

STATE OF ALASKA REQUEST FOR PROPOSALS



PHARMACY BENEFIT MANAGER SERVICES RFP 2025-0200-0177 / 02-101-25

ISSUED OCTOBER 16, 2025

THE DEPARTMENT OF ADMINISTRATION, DIVISION OF RETIREMENT AND BENEFITS,
IS SOLICITING PROPOSALS FOR PHARMACY BENEFIT MANAGER SERVICES
TO ASSIST IN THE ADMINISTRATION OF THE ALASKACARE HEALTH PLANS

ISSUED BY:

DEPARTMENT OF ADMINISTRATION
OFFICE OF PROCUREMENT AND PROPERTY
MANAGEMENT

PRIMARY CONTACT:

LISA TROMBI
PROCUREMENT SPECIALIST
DOA.OPPM.PROCUREMENT@ALASKA.GOV

OFFERORS ARE NOT REQUIRED TO RETURN THIS FORM.

IMPORTANT NOTICE: IF YOU RECEIVED THIS SOLICITATION FROM THE STATE OF ALASKA'S "ONLINE PUBLIC NOTICE" WEB SITE, YOU MUST REGISTER WITH THE PROCUREMENT OFFICER LISTED IN THIS DOCUMENT TO RECEIVE NOTIFICATION OF SUBSEQUENT AMENDMENTS. FAILURE TO CONTACT THE PROCUREMENT OFFICER MAY RESULT IN THE REJECTION OF YOUR OFFER.

TABLE OF CONTENTS

SECTION 1. INTRODUCTION & INSTRUCTIONS	4
SEC. 1.01 PURPOSE OF THE RFP	4
SEC. 1.02 BUDGET	4
SEC. 1.03 DEADLINE FOR RECEIPT OF PROPOSALS	4
SEC. 1.04 MANDATORY PRIOR EXPERIENCE	4
SEC. 1.05 DESIRABLE EXPERIENCE	5
SEC. 1.06 REQUIRED REVIEW	5
SEC. 1.07 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS	5
SEC. 1.08 RETURN INSTRUCTIONS	5
SEC. 1.09 ASSISTANCE TO OFFERORS WITH A DISABILITY	6
SEC. 1.10 AMENDMENTS TO PROPOSALS	6
SEC. 1.11 AMENDMENTS TO THE RFP	6
SEC. 1.12 RFP SCHEDULE	6
SEC. 1.13 PRE-PROPOSAL TELECONFERENCE	7
SEC. 1.14 ALTERNATE PROPOSALS	7
SEC. 1.15 NEWS RELEASES	7
SECTION 2. BACKGROUND INFORMATION.....	8
SEC. 2.01 BACKGROUND INFORMATION	8
SEC. 2.02 ABOUT ALASKACARE	8
SEC. 2.03 CURRENT PLAN DEFINITIONS	10
SEC. 2.04 CURRENT PLAN FEATURES AND COVERAGE	11
SEC. 2.05 CURRENT FINANCIAL CONTRACT AND STRUCTURE	18
SEC. 2.06 HISTORICAL FACTS AND FIGURES	19
SEC. 2.07 UNIQUE CONSIDERATIONS	19
SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION.....	21
SEC. 3.01 SCOPE OF WORK	21
SEC. 3.02 CONTRACT TERM AND WORK SCHEDULE	23
SEC. 3.03 PBM DELIVERABLES	23
SEC. 3.04 MANDATORY REQUIREMENTS	25
SEC. 3.05 CONTRACTUAL REQUIREMENTS	28
SEC. 3.06 FINANCIAL REQUIREMENTS	56
SEC. 3.07 CONTRACT TYPE.....	77
SEC. 3.08 PROPOSED PAYMENT PROCEDURES	77
SEC. 3.09 CONTRACT PAYMENT	77
SEC. 3.10 ELECTRONIC PAYMENTS	78
SEC. 3.11 LOCATION OF WORK	78
SEC. 3.12 SUBCONTRACTORS	78
SEC. 3.13 JOINT VENTURES.....	79
SEC. 3.14 RIGHT TO INSPECT PLACE OF BUSINESS.....	79
SEC. 3.15 CONTRACT PERSONNEL	79
SEC. 3.16 INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES	79
SEC. 3.17 CONTRACT CHANGES - UNANTICIPATED AMENDMENTS.....	80
SEC. 3.18 NONDISCLOSURE AND CONFIDENTIALITY.....	80
SEC. 3.19 INDEMNIFICATION	82
SEC. 3.20 INSURANCE REQUIREMENTS	82
SEC. 3.21 TERMINATION FOR DEFAULT	83
SECTION 4. PROPOSAL FORMAT AND CONTENT	84
SEC. 4.01 RFP SUBMITTAL FORMS.....	84
SEC. 4.02 SPECIAL FORMATTING REQUIREMENTS.....	84
SEC. 4.03 OFFEROR INFORMATION AND CERTIFICATIONS (SUBMITTAL FORM A)	85
SEC. 4.04 PRIOR EXPERIENCE (SUBMITTAL FORM B)	86
SEC. 4.05 SERVICE APPROACH (SUBMITTAL FORM C)	87
SEC. 4.06 RISK ASSESSMENT (SUBMITTAL FORM D)	88
SEC. 4.07 VALUE OPPORTUNITY ASSESSMENT (SUBMITTAL FORM E).....	89
SEC. 4.08 MANDATORY REQUIREMENTS (SUBMITTAL FORM F)	90
SEC. 4.09 CONTRACTUAL REQUIREMENTS (SUBMITTAL FORM G)	91
SEC. 4.10 GEOACCESS ANALYSIS (SUBMITTAL FORM H).....	92
SEC. 4.11 NETWORK DISRUPTION ANALYSIS (SUBMITTAL FORM I).....	92
SEC. 4.12 FORMULARY DISRUPTION ANALYSIS (SUBMITTAL FORM J)	94
SEC. 4.13 SUBCONTRACTORS (SUBMITTAL FORM K).....	96
SEC. 4.14 INTERVIEWS.....	96

SEC. 4.15	COST PROPOSAL (SUBMITTAL FORM L)	97
SEC. 4.16	FINANCIAL REQUIREMENTS (SUBMITTAL FORM M)	98
SECTION 5.	EVALUATION CRITERIA AND CONTRACTOR SELECTION.....	99
SEC. 5.01	SUMMARY OF EVALUATION PROCESS	99
SEC. 5.02	EVALUATION CRITERIA	102
SEC. 5.03	SCORING METHOD AND CALCULATION	103
SEC. 5.04	PRIOR EXPERIENCE	104
SEC. 5.05	SERVICE APPROACH	105
SEC. 5.06	RISK ASSESSMENT	105
SEC. 5.07	VALUE OPPORTUNITY ASSESSMENT	106
SEC. 5.08	CONTRACTUAL REQUIREMENTS	106
SEC. 5.09	NETWORK DISRUPTION ANALYSIS	106
SEC. 5.10	FORMULARY DISRUPTION ANALYSIS	106
SEC. 5.11	FINANCIAL REQUIREMENTS	106
SEC. 5.12	INTERVIEWS	107
SEC. 5.13	CONTRACT COST (COST PROPOSAL)	107
SEC. 5.14	ALASKA OFFEROR PREFERENCE	108
SECTION 6.	GENERAL PROCESS AND LEGAL INFORMATION.....	109
SEC. 6.01	INFORMAL DEBRIEFING	109
SEC. 6.02	ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES	109
SEC. 6.03	SITE INSPECTION	110
SEC. 6.04	CLARIFICATION OF OFFERS	110
SEC. 6.05	DISCUSSIONS WITH OFFERORS	110
SEC. 6.06	EVALUATION OF PROPOSALS	110
SEC. 6.07	CLARIFICATION PERIOD	111
SEC. 6.08	CONTRACT NEGOTIATION	113
SEC. 6.09	FAILURE TO NEGOTIATE OR CLARIFY	113
SEC. 6.10	OFFEROR NOTIFICATION OF SELECTION	113
SEC. 6.11	PROTEST	113
SEC. 6.12	APPLICATION OF PREFERENCES	114
SEC. 6.13	ALASKA BIDDER PREFERENCE	115
SEC. 6.14	ALASKA VETERAN PREFERENCE	115
SEC. 6.15	ALASKA MILITARY SKILLS PROGRAM PREFERENCE	116
SEC. 6.16	STANDARD CONTRACT PROVISIONS	117
SEC. 6.17	QUALIFIED OFFERORS	117
SEC. 6.18	PROPOSAL AS PART OF THE CONTRACT	117
SEC. 6.19	ADDITIONAL TERMS AND CONDITIONS	117
SEC. 6.20	HUMAN TRAFFICKING	117
SEC. 6.21	RIGHT OF REJECTION	118
SEC. 6.22	STATE NOT RESPONSIBLE FOR PREPARATION COSTS	118
SEC. 6.23	DISCLOSURE OF PROPOSAL CONTENTS	118
SEC. 6.24	ASSIGNMENT	119
SEC. 6.25	FORCE MAJEURE (IMPOSSIBILITY TO PERFORM)	119
SEC. 6.26	DISPUTES	120
SEC. 6.27	SEVERABILITY	120
SEC. 6.28	SUPPLEMENTAL TERMS AND CONDITIONS	120
SEC. 6.29	SOLICITATION ADVERTISING	120
SEC. 6.30	FEDERALLY IMPOSED TARIFFS	120
SECTION 7.	ATTACHMENTS	122
SEC. 7.01	ATTACHMENTS	122

SECTION 1. INTRODUCTION & INSTRUCTIONS

SEC. 1.01 PURPOSE OF THE RFP

The Department of Administration, Division of Retirement and Benefits, is soliciting proposals from qualified and experienced firms to provide Pharmacy Benefit Manager (PBM) services to the State of Alaska's AlaskaCare health plans.

SEC. 1.02 BUDGET

Department of Administration, Division of Retirement and Benefits estimates a budget of between \$65,000,000.00 and \$85,000,000.00 for completion of this project. Proposals priced at more than \$100,000,000.00 will be considered non-responsive.

Payment for the contract is subject to funds already appropriated and identified.

SEC. 1.03 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must be received no later than **11:00 AM** Alaska Time on **December 15, 2025**, as indicated by email timestamp. Proposals received after this deadline will not be considered.

SEC. 1.04 MANDATORY PRIOR EXPERIENCE

In order for offers to be considered responsive, offerors must meet these minimum prior experience requirements:

The offeror must clearly identify the Account Manager's experience on Submittal Form B Prior Experience. The offeror's firm must have experience in the same scope of work as required in this RFP and must include three Client Reference Forms, as provided as an attachment to this RFP, for whom you provide, or have provided, the same services as required in this RFP.

The offeror must clearly confirm they are not restricted or prohibited from conducting business in all states where AlaskaCare members reside or access care. The Client Claims Data Records file, detailed in Section 3.18, will indicate the states in which members live.

The offeror's proposal must clearly demonstrate this experience, **currently or within the last five years**, including:

1. Offeror's firm must have at least **three** years of experience in providing prescription drug benefit plan services under contract to at least **five** plan sponsors, each with a minimum of **5,000 covered lives**, for a minimum duration of **three years continuously**. At least one of which plans must be a state or public sector client. If expired, the contract must have expired within the previous five years.

An offeror's failure to meet these minimum prior experience requirements shall cause their proposal to be considered non-responsive and rejected.

SEC. 1.05 DESIRABLE EXPERIENCE

While it is not mandatory, offerors may choose to include or omit the following information at their discretion:

1. At least three years of experience in providing enhanced Employer Group Waiver Plan (EGWP) services.
2. Be contracted directly with the Centers for Medicare and Medicaid Services (CMS) for EGWP services.
3. Subcontractors may be used to provide any enhanced EGWP services to the State; however, any relationship must be disclosed to the State.

This experience is not a mandatory requirement and will not be evaluated or included in the proposal review to determine responsiveness. This information is requested for informational and planning purposes only.

SEC. 1.06 REQUIRED REVIEW

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and questionable or objectionable material should be made in writing and received by the procurement officer at least ten days before the deadline for receipt of proposals. This will allow time for the issuance of any necessary amendments. It will also help prevent the opening of a defective proposal and exposure of the offeror's proposals upon which award could not be made.

SEC. 1.07 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS

Any questions regarding this solicitation must be in writing and directed to the procurement officer at the email address listed below. The interested party must confirm telephone conversations in writing.

Two types of questions generally arise. One may be answered by directing the questioner to a specific section of the RFP. These questions may be answered in writing via email directly to the requestor. Other questions may be more complex and may require a written amendment to the RFP. The procurement officer is responsible for making the determination and will respond to the requestor in writing via email.

PROCUREMENT OFFICER: Lisa Trombi, Email: doa.oppm.procurement@alaska.gov

SEC. 1.08 RETURN INSTRUCTIONS

Offerors must submit their proposals via email to doa.oppm.procurement@alaska.gov with the RFP number 2025-0200-0177 / 02-101-25 in the subject line. The offeror's technical proposal and cost proposal must be submitted as separate and clearly labeled attachments. Such as "Vendor A – Technical Proposal.pdf" and "Vendor A – Cost Proposal.pdf". The email must contain the RFP number in the subject line.

The **maximum** size of a single email (including all text and attachments) that can be received by the State is **20mb (megabytes)**. If the email containing an offeror's proposal exceeds this size, the proposal must

be sent in multiple emails that are each less than 20 megabytes, and each email must comply with the requirements described above.

Please note that email transmission is not instantaneous. Similar to sending a hard copy proposal, if you are emailing your proposal, the State recommends sending it with enough time to ensure the email is delivered by the deadline for receipt of proposals. Any proposal received after the deadline for receipt of proposals, as provided in Section 1.03, will not be considered.

It is the offeror's responsibility to contact the procurement officer at doa.oppm.procurement@alaska.gov to confirm that the proposal has been received. The State is not responsible for unreadable, corrupt, or missing attachments.

SEC. 1.09 ASSISTANCE TO OFFERORS WITH A DISABILITY

Offerors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the procurement officer no later than ten days prior to the deadline for receipt of proposals.

SEC. 1.10 AMENDMENTS TO PROPOSALS

Amendments to or withdrawals of proposals will only be allowed if requests are received in writing prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to the State's request in accordance with 2 AAC 12.290.

SEC. 1.11 AMENDMENTS TO THE RFP

If an amendment is issued before the deadline for receipt of proposals, the amendment will be posted on the State of Alaska Online Public Notice (OPN) website. The link to the posting of the amendment will be provided to all who were notified of the RFP and to those who have registered with the procurement officer after retrieving the RFP from the OPN website.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change and will inform offerors of the new deadline for receipt of proposals if one has been established. In such an event, an offeror may submit a new or amended proposal or may withdraw its proposal before the time and date set for receipt of proposals, in the manner described in 2 AAC 12.140.

SEC. 1.12 RFP SCHEDULE

The RFP schedule set out below represents the State's best estimate of the schedule that will be followed. If a component of this schedule, such as the deadline for receipt of proposals, is delayed, the rest of the schedule may be shifted accordingly. All times are Alaska Time.

ACTIVITY	TIME	DATE
Issue Date / RFP Released		Oct 16, 2025
Pre-Proposal Teleconference	10:00 AM AK Time	Oct 28, 2025
Intent to Propose and Non-Disclosure Agreement Due No Later Than	2:00 PM AK Time	Nov 6, 2025

Last Day for Question Submittal		Nov 10, 2025
Deadline for Receipt of Proposals / Proposal Due Date	11:00 AM AK Time	Dec 15, 2025
Initial Proposal Evaluation Meeting (approximately week of)		Feb 2, 2026
Interviews (approximately week of)		Mar 2, 2026
Proposal Evaluations Completed (approximately week of)		Mar 9, 2026
Clarification Period (approximately week of)		Mar 23, 2026
Negotiations (approximately week of)		Apr 6, 2026
Notice of Intent to Award (approximately)		Apr 20, 2026
Contract Start Date		Jul 1, 2026

This RFP does not, by itself, obligate the State. The State's obligation will commence only after the contract is approved by the Commissioner of the Department of Administration, or the Commissioner's designee and the contract resulting from this RFP has been fully executed by all parties. The State will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date established in the fully executed contract.

SEC. 1.13 PRE-PROPOSAL TELECONFERENCE

A pre-proposal teleconference will be held at **10:00 AM**, Alaska Time, on **October 28, 2025**, via Microsoft Teams meeting. Approximately two days before it is scheduled to occur, registered offerors shall be sent an email with details on how to join the teleconference. Attendance is not mandatory.

The purpose of the teleconference is to discuss the work to be performed with the prospective offerors and allow them to ask questions concerning the RFP. Prospective Offerors are encouraged to send questions in writing to doa.oppm.procurement@alaska.gov prior to the teleconference. All questions raised during the meeting must be submitted in writing to the procurement officer and will be posted along with the answers on the Alaska Online Public Notice website as an amendment to the RFP as soon as possible after the teleconference.

A prospective offeror with a disability who needs a special accommodation in order to participate in this teleconference should contact the procurement officer at doa.oppm.procurement@alaska.gov prior to the date set for the pre-proposal teleconference to ensure that necessary accommodation can be provided.

SEC. 1.14 ALTERNATE PROPOSALS

Offerors may only submit one proposal for evaluation. In accordance with 2 AAC 12.830 an alternate proposal, or a proposal that offers something different than what is requested, will be rejected as nonresponsive.

SEC. 1.15 NEWS RELEASES

News releases related to this RFP must not be made without prior approval of the State. Requests must be submitted in writing and sent to doa.oppm.procurement@alaska.gov.

SECTION 2. BACKGROUND INFORMATION

SEC. 2.01 BACKGROUND INFORMATION

The Department of Administration, Division of Retirement and Benefits (DRB) manages the State of Alaska's retirement plans, the state-sponsored AlaskaCare health and dental plans, and other state-sponsored optional benefits.

The Commissioner of the Department of Administration is the AlaskaCare Plan Administrator and has delegated policy development and operational duties to the Division. Under the leadership of the Division Director, DRB is organized into several sections as follows:

- **Health Plan Administration:** This section administers and manages the AlaskaCare health plans and other optional benefits, manages the associated vendors, manages health plan eligibility, and internally handles work related to health plan customer service, benefits processing, and appeals.
- **Finance:** This section provides accounting services and payroll services including retiree and refund processing and employer payroll support.
- **Pension and Member Benefits:** This section provides counseling to members, customer service through the Member Education Center, processes retirement benefit appeals, provides information technology and special project support, and processes related to disability and death, retirement, and survivor benefits.
- **Operations:** This section provides administrative services, communications support, information services, and conducts internal auditing/compliance activities.

SEC. 2.02 ABOUT ALASKACARE

AlaskaCare is the name of the State of Alaska's medical, pharmacy, dental, vision, and audio plans administered by the Division. These plans are provided in accordance with Alaska Statutes to:

1. A portion of State employees;
2. Defined Benefit (DB) retired employees of the State, teachers, and participating political subdivision employers; and
3. Defined Contribution (DC) retired employees of the State, teachers, and participating political subdivision employers.

The plans have different provisions and funding structures, but the State's group health and dental plans are self-funded. The coverage provided includes international claims for retiree plan members.

The AlaskaCare plans have many members who are covered by more than one AlaskaCare plan. This can be through coverage as a member and a dependent of their spouse, or through two or more of their own plans (e.g., employee plan and retiree plan, or multiple retirement plans). In general, the active employee and retiree pharmacy plans allow coordination of benefits up to 100% of the recognized charge. Exceptions are discussed in further detail below.

More information about all AlaskaCare health benefits is available at www.AlaskaCare.gov.

AlaskaCare Retiree Health Benefits

The Division offers the following pharmacy benefit options to retirees:

1. **AlaskaCare Defined Benefit Retiree Health Plan:** This plan provides medical and pharmacy benefits to eligible DB retirees automatically upon retirement. This plan is an older plan design that has undergone limited updates since 2000. However, in 2019, a Medicare Part D Enhanced Employer Group Waiver Plan (EGWP) was implemented into this plan. There are over 76,000 covered lives in this plan encompassing subscribers and dependents, approximately 60,500 of whom are Medicare age eligible. Approximately 55,800 individuals are enrolled in the EGWP portion of the plan. The plan is funded by various retiree health trusts and most plan members are eligible for retirement system-paid benefits. Plan members who are eligible for retirement system-paid benefits do not pay a monthly premium out-of-pocket for health coverage for the member and any eligible dependents.
2. **AlaskaCare Defined Contribution Retiree Health Plan:** This plan provides medical and pharmacy benefits to eligible DC retirees who elect to participate after termination of employment. This plan was first implemented in 2016 and is a more modern plan design. In 2019, a Medicare Part D Enhanced EGWP was implemented into this plan. There are fewer than 300 covered lives in this plan encompassing subscribers and dependents. Approximately 250 individuals are enrolled in the EGWP portion of the plan. This plan is funded by various retiree health trusts, and all members in this plan are required to pay monthly premiums that vary depending on a number of factors. Eligible members may elect to use a state-sponsored Health Reimbursement Arrangement (HRA) account to pay or offset their monthly premiums.

Alaska Statute 39.35.535 (b) requires that the coverage for members aged 65 or older is the same coverage available to members under the age of 65 and that the AlaskaCare retiree health plans become supplemental to Medicare when members turn 65. Retiree health benefits are protected against diminishment by the Alaska Constitution. As a result, relatively few changes have been made to the retiree health plans since 2000, and any potential future changes must be carefully considered.

The Division works with the Alaska Retiree Health Plan Advisory Board (RHPAB) to analyze and evaluate potential changes to the AlaskaCare Retiree Health Plans. The RHPAB is advisory in nature and makes recommendations to the Plan Administrator related to the retiree health plans.

AlaskaCare Active Employee Benefits

The Division offers the following pharmacy benefit options to eligible active employees:

1. **AlaskaCare Active Employee Health Plan:** This plan provides medical, pharmacy, and audio benefits to eligible State of Alaska employees and their dependents. Eligible employees may, on an annual basis, elect to opt out of coverage. The Division offers eligible employees a choice between three plan options with different medical cost-share provisions, but the same coverage benefit provisions, including the Standard Plan, the Economy Plan, and the Consumer Choice Plan. The pharmacy cost-share provisions are the same in all three plan options. The plan is actively managed by the Division. There are approximately 15,000 covered lives in the employee medical plan encompassing subscribers and dependents. The plan is primarily financially supported by employer contributions and monthly employee premiums.

The Division works with the Health Benefits Evaluation Committee (HBEC), made up of union and management representatives, to analyze and evaluate potential changes to the AlaskaCare Employee Health Plans. The HBEC is advisory in nature and makes recommendations to the Plan Administrator related to the employee health plans.

SEC. 2.03 CURRENT PLAN DEFINITIONS

The following information provides definitions which apply to both Commercial and EGWP Plans with enhanced plan design.

1. **340B Claim** is a claim that is identified from a pharmacy which has a 340B status code of “38” or “39” in the NCPDP DataQ database, or a claim with a claim status code of “20”. Additionally, a 340B Claim could mean any other claim identified by receiving 340B program discounts, pricing, or concessions.
2. **Average Wholesale Price (AWP)** is based on a date sensitive, 11-digit National Drug Code (NDC) as supplied by a nationally recognized pricing source (i.e., Medi-Span) for retail, mail order, and specialty adjudicated claims.
3. **Authorized Generic** is a brand drug that is marketed without the brand name on its label. Authorized generic drugs are therapeutically equivalent to its brand drug having the same active and inactive ingredients and is included on the FDA Listing of Authorized Generics as of the dispense date of the prescription.
4. **Biosimilar** is a biological product that is approved by the FDA as being highly similar to an FDA-approved biologic drug, or reference product. Biosimilar drugs have no clinically meaningful difference in safety, purity or potency when compared to the reference product.
5. **Brand Drug** is a drug with a Medi-Span code of "M" (co-branded product), "N" (single-source brand) or "O" (original product) as of the dispense date of the prescription based on the NDC-11 code of the prescription.
6. **Cash Card Program** is any program where members receive prescriptions through a PBM-program or third-party vendor that compares cash discounted drug prices to typical usual and customary prices and navigates the member to the lowest cost pharmacy or overrides the cost at their current pharmacy to match the lowest cost price.
7. **Generic Drug** is an FDA approved drug that is pharmaceutically equivalent and interchangeable with a brand drug counterpart with an identical amount of the same active ingredient(s). Generic drugs have either a Medi-Span code of "Y" (generic) or a Medi-Span code of "N" or "O" with a Dispense as Written (DAW) Code of 5 as of the dispense date of the prescription based on the NDC-11 code of the prescription. (Generic drugs include Single-Source Generics, Multi-Source Generics, Authorized Generics, generic products involved in patent litigation and House Generics.)
8. **House Generic** is a drug that is submitted with a DAW code of 5.
9. **Limited Distribution Drug (LDD)** is a specialty drug only available by a limited number (e.g., less than three) of specialty pharmacy providers.
10. **Maximum Allowable Cost (MAC)** is the maximum allowable unit cost of a drug and establishes an upper limit reimbursement price for certain drugs dispensed without regard to the specific manufacturer whose drug is dispensed, and which drugs are identified on a “MAC List”.
11. **Members** are all eligible employees, and their eligible dependents, enrolled under the plan’s prescription benefit program.
12. **Member Copay** means members will pay the lowest of the following: Fund copay/coinsurance, Fund-negotiated discounted ingredient cost plus dispensing fee, usual and customary charges (if at retail), MAC (maximum allowable cost) or retail cash price (if at retail) at retail, mail, and specialty pharmacies.

