

7.15.12 Will you guarantee that the EUTF will be charged the generic price and the enrollee is charged the generic copay if a generic is out of stock?

7.15.13 How do you capture pharmacy errors? List the top 5 reasons for errors (e.g., wrong dosage).

7.15.14 Will your company agree to sign the BAA attached as Exhibit F to this RFP?

7.15.15 Are the retail and mail order network contracts solely owned and operated by your organization?

7.15.16 Does your organization own any network pharmacies, including mail and/or specialty?

7.15.17 Will the EUTF receive an 180 day notice, when possible, of any event or negotiation that may cause a disruption in the retail pharmacy network access?

7.15.18 Please provide network disruption analysis and indicate number of pharmacies and prescriptions disrupted.

7.15.19 Complete the following table, listing the total number of network dispensing facility locations by Island. Only include network dispensing facilities.

| **Island**  **List Number by Island** | **Oahu** | **Maui** | **Hawaii** | **Kauai** | **Lanai** | **Molokai** |
| --- | --- | --- | --- | --- | --- | --- |
| Network Dispensing Facilities |  |  |  |  |  |  |

7.15.20 Do you currently have a mail order fulfillment center located in the State? If you do not have a fulfillment center located in the State, do you agree to establish such a facility, to be fully operational by January 1, 2018?

**7.16 Formulary Management & Rebates**

7.16.1 Do you receive formulary rebates from manufacturers of generic drugs? If yes, confirm that these will be paid to the EUTF?

7.16.2 If you require a formulary management fee, indicate amount or percentage proposed. Other than these fees, do you guarantee that 100% of all rebates collected be passed through to the EUTF?

7.16.3 Describe how your preferred drug list is established.  Include how specific drugs are selected and how often your P&T Committee meets.

7.16.4 Are any P&T Committee enrollees employed by or under contract with any drug manufacturers? Are any P&T enrollees directly employed by your organization?

7.16.5 Can you support custom changes to the preferred drug list at the request of the EUTF?

7.16.6 How many different standard preferred drug lists do you presently support? What is the average size of groups with custom preferred drug lists? What is the total enrollment count with custom preferred drug lists?

7.16.7 How many custom preferred drug lists do you presently support?

7.16.8 Will you guarantee that any preferred drug lists switches which are not economically advantageous to the EUTF on an ingredient cost basis will be reported and reimbursed to the EUTF on a dollar-for-dollar basis using the least expensive, therapeutically equivalent alternative drug as the basis for reimbursement?

7.16.9 Can the EUTF be given the ability to authorize non-formulary overrides directly?

7.16.10 What percent of all available brand drugs are excluded from your formulary and/or preferred drug listing (based on total number of Rx dispensed for plans with an open formulary)?

7.16.11 Are any generic drugs considered “non-preferred” on your proposed formulary (i.e., subject to the “non-preferred” copay)? If yes, please describe in detail and provide examples.

7.16.12 Please provide the percentage of non-formulary brand drugs that have a generic equivalent.

7.16.13 What percent of all available brand drugs are non-preferred (not on your preferred drug list)?

7.16.14 Do you have a Formulary Grievance Process in place to address member concerns regarding preferred drug list alternatives? If yes, explain this process in detail.

7.16.15 Do you have the capabilities to have a specified cost-share for Multi-Source Brand drugs regardless of formulary status? (e.g., 75% co-insurance for all multi-source brands). Specify if there are system limitations where formulary coding supersedes any specific cost share coding specified for multi-source brands.

7.16.16 Do you have the capabilities to support a turn-key value-based benefit design or evidence-based benefit design? Specify the therapeutic classes that would be targeted.

7.16.17 How do you adjudicate vaccine claims with or without the associated administration charges from the pharmacy? Specify if there are any limitations (e.g., specific vaccines, need for supplemental pharmacy network, etc.).

7.16.18 For the EUTF’s top 100 retail brand prescriptions by cost during January 1, 2018 through July 31, 2019, please indicate whether each brand drug will be considered “preferred” or “non-preferred.”

