

STATE OF ALASKA
Department of Administration
Division of Retirement and Benefits



PHARMACY BENEFIT MANAGEMENT (PBM) SERVICES

RFP 180000053

Amendment #1

February 9, 2018

This amendment is being issued to answer questions submitted by potential offerors and to provide additional important information. In addition to adhering to any changes made to the RFP by this amendment, offerors must use Submittal For A – Offeror Information to acknowledge this amendment.

A handwritten signature in blue ink that reads "Jason Grove".

Jason Grove, CPPB

Contracting Officer

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Questions submitted by potential offerors and answers from the state:

Question 1: Our company is interesting in responding to your RFP and feel we can offer some solutions and cost savings for the state, however we do not meet the following RFP requirements:

Confirm your organization is contracted directly with CMS to provide an enhanced EGWP and subcontractors will not be used to provide any enhanced EGWP services to the state.

Confirm your organization has at least 3 million covered lives across your pharmacy benefit management book of business.

We do not have 3,000,000 million lives under management. We are slightly under a million currently. However, our company does have the talent, depth and breadth of knowledge to be able to provide excellent service to your membership. We are owned by a publicly traded company and

have multiple years of experience in servicing and providing proven cost savings strategies to support pharmacy benefit plans across the nation. We would respectfully request that the RFP is modified to remove this requirement or change the threshold to a lower value such as 500,000.

The second requirement we do not currently meet is the direct contract with CMS for an EGWP. We currently provide subcontractor services for multiple MA-PD plans across the nation and have provided these services since 2006. We also support several directly contracted EGWPs that the company themselves has a direct contract with CMS. We have assisted the plan in submitting the application and all filing requirements in these situations, and can offer subcontractor services. We feel that our 12 plus years of experience will greatly benefit your plan, and would respectfully request that the criteria is changed to allow for experience in supporting a EGWP plan to meet the requirements versus holding a direct contract.

Alternatively, if the above two considerations are not allowed we would like to be allowed to submit a proposal to be a Specialty Benefit Manager for your plan's Specialty Drug spend. Our company and our parent have decades of experience in managing specialty medications and would respectfully request the opportunity to provide a Specialty Benefit Manager proposal to the state.

Answer: It is imperative that our pharmacy benefit manager have the depth and breadth of expertise, experience and resources associated with a sizable book of business. Our plan's membership is diverse and can be demanding. However, upon further consideration, we believe that a bidder with a book of business of at least 2,500,000 will possess these critical characteristics. This requirement has been updated in Submittal Form F – Mandatory Requirements.

Due to the size of the AlaskaCare Medicare membership and the diverse and complex nature of their individual circumstances, it is imperative that the primary contractor have a direct relationship with CMS. Our program provides retiree health care to every employee that retires from one of the 200 participating public entities in the State of Alaska, many of whom move to, or spend considerable time outside of Alaska in retirement. It is imperative that our pharmacy benefit manager have the stability and flexibility associated with a direct CMS relationship.

Regarding the request to provide a Specialty Benefit Manager proposal to the state, the offeror must be able provide the full of range of services required by the RFP. Alternative proposals for this RFP are not permitted.

Question 2: Regarding the RFP Results – Financial document, will the state score the PBM bidders for the two prescription drug plans on a combined or separate scoring basis?

Answer: Segal will analyze the Commercial and EGWP plans (Submittal Form K) separately and then combine to produce the total costs as indicated in the RFP Results – Financial document. The contracting officer will then award the maximum points for cost (500) to the offeror with the lowest total costs. The other offerors will be awarded points using the formula set out in Section 5.10 of the RFP.

Question 3: Will the state allow a vendor to provide PBM services for only one of the two prescription drug plans (Commercial plan and EGWP plan?).

Answer: No. The vendor will need to provide PBM services for both plans.

Question 4: Section 3.13 of the RFP says that “subcontractor experience shall not be considered in determining whether the offeror meets the requirements set forth in Submittal Form F – Mandatory Requirements.” Would you be able to elaborate on the reason for and objective of this requirement? Is 3.13 absolute, meaning absolutely none of the mandatory requirements can be fulfilled by a subcontractor only?

Answer: The objective of this requirement is to fulfill the state’s reasonable and legitimate business need to hold the PBM services provider directly accountable for their performance during the course of the contract. Section 3.13 will not be changed. The RFP does allow for joint ventures.

Question 5: Will the chosen PBM administrator be allowed to bid on the SOA Medical RFP? Or the Travel Benefit RFP?

Answer: In general, vendors are allowed to submit bids on any State of Alaska solicitation. All bids are evaluated for responsiveness prior to being evaluated further.