13. **Over-the-Counter Claim (OTC)** is a claim for a drug that does not require a prescription for a member to purchase and the plan has decided to include as a covered product with a prescription. OTC Claims are further defined as having an "O" or "P" in Medi-Span's Rx-OTC Indicator Code.
14. **Paid Claims** are all transactions made on eligible members that result in a payment to pharmacies or members from the plan or the 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.
15. **Pass-through Pricing** is the invoicing to the plan for a specific prescription that is equal to the amount reimbursed to the pharmacy for a specific prescription on behalf of the plan by the PBM.
16. **PEPM** stands for per employee or retiree per month.
17. **PMPM** stands for per member per month.
18. **Pricing Channel** is either retail or Retail-30 pharmacies, Retail-90 or Retail-Plus pharmacies, mail order pharmacies or the PBM's specialty pharmacy.
19. **Rebates** is 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 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.
20. **Single Source Generic (SSG)** is a generic drug that is only manufactured by one generic drug manufacturing company, which includes a brand drug with a Medi-Span code = "O".
21. **Specialty Drug** means a drug or product used to treat complex and rare diseases and requires at least four of the following:
 - a. A medication used to treat complex or rare conditions;
 - b. Injectable or infused medication;
 - c. A medication that requires special packaging, handling, administration and/or monitoring;
 - d. High cost medication;
 - e. A biologic medication targeting a specific part of the disease process; and
 - f. A medication dispensed via a limited number of pharmacies.
22. **Usual and Customary (U&C)** is a pharmacy's usual selling price that a cash paying customer pays for prescription drugs.
23. **Zero Balance Due (ZBD) Claim** is a claim where the member pays the total amount of the discounted ingredient cost plus dispensing fee and any applicable sales tax.
24. **100% Pass Through of Rebates** means the PBM passes through 100% of ALL pharmaceutical manufacturer revenue earned to the plan and does not charge an administrative fee for this arrangement. The PBM discloses details of all other programs and services generating financial remuneration from outside entities, including manufacturers and retailers. All of this revenue is verifiable and auditable.

SEC. 2.04 CURRENT PLAN FEATURES AND COVERAGE

The following information provides an overview of current pharmacy plan features and coverage. Offeror should consider current programs and vendor relationships but should also consider the potential for program changes at the discretion of the State.

The Division administers three self-funded separate pharmacy benefit plans for the following groups:

1. Defined Benefit (DB) retirees
2. Defined Contribution (DC) retirees
3. Active employees

Both retiree pharmacy plans include an EGWP component for eligible members, but the enhanced wrap of benefits in each plan functions to ensure that from a member perspective, the EGWP benefits mirror the non-EGWP benefits.

The State of Alaska currently has a broad retail pharmacy network that covers all major retail networks and is seeking a similar broad retail network that covers all major retail networks as well as Alaskan independent pharmacies.

The State requires offerors to replicate all current plan designs, and all offerors must be able to administer the benefits as outlined in the existing plan booklets. Links provided below.

Retiree Defined Benefit (DB) Pharmacy Plan

The DB retiree plan full details can be found in the summary of plan benefits available online at: https://drb.alaska.gov/docs/booklets/DB-RetireeInsuranceBooklet_WEB.pdf.

The DB retiree plan combines EGWP, non-EGWP (i.e., not eligible for EGWP due to age or other qualifying reasons) and EGWP-opt out members (i.e., eligible for EGWP, but choose to opt-out). The member cost-share provisions for EGWP and non-EGWP members are the same, while the member cost-share provisions for individuals who are eligible for but chose to opt-out of the EGWP program are different. Covered benefits and other plan provisions for all populations, including EGWP, non-EGWP, and EGWP opt-out, are the same and consistency must be maintained.

Key features include:

1. **Member Cost Share:** Most DB retiree plan members have access to the DB retiree standard benefit cost-share provisions detailed below in Table 1. DB retiree plan members who are eligible for but have chosen to opt out of the EGWP program have access to the DB retiree EGWP opt-out benefit cost-share provisions detailed below in Table 2.

TABLE 1: DB RETIREE STANDARD BENEFIT (EGWP & NON-EGWP)

	Generic: Up to 90 Day or 100 Unit Supply	Brand: Up to 90 Day or 100 Unit Supply
Network Pharmacy Copayment	\$4	\$8
Mail Order Copayment	\$0	\$0

TABLE 2: DB RETIREE EGWP OPT-OUT BENEFIT

Prescription Tier	Coinsurance	Minimum Covered Person Payment	Maximum Covered Person Payment
<i>Retail 30 Day at Network Pharmacy</i>			
Generic Prescription Drug	80%	\$10	\$50
Preferred Brand-Name Prescription Drug	75%	\$25	\$75

Non-Preferred Brand-Name Prescription Drug	65%	\$80	\$150
Out-of-Network Pharmacy			
Coinsurance for all Prescription Drugs	60%		
Mail-Order 1-90 Day at Network Pharmacy			
Prescription Tier	Copayment		
Generic Prescription Drug	\$20		
Preferred Brand-Name Prescription Drug	\$50		
Non-Preferred Brand-Name Prescription Drug	\$100		
Out-of-Pocket Limit			
Annual Individual Out-of-Pocket Limit		\$1,000	
Annual Family Out-of-Pocket Limit		\$2,000	

2. **Formulary:** The DB retiree plan has an open formulary with minimal exclusions. Exclusions may include non-essential/non-FDA approved/out of scope and medical benefit specialty products. The EGWP Plan's enhanced wrap of benefits functions to ensure that EGWP members have access to the same covered drugs as non-EGWP members. Current formularies may be found here: <https://drb.alaska.gov/retiree/healthplans.html#retireeformulary>.
3. **Non-Standard Coverage:** The DB retiree plan covers medication that is often excluded under other plans, such as bulk chemical compounds and certain medications with an over-the-counter equivalent.
4. **Out-of-Network Pharmacies:** The retiree DB EGWP and non-EGWP cover out-of-network pharmacies.
5. **Prior Authorizations:** Prior Authorizations (PAs) are very limited in the DB retiree plan. PAs in place include those for specialty medications, certain opioids, for the DB EGWP Plan, and for those required by Medicare Part D.
6. **Coordination of Benefits:** The retiree DB EGWP and non-EGWP Plans have robust coordination of benefit provisions detailed in Section 15.1 of the 2025 AlaskaCare Retiree Insurance Information Booklet: https://drb.alaska.gov/docs/booklets/DB-RetireeInsuranceBooklet_WEB.pdf. In addition to coordinating with other health coverage, these plans will coordinate internally if a member has multiple coverages, either through their own AlaskaCare coverage and AlaskaCare coverage they have through their spouse, or through retiring into more than one qualifying retirement system. The retiree DB EGWP opt-out plan is exempt from the coordination of benefits provisions. Active employee and retiree plans will coordinate together. This currently includes 92,375 members.
7. **Benefit Exclusions:** There are limited benefit exclusions under the retiree DB prescription drug plan. Please see Section 4.8 of the 2025 AlaskaCare Retiree Insurance Information Booklet: https://drb.alaska.gov/docs/booklets/DB-RetireeInsuranceBooklet_WEB.pdf.

8. **Specialty Pharmacy:** The DB retiree plan does not include an exclusive specialty pharmacy arrangement. Members may fill specialty drugs from the pharmacy of their choice. The plan allows for 90-day specialty drug fills.
9. **Mail Order:** The DB retiree plan offers an optional mail order program through the current PBM. Members are not prohibited from legally obtaining prescription drugs via mail from other retail pharmacies, but the \$0 member copay is only associated with drugs obtained through the PBM's mail order/home delivery program.
10. **International Claims:** Approximately 700 DB retiree plan members live overseas. The contract awardee must be prepared to support international claims submissions, including PA requests.
11. **Appeal Process:** The DB retiree plan provides members rights to a four-level appeal process, detailed in section 13.14 of the 2025 AlaskaCare Retiree Insurance Information Booklet: https://drb.alaska.gov/docs/booklets/DB-RetireeInsuranceBooklet_WEB.pdf. If an EGWP member receives a claim or PA denial, they must be provided with AlaskaCare appeals rights in addition to any federally mandated Medicare Part D appeals rights. All level one and level two AlaskaCare pharmacy benefit appeals are administered by the pharmacy plan claim administrator / PBM.

Retiree Defined Contribution (DC) Pharmacy Plan

The DC retiree plan full details can be found in the summary of plan benefits available online at: https://drb.alaska.gov/docs/booklets/DCR-RetireeHealthPlanBooklet_WEB.pdf.

The DC retiree plan combines EGWP, non-EGWP (i.e., not eligible for EGWP due to age or other qualifying reasons) and EGWP-opt out members (i.e., eligible for EGWP, but choose to opt-out). The member cost share provisions for EGWP and non-EGWP members are the same, while the member cost share provisions for individuals who are eligible for but chose to opt-out of the EGWP program are different. Covered benefits and other plan provisions for all populations, including EGWP, non-EGWP, and EGWP opt-out, are the same and consistency must be maintained.

Key features include:

1. **Member Cost Share:** Most DC retiree plan members have access to the DC retiree standard benefit cost share provisions detailed below in Table 3. DC retiree plan members who are eligible for but have chosen to opt out of the EGWP program have access to the DC retiree EGWP opt-out benefit cost share provisions detailed below in Table 4.

TABLE 3: DC RETIREE STANDARD BENEFIT (EGWP & NON-EGWP)

Prescription Tier	Coinsurance	Minimum Covered Person Payment	Maximum Covered Person Payment
<i>Retail 30 Day at Network Pharmacy</i>			
Generic Prescription Drug	80%	\$10	\$50
Preferred Brand-Name Prescription Drug	75%	\$25	\$75
Non-Preferred Brand-Name Prescription Drug	65%	\$80	\$150

<i>Out-of-Network Pharmacy</i>	
All Prescription Drugs	60%
<i>Mail-Order 31-90 Day at Network Pharmacy</i>	
Prescription Tier	Copayment
Generic Prescription Drug	\$20
Preferred Brand-Name Prescription Drug	\$50
Non-Preferred Brand-Name Prescription Drug	\$100
<i>Out-of-Pocket Limit</i>	
Annual Individual Out-of-Pocket Limit	\$1,000
Annual Family Out-of-Pocket Limit	\$2,000
Special Note	
Insulin member cost sharing maximum of \$35 per 30-day supply	

TABLE 4: DC RETIREE EGWP OPT-OUT BENEFIT

Prescription Tier	Coinsurance	Minimum Covered Person Payment	Maximum Covered Person Payment
<i>Retail 30 Day at Network Pharmacy</i>			
Generic Prescription Drug	70%	\$15	\$75
Preferred Brand-Name Prescription Drug	65%	\$30	\$90
Non-Preferred Brand-Name Prescription Drug	55%	\$90	\$175
<i>Out-of-Network Pharmacy</i>			
All Prescription Drugs	50%		
<i>Mail-Order 31-90 Day at Network Pharmacy</i>			
Prescription Tier	Copayment		
Generic Prescription Drug	\$35		
Preferred Brand-Name Prescription Drug	\$75		
Non-Preferred Brand-Name Prescription Drug	\$125		
<i>Out-of-Pocket Limit</i>			
Annual Individual Out-of-Pocket Limit		\$2,000	
Annual Family Out-of-Pocket Limit		\$4,000	

- Formulary:** The DC retiree plan has an open formulary with minimal exclusions. Exclusions may include non-essential/non-FDA approved/out of scope and medical benefit specialty products. The EGWP Plan's enhanced wrap of benefits functions to ensure that EGWP members have access to the same covered drugs as non-EGWP members. Current formularies may be found here: <https://drb.alaska.gov/retiree/healthplans.html#retireeformulary>.
- Prior Authorizations:** PAs are very limited in the DC retiree plan. Existing PAs include those for specialty medications, certain opioids, for the DC EGWP Plan, and for those required by Medicare Part D.

4. **Coordination of Benefits:** The retiree DC EGWP and non-EGWP Plans have robust coordination of benefit provisions detailed in Section 13 of the 2025 AlaskaCare Retiree Defined Contribution Insurance Information Booklet: https://drb.alaska.gov/docs/booklets/DCR-RetireeHealthPlanBooklet_WEB.pdf. In addition to coordinating with other health coverage, these plans will coordinate internally if a member has multiple coverages, either through their own AlaskaCare coverage and AlaskaCare coverage they have through their spouse, or through retiring into more than one qualifying retirement system. The retiree DC EGWP opt-out plan is exempt from the coordination of benefits provisions. Active employee and retiree plans will coordinate together.
5. **Benefit Exclusions:** There are limited benefit exclusions under the retiree DC prescription drug plan. Please see Section 3.6.21 of the 2025 AlaskaCare Retiree Defined Contribution Insurance Information Booklet: https://drb.alaska.gov/docs/booklets/DCR-RetireeHealthPlanBooklet_WEB.pdf.
6. **Specialty Pharmacy:** The DC retiree plan does not include an exclusive specialty pharmacy arrangement. Members may fill specialty drugs from the pharmacy of their choice. The plan allows for 90-day specialty drug fills.
7. **Mail Order:** The DC retiree plan offers an optional mail order program through the current PBM. Members are not prohibited from legally obtaining prescription drugs via mail from other retail pharmacies.
8. **International Claims:** The contract awardee must be prepared to support international claims submissions, including PA requests.
9. **Appeal Process:** The DC retiree plan provides members rights to a four-level appeal process, detailed in Section 11.14 of the 2025 AlaskaCare Retiree Defined Contribution Insurance Information Booklet: https://drb.alaska.gov/docs/booklets/DCR-RetireeHealthPlanBooklet_WEB.pdf. If an EGWP member receives a claim or PA denial, they must be provided with AlaskaCare appeals rights in addition to any federally mandated Medicare Part D appeal rights. All level one and level two AlaskaCare pharmacy benefit appeals are administered by the pharmacy plan claim administrator / PBM.

Active Employee Pharmacy Plan

The State of Alaska administers three self-funded medical plans, including the Economy Plan, Standard Plan, and Consumer Choice Plan. The Consumer Choice Plan is a consumer directed health plan (CDHP) for active State employees. Though the member cost-share for medical services differs between each plan option, the prescription drug cost share and coverage provisions do not.

The active employee plan full details can be found in the summary of plan benefits available online at: https://drb.alaska.gov/docs/booklets/AC-EmployeeHealthPlanBooklet_WEB.pdf.

Key features include:

1. **Member Cost Share:**

TABLE 1. ACTIVE EMPLOYEE BENEFIT

Prescription Tier	Copayment/Coinsurance
<i>Retail 1-30 Day Supply: Network Pharmacy</i>	
Maintenance Generic Drug	\$5
Generic Prescription Drug	\$10

Preferred Brand-Name Prescription Drug	\$35
Non-Preferred Brand-Name Prescription Drug	65% coinsurance with \$80 min/\$150 max
<i>Out-of-Network Pharmacy</i>	
All Prescription Drugs	60% coinsurance
<i>Mail-Order 31-90 Day: Network Pharmacy</i>	
Maintenance Generic Drug	\$10
Generic Prescription Drug	\$20
Preferred Brand-Name Prescription Drug	\$50
Non-Preferred Brand-Name Prescription Drug	\$100
<i>Out-of-Pocket Limit</i>	
Annual Individual Out-of-Pocket Limit	\$1,000
Annual Family Out-of-Pocket Limit	\$2,000
*Note: Members may request a tier exception if there is a clinical reason why they must use a medication in the highest cost share tier. If the tier exception is granted, the member pays a lower cost share.	

2. **Formulary:** The active employee plan has a managed formulary with exclusions to drive value. Exclusions also may include clinical duplicates, high-cost brands, non-essential/non-FDA approved/out of scope, non-essential pain creams/patches, medical benefit specialty, and new drugs to market. The current formulary may be found here: <https://drb.alaska.gov/employee/healthplans.html#formulary>.
3. **Prior Authorizations:** The active employee plan includes most standard PAs.
4. **Coordination of Benefits:** The active employee plan has robust coordination of benefit provisions detailed in Section 11 of the 2025 AlaskaCare Employee Insurance Information Booklet: https://drb.alaska.gov/docs/booklets/AC-EmployeeHealthPlanBooklet_WEB.pdf. In addition to coordinating with other health coverage, this plan will coordinate internally if a member has multiple coverages through their own AlaskaCare coverage and AlaskaCare coverage they have through their spouse. Active employee and retiree plans will coordinate together.
5. **Benefit Exclusions:** There are limited benefit exclusions under the active employee prescription drug plan. Please see Section 3.6.16 of the 2025 AlaskaCare Employee Insurance Information Booklet: https://drb.alaska.gov/docs/booklets/AC-EmployeeHealthPlanBooklet_WEB.pdf.
6. **Specialty Pharmacy:** The active employee plan has an exclusive specialty pharmacy arrangement with the current PBM. Except in limited circumstances, members must fill specialty medications through the PBM's specialty pharmacy. The plan will allow for 90-day fills of specialty medications.
7. **Mail Order:** The active employee plan offers an optional mail order program through the current PBM. Members are not prohibited from legally obtaining prescription drugs via mail from other retail pharmacies, but the reduced mail-order member copays are only associated with drugs obtained through the PBM's mail order/home delivery program.
8. **Variable Copay/Accumulator Adjustment Program:** The active employee plan includes a variable copay program and associated accumulator adjustment program to leverage available manufacturer coupons.

9. **International Claims:** The contract awardee must be prepared to support international claims submissions, including PA requests.
10. **Appeal Process:** The active employee plan provides members rights to a four-level appeal process, detailed in Section 8.14 of the 2025 AlaskaCare Employee Insurance Information Booklet: https://drb.alaska.gov/docs/booklets/AC-EmployeeHealthPlanBooklet_WEB.pdf. All level one and level two AlaskaCare pharmacy benefit appeals are administered by the pharmacy plan claim administrator / PBM.
11. **Opting Out:** State employees eligible to enroll in the active employee plan may elect to opt out of or waive any type of coverage for themselves or their family. This must be done on an annual basis.

SEC. 2.05 CURRENT FINANCIAL CONTRACT AND STRUCTURE

The current PBM contractor is Optum Rx. This contract has been in place since January 1, 2019. The State's current contract includes traditional pricing terms for the active employee and commercial retiree populations and transparent pricing terms for the EGWP retiree populations. All populations have 100% rebate pass-through/transparent pricing terms. Current duties include, but are not limited to the following:

1. Claims adjudication;
2. Pricing administration;
3. Pharmacy network access, management, and expansion;
4. Formulary management;
5. Rebate management;
6. Integration with other vendors at the direction of the State, e.g., disease management, medical, data warehouse vendors;
7. Eligibility maintenance;
8. Medicare Part D EGWP administrative services including access to an online system providing covered participants and dependents with a designated contact for issue resolution and reconciliation;
9. Income Related Monthly Adjustment Amount (IRMAA) reimbursement process management. **Third party vendor may be used to carve out this benefit but must be disclosed to the State;**
10. Retiree Drug Subsidy (RDS) administrative services;
11. Paper claims submission with a process to allow for compounded drug claims and foreign claims;
12. Online access capabilities including prior authorization and override entries;
13. Coordination of benefits support services;
14. Subrogation support services;
15. Comprehensive IT capabilities including access to claims history with denial reasons;
16. Appeals process support;
17. Discount programs for non-covered drugs or cash claims;
18. Clinical programs including PAs, evidence-based clinical policies, patient and provider education, clinical support; prospective, concurrent, and retrospective drug utilization review, medication compliance, and analysis of individual's prescription drug claims to identify opportunities to improve care, prevent misuse, and reduce waste;
19. Standard and ad-hoc data reporting;
20. Provides data feed to other external vendors as directed by the State;
21. Distribution of ID Cards and pharmacy directories;
22. Mail service/home delivery pharmacy including optional auto-renewal and auto-refill programs;
23. Specialty pharmacy services;

24. Member services including claims resolution, claims appeals, clinical support and patient and provider education, and a dedicated website with a membership portal;
25. State account services including designated account management and customer service representative telephonic support with access to call history and historical claims data;
26. Coordination with HRA administrator; and
27. Variable Copay Program with the Employee plan.

Different aspects of the services are provided in different geographical locations, but all services must be provided in the United States.

SEC. 2.06 HISTORICAL FACTS AND FIGURES

TABLE 6: SUMMARY OF SERVICES (JUNE 1, 2024 – MAY 31, 2025)

Description	Active Employee Plan	Commercial Retiree Plan (non-EGWP)*	EGWP Retiree Plan	Total
Average Member Count	16,000	23,500	47,300	86,900
Annual Rx Count	122,900	323,400	1,238,600	1,684,900
Total Drug Cost (AWP)	\$75,193,400	\$198,443,500	\$718,761,500	\$992,398,400
Mail Order Utilization	4.8%	10.9%	16.6%	14.6%
Generic Utilization	79.7%	77.9%	80.1%	79.6%
Specialty Utilization	1.2%	1.3%	1.1%	1.2%

*NOTE: There are members who are Medicare eligible on the Commercial Retiree plan that are part of the Opt Out plan, these members are eligible to be in EGWP but choose not to be or are counted in the “Over 65 who cannot be on EGWP File, but did not Opt Out” category.

SEC. 2.07 UNIQUE CONSIDERATIONS

AlaskaCare members can earn multiple retiree health plan benefits. This can result in an individual having two or more of their own plans under the AlaskaCare retiree plan, as well as coverage as dependent if they are married to another retiree or State of Alaska employee. This requires the AlaskaCare plan to customize plan coordination to address the multiple plans for a single member.

AlaskaCare membership is spread throughout Alaska from our main population hubs of Anchorage and Fairbanks to small villages of less than 100 residents. Only 20% of Alaska is accessible by road, and due to Alaska’s size, even communities connected by roads can still be eight or more hours drive away from population centers. There are members who live in rural locations and major commercial airlines do not provide service to most of these areas.

Many communities, particularly in Southeast Alaska, have no road connections outside of their locale, so aircraft and boats are the major means of transport. This includes Juneau, the State's capital and the third largest concentration center of AlaskaCare members.

Approximately 40% of the retiree population lives outside of Alaska, including some who live abroad.

There can be extreme weather conditions which can hinder travel and mail order delivery. Mail order pharmacy deliveries may require special packaging or weather-based exceptions and considerations.

Alaska is in its own time zone. Member contact centers provide services based on Alaska Time, and the account team will need to be available during Alaska working hours from 8:00 AM Alaska Time to 5:00 PM Alaska Time.

While the employee plan is more flexible and changes can be considered and implemented within relatively short timeframes, making changes to the retiree plans is typically a longer process due to the constitutional protections against diminishment.

SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION

SEC. 3.01 SCOPE OF WORK

The Department of Administration, Division of Retirement and Benefits, is soliciting proposals from qualified and experienced firms to provide Pharmacy Benefit Manager (PBM) services for the AlaskaCare retiree and employee health plans. The State is seeking a firm that can provide competitive financial terms, exceptional customer service, and operational excellence while bringing thoughtful and realistic strategic solutions to improve overall value for the State and for the plan members.

The State of Alaska currently has a broad retail pharmacy network that covers all major retail networks and is seeking a similar broad retail network that covers all major retail networks as well as Alaskan independent pharmacies.

The State will require the awardee to replicate all current plan designs, and all offerors must be able to administer the benefits as outlined in the existing plan booklets. Links to existing plan booklets are available in Section 2.04.

The contract awardee must be prepared to support international claims submissions, including PA requests.

The Division's goals and objectives include:

1. Providing high-quality, exceptional customer service that will “take the member out of the middle”.
2. Providing fiscally sustainable, valuable benefits.
3. Achieving competitive financial terms.
4. Providing transparency in pricing and fee structures.
5. Ensuring the use of evidence-based guidelines in clinical determinations.
6. Strong support and demonstrated flexibility to support plan changes or initiatives.
7. Providing high accuracy in claims processing.
8. 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).
9. Supporting the State in identifying, analyzing, and implementing innovative quality-oriented claims administration processes and procedures to achieve State objectives, reduce costs, and improve quality of service.
10. Providing effective tools and resources to support members in managing their health.
11. Providing seamless implementation for the State and its members.

The successful offeror must be able and fully committed to support the State of Alaska with all aspects of the implementation process. Offeror's proposal must include a detailed implementation timetable with a key task checklist. Offeror must provide a separate implementation plan for each plan group - Active Employees, Non-EGWP Retirees and EGWP Retirees.

12. Coordinating clinical management with the medical administrator, wellness and disease management vendor, and any other vendor or administrator contracted by the State.
13. Enhanced EGWP expertise and capabilities to deal with complex member issues.

The PBM must promptly process and fill all prescriptions submitted from eligible covered members. The PBM is required to process the prescription and pay pharmacy fees using its own resources and shall be reimbursed by AlaskaCare.

The contract awardee must comply with State Security Policies including (but not limited to):

ISP-122: Privacy of Personal Information

This policy stipulates requirements for:

- Safeguarding confidential information;
- Public communication and notification following loss of personally identifiable information; and
- Personally identifiable information retention.

ISP-161: Protection Against Malicious Software

This policy stipulates requirements for:

- Protection against malicious code (pre/post introduction to the network environment); and
- Remediation of systems.

ISP-162: System Planning and Acceptance

This policy stipulates requirements for:

- System planning and acceptance;
- System criteria and testing;
- Implementation training;
- Information system documentation; and
- Security planning.