Please make sure that you answer "Yes" for only those situations where the exact drug listed is considered “preferred.” For example, if Flonase is listed and is not considered “preferred” on your proposed formulary, then you should answer "No", even though the generic equivalent may be considered “preferred”. You should only answer "Yes" if the brand Flonase is considered “preferred”.

7.16.19 For the EUTF’s top 100 mail brand prescriptions by cost during January 1, 2018 through July 31, 2019, please indicate whether each brand drug will be considered “preferred” or “non-preferred.”

Please make sure that you answer "Yes" for only those situations where the exact drug listed is considered “preferred.”  For example, if Flonase is listed and is not considered “preferred” on your proposed formulary, then you should answer "No", even though the generic equivalent may be considered “preferred”. You should only answer "Yes" if the brand Flonase is considered “preferred”.

7.16.20 Based on the EUTF's detailed claim-by-claim prescription drug data during January 1, 2018 through July 31, 2019, please indicate what percent of retail and mail generic and brand prescriptions are currently considered “preferred” on your proposed formulary:

|  |  |  |
| --- | --- | --- |
|  | **Retail** | **Mail** |
| Preferred Generics as a Percent of all Generics: |  |  |
| Preferred Brands as a Percent of all Brands: |  |  |

**7.17 Mail Order Program**

7.17.1 Not used.

7.17.2 Does your organization own the mail service facility? If this is a subcontractor, please indicate the subcontractor name.

7.17.3 Describe the process for ordering prescriptions by mail and include a sample envelope.

7.17.4 Describe your process for ordering refills by mail, phone, fax, and the Internet. What percentages of refills are currently received by mail, phone, fax, and Internet?

|  |  |
| --- | --- |
|  | Response |
| Mail |  |
| Phone |  |
| Fax |  |
| Internet |  |

7.17.5 How far in advance may participants order a refill on a 90-day supply prescription?

1: 90 days in advance   
2: 60-89 days in advance   
3: 30-59 days in advance   
4: less than 30 days in advance   
5: Other

7.17.6 Describe your process of filling/ordering prescriptions, refills, and split-prescriptions. Do you have an automatic refill process with a standard refill-too-soon threshold? Are you able to send email reminders for refills? Include an explanation of how you fulfill prescriptions for drugs that need refrigeration particularly with respect to residents that may be in rural communities in the State.

7.17.7 Will you agree that all mail order discount guarantees will be based on lowest listed NDC level AWP cost? If not, state your suggested pricing basis.

7.17.8 Will mail order pricing apply to all Rxs dispensed through mail order facilities?

7.17.9 How many calendar days advanced notice must a member provide in order to guarantee that their supply is received before the existing supply is depleted?

1: Less than 7 days   
2: 7-9 days   
3: 10-14 days   
4: Greater than 14 days

7.17.10 What is the average time in calendar days between receipt of claim and delivery to patient (include delivery time)? When a Hawaii facility is used? When a non-Hawaii facility is used?

7.17.11 Can you provide a system edit to facilitate physician outreach in order to avoid partial fills? Explain.

7.17.12 Will the EUTF not be charged for uncollected mail order cost share amounts?

7.17.13 Does your organization, or your associated facilities, repackage drug products for use in filling mail order prescriptions? If yes, does the AWP for repackaged drugs match the AWP of the same package size of the source labeler? If not, describe how you establish the AWP for your repackaged NDCs.

7.17.14 Describe your policy on too-early refills and emergency supplies. Outline your process for prescriptions which are ordered prior to the first available refill date.

7.17.15 Using the table below, provide the mail order performance statistics, over the past three years, for the facility being proposed:

|  | **2016** | **2017** | **2018** |
| --- | --- | --- | --- |
| a. Mail Facility Name |  |  |  |
| b. Total number of prescriptions dispensed |  |  |  |
| c. Utilization as a percent (%) of capacity |  |  |  |
| d. Average turn-around time (no intervention required) |  |  |  |
| e. Average turn-around time (intervention required) |  |  |  |
| f. Average Generic Dispensing Rate for all clients utilizing facility |  |  |  |
| g. Average Generic Substitution Rate for all clients utilizing facility |  |  |  |

7.17.16 Explain the process for providing members with a short-term retail prescription supply in the case of delayed delivery of their mail order prescription.