Question 6: What is the reasoning behind each of the mandatory requirements in Form F? How much flexibility is allowed in meeting these requirements? If a bidder's score on Form F is Fail, will the rest of the offeror's bid still be evaluated?

Answer: The mandatory requirements in Submittal Form F are to ensure the state’s business needs and customer expectations are met. If an offeror does not meet all of the mandatory requirements, their proposal will be deemed non-responsive and their proposal will not be evaluated.

Question 7: Can offerors include bold or italic text, bullet points, colored text, charts, etc. in their response to Submittal Forms B to help differentiate different sections and ideas?

Answer: Yes, as long as the page limits are not exceeded.

Question 8: Submittal Form C (both the controllable and uncontrollable Risk templates) has five blanks for Risks. Are vendors required to provide exactly five of each risk, or can they provide more or less risks, assuming they are within the two page limit? Further, can you confirm the two page limit is for all the risks combined (i.e. two pages for all controllable risks and two pages for all uncontrollable risks)?

Answer: Offerors may list as few or as many risks as they want, as long as the page limits are not exceeded. Controllable risks are limited to two pages and non-controllable risks are limited to two pages.

Question 9: Can you confirm offerors should break out Submittal Forms A through J into separate documents? (i.e. not keep them all in one combined Word document like they were issued)?

Answer: Offerors may submit the documents combined or separate. In either case, the state does recommend submitting in one email if possible.

Question 10: Can you confirm that electronic signatures are acceptable for Submittal Form A and Submittal Form E, since the proposal is to be emailed?

Answer: While proposals are being submitted electronically, signatures on the Submittal Forms must either be handwritten or handwritten but digitally captured.

Question 11: Can you provide a copy of the reporting template that the state references in Sec. 6.02, or would this be something created during the Clarification Period?

Answer: This is something that will be created during the Clarification Period. The report format, content, and frequency may also be adjusted as a result of discussion between the state and the offeror.

Question 12: Does the state require copies of our Alaska Business License and/or any other associated items discuss in Sec 7.01 with our proposal submittal, or are we just required to have these on file?

Answer: Any of the forms of evidence of an Alaska Business License that are listed in Sec. 7.01 are acceptable and can be submitted with your proposal. However, a row in Submittal Form A has been added for the offeror to provide their Alaska Business License number and that is all that needs to be provided. Note that if you do not have an Alaska Business License, that must be obtained prior to contract award. If the offeror is claiming any Alaska preferences, the business license must be obtained prior to the deadline for receipt of proposals and the business license number should be included in Submittal Form A. The offeror should also complete the Alaska Preferences section of Submittal Form A.

Question 13: Can you confirm that drafts of the items discussed in Section 5.20 Clarification Period do not need to be submitted with the proposal response?

Answer: Correct. These are items that will be addressed in the Clarification Period.

Question 14: Will the state accept a cover letter and/or executive summary with our proposal response, or are we just to submit the Proposal Forms?

Answer: A cover letter and/or executive summary is acceptable, however, any documents or forms submitted outside of those specified in the RFP will not be reviewed or evaluated by the state.

Question 15: Regarding Sec. 7.08 (Disclosure of Proposal Contents), should bidders include the list of items (and corresponding reasoning) that they deem Trade Secret and/or Proprietary as a separate document?

Answer: Yes, a list of items and reasons should be included. The offeror may also highlight the specific areas in the proposal to correspond with the list of items.

Question 16: Can the state please elaborate on what it means by “take the member out of the middle?”

Answer: The state is seeking a vendor that can provide customer service in a manner that results in the least amount of effort by the member to coordinate or resolve pharmacy claims issues or concerns across vendors, prescribers, and pharmacists.

Question 17: What are the data points that need to be shared with the incumbent during the transition? Does this data need to be shared daily, weekly, or monthly?

Answer: These are items that will be addressed in the Clarification Period.

Question 18: Can the state provide more specific information about what these three dollar amount items in Submittal Form G - Contractual Requirements would be used for:

1. Implementation Credit in Section 10 - Item 1,
2. Pre-Implementation Audit Allowance in Section 10 - Item 2
3. Procurement Allotment of \$175,000 in Section 10 - Item 4

Answer: The items will assist in defraying any state costs associated with the implementation of the pharmacy benefit manager services contract.

Question 19: Given the very short timeframe to analyze the claims data/census data and then formulate the most attractive strategies for the state, we respectfully ask the state to consider an extension of the due date.

Answer: The deadline for receipt of proposals is extended until **2:00 p.m.**, Alaska Time, on **March 9, 2018**.