ISP-191: Security in System Development

This policy stipulates requirements for:

- System planning;
- Software development and implementation;
- System awareness;
- System testing;
- System acceptance; and
- Secure system build.

ISP-193: Vulnerability Management

This policy stipulates requirements for:

- Vulnerability management; and
- Patch management.

ISP-196: Cloud and Offsite Hosting

This policy stipulates:

- Cloud or offsite hosting services

For any processing, use or storage of State of Alaska sensitive information. Offerors must comply with all Alaska Statutes and must meet the State of Alaska’s WCAG 2.0 guidelines.

State policies are available upon request.

SEC. 3.02 CONTRACT TERM AND WORK SCHEDULE

The length of the contract will be from the date of the award, approximately July 1, 2026, through December 31, 2029, with eight one-year renewal options solely at the State’s discretion. The contract awarded as a result of this RFP may be awarded prior to the expiration of the current PBM contract to allow for implementation of the new contract. An implementation period of six months has been included in the initial period of performance. PBM services must be fully implemented for January 1, 2027, go-live date.

Unless otherwise provided in this RFP, any extension of the awarded contract, excluding any exercised renewal options, will be on a month-to-month basis, and all other terms and conditions will remain in full force and effect. The procurement officer will provide notice to the contractor of State’s intent to cancel such month-to-month extension at least 30 days before the desired date of cancellation. A month-to-month extension must be executed by the procurement officer via a written contract amendment.

SEC. 3.03 PBM DELIVERABLES

The contractor shall be required to provide, perform, or deliver the following:

1. Pharmacy Benefit Management services;
2. Claims adjudication;
3. Competitive financial arrangement and guaranteed pricing terms;
4. Pricing administration;
5. Pharmacy network access, management, and expansion;
6. Formulary management;
7. Rebate management;
8. Exceptional customer service, through a dedicated or highly designated customer/member service unit with telephonic support by a customer service representation, and a problem-solving team with access to call logs and historical claims data;
9. Proactive, flexible, and expert support for all clinical programs, including full disclosure of cost and rebate implications;
10. Integration with other vendors at the direction of the State, including disease management, medical, and data warehouse vendors;
11. Comprehensive collection and utilization of data to inform and guide policy and plan design decisions;
12. Eligibility maintenance;

13. Medicare Part D Enhanced Employer Group Waiver Plan (EGWP) administrative services, including access to an online system providing covered participants and dependents with a designated contact for issue resolution and reconciliation;
14. EGWP specific expertise related to Centers for Medicare and Medicaid Services (CMS) compliance and subsidy management;
15. Adherence to CMS enhanced EGWP guidelines;
16. Income Related Monthly Adjustment Amount (IRMAA) reimbursement process management;
17. Retiree Drug Subsidy (RDS) administrative services;
18. Paper claims submission with a process that allows for compounded drug claims and foreign claims;
19. Online access capabilities including prior authorization and override entries;
20. Coordination of benefits support services;
21. Subrogation support services;
22. Comprehensive IT capabilities, including access to claims history with denial reasons;
23. Appeals process support; including handling of all level one and level two AlaskaCare pharmacy benefit appeals.
24. Contract with external review organizations to review clinical appeals;
25. Discount programs for non-covered drugs or cash claims;
26. Clinical programs, including prior authorizations, evidence-based clinical policies, patient and provider education, clinical support; prospective, concurrent, and retrospective drug utilization review, medication compliance, analysis of individual prescription drug claims to identify opportunities to improve care, prevent misuse, and reduce waste;
27. Standard and ad-hoc data reporting;
28. Provide data feed to other external vendors as directed by the Division;
29. Distribution of ID cards and pharmacy directories including providing a link to online directories;
30. Mail service pharmacy including optional auto-refill and auto-renewal programs;
31. Specialty pharmacy services;
32. Member Services including claims resolution, claims appeals, clinical support and patient and provider education, website with membership portal, and decision support tools;
33. Member contact centers based on Alaska Time with the account team available during Alaska working hours, from 8:00 AM until 5:00 PM Alaska Time
34. Dedicated account management team;
35. Coordination with HRA Administrator;
36. Coordination with other AlaskaCare vendors and Third-Party Administrators at the direction of the State;
37. Alternative pricing models (i.e., NADAC) if mandated by the State with good faith negotiations to maintain the relative economics of both the awardee and the State; and
38. Weight loss management program.

The Division reserves the right to carve out or reassign specific service areas from the resulting contract if it is determined that those services would be better provided by a separate provider.

The contract awardee must 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 State's current PBM provider at NO charge to AlaskaCare with NO charges being deducted from the implementation allowance for file loading or IT. The implementation allowance are funds the offeror shall provide to the State to cover costs for implementing the change in PBM service providers. This implementation allowance must be detailed in the offeror's cost proposal.

The contract awardee shall be required to undergo a mid-contract term market check that may be requested as soon as the second quarter of the first contract year. This market check will be conducted by an independent third party, selected at the State's sole discretion, to ensure the State is receiving appropriate current pricing terms competitive within the industry based on its volume and membership, for each of the three plans as described in Section 2.02 About AlaskaCare. The review will include a comparison of the State's financial terms to those of similar employers in the marketplace as part of this process. If savings of 1% or more in the marketplace are identified, the contractor shall be required to offer improved pricing to the State. The financial guarantees for any partial contractual year that results from the implementation of new pricing will still be guaranteed, reconciled and the PBM shall still be required to reimburse for any shortfalls for those resulting partial contractual terms with less than 12 months and those contractual terms with over 12 months.

The PBM shall comply with all applicable state and federal laws, regulations, and policies in effect at the time of contract execution. If new or revised federal or state requirements relevant to the services provided under this contract are enacted during the contract term, the PBM shall take all necessary steps to ensure full compliance.

This includes, but is not limited to, implementing changes to reporting, data sharing, claims processing, or benefit administration as required by new laws or regulations. The PBM shall incorporate such changes into its deliverables and performance obligations at no additional cost to the State, unless otherwise agreed upon in writing through a contract amendment.

The State reserves the right to amend the contract to reflect such changes, and the PBM shall cooperate fully to ensure timely and effective implementation.

The PBM shall maintain all pertinent records in accordance with, but not limited to, CMS requirements. In the event of a contract expiration or termination, the PBM shall be required to cooperate and provide to the Division all pertinent historical records to successfully transition to a new PBM.

SEC. 3.04 MANDATORY REQUIREMENTS

The following mandatory requirements must be confirmed on Submittal Form F – Mandatory Requirements:

1.1 General Proposal Conditions

- 1.1.1 Offeror must confirm that no commissions shall be included and that all proposal documents must be submitted directly from the offeror without any intermediary.
- 1.1.2 **Rights to Claims Data:** Offeror must confirm all claims data is the property of the State and must be returned upon request. Offeror confirms and agrees that the data and information provided, which may include protected health information related to the State's participants and beneficiaries, is and shall remain the property of the State. Offeror is not granted any right, title, or interest in any claims data. Offeror may use and disclose claims data solely as necessary to effectuate the purpose of this RFP and shall not use, disclose, decompile, or reverse engineer, any claims data in support of the offeror's other business activities. Specifically, the offeror shall not de-identify any claims data or aggregate claims data (whether or not de-identified) with data received from the offeror's other clients, customers or data sources.
- 1.1.3 **Confidentiality:** Offeror must confirm they shall keep all claims data in the strictest confidence, and it is only under adherence to this request that the State is delivering the claims file to prospective offerors. The claims data may be shared only within the offeror's organization for purposes of preparing your proposal. As such, the claims data may not be copied or reproduced without the State's prior written consent for other purposes and shall not be disclosed to third parties to whom the Plan has not previously consented.

1.2 Required Contract Provisions

- 1.2.1 **Maintenance and Ownership of Records:** Offeror must confirm to maintain all pertinent records for seven years. This is in conjunction with prudent business practices. Awardee shall be charged with the safekeeping of plan experience information and, in the event of contract termination, would be required to cooperate with the State, or their representative, in the orderly transfer of plan experience information to the State or its designated succeeding health plan/carrier.
- 1.2.2 **Renewal Notification:** Offeror must confirm to provide any rate changes in writing, with full justification, at least 180 days prior to a contract renewal date. The long lead-time is required due to the annual budget pricing, communications, and administration requirements associated with the State's benefit program.
- 1.2.3 **Variance Provision:** Offeror must confirm any provisions, references, or guidelines relating to re-evaluation of proposed rates due to variation in enrollment in the State have been disclosed in the offeror's technical proposal.
- 1.2.4 **Performance Guarantee:** Offeror must confirm as the State's Claims Administrator; the offeror agrees to serve the State and its staff under the terms of a performance agreement executed between the State and awardee.

- 1.2.5 **Eligibility Rules:** Offeror must agree to the eligibility rules specified in the respective plans' insurance information booklet, links provided in RFP Sec. 2.04, as established by the State for covered parties.
- 1.2.6 **Eligibility Questions:** Offeror must agree to communicate directly with State staff regarding any uncertain claimant eligibility situation before notifying the claimant directly of ineligible status.
- 1.2.7 **Member Inquiries and Requests:** Offeror must agree to respond to all inquiries and requests made by AlaskaCare members with a sense of urgency. Phone calls and all correspondence are to be handled by a reasonable number of service personnel who have been trained in customer service and who are familiar with AlaskaCare.
- 1.2.8 **Phone Service:** Offeror must agree to provide a dedicated toll-free telephone number available 24 hours a day, 7 days a week for all plan members' exclusive use.
- 1.2.9 **System Capacity:** Offeror must agree to maintain sufficient system capacity to meet the service specifications outlined in the RFP's Deliverables and Scope of Work.
- 1.2.10 **Online Historical Data:** Offeror must agree to always maintain at least seven years of the State's claim and eligibility information, including but not limited to CMS requirements, and to provide data feeds as requested by the State.
- 1.2.11 **System Problems - Plan Notification:** Offeror must agree to immediately notify the State if their claim system experiences or is scheduled to experience delays or shut down that either: a) exceeds your internal standards in this area, or b) would have an adverse impact on claim payment or customer service.

1.3 Minimum Proposal Qualifications

- 1.3.1 Offeror must confirm they are not restricted or prohibited from conducting business in all states where the AlaskaCare members reside or access care.
- 1.3.1 Offeror must confirm they have clearly identified the Account Manager's experience on Submittal Form B Prior Experience. Offeror's firm must have experience in the same scope of work as required in this RFP and must include three Client Reference Forms, **as provided as an attachment to this RFP**, for whom the offeror provides, or has provided, the same services as required in this RFP.
- 1.3.2 Offeror must confirm their firm has at least three years of experience in providing prescription drug benefit plan services under contract to at least five plan sponsors, each with a minimum of 5,000 covered lives, for a minimum duration of three years continuously. At least one of which plans must be a state or public sector client. If expired, the contract must have expired within the previous five years.

SEC. 3.05 CONTRACTUAL REQUIREMENTS

The following contractual requirements must be confirmed or responded to with a brief answer (e.g., yes, no, or a short phrase) on Submittal Form G (Part 1 of 2) – Contractual Requirements, spreadsheet tab 1) Administrative Requirements.

Responses requiring a written narrative response must be provided on Submittal Form G (Part 2 of 2) – Contractual Requirements Narrative Response Form.

1.1. Formulary Management

- 1.1.1 Offeror must confirm all Pricing Guarantees in the offeror's proposal are based on the PBM's lowest net cost formulary or preferred drug listing, which includes the offeror's standard drug coverage exclusions.
- 1.1.2 a.) Offerors must provide the name of the Formulary they are proposing for the active employee population's Commercial Plan and the number of drug exclusions.
b.) In tab two, titled **PDL (Preferred Drug List) Employee**, offeror must provide a list of each drug by NDC, Drug Name and Therapeutic Class.
- 1.1.3 a.) Offeror must provide the name of the Specialty Formulary they are proposing for the active employee population's Commercial Plan and the number of drug exclusions, if applicable.
b.) In tab three, titled **Spec Drug List Employee**, offeror must provide a list of each specialty drug by NDC, Drug Name and Therapeutic Class.
- 1.1.4 In tab four, titled **Excluded Drug List Employee**, offeror must provide a list of the excluded non-specialty and specialty drugs and the therapeutic alternatives for the active employee population's Commercial Plan.
- 1.1.5 a.) Offeror must provide the name of the Formulary they are proposing for the Non-EGWP Retiree's Commercial Plan and the number of drug exclusions.
b.) In tab seven, titled **PDL NonEGWP**, provide a list of each drug by NDC, Drug Name and Therapeutic Class.
- 1.1.6 a.) Offer must provide the name of the Specialty Formulary they are proposing for the non-EGWP Retiree's Commercial Plan and the number of drug exclusions, if applicable.
b.) In tab eight, titled **Spec Drug List NonEGWP**, offeror must provide a list of each specialty drug by NDC, Drug Name and Therapeutic Class.
- 1.1.7 In tab nine, titled **Excluded Drug List NonEGWP**, offeror must provide a list of the excluded non-specialty and specialty drugs and the therapeutic alternatives for the Non-EGWP Retiree's Commercial Plan.

-
- 1.1.8 a.) Offeror must provide the name of the Formulary they are proposing for the EGWP Plan and the number of drug exclusions.
- b.) In tab 11, titled **PDL EGWP**, offeror must provide a list of each drug by NDC, Drug Name and Therapeutic Class.
- 1.1.9 a.) Offeror must provide the name of the Specialty Formulary they are proposing for the EGWP Plan and the number of drug exclusions, if applicable.
- b.) In tab 12, titled **Spec Drug List EGWP**, offeror must provide a list of each specialty drug by NDC, Drug Name and Therapeutic Class.
- 1.1.10 In tab 13, titled **Excluded Drug List EGWP**, offeror must provide a list of the excluded non-specialty and specialty drugs and the therapeutic alternatives for the EGWP Plan.
- 1.1.11 Offeror must provide descriptions of the other formulary options available to AlaskaCare. At this time there is no need to provide the revised pricing under these alternative formulary options.
- 1.1.12 Offeror must confirm they shall allow members to obtain formulary excluded drugs with a prior authorization for medical necessity under your proposed offer without impacting the proposed rebates.
- 1.1.13 Offeror must confirm they have provided information on their process to implement new non-specialty and specialty drug formulary exclusions, within their technical proposal (**Submittal Form G – Contractual Requirements Narrative Response Form**).
- 1.1.14 Offeror must confirm AlaskaCare has the right to opt in or opt out of any additional non-specialty/specialty formulary drug exclusions during the term of the contract without penalty or an impact to the contractual pricing.
- 1.1.15 a.) Offeror must confirm they agree to notify AlaskaCare and its designee 90 days in advance of when a drug is targeted to be excluded from coverage or moved to/from the non-specialty and specialty preferred drug list. Exclusions that shall impact members negatively shall only be implemented annually.
- b.) Offeror must confirm they shall provide a detailed disruption and financial impact analysis at the same time.
- c.) Offeror must confirm they agree no greater than 2% of members shall be disrupted by any non-specialty and specialty formulary deletions or all deletions in total on an annual basis.
- 1.1.16 Offeror must confirm they agree to notify members 60 days in advance of when a member's utilized drug is targeted to be removed from the non-specialty and specialty preferred drug list and thus become excluded from coverage. The offeror must provide

- at least two notifications to the members with the formulary alternative. The offeror must use a 180-day lookback period to determine potential utilizers.
- 1.1.17 Offeror must confirm they agree to notify physicians of affected members 60 days in advance of when a member's utilized drug is targeted to be removed from the non-specialty and specialty preferred drug list and thus become excluded from coverage. The offeror must agree to send at least two notices to prescribers for medications that require prior authorization.
- 1.1.18 Offeror must confirm they agree to notify AlaskaCare 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 offeror must provide a detailed disruption and financial impact analysis at the same time within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.1.19 Offeror must confirm they agree to notify members 60 days in advance of when a member's utilized drug is targeted to be moved to a higher cost tier. The offeror must provide at least two notifications to the members with the formulary alternative.
- 1.1.20 Offeror must confirm they agree to notify physicians of affected members 60 days in advance of when a member's utilized drug is targeted to be moved to a higher cost tier. The offeror must agree to send at least two notices to prescribers for medications that require prior authorization.
- 1.1.21 a.) Offeror must confirm they have provided a description of their process on how impacted members shall be communicated to regarding formulary drug exclusions or shifts from a Preferred to a Non-Preferred Tier within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- b.) For item a.) above, offeror must confirm they have explained how a member would be able to know how to fill an excluded drug through a Prior Authorization for medical exception, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.1.22 Offeror must confirm they shall be able to provide a list of the non-preferred brand drugs that are covered by AlaskaCare upon request at any time during the term of the commercial and EGWP contracts.
- 1.1.23 Offeror must confirm they agree to grandfather AlaskaCare's current formulary for up to 90 days following the contract effective date with no impact on rebate guarantees if AlaskaCare requests it.
- 1.1.24 Offeror must confirm no new drug therapies shall be covered for the first six months after a drug is available in the market.

1.2. Clinical Programs

- 1.2.1 In tab five, titled **Clinical Programs Employee**, the offeror must provide a complete list of their clinical programs with pricing and projected savings associated with each program and highlight those programs recommended for the plan. Describe the type of impact members will face for each of these programs.
- 1.2.2 In tab 10, titled **Clinical Programs NonEGWP**, offeror must provide a complete list of their clinical programs with pricing and projected savings associated with each program and highlight those programs recommended for the plan. Describe the type of impact members will face for each of these programs.
- 1.2.3 In tab 14, titled **Clinical Programs EGWP**, offeror must provide a complete list of their clinical programs with pricing and projected savings associated with each program and highlight those programs recommended for the EGWP Plan. Describe the type of impact members will face for each of these programs.
- 1.2.4 Offeror must confirm all pricing submitted is NOT contingent on participation in any proposed clinical management programs, group medical or behavioral health programs proposed by the offeror or any subcontractor other than those programs that are requested by AlaskaCare.
- 1.2.5 a.) Offeror must confirm they have provided descriptions of their process to introduce new clinical programs to AlaskaCare that would take into consideration what is currently in place, what is needed and what is no longer needed, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- b.) Offer must confirm they have described how they shall provide adequate time to inform AlaskaCare about the program, provide AlaskaCare with member and financial specific information and allow AlaskaCare sufficient time to come up with a decision on the program, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.6 Offeror must confirm they have provided descriptions of their Prior Authorization, Drug Quantity Management, Step Therapy capabilities for non-specialty and specialty drugs, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.7 a.) Offeror must confirm they offer an optional Comprehensive Utilization Management program that includes all their Prior Authorization, Drug Quantity Management and Step Therapy edits for all non-specialty and specialty drugs.
- b.) Offeror must confirm that AlaskaCare is able to enroll in the Comprehensive Utilization Management program or is able to elect not to enroll in this program without affecting the proposed financial guarantees.

- c.) Offeror must provide the name of the program and the applicable fees whether the fees are on a Per Member Per Month basis or on a per occurrence basis.
- 1.2.8 Offeror must confirm they shall provide information, including potential financial impact to the pricing guarantees, regarding a potential utilization management program to target a specific drug or drug classes within 30 calendar days of AlaskaCare's request.
- 1.2.9 Offeror must confirm they shall keep accurate and detailed records regarding every prior authorization that is approved and that these records shall be available for AlaskaCare's review or its auditor's review upon request.
- 1.2.10 a.) Offeror must confirm they have concisely described their capabilities surrounding e-Prescribing, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- b.) Offeror must indicate if the member's physician will be able to see the formulary status of a drug and enter the prior authorization criteria into the e-Prescribing tool.
- 1.2.11 Offeror must confirm they shall only charge a Prior Authorization fee once for the review of a member's single prescription and shall not charge a fee multiple times if the member/provider does not respond in a timely manner to requests for additional information or if the member/provider makes the request to review the drug again.
- 1.2.12 Offeror must confirm they shall guarantee the total Prior Authorization fee charges shall not be greater than AlaskaCare's Net Cost (before rebates) for the claim that is ultimately filled.
- 1.2.13 a.) Offeror must indicate if they are able to exclude bulk chemical compound medications.
- b.) If so, offeror must confirm they have provided details on what AlaskaCare will need to do in order to ensure the PBM excludes bulk chemical compound medications from their coverage, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.14 Offeror must confirm they have provided descriptions of their capabilities regarding compounds and their ability to only administer them when it is clinically appropriate, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.15 Offeror must confirm they have provided the discounts, dispensing fees and logic associated with the compounds they administer when it is clinically appropriate, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.16 Offeror must confirm they have described their home infusion capabilities. Provide the contractual discounts, dispensing fees, administrative fees and rebates they are

- proposing to AlaskaCare for home infusion claims, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.17 Offeror must confirm they have provided descriptions of their capabilities to use medical claims data and prescription claims data to identify safety and health risks, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.18 Offeror must confirm they have provided descriptions of their online and mobile app capabilities to allow plan sponsors to view actionable items and enhance the care for patients with chronic and complex conditions, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.19 Offeror must confirm they have provided descriptions of their programs to better manage high-cost non-specialty generics and brands, including Hepatitis C, Diabetes and Oncology products, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.20 Offeror must confirm they have provided descriptions of the PBM's process to better manage drug inflation and hyperinflation drugs, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.21 a.) Offeror must confirm they shall provide AlaskaCare with a utilization management program for every non-specialty drug with an ingredient cost of over \$1,000 per 30 days' supply.
- 1.2.22 Offeror must confirm they have provided a description of how the PBM shall manage Non-FDA approved drugs based on AlaskaCare's benefits coverage, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.23 Offeror must confirm they have provided a description of how they shall manage DESI drugs based on AlaskaCare's benefits coverage, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.24 Offeror must confirm they have provided a description of how they shall manage 510k products based on AlaskaCare's benefits coverage that excludes 510k products from coverage, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.25 Offeror must confirm non-essential drugs such as high-cost, low value kits, etc., can be automatically excluded from coverage.
- 1.2.26 Offeror must confirm they have provided examples of success with managing specialty costs for other clients, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

- 1.2.27 a.) Offeror must indicate if they have edits or programs in place designed to detect, address potential drug fraud and/or abuse and notify AlaskaCare.
- b.) If yes, offeror must confirm they have explained and included a listing of the specific drugs targeted by this program, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- c.) If yes, offeror must confirm they have described the enrollee outreach after fraud or abuse is identified, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- d.) If yes, offeror must confirm they have detailed the controls put into place after fraud or abuse is identified, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.28 a.) Offeror must indicate if they require two generic products in order for a brand drug with a DAW 1 or 2 code to get the DAW penalty.
- b.) Offeror must indicate if their DAW penalty process applies to just DAW 1 and DAW 2 or all DAW codes.
- c.) Offeror must confirm they have described any additional details on how the offeror's DAW penalty process works, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- d.) Offeror must indicate if their process allows for an appeals process that allows a member's doctor to provide information showing that the brand name drug is medically necessary.
- e.) If so, offeror must confirm they have detailed how this process works and provided if the regular brand discount, fee, rebate, and member copay apply to that drug, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.2.29 Offeror must confirm they shall provide medication therapy management services consistent with CMS requirements and provide AlaskaCare with quarterly reporting on all MTM activities.

1.3. Retail Network Management

- 1.3.1 Offeror must confirm their pricing guaranteed proposed for the Commercial Plan reflects the PBM's broad Retail 30 national network similar to what is currently in place. Indicate the name of the proposed Retail 30 network.

-
- 1.3.2 Offeror must confirm the pricing guaranteed proposed for the Commercial Plan reflects a broad Retail 90 network similar to what is currently in place. Indicate the name of the proposed Retail 90 network and the participating retail pharmacies.
- 1.3.3 a.) Offeror must confirm their pricing guaranteed proposed for the Commercial Plan reflects a Retail 90 network that includes multiple retail chains at the mail order copay and mail order pricing to AlaskaCare similar to what is currently in place.
- b.) Offeror must confirm they have provided the names of the retail chain(s) that are part of their proposed Retail 90 network that allows members to pay the mail order copay and AlaskaCare obtain the mail order pricing, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.3.4 a.) The Commercial Plan's current plan design encourages members to fill maintenance medications at mail/Retail 90 but does not apply a penalty if the member continues to fill a 30-day supply. Offeror must indicate if they are able to administer this plan design.
- b.) If so, offeror must confirm they have detailed how they determine which drugs are “maintenance” drugs, and what is the process for the offeror to update that list, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.3.5 Offeror must confirm the pricing guaranteed for the EGWP Plan reflects their broad Retail 30 national network and indicate the name of the proposed Retail 30 network.
- 1.3.6 Offeror must confirm the pricing guaranteed for the EGWP Plan RFP reflects a broad Retail 90 network. Indicate the name of the proposed Retail 90 network and the participating retail pharmacies.
- 1.3.7 a.) Offer must confirm the pricing guaranteed for the EGWP Plan reflects a Retail 90 network that includes multiple retail chains at the mail order copay and mail order pricing to AlaskaCare similar to what is currently in place.
- b.) Offeror must confirm they have provided the names of the retail chain(s) that are part of their proposed Retail 90 network that allows members to pay the mail order copay and AlaskaCare obtain the mail order pricing, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.3.8 Offeror must confirm they have provided descriptions of the other retail network options that are not part of this proposal, but are available to AlaskaCare, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**. At this time there is no need to provide the revised pricing under these alternative retail network options.