7.17.17 How are members notified when a mail order prescription is delayed due to the following circumstances?

|  |  |
| --- | --- |
|  | Response |
| A prescription requiring clarification from the physician or physician’s agent (e.g., missing quantity, illegible drug name). |  |
| A clean prescription where the delay is due to operational, capacity, or drug supply issues. |  |
| A clean prescription where the delay is a result of a therapeutic switch intervention. |  |
| Weather or natural disaster |  |
| Other |  |

7.17.18 Describe your quality controls to ensure accurate dispensing of prescriptions. How many levels of review take place and who conducts the reviews?

7.17.19 Describe online integration, if any, with retail pharmacies to ensure non-duplication and to identify potential adverse interaction.

7.17.20 What are your contingency plans and procedures for providing backup service in the event of strike, natural disaster, or backlog?

7.17.21 How often do you switch generic manufacturers for particular products? How are participants notified of the switch?

7.17.22 How often are therapeutic interchanges performed at mail order, if at all? If so, please explain applicable drug products and rationale.

7.17.23 Are on-site audits performed at your mail service pharmacies? Describe the frequency and types of audits performed and by whom.

7.17.24 Describe the process for notifying members of prescriptions not on the formulary.

7.17.25 Describe the process for notifying members of the expiration date of their prescription.

7.17.26 Describe the process for notifying members of their next refill date and the number of refills remaining.

7.17.27 Describe your system of providing patient-advisory information with prescriptions filled.

7.17.28 What percentage of prescriptions receives a patient-information supplement?

1: 0 to 20%,   
2: 21 to 40%,   
3: 41 to 60%,   
4: 61 to 80%,   
5: 81 to 100%

7.17.29 When do you bill the patient?

1: Before the prescription is filled,   
2: After the prescription is filled

7.17.30 How do you provide notification of a product recall (such as Vioxx) to the EUTF and members?

7.17.31 How do you handle the following situations?

|  |  |
| --- | --- |
|  | Response |
| a. No co-pay included in envelope |  |
| b. Bounced check from patient |  |
| c. Terminated/not authorized credit card |  |

7.17.32 Please indicate your mail order pharmacies' usage, if any, of DAW 5 for processing claims. Which drug products are assigned DAW 5 codes? Please describe your DAW 5 processing protocol and rationale.

7.17.33 Please describe any additional service or value benefits provided by your mail order service pharmacies.

7.17.34 Please indicate what payment method options exist for members at your mail order facility. (Please specify: Visa, MasterCard, Check, American Express, Debit Cards, Cash, etc.)

7.17.35Will you agree to hold EUTF harmless for any claims resulting from dispensing errors from mail order fulfillment?

7.17.36 Will you agree to the Point of Sale coordination with other pharmacy benefit plans such that members’ out of pocket cost is the net result of the coordination of benefit plans?

7.17.37 Please describe how contactor will mail refrigerated medications.

**7.18 Specialty Pharmacy Program**

7.18.1 Explain any programs offered by your organization designed to encourage appropriate utilization of specialty drug products.

7.18.2 Not used.

7.18.3 Detail any disease and therapy management programs you offer (include steps and costs). Indicate whether these are included in your base administrative fee.

7.18.4 Identify how many members you currently manage as well as the total number of Rxs dispensed for the same disease states noted in 3 above.

7.18.5 Explain the formulary decision and drug selection process as it pertains to specialty drugs.

7.18.6 Please confirm your organization can support a specialty cost share tier for select plan designs.

7.18.7 Will a member incur any additional costs for the delivery of specialty drugs? If so, outline all billing/payment methods and all associated costs.