Changes to the RFP

Note the extension to the deadline for receipt of proposals. Revise the RFP Schedule as follows:

ACTIVITY	TIME	DATE
Issue Date / Draft RFP Released		1/22/18
Educational Meeting	10:00 am	1/29/18
Draft RFP Period Ends		2/1//18
Pre-Proposal Conference and Second Educational Meeting	2:00 pm	2/6/18
Deadline to Submit Questions	4:30 pm	2/27/18
Deadline for Receipt of Proposals / Proposal Due Date	2:00 pm	3/9/18
Initial Evaluations and Proposal Analysis		3/12/18
Present Financial Analysis (Segal) to Procurement		4/6/18
Present Proposal Analysis (Segal) to State		4/6/18
Shortlisting (optional)		4/9/18
Interviews	TBD	4/16/18
Clarification Period Begins		4/18/18
Notice of Intent to Award		5/31/18
Contract Issued		6/11/18
Start Date		6/12/18

Section 3.02 Goals and Objectives

This section is **deleted** and **replaced** with the following (eliminating repetitive bullet and minor language changes):

The critical goals and objectives of these services are:

- Providing high-quality, exceptional customer service that will “take the member out of the middle.”
- Providing fiscally sustainable, high-quality benefits.
- Providing transparency in pricing and fees structures.
- Ensuring the use of evidence-based guidelines in clinical determinations.
- Strong support and demonstrated flexibility to support plan changes or initiatives including implementation of a Medicare Part D enhanced EGWP.
- Providing high accuracy in claims processing.
- Demonstrated ability to manage drug mix with an emphasis on specialty drug management, formulary management and generic drug utilization (ability to identify, dispense and track utilization of authorized generics).
- Supporting the state in identifying, recommending and implementing innovative quality-oriented claims administration processes and procedures to achieve state objectives, reduce costs, and improve quality of service.
- Providing effective tools and resources to support members in managing their health.
- Providing seamless implementation for state and its members.
- Coordinating clinical management with the medical administrator, wellness and disease management vendor, and any other vendor or administrator contracted by the state.
- Increased transparency and communication around MAC pricing.
- Making real-time benefit coverage determinations for Part B and Part D drugs to ensure timely routing to the appropriate payor.
- Exploring innovative specialty management strategies without limitations such as an exclusive network.

- Implementing network management strategies with aggressive pricing, without restriction of the network.
- Enhanced EGWP expertise and capabilities to deal with complex member issues.

Delete the word “Past” from Submittal Form E. The document is now titled “Performance Qualifications” and is included on the state’s Online Public Notice website along with the RFP and this amendment. The main RFP document has also been updated to remove the word past from Section 4.07. Offeror clients may be current clients.

Section 4.14 Intent to Propose and Non-Disclosure Agreement

The non-disclosure agreement has been revised and is posted on the state’s Online Public Notice website along with the RFP and this amendment. If you have already submitted this paperwork, please resubmit (the intent to propose portion of the form does not need to be resubmitted).

Section 5.02 Summary of Evaluation Process

Delete number 6) of Section 5.02 and replace with the following:

6) After independent scoring, the PEC will have a meeting, chaired by the contracting officer, where the PEC will have a group discussion prior to finalizing their scores. Prior to the meeting, Segal will analyze the proposals, GeoAccess Analysis, and Network Disruption Analysis, and present their analysis in writing to the contracting officer. This analysis will also be anonymous and will be reviewed by the contracting officer to ensure anonymity prior to sending to the PEC for the group meeting. The PEC may take the analysis into consideration prior to finalizing their scores. Segal may also participate in the PEC meeting but will not provide any identifying information in any discussions with PEC members prior to the PEC members finalizing their scores.

Section 5.03 Evaluation Criteria

The technical evaluation criteria is revised as follows:

Qualifications Criteria		Weight
Service Approach – Network Plan (Commercial and EGWP)	(Submittal Form B)	50
Service Approach – Customer & Member Support	(Submittal Form B)	25
Service Approach – Medicare Part D Enhanced EGWP	(Submittal Form B)	20
Risk Assessment Plan	(Submittal Form C)	100
Value Opportunity Assessment	(Submittal Form D)	75
Performance Qualifications	(Submittal Form E)	10
Interviews – Account Manager		30
Interviews – Implementation Manager		30
Interviews – Clinical Pharmacist		30
Interviews – Member Services Manager		30

Submittal Form A: Add a line for an Alaska Business License number. Note that if you do not have an Alaska Business License and are not claiming any Alaska preferences, Alaska Business License information does not need to be included in your proposal, but an Alaska Business License will be required prior to contract award. If you are claiming any Alaska preferences, your Alaska Business License number should be included on Submittal Form A and you should complete the Alaska Preferences section of Submittal Form A.

The updated Submittal Form A is posted on the state's Online Public Notice website along with the RFP and this amendment.

End of Amendment #1