-
- 1.3.9 Offeror must confirm they shall provide service statistics and service performance guarantees, such as waiting times, related to medications dispensed via these proposed retail 90 pharmacies.
- 1.3.10 Offeror must confirm they shall not remove any participating pharmacies that impact greater than 2% of AlaskaCare's prescriptions without communicating to AlaskaCare at least 60 days in advance of the scheduled change. If the change is not agreeable to AlaskaCare, AlaskaCare will have the right to terminate the contract without penalty with 30 days' notice.
- 1.3.11 Offeror must confirm they agree to offer improved pricing terms to AlaskaCare if greater than 2% of utilizing members are impacted by proposed changes to the participating pharmacy network.
- 1.3.12 Offeror must confirm that they offer a performance guarantee that at least 95% of members will have access to a network pharmacy within a five-mile radius of their residence.
- 1.3.13 a) Offeror must confirm whether mail order pharmacies such as Pillpak, Amazon, Hims & Hers Health, Get Roman, Cuban etc. that do not have traditional “brick and mortar” locations shall be allowed in AlaskaCare's retail network.
- b) Offeror must confirm whether AlaskaCare will have the option to exclude these pharmacies from the retail network.
- 1.3.14 Offeror must confirm AlaskaCare reserves the right to remove any retail pharmacy from its retail pharmacy network.
- 1.3.15 a.) Offeror must confirm they shall not withhold any financial recoveries from audits performed on the contracted pharmacy network including retail, mail order and specialty pharmacies.
- b.) Offeror must confirm any recoveries shall be disclosed and credited to AlaskaCare.
- c.) Offeror must confirm they shall provide, on a quarterly basis, a summary of AlaskaCare's retail network audits and recovery payments provided to AlaskaCare.
- 1.3.16 Offeror must confirm they shall not charge AlaskaCare or offset any costs from a pharmacy audit recovery even if they must pursue additional collection action to recover pharmacy audit discrepancies.
- 1.3.17 Offeror must confirm they shall maintain the retail pharmacy audit recovery fee paid to offeror at 0% of the collections throughout the life of the contract.
- 1.3.18 Offeror must confirm they shall recover all outstanding payments from retail pharmacies as a result of incorrect charges and pay all the amounts owed from these audits to the

client regardless of whether the offeror is able to recover all these amounts from the delinquent retail pharmacies.

- 1.3.19 Offeror must confirm they have provided 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, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

1.4. Copay Assistance Program

- 1.4.1 a.) Offerors must confirm they agree to have programs in place to counter the use of manufacturer's coupons/copay assistance cards for non-specialty drugs and specialty drugs that promote the dispensing of higher cost brand name drugs when a lower cost generic or alternative is available.
- b.) Offeror must confirm they have described their strategy to combat the use of manufacturer's coupons/copay assistance cards, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- c.) Offeror must confirm there is no cost to AlaskaCare for any programs in place to counter the use of manufacturer's coupons/copay assistance cards for non-specialty drugs and specialty drugs that promote the dispensing of higher cost brand name drugs when a lower cost generic or alternative is available.
- 1.4.2 a.) Offeror must confirm they can administer a specialty drug, including specialty generic products and biosimilars, variable copay plan design/copay assistance program to leverage available specialty drug and biosimilar manufacturer patient assistance programs at both Retail and Specialty Pharmacies.
- b.) Offeror must indicate if the proposed copay assistance program is managed by the PBM or a subcontractor.
- c.) Offeror must Indicate the name of the subcontractor, if applicable.
- 1.4.3 In tab six of Submittal Form G (Part 1 of 2), titled Copay Assistance Employee, offeror must provide a list of drugs, and the respective monthly/annual copay limit, included in your variable copay plan design for the Commercial Plan.
- 1.4.4 **Estimated Member Savings**
- a.) Based on the claims data issued with the RFP and the offeror's projection of costs and utilization January 1, 2026 - December 31, 2026, offeror must confirm they have provided their estimated member cost impact as a result of this variable copay program for non-specialty drugs and specialty drugs, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

- b.) Based on the claims data issued with the RFP and the offeror's projection of costs and utilization January 1, 2027 - December 31, 2027, offeror must confirm they have provided their estimated plan paid impact as a result of this variable copay program for non-specialty drugs and specialty drugs, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.4.5 Plan Savings**
- a.) Offeror must confirm they have provided their estimated savings as a result of this variable copay program for non-specialty drugs and specialty drugs for the period January 1, 2026 - December 31, 2026, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- b.) Offeror must confirm they have provided their guaranteed savings as a result of this variable copay program for non-specialty drugs and specialty drugs for the period January 1, 2026 - December 31, 2026, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.4.6** a.) Offeror must confirm their proposed copay assistance program/variable copay plan design program shall not seek assistance from charitable foundations and shall not require members to provide personal income and financial information to the copay assistance program.
- b.) Offeror must confirm assistance from charitable foundations shall not be mandatory and shall only be optional at the member's request.
- 1.4.7** Offeror must confirm they can administer a non-specialty drug variable copay plan design to leverage available non-specialty drug manufacturer patient assistance programs at Retail.
- 1.4.8** Offeror must indicate if they have a variable copay program for non-specialty drugs at retail. If not available, offeror must confirm they have provided their plans to develop one, within the next 12 months, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.4.9** For the variable copay plan design currently administered, offeror must confirm they shall be able to exclude the portion of cost funded by the manufacturer from a member's accumulators (i.e., out-of-pocket maximum).
- 1.4.10** a.) Offeror must confirm they have described their member enrollment process in the patient assistance program under the variable copay plan, including the role of the member, PBM, and pharmacy, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

b.) Offeror must confirm they have described the claims adjudication process under the variable copay plan, including the role of the member, PBM, and pharmacy, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

1.4.11 Offeror must state whether they currently have (or shall have) work with outside vendors that specialize in procuring alternative funding for specialty drugs who have been selected by AlaskaCare and not the outside vendor selected by the offeror.

1.4.12 Offeror must confirm they have described how they expect to maximize the available copay assistance programs for certain non-specialty products that are also dispensed via the Specialty Pharmacy such as HIV and Transplant products, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

1.5. Audit Rights (Applies to both the Commercial and EGWP with enhanced plan design contracts)

1.5.1 Offeror must confirm the State's Right to Audit: The offeror agrees to extend annual audit rights to AlaskaCare and to cooperate with any outside audit firm AlaskaCare selects to perform a claim administration audit. This might include the provision of space and system terminals for a reasonable period of time to accomplish the audit objectives. Audits may include 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.

1.5.2 Offeror must confirm that AlaskaCare's auditor does not need to be mutually agreed upon by the PBM and shall be selected at the sole discretion of the State. The auditor shall be required to sign a confidentiality agreement.

1.5.3 Offeror must confirm that AlaskaCare will have the right to use an auditor of its choice for rebate audits, and the auditor of manufacturer agreements may be an auditing consulting company and is not restricted to a mutually agreed upon CPA accounting firm whose audit department is a separate stand-alone division of the business, which carries insurance for professional malpractice.

1.5.4 a.) Offeror must confirm that AlaskaCare or its designee will have the right to audit up to the last three complete contractual years (36 months) of claims at no additional charge from the offeror.

b.) Offeror must confirm that all audits shall not be limited to information relating to the calendar year (or plan year) in which the audit is conducted or the immediately preceding calendar year (or plan year).

-
- 1.5.5 Offeror must confirm that AlaskaCare 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 offeror shall provide all documentation necessary to perform the audit.
- 1.5.6 Offeror must confirm that AlaskaCare will not be held responsible for time or miscellaneous costs incurred by the offeror in association with any audit process including, all costs associated with provision of data, audit finding response reports, or systems access, provided to AlaskaCare or its designee by the offeror during the life of the contract. Note: This includes any data required to transfer the business to another vendor and money collected from lawsuits and internal audits.
- 1.5.7 Offeror must confirm they shall provide complete claim files and documentation (i.e., full claim files, financial reconciliation reports, inclusion files, and plan documentation) to the auditor within 15 calendar days of receipt of the audit data request as long as a non-disclosure agreement is in place between the auditor and the offeror.
- 1.5.8 Offeror must confirm they shall not set a maximum of claim samples per audit. AlaskaCare or the auditor, on behalf of AlaskaCare, will be able to audit 100% of all pharmacy claims.
- 1.5.9 Offeror must confirm they agree to a 30-calendar day turnaround time to provide the full responses to all of the sample claims, suspected errors and claims audit findings regardless of the number of claim samples sent to the offeror or the number of years that encompass the scope of the audit.
- 1.5.10 a.) Offeror must confirm that AlaskaCare or its designee will have the right to audit 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.
- b.) Offeror must confirm these are actual pharmaceutical manufacturer contracts and not contracts with a rebate aggregator.
- 1.5.11 The offeror shall correct any errors that AlaskaCare, or its representative, brings up to the offeror's attention whether identified by an audit or otherwise. Offeror must confirm they have described the process that the offeror shall undergo to correct the error and make the appropriate payments to the member and/or AlaskaCare, if applicable, within their technical proposal (**Submittal Form G – Contractual Requirements Narrative Response Form**).
- 1.5.12 Offeror must confirm the audit provision shall survive the termination of the agreement between the parties for a period equivalent to the initial term of the contract.
- 1.5.13 Offeror must confirm only AlaskaCare, or the auditor on behalf of AlaskaCare, is able to formally close an audit initiated by AlaskaCare or the auditor on behalf of AlaskaCare.

- 1.5.14 Offeror must confirm that AlaskaCare will be able to initiate a new audit even if all parties have not agreed that the prior audit is closed.
- 1.5.15 Offeror must confirm that AlaskaCare will have the ability to fully inspect the contracts between participating pharmacies and the offeror for up to 80% of retail pharmacy claims if AlaskaCare selects a fully-pass through pricing arrangement.
- 1.5.16 Offeror must confirm they have provided a document outlining the Audit Rights and Procedures **as an attachment to their technical proposal**. Provide the name of the attachment.

1.6. Implementation (Applies to both the Commercial and EGWP with enhanced plan design contracts)

- 1.6.1 Offeror must confirm they are able and fully committed to support the State of Alaska with all aspects of the implementation process. Offeror must confirm they have provided an implementation timetable with a key task checklist, within their technical proposal including a separate implementation plan for each plan group, Active Employees, Non-EGWP Retirees and EGWP Retirees **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.6.2 Offeror must confirm they agree 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 State’s current PBM provider at NO charge to AlaskaCare (with no charges being deducted from the implementation allowance for file loading or IT).
- 1.6.3
 - a.) Offeror must confirm they have described how prior authorizations and step therapies shall work for those members that have already gone through the process prior to the implementation date using the claims history file, open mail refill file and a prior authorization file for the past 12 months, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
 - b.) Offeror must confirm they have described 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, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.6.4 Offeror must confirm they agree to send at least 12 months of claims history data, all current prior authorizations, open mail order refills, specialty transfer files, and accumulator files that exist for AlaskaCare members to the next/successor PBM at NO charge if AlaskaCare terminates the contract with or without cause.
- 1.6.5 Offeror must confirm they agree to waive any charges to AlaskaCare or AlaskaCare'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, bi-directional data integration, including non-standard data integration formats.

- 1.6.6 Offeror must confirm they agree to work with AlaskaCare's auditor during a pre/post implementation audit to run test claims in a test environment utilizing AlaskaCare's actual plan parameters.
- 1.6.7 Offeror must confirm they shall provide draft Summary Plan Description (SPD) language for any clinical programs that are to be implemented.
- 1.6.8 Offeror must confirm they shall have a member-friendly website as well as AlaskaCare's specific toll-free telephone number available to all plan members prior to the go-live date.

1.7. Member Services and Account Management

- 1.7.1 Offeror must confirm they agree to provide appropriately trained, designated account resources including, but not limited to, an Account Manager, Implementation Manager, Clinical Pharmacist, Member Services Manager and Medicare Part D/EGWP Expert that are familiar with AlaskaCare's industry.
- 1.7.2 Offeror must confirm they shall employ sufficient and appropriately trained designated staff, familiar with administering the offeror's proposed plan of benefits, to meet the service specifications outlined herein and subsequently detailed in a Performance Standards agreement that will be executed between AlaskaCare and your company.
- 1.7.3
 - a.) Offeror must confirm their Account Team shall be available to meet with AlaskaCare and update an action log on a weekly basis.
 - b.) Offeror must confirm their Account Team shall be available to meet with AlaskaCare quarterly, in person at the State's office in Juneau, Alaska, to review utilization reports and service performance metrics.
 - c.) Offeror must confirm their Account Manager shall be responsible for overseeing the task log and ensuring each identified issue is addressed until resolution is achieved.
 - d.) Offeror must confirm they shall include a Performance Guarantee on the Account Team's responsiveness.
- 1.7.4 Offeror must confirm they agree to obtain AlaskaCare's approval for all member communication materials before distribution to members. The offeror shall not automatically enroll AlaskaCare in any programs that involve any type of communications with members or alterations of members' medications, without express written consent from AlaskaCare.
- 1.7.5 Offeror must confirm that AlaskaCare reserves the right to review, edit, or customize any communication from the offeror to the plan members.

-
- 1.7.6 Offeror must confirm they have described how they shall personalize member communications based on AlaskaCare's various demographics (e.g., age, new hires) and type of enrolled plan (e.g., Active Employees, Non-EGWP Retirees and EGWP Retirees), within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.7.7 Offeror must confirm that postage is included when mailing new ID cards and replacement cards.
- 1.7.8 Offeror must confirm they shall be able to print out the full name of the primary member and dependents on the ID Card.
- 1.7.9 Offeror must confirm they have described how they shall ensure they do not create unnecessary duplicate ID cards that could be incorrectly charged to AlaskaCare when receiving and loading eligibility files, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.7.10 Offeror must confirm members will be able to print out ID Cards from the offeror's website and members will be able to see their ID Cards from the offeror's mobile App.
- 1.7.11 Offeror must confirm they have described the process on how the member will be able to access the ID card if the member has not received the initial member ID card package by the effective date, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.7.12 a.) Offeror must confirm that all member service call recordings and notes between AlaskaCare's members and the offeror, the offeror's-owned pharmacies, and the offeror's subcontractors will be AlaskaCare's property.
- b.) Offeror must confirm that all recordings and notes shall be stored by the offeror, the offeror-owned pharmacies and/or the offeror's subcontractors for a minimum of 36 months after contract termination at no additional cost to AlaskaCare.
- 1.7.13 a.) Offeror must confirm they agree to document 100% of AlaskaCare's member service calls through call recordings and call notes.
- b.) Offeror must confirm they shall forward written transcripts of calls at AlaskaCare's request within two business days of the request being made.
- 1.7.14 a.) Offeror must confirm they agree that AlaskaCare reserves the right to access all call recordings or call notes from member service calls with its members.
- b.) Offeror must confirm they agree to allow AlaskaCare the right to request call recordings and/or notes at any time.

- c.) Offeror must confirm they agree to allow AlaskaCare to listen to any recorded calls within 24 hours of AlaskaCare's request.
- 1.7.15 Offeror must confirm that all customer service operations requiring verbal communication with AlaskaCare and AlaskaCare's members will be performed in the United States (i.e., will not be provided offshore). This requirement includes work performed by the offeror and approved subcontractors.
- 1.7.16 Offeror must confirm, if awarded this contract, the offeror shall provide AlaskaCare with a virtual tour of the offeror's customer service representative (CSR) system and any custom messaging system. Details and scheduling of the demonstration will be coordinated between the Project Manager and the awarded Offeror.
- 1.7.17 Offeror must confirm they have described their process for providing training to member service representatives to serve a senior membership (EGWP), within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.7.18 Offeror must confirm they have provided information on programs the offeror's organization offers that would allow members to contact the same Care Representative, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.7.19 Offeror must confirm that multi-language communication phone line support is included in the base administrative fee. List the languages available to AlaskaCare members speaking to your customer service representatives.
- 1.7.20 a.) Offeror must confirm they have detailed how they track member complaints, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- b.) Offeror must confirm they have listed the top five member complaints related to retail, mail order, and the specialty pharmacy program, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- c.) Offeror must confirm they have described their processes and remedies in place to resolve these complaints, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.7.21 Offeror must indicate if they maintain statistics with respect to member service telephone response time, abandonment, and inquiries made.
- 1.7.22 Offeror must confirm they have detailed how hearing-impaired member calls are facilitated through their member services area within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

-
- 1.7.23 Offeror must confirm they agree to, at minimum, quarterly calls to review member service issues and that they agree to allow AlaskaCare to review member service quality issues to the resolution endpoint.
- 1.7.24 Offeror must confirm they have listed the functions members can perform using their member website and member mobile app, within their technical proposal (**Submittal Form G – Contractual Requirements Narrative Response Form**).
- 1.7.25 Offeror must indicate if members can view real time discount price by drug and pharmacy via the offeror’s website, mobile app and call center.
- 1.7.26 Offeror must confirm they have provided images of their member website layout as an attachment to their technical proposal. Submitted images must remain anonymous and shall not contain any names, logos, or other identifying marks that could identify the offeror.
- 1.7.27 Offeror must confirm they agree to provide different levels of access to each of AlaskaCare's designees to the online real time claim system so that not all AlaskaCare's designees are able to see all details related to all member claims in the system.
- 1.7.28 a.) Offeror must confirm they have provided a standard reporting package sample, as an attachment to their technical proposal, and has noted the frequency which these reporting packages shall be provided to AlaskaCare. Provide the name of the attachment.
- b.) Offeror must confirm the standard reporting package can be sent to AlaskaCare on a quarterly or annual basis, at AlaskaCare’s request, within their technical proposal (**Submittal Form G – Contractual Requirements Narrative Response Form**).
- 1.7.29 Offeror must confirm they agree that all future edits required because of plan design changes implemented by AlaskaCare shall be completed, after testing, by the offeror within 45 days of request/advisory by AlaskaCare.
- 1.7.30 a.) Offeror must confirm they shall fully disclose any and all sub-contracted work.
- b.) Offeror must confirm they shall **not** provide any AlaskaCare services offshore.
- 1.7.31 Offeror must confirm they have described what portion of AlaskaCare's business shall be serviced by a subcontractor, or through leased services/networks, within their technical proposal (**Submittal Form G – Contractual Requirements Narrative Response Form**).
- 1.7.32 Offeror must confirm they shall provide AlaskaCare with a 90-day advance notice of any changes in suppliers or subcontractors for services such as specialty pharmacy, mail-order facility and/or other products and services.

1.8. Legal Responsibilities

- 1.8.1 General Compliance: Offeror must confirm all services adhere to relevant federal and state laws and regulations.
- 1.8.2 HIPAA Compliance: Offeror must confirm all systems and services are compliant with HIPAA EDI, Privacy, and Security regulations on the appropriate dates established by the Department of Health & Human Services.
- 1.8.3 Offeror must confirm they shall indemnify, defend and hold harmless AlaskaCare, its officers, directors, employees and agents and affiliates 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 Commercial and EGWP with enhanced plan design Agreements or arising out of the negligent act or omission or willful misconduct of the PBM or its employees or agents.
- 1.8.4 Offeror must confirm the indemnification set forth above in 1.8.3 shall cover a breach of protected health information.
- 1.8.5 Offeror must confirm they are compliant with the Electronic Data Interchange (EDI), Privacy and Security Rules of the Health Insurance Portability and Accountability Act (HIPAA) and shall execute the appropriate Business Associate Agreement (BAA). PBM also agrees that in the event of a privacy violation or data breach, that the PBM shall notify AlaskaCare and the impacted members to a breach and provide any required remedies.
- 1.8.6 The PBM agrees that the Agreement 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.
- 1.8.7 Offeror must confirm they 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 offeror and AlaskaCare shall endeavor to meet and negotiate a reasonable outcome of said dispute. In NO event shall the offeror undertake unilateral offset against any monies due and owed to AlaskaCare, whether from manufacturer rebates, credit adjustment or otherwise.
- 1.8.8 Offeror must confirm they agree to provide the offeror's alternative mediation or appeal options for conflict resolution to help AlaskaCare resolve disputes. This appeal option should provide a simple, efficient, and fair method of providing resolutions to the member and the plan sponsors issues.
- 1.8.9 Offeror must confirm they agree to hold AlaskaCare harmless for any HIPAA violations made by the offeror or its Network Pharmacies.

- 1.8.10 Offeror must confirm they agree to be the claims fiduciary for clinical based determinations.
- 1.8.11 Offeror must confirm they agree to provide data and reporting information for drug manufacturer lawsuits and settlements and shall agree to list out their responsibilities regarding these class actions such as notifying the client and providing the appropriate information.
- 1.8.12 Offeror must confirm they agree to handle claims/appeals processing in accordance with the minimum requirements of ERISA as amended by the Patient Protection and Affordable Act (PPACA).
- 1.8.13 Offeror must confirm they agree to be responsible for selecting and contracting the external review organizations sufficient to allow AlaskaCare to comply with ERISA as amended by the PPACA.
- 1.8.14 Offeror must confirm they meet all federal and state benefit laws including all relevant provisions of ACA, HIPAA, and Mental Health Parity laws.
- 1.8.15 Offeror must confirm they shall respond to and timely incorporate all future state and federal statutory or regulatory change requirements at no additional cost to AlaskaCare for administration or execution related to set up and coding of those future changes.
- 1.8.16 Offeror must confirm that AlaskaCare will have the option of choosing legal counsel to defend claims litigation based on decisions made by the offeror to deny coverage for clinical reasons, and that offeror shall be fully involved in said defense, the cost of which shall be borne by the offeror to the extent the offeror is found to have been negligent or at fault in the denial decision.

1.9. Federal No Surprises Act, Final Transparency Rule, No Surprises Act

- 1.9.1 a.) Offeror must confirm they have described how they shall assure that AlaskaCare is compliant with federal law and regulations concerning surprise billing and transparency with respect to the services provided by the offeror, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- b.) Offeror must confirm they shall incorporate language in good faith regarding the Federal No Surprises Act and Final Transparency Rule.
- 1.9.2 Offeror must confirm they have provided a list of any technical specifications that AlaskaCare will need to meet to use any solution the offeror intends to offer to comply with applicable laws and regulations, including software, hardware, or other information technology, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

- 1.9.3 a.) Offeror must indicate they are fully compliant with the law and regulations by the statutory and regulatory due dates.
- b.) If not, offeror must confirm they have provided an explanation, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.4 a.) Offeror must indicate their existing fees are inclusive of all services related to the applicable laws and regulations.
- b.) If not, offeror must confirm they have provided an explanation of what additional costs AlaskaCare may incur, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- c.) Offeror must confirm they have described when and how AlaskaCare would be notified of any fee modification proposals, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

Transparency Rules (Not Applicable to Grandfathered Plans)

- 1.9.5 Offeror must indicate they shall prepare an internet-based self-service tool that makes available to Fund participants real time cost-sharing information concerning covered prescription drug items and services in accordance with the rule.
- 1.9.6 a.) Offeror must indicate if they currently offer an internet-based self-service tool.
- b.) If so, offeror must confirm they have described how it differs from the applicable regulations, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.7 Offeror must confirm they have described how members access their internet-based self-service tool, through the offeror’s website, by providing information to Funds, or through another option, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.8 Offeror must confirm they have provided screenshots of their web portal, to be used for the participant cost-sharing disclosure, **as an attachment to their technical proposal**. This attachment should be titled “Offeror Name_Transparency Rules”. Provide the name of the attachment.
- 1.9.9 Offeror must indicate how their required participant Notice of Disclosure shall be provided to members.
- 1.9.10 Offeror must indicate how they shall respond to members who request the Notice of Disclosure on paper instead of through the website.
- 1.9.11 Offerors must indicate whether the tool shall also meet the requirements for a price comparison tool under the No Surprises Act.

- 1.9.12 a.) Offeror must indicate if they shall provide AlaskaCare with a monthly machine-readable file which includes prescription drug negotiated rates.
- b.) If so, offeror must confirm they have described which files shall be provided and state whether the offeror shall send information to AlaskaCare or provide another service to AlaskaCare that allows AlaskaCare to link to another website, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.13 Offeror must confirm they have described the information technology requirements necessary for transmitting files and/or posting them, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.14 Offeror must indicate if AlaskaCare uses multiple service providers for in-network or out-of-network pricing, shall the offeror provide assistance in consolidating the information into one file.

Gag Clause

- 1.9.15 a.) Offeror must indicate if they have any contracts the offeror is a party to that contain a claim prohibiting disclosure of pricing terms (“gag clause”) which is prohibited under the Consolidated Appropriations Act (CAA) 2021.
- b.) Offeror must confirm they do not include gag clauses and if requested by the State, the offeror must provide attestation in a timely manner.

No Surprises Act

The No Surprises Act requires ID cards to contain information about deductibles and out-of-pocket maximums.

- 1.9.16 a.) Offeror must confirm they provide updated ID cards which include at a minimum the major medical deductible and out-of-pocket maximum; a telephone number and internet website address for participants to seek consumer assistance; and access to additional applicable deductibles and maximum out-of-pocket limits.
- b.) Offeror must confirm they have provided a template ID card as **an attachment to their technical proposal**. Provide the name of the attachment.
- 1.9.17 a.) For grandfathered and non-grandfathered plans, offeror must confirm they have described how they shall support the additional External Appeals requirements for Covered Services, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- b.) Offeror must indicate if they provide an Independent Review Organization for external review.