7.18.8 Confirm that members will continue to be able to receive specialty Rxs dispensed at retail pharmacies.

7.18.9 Please describe your organization's ability to limit specialty medication utilization to 30 days' supply per month.

7.18.10 What differentiates your company and capabilities from other specialty drug vendors in a very competitive industry?

7.18.11 Explain your side-effect counseling process. To which drugs and conditions does this process apply?

7.18.12 Does your organization currently engage in outcomes reporting? Explain.

7.18.13 Do you currently have a specialty/biotech drug P&T Committee? If yes, explain the role, function, and structure and how it differs from your traditional P&T Committee.

7.18.14 Do you agree to include a contract provision enabling the EUTF to “carve-out” specialty drug services annually without impact to non-specialty contractual provisions, terms, and pricing?

7.18.15 EUTF’s **medical** plan currently pays for specialty drugs administered in a hospital setting, including outpatient hospital clinics, and EUTF’s **prescription drug** plan pays for specialty drugs administered in a home setting or physician’s office. Confirm that you are able to accommodate this arrangement. Please consider in your answer full compliance with Act 226, SLH 2013 and the prohibition of exclusive specialty drug dispensing.

7.18.16 Provide the customer and enrollee service operation hours of your specialty pharmacy program.

7.18.17 Please describe any additional service or value benefits provided by your specialty drug pharmacies (e.g. sharps disposal units at no cost upon request for injectable drug users, research of financial assistance options that may be available for members who request it, etc.)

7.18.18 Please indicate what payment method options exist for members at your specialty facility. (Please specify: Visa, MasterCard, Check, American Express, Debit Cards, Cash, etc.)

**7.19 Medicare Part D - Employer Group Waiver Plan (EGWP)**

The objective of the EGWP portion of this RFP is to solicit competitive proposals from qualified bidders that will offer high quality, cost effective prescription drug benefits programs for EGWP with Wrap to the EUTF’s Medicare-eligible members. The EUTF requires matching the existing plan design and incurring minimal disruption to the current drug formulary and pharmacy network.

7.19.1 Do you maintain a Center for Medicare and Medicaid Services (CMS) approved prescription drug Medicare Part D plan in the form of an Employer Group Waiver Plan (EGWP)? Bidders must describe all of the following:

7.19.2 Verify that you are able to duplicate the current retiree plan design. Please describe any exceptions.

7.19.3 Describe your capabilities to provide a secondary commercial wrap benefit to the EGWP in order to maximize the pharmaceutical manufacturers coverage gap discount program (CGDP).

7.19.4 Verify that your P&T Committee meets CMS' requirements for objectivity and validity.

7.19.5 Please provide an NDC-level, copy of your Medicare Part D formulary in a Microsoft Excel format that includes formulary indicators.

7.19.6 Confirm that you will provide all CMS required filings related to formulary, medication therapy management (MTM), and other clinical programs on a timely basis.

7.19.7 How many group EGWP contracts do you presently insure or administer? Please provide the number of lives covered for each of the top 10 largest clients.

7.19.8 Confirm that you will provide all CMS required filings related to certification of compliance to all waste, fraud, and abuse requirements.

7.19.9 Confirm you provide a pharmacy network per CMS requirements by providing a GeoAccess report.

7.19.10 Confirm you will coordinate benefits with Medicare at point-of-sale to ensure members receive benefits seamlessly. Confirm you will also coordinate benefits non-EUTF plans for active employees and non-Medicare retirees at point-of-sale to ensure members receive benefits seamlessly.

7.19.11 Confirm you will apply the required brand and generic Pharma discount for Part D applicable drugs at point-of-sale.

7.19.12 Confirm that you will provide all CMS-required member communications and that this is included in your base administrative fee.

7.19.13 Confirm that the EUTF will have the ability to customize member communications at no additional charge when permitted by CMS, unless restricted by federal law.

7.19.14 Not used.

7.19.15 Describe the transition process you will utilize for members who are currently using non-formulary prescription drugs, drugs requiring prior authorization, step therapy, and quantity level limits.