- 1.9.18 a.) If offeror has a preferred provider network, offeror must confirm they have described the offeror's process for allowing continuation of care for individuals when their health care provider is terminated from the Network, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- b.) Offeror must confirm they have described how patients are protected from being billed at an out-of-network rate and how the patient is provided with notice under the law, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.19 a.) Offeror must indicate if they provide a price comparison tool via an internet website, via telephone, and in paper form upon request, that allows a participant to compare the amount of cost sharing they will be responsible for by participating provider and geographic region.
- b.) Offeror must confirm their price comparison tool currently includes the 500 items and services described in the Transparency in Coverage Rule. If not, the offeror must indicate their timeline for including the 500 items and services in their comparison tool.
- c.) Offeror must confirm if their price comparison tool includes all 500 items and services described in the Transparency in Coverage Rule.
- d.) Offeror must confirm they have described the price comparison tool in detail and whether any subcontractors are used to produce it, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- e.) Offeror must confirm they have described who shall provide the telephone tool and at what location, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- f.) Offeror must indicate if they have a dedicated team for AlaskaCare's participants that shall provide the telephone tool and assist with its use.
- g.) Offeror must indicate what internet website shall be used for their price comparison tool, if AlaskaCare will need to provide its own website to link to the tool, or the offeror shall provide that site.
- h.) Offeror must indicate the source of the rate information provided by the price comparison tool.
- i.) Offeror must indicate which benefits software vendors the offeror's price comparison tool is integrated.
- j.) Offeror must confirm they have described what, if any, features are available beyond the requirements of the No Surprises Act and if AlaskaCare is able to opt out of any such

features, within their technical proposal (**Submittal Form G – Contractual Requirements Narrative Response Form**).

k.) Offerors must confirm the price comparison tool is offered at no additional cost to the State.

1.9.20 Offeror must confirm they have described their process for addressing participant or provider complaints that may be made against the plan under the Act, within their technical proposal (**Submittal Form G – Contractual Requirements Narrative Response Form**).

1.9.21 a.) Offeror must confirm they have described how they shall assist AlaskaCare in annually reporting for prescription drug and total health claim costs and other required information to the federal government, within their technical proposal (**Submittal Form G – Contractual Requirements Narrative Response Form**).

b.) Offeror must confirm they have described their process for reporting prescription drug and total health claim cost information to the federal government, within their technical proposal (**Submittal Form G – Contractual Requirements Narrative Response Form**).

c.) On behalf of AlaskaCare, the offeror must indicate if the offeror shall submit the following files on an aggregated basis including the cost data of AlaskaCare. If not, the offeror must indicate which files shall not be submitted by the offeror.

- i. P2 File
- ii. D1 File
- iii. D2 File
- iv. D3 File
- v. D4 File
- vi. D5 File
- vii. D6 File
- viii. D7 File
- ix. D8 File

d.) If the offeror shall submit on an aggregated basis including AlaskaCare data, offeror must confirm they have detailed what information AlaskaCare will need to provide to the offeror, within their technical proposal (**Submittal Form G – Contractual Requirements Narrative Response Form**). Offeror must describe their process for gathering any such information, including any technology specifications.

e.) If the offeror shall submit on an aggregated basis including AlaskaCare data, the offeror must indicate if they shall provide confirmation of timely submission to AlaskaCare.

Offeror must indicate if they shall provide a copy of the offeror's submission to AlaskaCare.

- f.) If the offeror shall not submit on an aggregated basis including AlaskaCare data, the offeror must indicate if the offeror shall provide cost data to AlaskaCare sufficient for AlaskaCare to submit the required reporting.
- Offeror must indicate the format that the cost information shall be provided in.
- g.) Offeror must confirm they have described whether the offeror shall accept responsibility for fulfilling all cost reporting obligations and if not which ones the offeror shall not fulfill, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- h.) Offeror must indicate if there are any additional costs for this reporting service.
- 1.9.22 a.) The No Surprises Act requires ID cards to contain information about deductibles and out-of-pocket maximums. Offerors must confirm they have described what changes are needed to the offeror’s ID cards and how the offeror shall provide the new cards, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- b.) Offeror must confirm they have described when and how new ID cards shall be delivered to Plan participants, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.23 Offeror must confirm they have described what benefits the offeror administers through AlaskaCare's pharmacy benefit, including specialty drugs, that are subject to the new requirement to provide plan participants with an Advanced Explanation of Benefits, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.24 Offeror must confirm they have detailed the offeror’s process used to accept provider notification of expected charges and services, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.25 Offeror must confirm they have described how the offeror shall provide the Advanced EOB to participants such as via electronic means or mail as requested by the participant, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.26 Offeror must confirm they have described how the offeror shall provide reports assuring that the Advanced EOB process is performing as required by law, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.27 Offeror must confirm they have described the offeror’s process for addressing participant or provider complaints that may be made against AlaskaCare under the Act, within their

technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

- 1.9.28 Offeror must confirm they have described how the offeror shall assist AlaskaCare in reporting prescription drug costs and other information to the federal government, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.29 Offeror must confirm they have described the offeror’s process for reporting prescription drug cost information to the federal government, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.9.30 Offeror must confirm they have detailed which elements of the reporting requirements the offeror shall be responsible for and which requirements the offeror expects AlaskaCare to be responsible for, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

1.10. Eligibility

- 1.10.1 Offeror must confirm they shall only use the eligibility file to ensure both entities have the same members enrolled.
- 1.10.2 Offeror must confirm they have described how the offeror defines “ID Card Reissues” and how the offeror shall determine which ID Card Reissues require a fee, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.
- 1.10.3 a.) The PBM shall receive quarterly full eligibility file match information from AlaskaCare's administrators. Offeror must confirm they shall not use this file for card re-issuing.
- b.) Offeror must confirm they shall only use the full eligibility file match information to ensure both entities have the same members enrolled.
- c.) Offeror must confirm they have described how the offeror shall determine which ID Card Reissues require a fee, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

1.11. Invoicing

- 1.11.1 Offeror must confirm they shall promptly process and fill all prescriptions submitted from eligible covered members. The PBM is required to process the prescription and pay pharmacy fees using its own resources and will be reimbursed by AlaskaCare on a regular basis (e.g., twice monthly, bi-weekly, other).
- 1.11.2 a.) Offeror must confirm they shall invoice AlaskaCare weekly for claims and once monthly for the administrative services.

b.) Offeror must confirm that if AlaskaCare disputes all or a portion of any invoice, AlaskaCare 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 AlaskaCare work together, in good faith, to resolve any dispute. Upon resolution, AlaskaCare or the PBM shall remit the amount owed to the other party, if any, within five business days as the parties agree based on the resolution.

1.11.3 The offeror confirms that they shall provide an itemized list of administrative fee charges, including both unit cost and number of units, with each monthly invoice.

1.11.4 a.) Offeror must confirm they have detailed how the offeror shall refund AlaskaCare in instances where the offeror overcharges AlaskaCare for services that the offeror agrees have been overcharged and/or inappropriately charged, within their technical proposal **(Submittal Form G – Contractual Requirements Narrative Response Form)**.

b.) Offeror must indicate if they are able to provide refunds as a transfer back into AlaskaCare's bank account instead of a credit to AlaskaCare's invoices upon AlaskaCare's request.

1.12. Medicare Part D - Employer Group Waiver Plan (EGWP)

1.12.1 Offeror must confirm they shall mirror the current plan design as closely as possible consistent with CMS regulation.

1.12.2 Offeror must confirm they offer a CMS approved Medicare Part D prescription drug plan that can contract with plan sponsors to establish and manage EGWPs.

1.12.3 Offeror must confirm their Pharmacy and Therapeutics (P&T) Committee meets CMS' requirements for objectivity and validity.

1.12.4 Offeror must confirm they shall provide all CMS required filings related to formulary, medication therapy management (MTM), and other clinical programs on a timely basis.

1.12.5 a.) Offeror must indicate how many group EGWP contracts the offeror presently insures or administers.

b.) Offeror must indicate how many covered lives the offeror currently has enrolled in their group EGWP contracts.

1.12.6 Offeror must confirm they shall provide all CMS required filings related to certification of compliance to all waste, fraud, and abuse requirements.

1.12.7 Offeror must confirm they provide a pharmacy network per CMS requirements. Offeror must provide a GeoAccess report, using the Census File attachment provided to the offeror upon the submission of the ITP and NDA forms as detailed in RFP Sec 3.15, **as an attachment to their technical proposal**. Provide the name of the attachment.

-
- 1.12.8 Offeror must confirm they shall apply the required CMS discount for Part D applicable drugs at point-of-sale.
- 1.12.9 Offeror must confirm they shall process low-income premium subsidy refunds to members and AlaskaCare as well as low-income cost sharing refund requests to the members.
- 1.12.10 Offerors must confirm they shall provide all CMS-required member communications and that it is included in the proposed base administrative fee for services.
- 1.12.11 Offeror must confirm that AlaskaCare will have the ability to customize member communications at no additional charge.
- 1.12.12 Offeror must confirm that member services for EGWP retirees shall be handled by a unit separate from the unit that supports active members.
- 1.12.13 Offeror must confirm that their member appeals process meets all CMS Medicare Part D requirements.
- 1.12.14 Offeror must confirm if EGWP functions shall be subcontracted.
- 1.12.15 Offeror must confirm they shall provide quarterly eligibility, summary claim reports, disclosure of subsidies, reinsurance, coverage gap discount reimbursements, and rebates (even if only estimated pending approval).
- 1.12.16 Offeror must provide their book-of-business prescription drug event (PDE) error rate for 2023 and 2024 for the following items:
- a.) Collect and validate Medicare MBI#
 - b.) Research and resolve enrollment errors
 - c.) Medication Therapy Management (MTM) Program
 - d.) Monitor and track all requirement changes made by CMS
 - e.) Enrollment modifications resulting in Low-Income assistance as granted or removed by CMS
 - f.) Benefit Consultation and Actuarial Equivalence validation
 - g.) Fraud, Waste and Abuse Program
 - h.) Grievance, Appeals, and coverage determination – investigate and resolve complaints from the CMS Complaint Tracking Module
 - i.) Full enrollment reports (accepted, rejected, or CMS changes)
 - j.) Evidence of Coverage (EOC)/ID Card/Abridged Formulary/Pharmacy Directory
 - k.) Annual Notices of Changes/EOC
 - l.) Low-Income Subsidy (LIS) Rider
 - m.) LIS premium refunds directly to low-income retirees
 - n.) Transition Letters
 - o.) Explanation of Benefits (Monthly)
 - p.) Receive and reconcile CMS Direct Subsidy, LIS, LICs, and Catastrophic Payments

- q.) Reconcile LIS eligibility with CMS monthly
- r.) Manage TrOOP

1.12.17 Offeror must confirm they have described how the offeror shall administer the IRMAA benefit, within their technical proposal (**Submittal Form G – Contractual Requirements Narrative Response Form**).

SEC. 3.06 FINANCIAL REQUIREMENTS

The following financial requirements must be confirmed or responded to with a brief answer (e.g., yes, no, or a short phrase) on Submittal Form M – (Part 1 of 2) Financial Requirements.

Responses requiring a written narrative response must be provided on Submittal Form M (Part 2 of 2) – Financial Requirements Narrative Response Form.

1.1 Term

- 1.1.1 Offeror must confirm, if awarded the resulting contract from this RFP, the offeror shall provide PBM services for a three-year initial period effective January 1, 2027, through December 31, 2029. NOTE: 3.5-year initial contract term effective approximately July 1, 2026, through December 31, 2029, with eight one-year renewal options solely at the State’s discretion. Initial six months is designated as an implementation period.
- 1.1.2 a.) Offeror must confirm their proposed pricing for the Commercial Plan (Active Employee and Non-EGWP Retiree Plans) shall go into effect on January 1, 2027, as long as the State agrees to that pricing at least 30 days prior to the effective date through a fully executed contract signed by all parties.
- 1.1.3 a.) Offeror must confirm their proposed pricing for the EGWP with Wrap Plan shall go into effect on January 1, 2027, as long as the State agrees to that pricing at least 30 days prior to the effective date through a fully executed contract signed by all parties.
- 1.1.4 a.) Offeror must confirm the financial guarantees for any partial contractual year that results from an early termination; regardless of whether it was with cause or without cause; shall still be guaranteed, reconciled, and the offeror shall still make payments for any shortfalls for those resulting partial contractual years with less than 12 months.

b.) If not confirmed, offeror must indicate what penalties, if any, shall apply.
- 1.1.5 **Market Check:** Offeror must confirm that they agree to a mid-contract term market check, that may be requested as soon as the second quarter of the first contract year, conducted by an independent third-party to ensure the State is receiving appropriate current pricing terms competitive within the industry based on its volume and membership for each of the three plans as described in Section 2.02 About AlaskaCare, and shall review the State’s financial terms 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 State if there is savings of 1% or more in the marketplace. The financial guarantees for any partial contractual year that results from the implementation of new pricing shall still be guaranteed, reconciled and the offeror shall still make payments for any shortfalls for those resulting partial contractual terms with less than 12 months and those contractual terms with over 12 months.
- 1.1.6 **Client Eligibility:** Offeror confirms that all eligibility records are the sole property of the State. Selling or providing of the State’s eligibility data to ANY outside entities must be approved in advance, reported monthly, and all income derived must be disclosed and shared per agreement with the State. Even if the PBM has not 'sold' the eligibility data, it is NOT free to use the eligibility data for analyses that they publish or provide to outside industries.
- 1.1.7 **Client Claims Data:** Offeror confirms that all claims’ data records are the sole property of the State and must be made available upon request to the State and its representatives. Selling or providing of the State’s claims data to ANY outside entities must be approved in advance, reported monthly, and all income derived must be disclosed and shared per agreement with the State. Even if PBM has not 'sold' the claims data, it is NOT free to use the claims data for analyses that they publish or provide to outside industries.
- 1.1.8 The offeror must confirm they shall maintain all pertinent records according to CMS requirements. In the event of a contract termination, PBM shall be required to cooperate and provide to either the State or a delegated State representative, all pertinent historical records to successfully transition to a new PBM.

1.2 Definitions – see RFP Sec. 2.03 Current Plan Definitions

1.3 Financial Requirements

- 1.3.1 Offeror must confirm their cost proposal for the Commercial Plan for Active Employees is based on a transparent pricing arrangement with 100% passthrough of rebates.
- 1.3.2 Offeror must confirm their cost proposal for the Commercial Plan for Non-EGWP Retirees is based on a transparent pricing arrangement with 100% passthrough of rebates.
- 1.3.3 Offeror must confirm their cost proposal for the EGWP with Wrap Plan is based on a transparent pricing arrangement with 100% passthrough of rebates.
- 1.3.4 Offeror must confirm they shall, at a minimum, duplicate the plan features and levels of coverage presently offered by the State without impacting their proposed pricing.
- 1.3.5 Offeror must confirm they shall provide run-out claims processing for the State of Alaska for 12 months after contract termination at no additional cost to the State.
- 1.3.6 Offeror must confirm all pricing shall be effective and guaranteed for the term of the contract and shall 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).
- 1.3.7 Offeror must confirm all pricing shall be effective and guaranteed for the term of the contract and shall not be modified or amended if plan's membership decreases by less than 30%.
- 1.3.8 Offeror must confirm all pricing shall be effective and guaranteed for the term of the contract and shall not be modified or amended if the State implements or adds a 100% member paid plan design such as a high-deductible health plan/consumer-driven health plan option.
- 1.3.9 Offeror must confirm they shall give notice to the State 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 State. In the event that a switch is made it must be price neutral and acceptable to the State.
- 1.3.10 Offeror must confirm they shall be responsible for collecting any outstanding member cost shares for prescriptions dispensed through the mail order facility. The PBM shall not invoice the State for any uncollected member cost shares even if there is a debit threshold in place (RFP Sec. 3.03).
- 1.3.11 Offeror must confirm that mail order service must notify the individual member, the State or its designee prior to substituting products that shall result in higher member co-pay.
- 1.3.12 Offeror must confirm they guarantee that any preferred drug, or program the offeror recommends the State to implement, shall result in a lower ingredient cost before the application of rebates on the promoted drug to both the member and the State.
- 1.3.13 Offeror must confirm they shall guarantee Retail/Mail Order unit cost equalization meaning that Mail Order unit costs prior to member cost sharing, dispensing fees, and sales taxes charged shall be no greater than the unit cost for the same NDC-11 adjusted for quantity and days' supply at Retail.
- 1.3.14 a.) Offeror must confirm they shall guarantee that the cost of a drug at mail shall be equal to or less than the cost of the identical drug at retail on the same day, inclusive of U&C pricing.
- b.) Offeror must confirm that in the case that the State identifies any situation in which the State paid more for a prescription at mail than the State would have paid at retail on the same day, including U&C pricing, the offeror shall reimburse the State on a dollar-for-dollar basis.
- 1.3.15 a.) Offeror must indicate how many MAC lists and MAC drug price lists the offeror maintains.

- b.) If more than one, the offeror must confirm they have explained how the multiple lists are used in relationship to the list(s) that shall be used for the State, within their technical proposal **(Submittal Form M – Financial Requirements Narrative Response Form)**.
- 1.3.16 Offeror must confirm they have provided the discounts, dispensing fees, and logic associated with the compounds the offeror administers when it is clinically appropriate, within their technical proposal **(Submittal Form M - Financial Requirements Narrative Response Form)**.
- 1.3.17 Offeror must confirm that mail order and specialty drug dispensing fees shall remain constant throughout the contract term and shall not be increased for any increases in postage rates/charges, shipping, handling, or packaging (i.e., U.S. mail and/or applicable commercial courier services).
- 1.3.18 Offeror must confirm mail order pricing and rebates shall apply to all claims that adjudicate at mail regardless of days' supply.
- 1.3.19 Offeror must confirm Retail 30 pricing and rebates shall apply to all claims that adjudicate at the Retail 30 network with 1-30 days' supply.
- 1.3.20 Offeror must confirm Retail 90 pricing and rebates shall apply to all claims that adjudicate at the Retail 90 network with 31-90 days' supply.
- 1.3.21 Offeror must confirm specialty pricing and rebates shall apply to all claims that adjudicate at the offeror's specialty pharmacy regardless of days' supply.
- 1.3.22 Offeror must confirm the applicable specialty pricing and rebates shall apply to all claims that adjudicate at participating retail pharmacies under the respective specialty pharmacy program regardless of the days' supply.
- 1.3.23 Offeror must confirm the proposed pricing is not part of a coalition pricing arrangement.
- 1.3.24 Offeror must confirm products subject to patent actions are not excluded from the financial discount, dispensing fee, and rebate guarantees.
- 1.3.25 Offeror must confirm they shall not bill for medical supplies and services in the dispensing/usage of specialty medications not covered by the State's prescription drug plan.
- 1.3.26 Offeror must confirm they guarantee that the percentage increase in the Generic Drug Ingredient Cost compared on a contract year basis with the immediately prior contract year shall be no greater than 2% throughout the term of the contract. This trend calculation must be based on the discounted cost plus dispensing fees and after rebates. Trend calculations must not include member cost share.

Pricing Guarantee Reconciliation

- 1.3.27 Offeror must confirm each distinct non-rebate pricing guarantee (including discounts and dispensing fees) shall be measured and reconciled on a component (e.g. retail brand, retail 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, limited distribution drugs at participating pharmacies that are not the PBM's Specialty Pharmacy, limited distribution 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 State. Surpluses in one component (including rebates) may not be utilized to offset deficits in another component (e.g. retail brand, retail 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, limited distribution drugs at participating pharmacies that are not the PBM's Specialty Pharmacy, limited distribution drugs at the PBM's Specialty Pharmacy).
- 1.3.28 Offeror must confirm their Retail 30 network guarantees and Retail 90 network guarantees are measured and reconciled on a separate component basis given that they have separate guaranteed rates. A surplus for either of these guarantees must not be used to offset a shortfall for one of the other retail components or any other component guarantees.
- 1.3.29 Offeror must confirm that any shortfall between the actual result and the guarantee shall be paid, dollar-for-dollar, to the State within 90 days of the end of each contractual year for both the commercial and EGWP with enhanced plan design contracts.
- 1.3.30 Offeror must confirm that any shortfall amount between the actual result and the guarantee that is not paid, dollar-for-dollar, to the State within the agreed upon time frame after the end of each contractual year shall accrue a pro-rated 2% monthly late fee of each contractual year.
- 1.3.31 Offeror must confirm their Commercial and EGWP with enhanced plan design drug spend shall not be reconciled in aggregate for purposes of the guarantee terms.
- 1.3.32 **Brand and Generic Discount Guarantee Calculations**
- a.) Offeror must confirm that their 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.) Offeror must confirm their Aggregate Ingredient Cost prior to the application of the plan specific member cost share (including member paid penalties) shall be the basis of the financial guarantee calculation.

- c.) Offeror must confirm that all AWP discount 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.
- d.) Offeror must confirm Dispensing Fees are not included in their Aggregate Ingredient Cost.
- e.) Offeror must confirm their guarantee reconciliation shall not be limited to net cost claims. Zero balance due claims or zero amount claims shall be included in the guaranteed measurement for AWP, ingredient cost, achieved discounts or dispensing fee calculations at the discounted cost before copay.
- f.) Offeror must confirm both the Aggregate Ingredient Cost and Aggregate AWP from the actual date of claim adjudication shall be used.
- g.) Offeror must confirm any penalty amounts paid by the member as a result of the DAW 1 or 2 penalty program shall not be used by the offeror in discount guarantee reconciliations.
- h.) Offeror must confirm their guarantee measurement excludes the savings impact from drug utilization review (DUR) programs, formulary programs, utilization management programs, and/or other therapeutic interventions.
- i.) Offeror must confirm all their 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 shall be passed on to the State.
- j.) Offeror must confirm they have provided a complete listing of all proposed exclusions to the offeror's proposed brand and generic discount guarantees, within their technical proposal (**Submittal Form M - Financial Requirements Narrative Response Form**).

1.3.33 Brand and Generic Dispensing Fee Guarantee Calculations

- a.) Offeror must confirm their Average Dispensing Fee Guarantees for retail, mail, and specialty shall be defined and calculated as follows: (Total Dispensing Fees/Total Number of Prescriptions).
- b.) Offeror must confirm their dispensing fee guarantees does not exclude any prescription adjudicated by the offeror under the plan of benefits from either the numerator (dispensing fees) or the denominator (prescription count or claim count) of the guarantee reconciliation calculation detailed above in item 1.3.33.
- c.) Offeror must confirm all their proposed dispensing fee guarantees are on a maximum guaranteed basis.

1.3.34 **Active Employee Plan:** The following list of drugs and/or products are the only drugs and/or products that are allowed to be excluded from the AWP discounts and dispensing fees guarantees. Offerors and the selected PBM must structure their underwriting to account for only those drug and/or product exclusions. Offerors must indicate if the following products are included or excluded from their acceptable exclusions for the proposed **discount and dispensing fee guarantees.**

- a.) Compounds
- b.) Out-of-Network Claims
- c.) Paper/Member Submitted Claims
- d.) Secondary Payor/COB/Subrogation Claims
- e.) Indian Health Services and Tribal Claims
- f.) Veteran Administrative Claims

1.3.35 **Non-EGWP Retiree Plan:** The following list of drugs and/or products are the only drugs and/or products that are allowed to be excluded from the AWP discounts and dispensing fees guarantees. Offerors and the selected PBM must structure their underwriting to account for only those drug and/or product exclusions. Offerors must indicate if the following products are included or excluded from their acceptable exclusions for the proposed **discount and dispensing fee guarantees.**

- a.) Compounds
- b.) Out-of-Network Claims
- c.) Paper/Member Submitted Claims
- d.) Secondary Payor/COB/Subrogation Claims
- e.) Indian Health Services and Tribal Claims
- f.) Veteran Administrative Claims

1.3.36 **EGWP/Wrap Retiree Plan:** The following list of drugs and/or products are the only drugs and/or products that are allowed to be excluded from the AWP discounts and dispensing fees guarantees. Offeror and the selected PBM must structure their underwriting to account for only those drug and/or product exclusions. Offeror must indicate if the following products are included or excluded from their acceptable exclusions for the proposed **discount and dispensing fee guarantees.**

- a.) Compounds
- b.) Out-of-Network Claims
- c.) Paper/Member Submitted Claims
- d.) Secondary Payor/COB/Subrogation Claims
- e.) Indian Health Services and Tribal Claims
- f.) Veteran Administrative Claims

1.3.37 **Active Employee Plan:** The following list of drugs and/or products are required inclusions in the discounts and dispensing fees guarantees. If offeror excludes any of these

categories or other categories of drugs and/or products listed below, offeror's proposal may be disqualified. Offeror must confirm the following products are included in their proposed discount and dispensing fee guarantees:

- a.) 340B Pharmacy Claims
- b.) Vaccines (non-COVID)
- c.) Vaccines (COVID)
- d.) Over the Counter (OTC) Products as defined by Medispan
- e.) Diabetic Test Strips
- f.) Continuous Glucose Monitors (CGM)/CGM Sensors
- g.) Insulins
- h.) Prescription Vitamins, Smoking Cessation Products and Contraceptives
- i.) Ancillary Supplies defined by Medispan AHFS Code 940000
- j.) Non-Drug Claims
- k.) New-to-Market
- l.) Limited Distribution Drugs (LDD)
- m.) Exclusive Distribution Drugs (EDD)
- n.) Low-WAC biosimilars
- o.) High-WAC biosimilars
- p.) Long Term Care (LTC) Pharmacy Claims
- q.) Home Infusion
- r.) DAW 1 processed claims
- s.) DAW 2 processed claims
- t.) DAW 5 processed claims
- u.) DAW 0, 3, 4, 6, 7, 8 and 9 processed claims
- v.) Products subject to patent actions
- w.) Multi-source brand claims
- x.) Drugs not approved by the Food and Drug Administration (FDA)
- y.) Multi-source Brand (MSB) claims
- z.) Zero-balance due (ZBD) claims
- aa.) Claims from all 50 states and the District of Columbia

1.3.38 Non-EGWP Retiree Plan: The following list of drugs and/or products **are required inclusions in the discounts and dispensing fees guarantees. If offeror excludes any of these categories or other categories of drugs and/or products listed below, offeror's proposal may be disqualified.** Offeror must confirm the following products are included in their proposed discount and dispensing fee guarantees:

- a.) 340B Pharmacy Claims
- b.) Vaccines (non-COVID)
- c.) Vaccines (COVID)
- d.) Over the Counter (OTC) Products as defined by Medispan
- e.) Diabetic Test Strips
- f.) Continuous Glucose Monitors (CGM)/CGM Sensors

- g.) Insulins
- h.) Prescription Vitamins, Smoking Cessation Products and Contraceptives
- i.) Ancillary Supplies defined by Medispan AHFS Code 940000
- j.) Non-Drug Claims
- k.) New-to-Market
- l.) Limited Distribution Drugs (LDD)
- m.) Exclusive Distribution Drugs (EDD)
- n.) Low-WAC biosimilars
- o.) High-WAC biosimilars
- p.) Long Term Care (LTC) Pharmacy Claims
- q.) Home Infusion
- r.) DAW 1 processed claims
- s.) DAW 2 processed claims
- t.) DAW 5 processed claims
- u.) DAW 0, 3, 4, 6, 7, 8 and 9 processed claims
- v.) Products subject to patent actions
- w.) Multi-source brand claims
- x.) Drugs not approved by the Food and Drug Administration (FDA)
- y.) Multi-source Brand (MSB) claims
- z.) Zero-balance due (ZBD) claims
- aa.) Claims from all 50 states and the District of Columbia

1.3.39 EGWP/Wrap Retiree Plan: The following list of drugs and/or products **are required inclusions in the discounts and dispensing fees guarantees. If offeror excludes any of these categories or other categories of drugs and/or products listed below, offeror's proposal may be disqualified.** Offeror must confirm the following products are included in their proposed discount and dispensing fee guarantees:

- a.) 340B Pharmacy Claims
- b.) Vaccines (non-COVID)
- c.) Vaccines (COVID)
- d.) Over the Counter (OTC) Products as defined by Medispan
- e.) Diabetic Test Strips
- f.) Continuous Glucose Monitors (CGM)/CGM Sensors
- g.) Insulins
- h.) Prescription Vitamins, Smoking Cessation Products and Contraceptives
- i.) Ancillary Supplies defined by Medispan AHFS Code 940000
- j.) Non-Drug Claims
- k.) New-to-Market
- l.) Limited Distribution Drugs (LDD)
- m.) Exclusive Distribution Drugs (EDD)
- n.) Low-WAC biosimilars
- o.) High-WAC biosimilars
- p.) Long Term Care (LTC) Pharmacy Claims

- q.) Home Infusion
- r.) DAW 1 processed claims
- s.) DAW 2 processed claims
- t.) DAW 5 processed claims
- u.) DAW 0, 3, 4, 6, 7, 8 and 9 processed claims
- v.) Products subject to patent actions
- w.) Multi-source brand claims
- x.) Drugs not approved by the Food and Drug Administration (FDA)
- y.) Multi-source Brand (MSB) claims
- z.) Zero-balance due (ZBD) claims
- aa.) Claims from all 50 states and the District of Columbia

Administration Fees

- 1.3.40 Offeror must confirm there are NO additional fees (beyond those outlined in the Financial Proposal 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 Proposal Section.
- 1.3.41 Offeror must confirm there are NO additional fees to coordinate the deductible and the maximum out of pocket with the medical carrier.
- 1.3.42 Offeror must confirm they shall credit the State the cost difference for any claims in which the State was considered “primary” for the claim, but the claim should have been considered “secondary” for the State (e.g., workers' compensation claim).
- 1.3.43 a.) Offeror must confirm all data related services are included under their base administrative fees, including ad hoc reporting, electronic claims files, plan design options, custom mailings, etc.

b.) In addition, offerors must confirm they have detailed any data-related service fees not included in their base administrative fees, within their technical proposal (**Submittal Form M – Financial Requirements Narrative Response Form**).
- 1.3.44 Offeror must confirm that postage rates/charges, shipping, handling, or packaging is included in all mail order prescriptions and any mailings for the duration of the contract.
- 1.3.45 Offeror must confirm that quoted fees include postage rates/charges, shipping, handling, or packaging for mail order envelopes for member prescription submission for the duration of the contract.
- 1.3.46 Offeror must confirm they agree to absorb any programming or other administrative costs to meet any existing or future requirements of the Affordable Care Act.
- 1.3.47 a.) Offeror must indicate if there shall be any additional charges if plans/benefits are restructured or new classes of eligible members are added?

b.) If so, the offeror must confirm they detailed how these additional charges are determined and what is the additional charge, within their technical proposal (**Submittal Form M – Financial Requirements Narrative Response Form**).

- 1.3.48 Offeror must confirm they shall only charge a fee (e.g., administrative fee or dispensing fee) for Paid Claims and shall not charge a fee for reversals, rejected claims, adjustments, or reprocessed claims.
- 1.3.49 Offeror must confirm that all applicable fees include the cost of claims incurred/filled during the effective dates of this contract regardless of when the claims are processed and paid (run-out).

Reporting

- 1.3.50 Offeror must confirm they shall provide a financial reconciliation report within 90 days after the end of each contractual year, and the report shall include the contractual and actual discounts and dispensing fees for each component (e.g. retail brand, retail generic, retail 90 brand, retail 90 generic, mail order brand, mail order generic, specialty drugs at participating retail pharmacies, specialty drugs at the PBM's Specialty Pharmacy, limited distribution drugs at participating pharmacies that are not the offeror's Specialty Pharmacy, and limited distribution drugs at the PBM's Specialty Pharmacy).
- 1.3.51 Offeror must confirm they have provided how the offeror shall be able to proactively provide analytical reports throughout the contract year, within their technical proposal (**Submittal Form M – Financial Requirements Narrative Response Form**), (i.e., monthly, quarterly, semi-annually) indicating the actual performance versus the financial guarantees without a formal audit. This is in addition to the annual reconciliation reports that the offeror is expected to proactively provide to the State of Alaska.
- 1.3.52 Offeror must confirm they shall provide a financial rebate reconciliation report within 180 days after the end of each contractual year, and the report shall include the contractual and actual rebates received by the PBM for each component (e.g. retail brand, retail 90 brand, mail order brand, specialty drugs at participating retail pharmacies and specialty drugs at the PBM's Specialty Pharmacy).
- 1.3.53 Offeror must confirm they shall provide quarterly utilization reports which compare the current period to the prior period on a plan year-to-date basis. Reporting must include AWP, ingredient cost, dispensing fee and rebate metrics in the aggregate and on a PMPM basis. The reporting should also provide a breakdown of brand vs. generic, retail vs. mail, and specialty vs. non-specialty. In addition, the offeror confirms reports shall provide a breakdown of cost and utilization by plan offering (i.e. HDHP, PPO, POS, EPO, etc).
- 1.3.54 Offeror confirms they shall provide weekly and/or monthly data transmissions (may include feeds to data warehouses) to at least 10 chosen vendors at no charge and two

additional full, annual electronic claims files, in NCPDP format, at no charge as needed and requested by the State. In addition, the offeror confirms they shall also interact/exchange data with all vendors as needed at no additional charge.

Rebates

- 1.3.55 **100% Pass Through of Rebates:** Offeror must confirm they agree to pass through 100% of ALL pharmaceutical manufacturer revenue earned to the Commercial Plan and shall not charge an administrative fee for this arrangement. Offeror also agrees to disclose details of all other programs and services generating financial remuneration from outside entities, including manufacturers and retailers. Offeror confirms all this revenue shall be verifiable and auditable.
- 1.3.56 Offeror must confirm they shall pass through 100% of Manufacturer Administrative Fees paid by manufacturers to the offeror in relation to the Commercial Plan's non-specialty, specialty, and overall utilization.
- 1.3.57 Offeror must confirm they shall pass through 100% of Inflation Protection Payments paid by pharmaceutical manufacturers to the offeror in relation to the Commercial Plan's utilization.
- 1.3.58 For the Commercial Plan, offeror must confirm they shall pass through 100% of rebates invoiced and collected from pharmaceutical manufacturers/rebate aggregators for excluded products that are not included in the rebate and financial guarantee calculations.
- 1.3.59 **100% Pass Through of Rebates:** Offeror must confirm they agree to pass through 100% of ALL pharmaceutical manufacturer revenue earned to the EGWP Plan and shall not charge an administrative fee for this arrangement. The offeror agrees to disclose details of all other programs and services generating financial remuneration from outside entities, including manufacturers and retailers. The offeror confirms all of this revenue shall be verifiable and auditable.
- 1.3.60 Offeror must confirm they shall pass through 100% of Manufacturer Administrative Fees paid by manufacturers to the offeror in relation to the EGWP Plan's non-specialty, specialty, and overall utilization.
- 1.3.61 Offeror must confirm they shall pass through 100% of Inflation Protection Payments paid by pharmaceutical manufacturers to the offeror in relation to the EGWP Plan's utilization.
- 1.3.62 For the EGWP Plan, offeror confirms they shall pass through 100% of rebates invoiced and collected from pharmaceutical manufacturers/rebate aggregators for excluded products that are not included in the rebate and financial guarantee calculations.

-
- 1.3.63 Offeror must confirm that each distinct rebate guarantee shall be measured and reconciled on a component (e.g. retail brand, retail 90 brand, mail order brand, specialty drugs at participating retail pharmacies, specialty drugs at the PBM's Specialty Pharmacy, limited distribution brand drugs at participating pharmacies that are not the PBM's Specialty Pharmacy, limited distribution brand 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 State. Surpluses in one rebate component may only be utilized to offset deficits in another rebate component. Rebate's surpluses shall not be utilized to offset deficits in any other non-rebate guaranteed component.
- 1.3.64 a.) Offeror must indicate if they use an external organization for rebate aggregation.
- b.) If so, offeror must list the name of the external organization used for rebate aggregation.
- 1.3.65 a.) Offeror must confirm their Minimum Guaranteed Rebates shall apply to all brand prescriptions claims dispensed and not conditioned upon formulary status.
- b.) Offeror must confirm their Minimum Guaranteed Rebates shall apply to all brand prescriptions claims dispensed and not limited to only those products for which the PBM receives a rebate.
- 1.3.66 Offeror must confirm that all rebates are guaranteed on a minimum (i.e., not fixed or flat) basis, and the offeror shall pass through 100% of the rebates, including non-specialty and specialty, from all pharmaceutical manufacturer revenue that the offeror has received that is attributable to the Commercial Plan.
- 1.3.67 Offeror must confirm any rebates derived from House Generics or DAW 5 claims shall be passed through at 100% to the Commercial Plan.
- 1.3.68 Offeror must confirm that all rebates are guaranteed on a minimum (i.e., not fixed or flat) basis, and the offeror shall pass through 100% of the rebates, including non-specialty and specialty, from all pharmaceutical manufacturer revenue that the offeror has received that is attributable to the EGWP Plan.
- 1.3.69 Offeror must confirm any rebates derived from House Generics or DAW 5 claims shall be passed through at 100% to the EGWP Plan.
- 1.3.70 a.) Offeror must confirm that within 90 days after the end of each calendar quarter, the offeror shall pay quarterly rebate payments based on the minimum rebate guarantees times the brand prescriptions dispensed in the prior quarter for each respective channel (i.e., rebate payment shall not be limited to the amount of rebates collected).

- b.) In addition to the minimum guaranteed rebates earned in the prior quarter, the offeror must confirm they shall remit to the plan all rebates received by the offeror during the prior quarter that are in excess of the minimum guarantees paid for prior quarters.
- c.) Offeror must confirm that lag rebates shall continue to be paid to the State 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.
- 1.3.71 Offeror must confirm that within 90 days after the end of each calendar quarter, the offeror shall provide a detailed rebate activity Excel report listing the number of brand scripts dispensed per delivery channel, the minimum per brand script rebate amount at each delivery channel, the calculated minimum guaranteed rebate payment per delivery channel owed to the State as well as the actual year-to-date rebates received by the offeror from pharma.
- 1.3.72 a.) Offeror must confirm they shall provide the annual rebate reconciliation report within 180 days of the end of each contract year.
- b.) Offeror must confirm that any shortfall between rebates paid-to-date, minimum guaranteed rebates and actual rebates received by the offeror for the State's utilization shall be paid, dollar-for-dollar, to the State within 90 days of the end of the contract year.
- 1.3.73 Offeror must confirm all rebate revenue earned by the State shall be paid to the State regardless of their termination status as a client. Lag rebates on claims incurred prior to the termination date shall continue to be paid to the State after termination until 100% of earned rebates are paid.
- 1.3.74 Offeror must confirm rebates are paid on Wrap (Enhanced Benefit/ Supplemental Plan) claims and are included in the rebate guarantees proposed for the EGWP population.
- 1.3.75 **Active Employee Plan:** The following list of drugs and/or products are **the only drugs and/or products that are allowed to be excluded from the rebate guarantees.** Offerors and the selected PBM must structure their underwriting to account for only those drug and/or product exclusions. Offeror must indicate if the following products are included or excluded from their acceptable exclusions for the proposed **rebate guarantees.**
- a.) Compounds
 - b.) Out-of-Network Claims
 - c.) Paper/Member Submitted Claims
 - d.) Secondary Payor/COB/Subrogation Claims
 - e.) Indian Health Services and Tribal Claims
 - f.) Veteran Administrative Claims
- 1.3.76 **Non-EGWP Retiree Plan:** The following list of drugs and/or products **are the only drugs and/or products that are allowed to be excluded from the rebate guarantees.** Offerors

and the selected PBM must structure their underwriting to account for only those drug and/or product exclusions. Offeror must indicate if the following products are included or excluded from their acceptable exclusions for the proposed **rebate guarantees**.

- a.) Compounds
- b.) Out-of-Network Claims
- c.) Paper/Member Submitted Claims
- d.) Secondary Payor/COB/Subrogation Claims
- e.) Indian Health Services and Tribal Claims
- f.) Veteran Administrative Claims

1.3.77 **EGWP/Wrap Retiree Plan:** The following list of drugs and/or products **are the only drugs and/or products that are allowed to be excluded from the rebate guarantees**. Offerors and the selected PBM must structure their underwriting to account for only those drug and/or product exclusions. Offeror must indicate if the following products are included or excluded from their acceptable exclusions for the proposed **rebate guarantees**.

- a.) Compounds
- b.) Out-of-Network Claims
- c.) Paper/Member Submitted Claims
- d.) Secondary Payor/COB/Subrogation Claims
- e.) Indian Health Services and Tribal Claims
- f.) Veteran Administrative Claims

1.3.78 **Active Employee Plan:** The following list of drugs and/or products are **required inclusions in the rebate guarantees**. The selected PBM may not exclude any other drugs and/or products throughout the life of the contract. **If offeror excludes any of these categories or other categories of drugs and/or products listed below, offeror's proposal may be disqualified.** Offeror must confirm the following products are included in their proposed **rebate guarantees**:

- a.) 340B Pharmacy Claims
- b.) Vaccines (non-COVID)
- c.) Vaccines (COVID)
- d.) Over the Counter (OTC) Products as defined by Medispan
- e.) Diabetic Test Strips
- f.) Continuous Glucose Monitors (CGM)/CGM Sensors
- g.) Insulins
- h.) Prescription Vitamins, Smoking Cessation Products and Contraceptives
- i.) Ancillary Supplies defined by Medispan AHFS Code 940000
- j.) Non-Drug Claims
- k.) New-to-Market
- l.) Limited Distribution Drugs (LDD)
- m.) Exclusive Distribution Drugs (EDD)

- n.) Low-WAC biosimilars
- o.) High-WAC biosimilars
- p.) Long Term Care (LTC) Pharmacy Claims
- q.) Home Infusion
- r.) DAW 1 processed claims
- s.) DAW 2 processed claims
- t.) DAW 5 processed claims
- u.) DAW 0, 3, 4, 6, 7, 8 and 9 processed claims
- v.) Products subject to patent actions
- w.) Multi-source brand claims
- x.) Drugs not approved by the Food and Drug Administration (FDA)
- y.) Multi-source Brand (MSB) claims
- z.) Zero-balance due (ZBD) claims
- aa.) Claims from all 50 states and the District of Columbia

1.3.79 **Non-EGWP Retiree Plan:** The following list of drugs and/or products are **required inclusions in the rebate guarantees.** The selected PBM may not exclude any other drugs and/or products throughout the life of the contract. **If offeror excludes any of these categories or other categories of drugs and/or products listed below, offeror's proposal may be disqualified.** Offeror must confirm the following products are included in their proposed **rebate guarantees:**

- a.) 340B Pharmacy Claims
- b.) Vaccines (non-COVID)
- c.) Vaccines (COVID)
- d.) Over the Counter (OTC) Products as defined by Medispan
- e.) Diabetic Test Strips
- f.) Continuous Glucose Monitors (CGM)/CGM Sensors
- g.) Insulins
- h.) Prescription Vitamins, Smoking Cessation Products and Contraceptives
- i.) Ancillary Supplies defined by Medispan AHFS Code 940000
- j.) Non-Drug Claims
- k.) New-to-Market
- l.) Limited Distribution Drugs (LDD)
- m.) Exclusive Distribution Drugs (EDD)
- n.) Low-WAC biosimilars
- o.) High-WAC biosimilars
- p.) Long Term Care (LTC) Pharmacy Claims
- q.) Home Infusion
- r.) DAW 1 processed claims
- s.) DAW 2 processed claims
- t.) DAW 5 processed claims
- u.) DAW 0, 3, 4, 6, 7, 8 and 9 processed claims
- v.) Products subject to patent actions

- w.) Multi-source brand claims
- x.) Drugs not approved by the Food and Drug Administration (FDA)
- y.) Multi-source Brand (MSB) claims
- z.) Zero-balance due (ZBD) claims
- aa.) Claims from all 50 states and the District of Columbia

1.3.80 **EGWP/Wrap Retiree Plan:** The following list of drugs and/or products are **required inclusions in the rebate guarantees.** The selected PBM may not exclude any other drugs and/or products throughout the life of the contract. **If offeror excludes any of these categories or other categories of drugs and/or products listed below, offeror's proposal may be disqualified.** Offeror must confirm the following products are included in their proposed **rebate guarantees**:

- a.) 340B Pharmacy Claims
- b.) Vaccines (non-COVID)
- c.) Vaccines (COVID)
- d.) Over the Counter (OTC) Products as defined by Medispan
- e.) Diabetic Test Strips
- f.) Continuous Glucose Monitors (CGM)/CGM Sensors
- g.) Insulins
- h.) Prescription Vitamins, Smoking Cessation Products and Contraceptives
- i.) Ancillary Supplies defined by Medispan AHFS Code 940000
- j.) Non-Drug Claims
- k.) New-to-Market
- l.) Limited Distribution Drugs (LDD)
- m.) Exclusive Distribution Drugs (EDD)
- n.) Low-WAC biosimilars
- o.) High-WAC biosimilars
- p.) Long Term Care (LTC) Pharmacy Claims
- q.) Home Infusion
- r.) DAW 1 processed claims
- s.) DAW 2 processed claims
- t.) DAW 5 processed claims
- u.) DAW 0, 3, 4, 6, 7, 8 and 9 processed claims
- v.) Products subject to patent actions
- w.) Multi-source brand claims
- x.) Drugs not approved by the Food and Drug Administration (FDA)
- y.) Multi-source Brand (MSB) claims
- z.) Zero-balance due (ZBD) claims
- aa.) Claims from all 50 states and the District of Columbia

1.3.81 If offeror's proposal includes a Rebate Credit provision, offeror must provide responses to the items below:

- a.) Provide your proposed Rebate Credit contractual language. Ensure that the proposed language includes the following verbiage: “any future rebate credits apply only to drugs that have material WAC pricing changes that result from government mandated or other pharmaceutical company changes that are imposed on the PBM industry. Publicly available evidence must be provided to support the drug rebate credit your PBM would implement in any future policy year”.
- b.) Offeror must confirm that they have provided the full list of products by NDC for which the Rebate Credit would apply in an Excel document titled Rebate Credits by NDC. Provide a list for each of the three plans separately in the same Excel file.
- c.) Offeror must confirm the Rebate Credit shall be limited to that list of drugs and no other product outside of that list would be used for the Rebate Credit.
- d.) Offer must confirm they shall provide the State with six months advanced notice for any changes to the list of drugs that would be subject to the Rebate Credit provision.
- e.) Offeror must confirm the drugs impacted by the American Rescue Plan Act for calendar year 2024 and 2025 have been accounted for in their proposed rebate guarantees and are not included in any Rebate Credit reconciliation.
- f.) Offeror must confirm that biosimilars for **Humira** have been accounted for in their proposed rebate guarantees and are not included in any Rebate Credit reconciliation.
- g.) Offeror must confirm that biosimilars for **Stelara** have been accounted for in their proposed rebate guarantees and are not included in any Rebate Credit reconciliation.
- h.) Offeror must confirm that biosimilars for **Denosumab** (Prolia/Xgeva) have been accounted for in their proposed rebate guarantees and are not included in any Rebate Credit reconciliation.
- i.) Offeror must confirm that biosimilars for **Soliris** have been accounted for in their proposed rebate guarantees and are not included in any Rebate Credit reconciliation.
- j.) Offeror must confirm that biosimilars for **Eylea** have been accounted for in their proposed rebate guarantees and are not included in any Rebate Credit reconciliation.
- k.) Offeror must confirm that biosimilars for **Novolog** have been accounted for in their proposed rebate guarantees and are not included in any Rebate Credit reconciliation.
- l.) Offeror must confirm that biosimilars for **Actemra** have been accounted for in their proposed rebate guarantees and are not included in any Rebate Credit reconciliation.
- m.) Offeror must provide a sample of the drug-level reporting the State will get monthly that accounts for the Rebate Credit.

Other Financial Assumptions and Calculations

- 1.3.82 Offeror must confirm their proposed drug type designation/classification and pricing source is Medi-Span. If other, the offeror must specify.
- 1.3.83 Offeror must confirm they have described how they shall calculate the “House Generics” or DAW 5 claims AWP that shall be used in the generic guarantee financial reconciliation calculations and GDR guarantee calculations, within their technical proposal (**Submittal Form M – Financial Requirements Narrative Response Form**).

- 1.3.84 a.) Offeror must confirm their 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 (U&C), maximum allowable cost (MAC), negotiated discounted ingredient cost plus dispensing fee or retail cash price.
- b.) If so, offeror must confirm they have provided what procedures are established to ensure that the pharmacy is compliant with this provision, within their technical proposal **(Submittal Form M – Financial Requirements Narrative Response Form)**.
- 1.3.85 Offeror must confirm the State will not pay more for any “House Generics” or DAW 5 claims compared to the respective generic equivalent before the application of rebates.
- 1.3.86 The offeror must confirm they agree to provide upon request any proprietary algorithms, hierarchy or other logic employed to define a prescription drug as generic or brand, as part of this competitive proposal process or at any point during any resulting contract term.
- 1.3.87 a.) Offeror must indicate if they offer a Vaccine Program.
- b.) If so, offeror must confirm they provided the cost for Influenza and other vaccines at participating pharmacies ensuring to include the Ingredient Cost, Dispensing Fee, Professional Service Fee, Program Fee and any other cost/fee in their description, within their technical proposal **(Submittal Form M – Financial Requirements Narrative Response Form)**.
- 1.3.88 Offeror must confirm they have provided how the offeror's system shall ensure retail pharmacies shall only charge members \$0 for Affordable Care Act (ACA) vaccines and won't charge any additional administrative fees to the member, within their technical proposal **(Submittal Form M – Financial Requirements Narrative Response Form)**.
- 1.3.89 Offeror must confirm they shall maintain all pertinent records for seven years. This is in conjunction with prudent business practices. The PBM is in charge of the safekeeping of plan experience information and, in the event of contract termination, would be required to cooperate with the State, or their representative, in the orderly transfer of this plan experience information to the State or its designated succeeding health plan/carrier.
- 1.3.90 Offeror must confirm they can provide online, real-time, claim system access to the State, or its designee, including access to historical claims data for up to three years following termination of the agreement.
- 1.3.91 Offeror must confirm they have provided information regarding the offeror's online system portal that is accessible to the State in order to run ad-hoc claims data reporting, within their technical proposal **(Submittal Form M – Financial Requirements Narrative Response Form)**. Offeror must provide samples of the custom reporting accessible via

this system as an attachment to their technical proposal. Provide the name of the attachment.