7.19.16 Describe the enrollment/disenrollment process and include detail regarding the timing of when enrollment/disenrollment changes go into effect. The EUTF rules for termination are contained in the EUTF Administrative Rules, Exhibit C, of the plan. The EUTF allows for the retroactive termination of enrollment even though CMS only permits prospective termination. Note: EUTF does not normally cancel/terminate Medicare retirees prospectively. How do you handle the CMS required “opt hold” period such that there is the least amount of benefit disruption to the member if the EUTF notifies you retroactively within 30days of Medicare enrollment?

7.19.17 Confirm that you will provide separate reporting and billing for the EGWP group.

7.19.18 Confirm that you will mirror the current retiree plan design as closely as possible consistent with CMS regulation. Please provide a description of any deviations from the current plan design.

7.19.19 Not used.

7.19.20 Describe how you will handle the following scenario so that the retiree has no disruption in coverage: On 1/7/21, EUTF notifies you, via an 834 file, that a non-Medicare retiree became Medicare Part B eligible on 1/1/21 (retiree will need to be moved from the non-Medicare commercial plan to the EGWP plan).

7.19.21 Describe how you will handle the following: The EGWP 834 file shows that on 1/1/21 a new Medicare retiree enrolls in plans with a non-Medicare spouse. Does your system have the capability to cover the Medicare retiree in the EGWP plan and the non-Medicare spouse in the commercial plan (even though the non-Medicare spouse does not show up on the Commercial 834 file)? Note: The EUTF benefits administration system always reports the dependent with the retiree.

7.19.22 Confirm you will process low-income premium subsidy refunds to members and the EUTF as well as low-income cost sharing refund requests to the members.

7.19.23 Are there any charges for CMS required services that are not included in the EGWP base administrative fee? Please list each service and associated charge separately.

7.19.24 Please provide the current CMS Star Rating for your EGWP plan.

7.19.25 Please provide the CMS Star Ratings for your EGWP plan for each of the past 3 years.

7.19.26 Describe any corrective action you have incorporated in the past 3 years to improve CMS Star Ratings.

7.19.27 Please complete the table below.

| **EMPLOYER GROUP WAIVER PLAN** | **VENDOR RESPONSE** |
| --- | --- |
| 1. Do you agree to provide the following services under the EGWP Plan? Are the services included in your base administrative fee? |  |
| * Collect and validate Medicare HICN |  |
| * Research and resolve enrollment errors |  |
| * Medication Therapy Management (MTM) Program |  |
| * Monitor and track all changes made by CMS |  |
| * Enrollment modifications resulting in Low-Income assistance as granted or removed by CMS |  |
| * Benefit Consultation and Actuarial Equivalence validation |  |
| * Fraud, Waste and Abuse Program |  |
| * Grievance, Appeals, and coverage determination – investigate and resolve complaints from the CMS Complaint Tracking Module |  |
| * Full enrollment reports (accepted, rejected, or CMS changes) |  |
| * Evidence of Coverage (EOC)/ID Card/Abridged Formulary/Pharmacy Directory |  |
| * Annual Notices of Changes/EOC |  |
| * Low-Income Subsidy (LIS) Rider |  |
| * LIS premium refunds directly to low-income retirees |  |
| * Transition Letters |  |
| * Explanation of Benefits (Monthly) |  |
| * Receive and reconcile CMS Direct Subsidy (paid – 45 days after receipt), LIS, LICS, (Paid at time of reconciliation) and Catastrophic Payments (paid at time of reconciliation) |  |
| * Reconcile LIS eligibility with CMS on a monthly basis |  |
| * Manage TrOOP |  |
| * Collect late enrollment penalties and remit to CMS. |  |

7.19.28 How will the EUTF members be notified of the following events? (phone, written document, other)

|  |  |
| --- | --- |
| **Event** |  |
| Plan change |  |
| New Drug Additions/Formulary changes |  |
| Change in Pharmacy Network |  |
| Ineligible, Banned, or Recalled Drug |  |
| Approaching True Out of Pocket Limit |  |
| Generic substitution |  |