1.4 Specialty Pharmacy Program

- 1.4.1 a.) Offeror must indicate how often the offeror evaluates specialty drug classifications.
- b.) Offeror must confirm they have provided their process used to move drugs from a specialty drug classification to a non-specialty drug classification, within their technical proposal (**Submittal Form M – Financial Requirements Narrative Response Form**).
- c.) Offeror must indicate how much notice shall be provided to the State and affected members prior to making any changes in their specialty drug classifications.
- d.) Offeror must indicate if the offeror shall allow the State the ability to reject any changes in such classification.
- 1.4.2 Offeror must confirm that upon the State's request, and at least annually, the offeror shall provide AlaskaCare with an updated Specialty Drug List.
- 1.4.3 Offeror must confirm that a drug's status as a New-to-Market, LDD, or specialty drug as of the dispense date shall remain the same for pricing guarantee reconciliation purposes even if the offeror updates the Specialty Drug List mid-plan year (i.e. the PBM shall not change the status of those drugs dispensed prior to the effective date of the change in status).
- 1.4.4 a.) Offeror must confirm a drug shall be considered “New-to-Market” (NTM) for no more than six months.
- b.) Offeror must confirm they have described their process to move a drug, within six months, from the New-to-Market pricing to being discounted under the respective Overall Effective Discount (OED) guarantee, within their technical proposal (**Submittal Form M - Financial Requirements Narrative Response Form**).
- 1.4.5 Offeror must describe their biosimilar strategy (Low-WAC only; high-WAC only; hybrid) and if it applies to new utilizers only and/or the extent current utilizers are grandfathered with their current product.
- 1.4.6 Offeror must confirm their proposal allows the State to prefer a Low-WAC only strategy.

1.5 Allowances

- 1.5.1 Offeror must confirm they shall allow the State to rollover any unused allowances to the next contract year or term if the proposed allowances are on a contract year basis and/or contract term basis.

- 1.5.2 If the Allowances described above are offered on a per member basis, offeror must indicate how the member counts shall be determined for the allowance calculations described above (i.e., membership at the start of the year, membership over a certain period).
- 1.5.3 Offeror must confirm the State will be able to use the Implementation Credit or the General Administrative Credit for a Pre-Implementation Audit and/or a Post-Implementation Audit.
- 1.5.4 Offeror must confirm the State may use the General Pharmacy Program Management Allowance for services related to managing the pharmacy benefit such as pharmacy audits, PBM market checks and pharmacy benefit consulting services.
- 1.5.5 Offeror must confirm the State does not have to repay either the full or a pro-rated share of any of the Allowances if the State terminates the contract early with or without cause.

1.6 Generic Dispensing Rate (GDR) Guarantees

- 1.6.1 Offeror must indicate what dollar amount the offeror is prepared to put at risk for failure to meet the offeror's GDR guarantee under the Commercial Plan for Active employees.
- 1.6.2 Offeror must indicate what dollar amount the offeror is prepared to put at risk for failure to meet the offeror's guarantee under the Commercial Plan for Pre-65 Retirees.
- 1.6.3 Offeror must indicate what dollar amount the offeror is prepared to put at risk for failure to meet the offeror's GDR guarantee under each of the EGWP with Wrap plans.
- 1.6.4 Offeror must confirm their Generic Dispensing Rate Guarantee shall be measured and reconciled on a component basis and a shortfall in one delivery channel shall not be used to offset a shortfall in another delivery channel or any other financial component guarantee.
- 1.6.5 Offeror must confirm their calculation for any penalty payment resulting from Generic Dispensing Rate Guarantee does not include copays or rebates into the calculation.

1.7 Trend Guarantee

- 1.7.1 Offeror must confirm they have described the overall price inflation guarantee the offeror is proposing for the Commercial Plan for Active employees, within their technical proposal **(Submittal Form M – Financial Requirements Narrative Response Form)**.
- 1.7.2 Offeror must confirm they have described the overall price inflation guarantee the offeror is proposing for the Commercial Plan for Pre-65 Retirees, within their technical proposal **(Submittal Form M – Financial Requirements Narrative Response Form)**.

- 1.7.3 Offeror must confirm they have described the overall price inflation guarantee the offeror is proposing for the EGWP Plan, within their technical proposal (**Submittal Form M – Financial Requirements Narrative Response Form**).
- 1.7.4 Offeror must confirm their manufacturer agreements contain provisions that limit the amount the manufacturer can raise the AWP price of prescription drugs each year.

SEC. 3.07 CONTRACT TYPE

This contract is a Firm Fixed Price contract.

SEC. 3.08 PROPOSED PAYMENT PROCEDURES

The State will make payments based on a negotiated payment schedule. Each billing must consist of a detailed invoice. No payment will be made until the invoice has been approved by the State.

PBM must invoice AlaskaCare weekly for claims and once monthly for administrative services. PBM must provide an itemized list of administrative fee charges, including unit cost and the number of units, with each monthly invoice. PEPM and PMPM fees shall be based on eligibility counts determined by AlaskaCare.

AlaskaCare will pay all undisputed invoice amounts to PBM within seven business days after AlaskaCare receives a properly itemized invoice from PBM.

If AlaskaCare disputes all or a portion of any invoice, AlaskaCare will pay the undisputed amount timely and will notify the PBM in writing of the specific reason and amount of any dispute before the due date of the invoice. PBM and AlaskaCare must work together, in good faith, to resolve any disputes. Upon resolution, AlaskaCare or the PBM shall remit the amount owed to the other party, if any, within five business days as the parties agree based on the resolution.

PBM shall refund AlaskaCare in instances where the offeror overcharges AlaskaCare for services that the PBM agrees have been overcharged and/or inappropriately charged.

SEC. 3.09 CONTRACT PAYMENT

No payment will be made until the contract is approved by the Commissioner of the Department of Administration or the Commissioner's designee. Under no conditions will the State be liable for the payment of any interest charges associated with the cost of the contract. The State is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency.

Payment for agreements under \$500,000 for the undisputed purchase of goods or services provided to a State agency shall be made within 30 days of the receipt of a proper billing or the delivery of the goods or services to the location(s) specified in the agreement, whichever is later. A late payment is subject to 1.5% interest per month on the unpaid balance. Interest will not be paid if there is a dispute or if there is an agreement that establishes a lower interest rate or precludes the charging of interest.

SEC. 3.10 ELECTRONIC PAYMENTS

The State of Alaska prefers vendors receive payment via Electronic Funds Transfer (EFT). Offerors may review information concerning the EFT process and access the Electronic Payment Agreement Form for Vendors at the following link: <https://doa.alaska.gov/dof/vendor.html>. Method of payment is not a factor in the State's determination for award.

The contractor must accept payment via EFT for any single contract payment of \$1 million or greater.

SEC. 3.11 LOCATION OF WORK

The contract shall be performed, completed, and managed in the United States.

The State **will not** provide workspace for the contractor. The contractor must provide its own workspace.

The offeror should include in their price proposal: transportation, lodging, and per diem costs sufficient to pay for four people to make four trips to Juneau, Alaska annually to meet with the State to review utilization reports and service performance metrics. Travel to other locations will not be required. All travel must be approved in advance and in writing by the Project Manager. If the estimated travel requirements are exceeded during the contract period, additional travel funding could be added to the contract via the amendment process.

By signing their proposal, the offeror certifies that all services provided under this contract by the contractor and all subcontractors shall be performed in the United States.

If the offeror cannot certify that all work shall be performed in the United States, the offeror must contact the procurement officer in writing to request a waiver at least 10 days prior to the deadline for receipt of proposals.

The request must include a detailed description of the portion of work that shall be performed outside the United States, where, by whom, and the reason the waiver is necessary.

Failure to comply with these requirements may cause the State to reject the proposal as non-responsive or cancel the contract.

SEC. 3.12 SUBCONTRACTORS

United States based subcontractors may be used to perform work under this contract. If an offeror intends to use subcontractors, the offeror must complete Submittal Form K as identified in Section 4.13 of this RFP.

An offeror's failure to provide this information with their proposal may cause the State to consider their proposal non-responsive and reject it.

Subcontractor experience shall not be considered in determining whether the offeror meets the requirements set forth in Section 1.04 PRIOR EXPERIENCE.

If a proposal with subcontractors is selected, the offeror must provide the following information concerning each prospective subcontractor within five working days from the date of the State's request:

- complete name of the subcontractor;
- complete address of the subcontractor;
- type of work the subcontractor shall be performing;
- percentage of work the subcontractor shall be providing;
- evidence that the subcontractor holds, or shall hold a valid Alaska business license at the time of contract award;
- a written statement, signed by each proposed subcontractor that clearly verifies that the subcontractor is committed to render the services required by the contract.

An offeror's failure to provide this information, within the time set, will cause the State to consider their proposal non-responsive and reject it. The substitution of one subcontractor for another that has already been approved may be made only at the discretion and prior written approval of the project director.

Note that if the subcontractor shall not be performing work within Alaska, they shall not be required to hold an Alaska business license.

SEC. 3.13 JOINT VENTURES

Joint ventures are prohibited.

SEC. 3.14 RIGHT TO INSPECT PLACE OF BUSINESS

At reasonable times, the State may inspect those areas of the contractor's place of business that are related to the performance of a contract. If the State makes such an inspection, the contractor must provide reasonable assistance.

SEC. 3.15 CONTRACT PERSONNEL

Any change of the project team members or subcontractors named in an offeror's proposal must be approved in advance and in writing by the project director and the procurement officer. Changes that are not approved may be grounds for the State to terminate the contract.

SEC. 3.16 INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the project director. The State may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The project director or procurement officer may instruct the contractor to make corrections or modifications if

needed in order to accomplish the contract's intent. The contractor shall not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract may cause the State to terminate the contract. In this event, the State may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

SEC. 3.17 CONTRACT CHANGES - UNANTICIPATED AMENDMENTS

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the project director will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400.

The contractor must not commence additional work until the procurement officer has secured any required State approvals necessary for the amendment and issued a written contract amendment, approved by the Commissioner of the Department of Administration or the Commissioner's designee.

SEC. 3.18 NONDISCLOSURE AND CONFIDENTIALITY

Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and under the terms of the resulting contract. Further, the contractor shall not disseminate or allow dissemination of confidential information except as provided for in this section. The contractor shall hold this information as confidential, will use reasonable care, and will maintain both physical and electronic security of its facilities to prevent unauthorized access, storage, disclosure, publication, or dissemination to third parties. "Reasonable care" means compliance by the contractor with all applicable federal and state laws and regulations, including the Social Security Act and the Health Insurance Portability and Accountability Act (HIPAA). The contractor must promptly notify the State in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of confidential information.

Confidential information, as used herein, means any data, files, software, information or materials (whether prepared by the State or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is classified confidential as defined by State of Alaska laws and classification and categorization guidelines provided by the State to the contractor or a contractor's agent or otherwise made available to the contractor or a contractor's agent in connection with this contract. Confidential information also means any information acquired, obtained, or learned by the contractor or a contractor's agent in the performance of this contract. Examples of confidential information include, but are not limited to technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc).

Additional information that the contractor shall hold as confidential during the performance of services under this contract include:

1. **Client Eligibility Records** are the sole property of the State of Alaska. Selling or providing of the State of Alaska's eligibility data to ANY outside entities must be approved in advance, reported monthly and all income derived must be disclosed and shared per agreement with the State of Alaska. Even if PBM has not 'sold' the eligibility data, it is NOT free to use the eligibility data for analyses that they publish or provide to outside industries.
2. **Client Claims Data Records** are the sole property of the State of Alaska and must be made available upon request to the State of Alaska and its representatives. Selling or providing of the State of Alaska's claims data to ANY outside entities must be approved in advance, reported monthly and all income derived must be disclosed and shared per agreement with the State of Alaska. Even if PBM has not 'sold' the claims data, it is NOT free to use the claims data for analyses that they publish or provide to outside industries.
3. All AlaskaCare members' HIPAA information.
4. All AlaskaCare members' personal information.
 - a) Member's Name
 - b) Address
 - c) Telephone Number
 - d) Medical Information
 - e) Disability Information and
 - f) All other personal information

To access the claims file and census files needed to prepare the financial components of their proposal, the offeror must complete and submit an Intent to Propose (ITP) and Non-Disclosure Agreement (NDA) form, included as attachments to this RFP, to the procurement officer. ITP and NDA forms must be completed and submitted to the procurement officer by November 6, 2025, by 2:00 PM Alaska Time.

The State will not furnish or provide claims and census files needed for the preparation of a proposal to any offeror that has not completed an ITP and NDA form as required. The State reserves the right to clarify and verify any offeror's ability to perform the services required under this solicitation prior to granting access to any of the files.

Upon receipt of the ITP and NDA, and verification of the offeror's eligibility to receive the files, the offeror shall be provided access to the following information:

Claims File: This file provides de-identified claims detail for the State for the period of January 2024 – December 2024. The file includes zip codes for all providers utilized in the data period and should be used to conduct the Network Disruption Analysis.

Census Files: These files provide information including participant residence zip codes and should be utilized for the GeoAccess Analysis.

The files will be provided to an offeror within five business days of receipt of the offeror's completed and signed ITB and NDA form.

If the contractor receives a request from a third party to disclose confidential information and such disclosure of the confidential information is required under applicable state or federal law, regulation, governmental or regulatory authority, the contractor may disclose the confidential information after providing the State with written notice of the requested disclosure and the opportunity to review the request. If the State does not object to the disclosure, the contractor may release the confidential information. Notice of the requested disclosure to the State within a reasonable time after the contractor receives a request from a third party and, upon request of the State, shall seek to obtain legal protection from the release of the confidential information.

Information previously known to be public information when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality; or information which is disclosed by a party pursuant to subpoena or other legal process that is lawfully obtainable by the general public is **not** considered confidential information.

SEC. 3.19 INDEMNIFICATION

The contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission, or negligent act of the contractor under this agreement. The contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the contracting agency's selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor's work.

SEC. 3.20 INSURANCE REQUIREMENTS

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the State will be entitled to coverage to the extent of such higher limits.

Certificates of Insurance must be furnished to the procurement officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with

policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

Workers' Compensation Insurance: The contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

Commercial General Liability Insurance: covering all business premises and operations used by the contractor in the performance of services under this agreement with minimum coverage limits of \$1,000,000 combined single limit per claim.

Commercial Automobile Liability Insurance: covering all vehicles used by the contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

Professional Liability Insurance: covering all errors, omissions, or negligent acts in the performance of professional services under this agreement. Limits required per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000	\$300,000 per Claim/Annual Aggregate
\$100,000-\$499,000	\$500,000 per Claim/Annual Aggregate
\$500,000-\$999,999	\$1,000,000 per Claim/Annual Aggregate
\$1,000,000 or over	\$5,000,000 per Claim/Annual Aggregate

SEC. 3.21 TERMINATION FOR DEFAULT

- a. If the project director or procurement officer determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the State may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all the remaining work.
- b. The procurement officer may also, by written notice, terminate this contract under Administrative Order 352 if the contractor supports or participates in a boycott of the State of Israel.

This clause does not restrict the State's termination rights under the contract provisions of Appendix A, attached in **SECTION 7. ATTACHMENTS**.

SECTION 4. PROPOSAL FORMAT AND CONTENT

SEC. 4.01 RFP SUBMITTAL FORMS

This RFP contains Submittal Forms, which must be completed by the offeror and submitted as part of the offeror's proposal. An electronic copy of the forms is posted along with this RFP.

Unless otherwise specified in this RFP, the Submittal Forms shall be the offeror's entire proposal. An Offeror **may not** include any marketing information in the proposal.

Any proposal that does comply with these requirements may be deemed non-responsive.

SEC. 4.02 SPECIAL FORMATTING REQUIREMENTS

The offeror must ensure that their proposal meets all special formatting requirements identified in this section.

Documents and Text: All attachment documents must be written in the English language, must be single sided, and must be single spaced with a minimum font size of 10. Pictures or graphics may be used if the offeror feels it is necessary to communicate their information, however, be aware of the below requirements for page limits.

Anonymity: Some Submittal Forms listed below must not contain any names that can be used to identify who the offeror is such as company name, offeror name, company letterhead, personnel names, project names, subcontractor names, manufacturer or supplier names, or product names.

Page Limits: Some Submittal Forms listed below have maximum page limit requirements. Offerors must not exceed the maximum page limits. Note, the page limit applies to the front side of a page only (for example, '1 Page' implies that the offeror can only provide a response on one side of a piece of paper). Any pages exceeding the maximum page limit will be discarded and will not be included in the evaluations. An example of pages exceeding the maximum page limit is where the maximum page limit is 3 pages, but the offeror submits 5 pages for that submittal form. In that example, only pages 1-3 would be evaluated and pages 4 and 5 would be discarded by the procurement officer and excluded from evaluation.

Submittal Form	Anonymous Document	Maximum Page Limits
Submittal Form A – Offeror Information and Certifications		
Submittal Form B – Prior Experience	Yes	5
Submittal Form C – Service Approach	Yes	10
Submittal Form D – Risk Assessment	Yes	5
Submittal Form E – Value Opportunity Assessment	Yes	5
Submittal Form F – Mandatory Requirements	Yes	
Submittal Form G (Part 1 of 2) – Contractual Requirements	Yes	
Submittal Form G (Part 2 of 2) – Contractual Requirements	Yes	
Narrative Response Form		

Submittal Form H – GeoAccess Analysis	Yes
Submittal Form I – Network Disruption Analysis	Yes
Submittal Form J – Formulary Disruption Analysis	Yes
Submittal Form K - Subcontractors	Yes
Submittal Form L Cost Proposal	Yes
Submittal Form M (Part 1 of 2) – Financial Requirements	Yes
Submittal Form M (Part 2 of 2) – Financial Requirements	Yes
Narrative Response Form	

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may cause the proposal to be rejected as non-responsive.

SEC. 4.03 OFFEROR INFORMATION AND CERTIFICATIONS (SUBMITTAL FORM A)

The offeror must complete and submit Submittal Form A. The form must be signed by an individual authorized to bind the offeror to their proposal.

By signature on the form, the offeror certifies they comply with the following:

- a) the laws of the State of Alaska;
- b) the applicable portion of the Federal Civil Rights Act of 1964;
- c) the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- d) the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government and certifies that programs, services, and activities provided to the general public on behalf of the State under a contract resulting from this solicitation comply with the Americans with Disabilities Act of 1990, 28 CFR, Part 35, Subpart B 35.130;
- e) all terms and conditions set out in this RFP;
- f) a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
- g) that the offers will remain open and valid for at least 90 days.

If any offeror fails to comply with [a] through [g] of this paragraph, the State reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

Submittal Form A also requests the following information:

- a) The complete name and address of offeror's firm along with the offeror's Tax ID.
- b) The name and contact details of the individual the State should contact regarding the proposal.
- c) Names of critical team members or personnel including Account Manager, Implementation Manager, Clinical Pharmacist, Member Services Manager, and Medicare Part D/EGWP Expert.

- d) Addenda acknowledgement.
- e) Conflict of interest statement.
- f) Federal requirements.
- g) Alaska preference qualifications.

An offeror's failure to address/respond/include these items may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

SEC. 4.04 PRIOR EXPERIENCE (SUBMITTAL FORM B)

An offeror must complete and submit Submittal Form B with their proposal. On this form an offeror must:

1. Detail the Account Manager and the personnel to be assigned to accomplish the work called for in this RFP.
2. Illustrate the lines of authority or chain of command.
3. Designate the title of the individual responsible and accountable for the completion of each component and deliverable of the RFP.
4. In addition to the Account Manager, personnel detail must include the Implementation Manager, Clinical Pharmacist, Member Services Manager, and Medicare Part D/EGWP Expert.

Account Manager: The individual that shall lead the overall program/service and shall be responsible for the day-to-day operations of the program. The Account Manager must have at least five years of experience directly managing services similar to those listed in this RFP.

Implementation Manager: The individual that shall coordinate all set-up activities, align team members, and be responsible for tracking and meeting deadlines.

Clinical Pharmacist: The individual responsible for providing clinical management and insight for the plan, including oversight of prior authorizations, formularies, and adherence to evidence based guidelines.

Member Services Manager: The individual responsible for ensuring the customer service representatives are trained and prepared to provide accurate information and exceptional customer service to members.

Medicare Part D/EGWP Expert: The individual responsible for implementation, operation, compliance, and oversight of the Plan's Medicare Part D/EGWP prescription drug plan.

An offeror must provide resumes for each specific individual proposed to fill the personnel positions detailed above. Resumes may only identify the individual by job title, i.e., Account Manager, Implementation Manager, etc. The name of the individual whose experience is detailed on a resume or the name of the offeror submitting the proposal must be excluded.

An offeror must provide a narrative description of the organization of the project team and a personnel roster, by title only, that identifies who shall actually perform the contract work including the location(s) where work shall be performed.

While it is not mandatory, offerors are strongly encouraged to also have the following:

- At least three years of experience in providing enhanced Employer Group Waiver Plan (EGWP) services.
- Be contracted directly with the Centers for Medicare and Medicaid Services (CMS) for EGWP services.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (described in Section 4.02). Resumes are not included in this page limit.

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SEC. 4.05 SERVICE APPROACH (SUBMITTAL FORM C)

An offeror must complete and submit Submittal Form C with their proposal. Offerors must provide comprehensive narrative statements that illustrate their service approach as it relates to this RFP. An offeror's Submittal Form C should demonstrate to the State that the offeror can visualize how they shall successfully deliver this service. The service approach should address, at a minimum, the following six major topics:

1. **Network Management:** An offeror must summarize their comprehensive network plan, operations, capabilities, and offerings, regarding retail, mail-order and specialty pharmacy networks for both a Commercial Plan and an enhanced EGWP Plan.
2. **Customer and Member Support:** An offeror must summarize their comprehensive customer service approach. This may include clinical and pharmacist support, advantages with the claims and appeals process, quality control procedures, and customer satisfaction.
3. **Medicare Part D Enhanced EGWP Management:** An offeror must summarize their enhanced EGWP administrative capabilities including, but not limited to, IRMAA administration. An offeror must also provide any documented advantages to the program offered and highlight any differences in administration for EGWP Plans versus Commercial Plans.
4. **Transparency:** An offeror must summarize their approach to transparency. An offeror must identify how their organization provides the vital service of transparency and how it can be demonstrated in each step of their approach to pharmacy benefit management including the offeror's approach to Pharma/rebates.

5. **Formulary Management:** An offeror must summarize their approach to formulary management and highlight any differences in administration for EGWP Plans versus Commercial Plans and differentiators the offeror's organization has compared to the industry standards.
6. **Strategic Guidance:** An offeror must summarize their approach to providing strategic support. This should detail the steps the offeror proposes to ensure the State is implementing proven strategies that enhance the pharmacy benefit. Additionally, an offeror must address steps their organization takes to prevent future headwinds in the prescription drug marketplace. This may include, but is not limited to, annual strategy meetings with leadership and key opinion leaders within the offeror's organization and in-person quarterly strategy meetings with the offeror's account team.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (described in Section 4.02).

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SEC. 4.06 RISK ASSESSMENT (SUBMITTAL FORM D)

An offeror must complete and submit Submittal Form D. On Submittal Form D, an offeror must provide:

1. Comprehensive narrative statements that illustrate the offeror's understanding of the controllable and non-controllable risks associated with the implementation of a new contract and the administration of the AlaskaCare pharmacy benefit plans.
2. The offeror's strategies to address these risks. An offeror must provide verifiable documented results of any mitigation strategies upon request.

The offeror's risk assessment must address risks that may impact the successful delivery of the services provided under the contract. Considering all expectations as described in this RFP, the offeror shall list and prioritize major risk items that are unique and applicable to this project. This includes potential issues that may prevent the project from being completed on time, prevent the project from being completed within budget, generate any change orders, or be a source of dissatisfaction for the State. The offeror shall rely on and use their experience and knowledge of completing similar projects to identify these potential risks.

Each risk identified shall be described in non-technical terms and must contain enough information to describe to a reader why the risk is valid. The offeror must also explain how it plans to avoid or minimize the identified risks. If the offeror has a unique method to minimize the risk, the offeror shall explain it in non-technical terms. This risk assessment plan is an opportunity for the offeror to differentiate its capabilities based on its ability to visualize, understand, and minimize risk to the State and the risk to a successful outcome of the implementation. The offeror should categorize the 'risks' into the following definitions:

- a) **Assessment of Controllable Risks:** This includes risks, activities, or tasks that are controllable by the offeror, or by entities/individuals that contract with the offeror. This includes things that are within the technical scope of the implementation of the PBM services. This may also include risks that have already been minimized before the project begins due to the offeror's expertise such as risks that are no longer risks due to the offeror's expertise in delivering this type of project. All controllable risks, and strategies to mitigate them, must be detailed.
- b) **Assessment of Non-Controllable Risks:** This includes risks, activities, or tasks that are not controllable by the offeror. This may include risks attributed to the State, State personnel, third parties hired by the State, risks that are caused by other agencies, or completely uncontrollable risks. Although these risks may not be controlled by the offeror, the offeror should identify a strategy that can be followed or used to mitigate these risks. All non-controllable risks and strategies to mitigate such risks must be included.

Offerors must use the following format when completing Submittal Form D:

- Title or name to identify the risk.
- A brief description of the specified risk and how the risk may impact the contract performance.
- A description of the strategy to be deployed to prevent or minimize the specified risk.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (described in Section 4.02).

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SEC. 4.07 VALUE OPPORTUNITY ASSESSMENT (SUBMITTAL FORM E)

An offeror must complete and submit Submittal Form E. Offerors must provide a comprehensive narrative statement that shall identify, prioritize, and describe proposed initiatives that can increase value to the Plan and improve member service experience. Offeror must provide verifiable documented results of the ideas/opportunities upon request.

Submittal Form E is an offeror's opportunity to identify any value-added options or ideas that may benefit the State and the services provided under the contract. If the offeror can include more scope or service within the constraints of the State, the offeror should provide an outline of potential value-added options. This may include ideas or suggestions on alternatives in implementation timelines, project scope, impact to project costs, goals, deliverables, methodologies, etc.

Offerors must use the following format when completing Submittal Form E:

- Title or name to identify the idea or option.

- A brief description of why the idea or option increases value, such as short and long-term benefit or beneficial impact. Proposed costs may not be included on Submittal Form E, but an offeror may refer to the potential impact on the project cost and schedule in terms of estimated percentages.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is and cannot exceed the page limit (described in Section 4.02).

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SEC. 4.08 MANDATORY REQUIREMENTS (SUBMITTAL FORM F)

An offeror must complete and submit Submittal Form F. In order to be considered responsive, the offeror must confirm that they can meet all mandatory requirements identified in this submittal form. The mandatory requirements are detailed in Section 3.04 Mandatory Requirements.

An offeror's failure to return or to respond "Confirmed" to any item on this submittal form may result in a failing score and may cause the offeror's proposal to be rejected as non-responsive.

As the State's claims administrator, the awardee must agree to serve the State and its staff under the terms of a Performance Guarantee agreement executed between the State and awardee. The objective of the Performance Guarantee is not to reduce PBM revenue by invoking penalties but rather to reinforce PBM's verbal and written assurances of quality service with tangible measurements. At a minimum, the Performance Guarantee agreement must include, but is not limited to:

- Objective accuracy benchmarks and associated penalties for failure to consistently meet the following measurements:
 - Member satisfaction
 - Initial implementation and enrollment process
 - On-time delivery of periodic and annual reports
 - Delivery of information or notifications to the Plan
- A subjective service measurement that will be solely determined by the plan; and
- A level of financial risk that is challenging yet fair.

Performance Guarantees have been included in the RFP attachments (Submittal Form L Cost Proposal). The Performance Guarantee agreement may be addressed during the clarification or negotiation period and is subject to reasonable revisions. However, the final agreement language will ultimately be determined by the State's Department of Law.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is (described in Section 4.02).

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SEC. 4.09 CONTRACTUAL REQUIREMENTS (SUBMITTAL FORM G)

An offeror must complete and submit Submittal Form G.

An offeror's failure to return or to completely fill out Submittal Form G, including all fourteen submittal form spreadsheet tabs, may cause the offeror's proposal to be rejected as non-responsive.

Offerors are required to complete this submittal form by supplying responses to all rows included on 14 spreadsheet tabs.

1. Administrative Requirements
2. Preferred Drug List – Active Employee Plan
3. Specialty Drug List – Active Employee Plan
4. Excluded Drug List – Active Employee Plan
5. Clinical Programs List – Active Employee Plan
6. Copay Assistance Program – Active Employee Plan
7. Preferred Drug List – Non-EGWP Retiree Plan
8. Specialty Drug List – Non-EGWP Retiree Plan
9. Excluded Drug List – Non-EGWP Retiree Plan
10. Clinical Programs List – Non-EGWP Retiree Plan
11. Preferred Drug List – EGWP with Wrap Plan
12. Specialty Drug List – EGWP with Wrap Plan
13. Excluded Drug List – EGWP with Wrap Plan
14. Clinical Programs List – EGWP with Wrap Plan

Submittal Form G outlines the contractual requirements and expectations of the State related to this RFP. The offeror must confirm if they can or cannot meet each requirement and provide additional information as relevant. Any response may be discussed or negotiated with an offeror reasonably susceptible for award during the evaluation period.

The contractual requirements are detailed in Section 3.05 Contractual Deliverables and must be confirmed, or responded to with a brief answer (e.g., yes, no, or a short phrase), on Submittal Form G (Part 1 of 2) – Contractual Requirements, spreadsheet tab 1) Admin Requirements.

Responses requiring a written narrative response will be provided on Submittal Form G (Part 2 of 2) – Contractual Requirements Narrative Response Form.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is (described in Section 4.02).

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SEC. 4.10 GEOACCESS ANALYSIS (SUBMITTAL FORM H)

An offeror must complete and submit Submittal Form H.

An offeror's failure to return or to completely fill out this submittal form, including all three spreadsheet tabs, may result in a failing score and may cause the offeror's proposal to be rejected as non-responsive.

Retail Network Access – Active Employee Plan: Offeror must complete this Submittal Form H spreadsheet tab based on a standard GeoAccess analysis of the offeror's proposed retail pharmacy network using the Census Files that will be provided upon the submission of the ITP and NDA forms as described in Section 3.18. Use commercial pharmacy plan enrollment for the Active Employee population only.

Retail Network Access – Non-EGWP Retiree Plan: Offeror must complete this Submittal Form H spreadsheet tab based on a standard GeoAccess analysis of the offeror's proposed retail pharmacy network using the Census Files that will be provided upon the submission of the ITP and NDA forms as described in Section 3.18. Use commercial pharmacy plan enrollment for the non-EGWP Retiree population only.

Retail Network Access – EGWP with Wrap Plan: Offeror must complete this Submittal Form H spreadsheet tab based on a standard GeoAccess analysis of the offeror's proposed retail pharmacy network using the Census Files that will be provided upon the submission of the ITP and NDA forms as described in Section 3.18. Use EGWP with Wrap Plan enrollment for the EGWP with Wrap Plan population only.

Submittal Form H will be analyzed by the consulting firm and may be presented to the PEC for consideration during the evaluation process.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is (described in Section 4.02).

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SEC. 4.11 NETWORK DISRUPTION ANALYSIS (SUBMITTAL FORM I)

An offeror must complete and submit Submittal Form I.

An offeror's failure to return or to completely fill out Submittal Form I, including all three submittal form spreadsheet tabs, may cause the offeror's proposal to be rejected as non-responsive.

The offeror's Network Disruption Analysis will be measured upon the pharmacies used by the active and retired participants in the AlaskaCare pharmacy plans, as measured over the past year. It is expected that the offeror has the ability to provide a network of providers in all the areas in which participants reside (including rural and remote areas). The census file submitted to offerors includes residence zip code locations. Network disruption will be analyzed as follows:

1. The percentage of pharmacy dispensing facilities in the offeror's network that dispensed prescriptions and are included in the claims data file.
2. An evaluation of the number of facilities that are available to participants based upon a distribution within the State.

Network Disruption – Active Employee Plan: Offeror must complete this Submittal Form I spreadsheet tab by completing the following retail network disruption tables.

Table 1 - Summary shall be completed based on the offeror's proposed Retail 30 and proposed Retail 90 network using the Claims File that will be provided upon the submission of the ITP and NDA forms as described in Section 3.18. 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. Use the claims data for the Active Employee plan(s) to populate this table.

Table 2 – Detailed Disruption Results shall be completed by listing each distinct retail pharmacy along with the number of distinct patients who filled a script at the retail pharmacy and the number of prescriptions dispensed based on the day's supply dispensed. Then the offeror must indicate whether or not the retail pharmacy is in-network or out-of-network based on the offeror's proposed network. Use the claims data for the Active Employee plan(s) to populate this table.

Network Disruption – Non-EGWP Retiree Plan: Offeror must complete this Submittal Form I spreadsheet tab by completing the following retail network disruption tables.

Table 1 – Summary shall be completed based on the offeror's proposed Retail 30 and proposed Retail 90 network using the Claims File that will be provided upon the submission of the ITP and NDA forms as described in Section 3.18. 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. Use the claims data for the Non-EGWP Retiree Plan(s) to populate this table.

Table 2 – Detailed Disruption Results shall be completed by listing each distinct retail pharmacy included in the data set provided in the Claims File along with the number of distinct patients who filled a script at the retail pharmacy and the number of prescriptions dispensed based on the day's supply dispensed. Then the offeror must indicate whether or not the retail pharmacy is in-network or out-of-network based on the offeror's proposed network. Use the claims data for the Non-EGWP Retiree Plan(s) to populate this table.

Network Disruption - EGWP with Wrap Plan: Offeror must complete this Submittal Form I spreadsheet tab by completing the following retail network disruption tables.

Table 1 – Summary shall be completed based on the offeror’s proposed Retail 30 and proposed Retail 90 network using the Claims File that will be provided upon the submission of the ITP and NDA forms as described in Section 3.18. 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. Use the claims data for the EGWP with Wrap plan to populate this table.

Table 2 – Detailed Disruption Results shall be completed by listing each distinct retail pharmacy along with the number of distinct patients who filled a script at the retail pharmacy and the number of prescriptions dispensed based on the day's supply dispensed. Then the offeror must indicate whether the retail pharmacy is in-network or out-of-network based on the offeror’s proposed network. Use the claims data for the EGWP Plan to populate this table.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is (described in Section 4.02).

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SEC. 4.12 FORMULARY DISRUPTION ANALYSIS (SUBMITTAL FORM J)

An offeror must complete and submit Submittal Form J.

An offeror’s failure to return or to completely fill out Submittal Form J, including all three spreadsheet tabs, may cause the offeror’s proposal to be rejected as non-responsive.

Formulary Disruption – Active Employee: Offeror must complete this Submittal Form J spreadsheet tab by completing the following formulary disruption tables.

Table 1 – Summary shall be completed by the offeror for the Commercial Plan for Active Employees based on the offeror’s proposed formulary. Offeror analysis must be based on the most recent four months in the Commercial Plan's claims data that will be provided upon the submission of the ITP and NDA forms as described in Section 3.18. Offeror results shall include the number of plan members that will require a change as well as the number of prescriptions associated with the offeror’s formulary change.

Table 2 – Detailed Disruption Results shall be completed by the offeror by listing each drug utilized in the most recent four months of the Active Employee Plan's claims data by NDC, the number of distinct patients for which the drug was dispensed, and the total number of prescriptions filled. For each NDC, indicate if the drug is specialty or non-specialty with respect

to the offeror's formulary and indicate the tier that the drug shall be considered for the purposes of calculating plan member cost share.

Formulary Disruption – Non-EGWP Retiree Plan: Offeror must complete this Submittal Form J spreadsheet tab by completing the following formulary disruption tables.

Table 1 – Summary shall be completed by the offeror for the non-EGWP Retiree Plan based on the offeror's proposed formulary. Offeror analysis must be based on the most recent four months in the Commercial Plan's claims data that will be provided upon the submission of the ITP and NDA forms as detailed in Section 3.18. 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.

Table 2 – Detailed Disruption Results shall be completed by the offeror by listing each drug utilized in the most recent four months of the non-EGWP Retiree Plan's claims data by NDC, the number of distinct patients for which the drug was dispensed, and the total number of prescriptions filled. For each NDC, the offeror must indicate if the drug is specialty or non-specialty with respect to the offeror's proposed formulary and indicate the tier that the drug shall be considered for the purposes of calculating member cost share.

Formulary Disruption – EGWP with Wrap Plan: Offeror must complete this Submittal Form J spreadsheet tab by completing the following formulary disruption tables.

Table 1 – Summary shall be completed by the offeror for the EGWP Plan based on the offeror's proposed formulary. Offeror analysis must be based on the most recent four months in the EGWP/Wrap plan's claims data that will be provided upon the submission of the ITP and NDA forms as detailed in Section 3.18. 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.

Table 2 – Detailed Disruption Results shall be completed by the offeror by listing each drug utilized in the most recent four months of the EGWP Plan's claims data by NDC, the number of distinct patients for which the drug was dispensed, and the total number of prescriptions filled. For each NDC, indicate if the drug is specialty or non-specialty with respect to the offeror's proposed formulary and indicate the tier that the drug shall be considered for the purposes of calculating member cost share.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is (described in Section 4.02).

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SEC. 4.13 SUBCONTRACTORS (SUBMITTAL FORM K)

If an offeror proposes to use a subcontractor or subcontractors to meet its contractual obligations, the offeror must complete and submit Submittal Form K. If the offeror does not complete this submittal form, no subcontractors shall be permitted.

Subcontractors must meet all requirements set forth in Sec 3.12 Subcontractors.

SPECIAL NOTE: This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is.

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SEC. 4.14 INTERVIEWS

The State will conduct interviews with the offerors who have scored above the natural point break with the highest ranking after evaluation and scoring of technical proposals is completed. Interviews will be held with all personnel detailed on Submittal Form B and identified by name on Submittal Form A. The State reserves the right to request interviews with additional personnel.

Interviewees must be the same as those individuals identified by name on Submittal Form A as the critical team members. No substitutes or proxies will be allowed without State approval. The State may request additional personnel to be interviewed. Individuals who fail to attend the interview at the date and time scheduled will be given a “0” score.

Interviews for each individual will be scheduled for 30 minutes. Interviewees are prohibited from making any reference to the offeror’s proposed costs or fees. Interviewees may not bring notes, presentation materials, or handouts. The State will conduct individual interviews with each person the offeror has identified on its Submittal Form B. Interviewees may be asked questions regarding their experience, knowledge and understanding of the scope of work, obstacles and challenges, strategies, and their plan/approach. The State may request additional information prior to interviews.

Interviews will be conducted in person in Juneau, Alaska. If selected for an interview, the State will notify the offeror of the time and date the interview is scheduled. The State anticipates giving approximately a two-week notice of interview date and time. The State will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal including interviews.

The State will strictly enforce the 30-minute time limit per interview. Offerors must be prepared to start the interview on time. If selected for the interview process the State will notify the offeror of the time and date.

SEC. 4.15 COST PROPOSAL (SUBMITTAL FORM L)

An offeror must complete and submit their cost proposal using Submittal Form L. Please note that pricing must be offered on a Transparent basis with 100% pass through rebates. If necessary, footnotes to this submittal form may be used to provide supplemental explanations.

Proposed costs must include all direct and indirect costs associated with the performance of the contract, including, but not limited to, total number of hours at various hourly rates, direct expenses, payroll, supplies, overhead assigned to each person working on the project, percentage of each person's time devoted to the project, required travel, and profit. The costs identified on the cost proposal are the total amount of costs to be paid by the State. No additional charges shall be allowed.

During the initial contract term's implementation period, the contractor may not invoice or request payment from the State for any implementation-related activities, including but not limited to system setup, configuration, training, or transition services. The State's obligation to pay for contractor services will only arise upon the successful completion of the implementation period and the commencement of full operational PBM services, as determined by the State. The implementation period will be from award of contract, approximately July 1, 2026, through December 31, 2026. PBM services must be fully implemented on January 1, 2027.

All PBM fees must be guaranteed from January 1, 2027, through December 31, 2029. The pricing for the final year of the initial contract term, January 1, 2029, through December 31, 2029, will apply to all subsequent optional one-year renewals exercised by the State unless updated pricing terms are negotiated by the State and executed via the contract amendment process.

Offerors are required to complete this submittal form by supplying responses to all rows included on 15 spreadsheet tabs.

1. Performance Guarantees – Active Employee Plan
2. Financial Projections ASO Fees – Active Employee Plan
3. Financial Projections Pricing Guarantees – Active Employee Plan
4. Financial Exclusions – Active Employee Plan
5. Financial Projections – Active Employee Plan
6. Performance Guarantees – Non-EGWP Retiree Plan
7. Financial Projections ASO Fees – Non-EGWP Retiree Plan
8. Financial Projections Pricing Guarantees – Non-EGWP Retiree Plan
9. Financial Exclusions – Non-EGWP Retiree Plan
10. Financial Projections – Non-EGWP Retiree Plan
11. Performance Guarantees – EGWP with Wrap Plan
12. Financial Projections ASO Fees – EGWP with Wrap Plan
13. Financial Projections Pricing Guarantees – EGWP with Wrap Plan
14. Financial Exclusions – EGWP with Wrap Plan
15. Financial Projections – EGWP with Wrap Plan

SPECIAL NOTE: This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is (described in Section 4.02).

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SEC. 4.16 FINANCIAL REQUIREMENTS (SUBMITTAL FORM M)

An offeror must complete and submit Submittal Form M.

An offeror's failure to return or to completely fill out Submittal Form M may cause the offeror's proposal to be rejected as non-responsive.

Offerors are required to complete this submittal form by supplying responses to all rows.

Submittal Form M outlines the financial requirements and expectations of the State related to this RFP. The offeror must confirm if they can or cannot meet each requirement and provide additional information as relevant. Any response may be discussed or negotiated with an offeror reasonably susceptible for award during the evaluation period.

The financial requirements are detailed in Section 3.06 Financial Requirement and must be confirmed, or responded to with a brief answer (e.g., yes, no, or a short phrase), on Submittal Form M (Part 1 of 2) – Financial Requirements.

Responses requiring a written narrative response will be provided on Submittal Form M (Part 2 of 2) – Financial Requirements Narrative Response Form.

SPECIAL NOTE: The offeror shall not disclose their costs in this Submittal Form. This form shall be kept anonymous and must not contain any names that can be used to identify who the offeror is (described in Section 4.02).

Any Submittal Form submitted as part of a proposal that does not comply with the instructions above may be a basis for rejecting the proposal as non-responsive.

SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION

SEC. 5.01 SUMMARY OF EVALUATION PROCESS

The State will use the following steps to evaluate and prioritize proposals:

1. DRB to provide the procurement officer with the names of the members who will sit on the Procurement Evaluation Committee (PEC).
2. Procurement officer and/or consulting firm independently review the proposal(s) for responsiveness under Section 1.04 Prior Experience and verifies all offeror's mandatory proposal submittal forms have been received and comply with requirements.
3. Cost Proposals: Once responsiveness has been determined, the procurement officer will provide anonymous cost proposals to the identified members of the consultant's actuarial team. Each member will have signed a Non-Conflict of Interest and Confidentiality Statement with the State. Cost proposal information is strictly confidential and cannot be shared or discussed outside of the actuarial team under any circumstances.
4. Pre-PEC Meeting: Once responsiveness has been determined, a Pre-PEC Meeting will be held. During this meeting the names and identities of responsive offerors will remain anonymous to the PEC members. Additionally, during the meeting the procurement officer will review the Procurement Evaluation Committee Guide with PEC members and will discuss the scoring process with the PEC and consulting firm.
5. Each PEC member will be required to sign a Non-Conflict of Interest and Confidentiality Statement with the State. After receipt of the above signed statement, the procurement officer will send the PEC Evaluator Guide, evaluation score sheets, and the responsive technical proposals to the PEC members for scoring. Per the Evaluator Guide, all PEC members must independently score each proposal. No discussions between the individual PEC members or the consulting firm may occur.
6. Once each PEC member has completed their independent scoring of each technical proposal, each PEC member will submit the evaluation score forms to the procurement officer at least one day prior to the PEC meeting. The PEC meeting will be conducted under 2AAC 12.260 (h).

The PEC meeting should include all PEC members and the consulting firm as the technical consultant (non-voting member). The PEC meeting provides an opportunity for members of the PEC to discuss the merits of each technical proposal and PEC members may adjust their initial technical score based on the discussion. Scoring must remain independent for each PEC member. Cost must not be a discussion item during this meeting.

The procurement officer is responsible for chairing this meeting. Any changes to scores will be documented on each PEC member's score sheet. If scores are changed as a result of the PEC meeting discussions, the initial technical score will be removed and the new score will be entered and accompanied by a written justification. All score changes will be documented by the procurement officer.

7. At the end of the PEC meeting, the PEC members will submit their final technical proposal scores to the procurement officer.
8. Tabulated costs for each offeror will be provided by the consulting firm to the procurement officer and the procurement officer will apply any applicable preferences. The procurement officer will determine points allocated for each offeror's cost proposal using the State provided formula. The procurement officer will review scores to determine which offerors will move forward into the interview phase of the evaluation in accordance with RFP Section 5.12.
9. The procurement officer will inform the PEC and consulting firm the offeror's identities and will provide a non-conflict of interest form to be completed by each PEC member. PEC members will return their completed non-conflict of interest forms to the procurement officer, after which the procurement officer will provide the PEC members and the consulting firm their interview evaluation forms.
10. After interviews with proposed personnel, PEC members will score each interviewee using the interview evaluation form and will provide their interview scores to the procurement officer. If needed, the PEC may hold an additional PEC meeting to allow discussion regarding the interview scoring. If held, this PEC discussion shall be limited to the scores awarded specifically for the interview scoring phase. As with the initial PEC meeting, all PEC members and consulting firm, as the technical consultant (non-voting member), should be in attendance.

Like the initial PEC meeting, the PEC has the opportunity to discuss the merits of each interviewee, and the PEC members may adjust their initial interview score based on the discussion. Scoring will remain independent for each PEC member. Cost will not be a discussion item during this meeting.

The procurement officer is responsible for chairing this meeting. Any changes to scores must be justified on each PEC member's score sheet. If scores are changed as a result of this discussion, the initial interview score will be removed and the new score will be entered accompanied by written justification for the new score. All score changes will be documented by the procurement officer.

At the end of the PEC meeting, scoring of the interview phase is final and PEC members will provide all score sheets to the procurement officer for final tabulation.

11. Once the technical and interview scores are complete, the procurement officer will tally the scores for each evaluation category.
12. At this time the consulting firm may provide a listing of any issues or concerns to the procurement officer.
13. After the final scoring of all criteria, the procurement officer will determine which offerors are considered reasonably susceptible for award.
14. For offerors deemed reasonably susceptible for award, the procurement officer will draft clarification questions based on the listing of issues and/or concerns developed by the Consulting Firm and submitted to the procurement officer under item 13 above. PEC members may also submit issues and concerns to the procurement officer for clarification purposes. Clarification questions may or may not be the same for each offeror deemed reasonably susceptible for award. In general, the clarification questions usually relate to the technical proposal.
15. Once the clarification questions are developed for each offeror deemed reasonably susceptible for award, the procurement officer will provide the questions to each offeror with a deadline for the submission of a best and final proposal. This process is completed under the authority of 2AAC 12.285. Generally, offerors are given 24-72 hours to consider the questions posed to develop their responses to those questions.
16. If needed, or desired, the PEC team could also choose to utilize 2AAC 12.290, Proposal Discussions with Individual Offerors in conjunction with item 16 above and 2AAC 12.285.

During discussions the offerors are only permitted to clarify and discuss portions of their proposal that surround the questions provided to them. They may not further supplement any other section of their proposal.

17. Once the procurement officer has received the best and final proposals from each offeror deemed reasonably susceptible for award, the technical portions are sent to the PEC for independent consideration. The best and final technical and cost (if applicable) submissions are sent to the consulting firm for consideration. PEC members are under no obligation to modify a score based on the best and final proposal; a PEC member may do so if the additional information provided by the offeror leads them to a change in score. If a PEC member modifies their score, a written justification must also be provided.

If an offeror submits a best and final cost proposal, the consulting firm will be required to re-tabulate the cost portion for the final evaluation.

18. Similar to items 7 and 11 above, if needed, a new PEC meeting may be convened to discuss the best and final proposals. Like above, if scores are changed based on the discussion of the Best and Final submissions, the initial technical score will be removed and the new score entered with justification.

At the completion of this meeting, the PEC shall provide the final technical scores to the procurement officer. If costs were altered during the best and final process, the consulting firm shall provide the new tabulated scores to the procurement officer.

19. Once the final scores are provided, the procurement officer shall finalize all the scores using the State's formulas and apply any preferences for each offeror deemed reasonably susceptible for award and determine the apparent awardee. Once determined, the procurement officer will notify the Project Manager of the result and provide the Project Manager the best and final cost proposal for consideration.
20. If needed, the procurement officer will contact the apparent awardee and move into final clarifications and negotiations in accordance with RFP sections 6.07 and 6.08. During clarification and negotiation, the PEC members may discuss their expectation of the services and deliverables.
21. Once clarification and negotiation are complete, the procurement officer will issue a Notice of Intent to Award (NOIA). Once the NOIA is issued, the 10-day protest period starts.
22. Contract will be awarded upon the conclusion of the 10-day protest period provided no protests are received that result in a stay of award of the resulting contract.

SEC. 5.02 EVALUATION CRITERIA

Proposals will be evaluated based on their overall value to State, considering both cost and non-cost factors as described below. Note: An evaluation may not be based on discrimination due to the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror.

Overall Criteria		Weight
Responsiveness		Pass/Fail
Mandatory Requirements	(Submittal Form F)	Pass/Fail
GeoAccess Analysis	(Submittal Form H)	Pass/Fail
Subcontractor	(Submittal Form K)	Pass/Fail

Qualifications Criteria		Weight
Prior Experience	(Submittal Form B)	70
Service Approach	(Submittal Form C)	70
Risk Assessment	(Submittal Form D)	40

Value Opportunity Assessment	(Submittal Form E)	40
Contractual Requirements	(Submittal Form G)	50
Network Disruption Analysis	(Submittal Form I)	10
Formulary Disruption Analysis	(Submittal Form J)	20
Financial Requirements	(Submittal Form M)	100
Interviews		200
Account Manager 70		
Implementation Manager 60		
Clinical Pharmacist 30		
Member Services Manager 10		
Medicare Part D/EGWP Expert 30		
Total		600

Cost Criteria		Weight
Cost Proposal	(Submittal Form L)	300
Total		300

Preference Criteria		Weight
Alaska Offeror Preference (if applicable)		100
Total		100

TOTAL EVALUATION POINTS AVAILABLE: 1000

SEC. 5.03 SCORING METHOD AND CALCULATION

Each Proposal Evaluation Committee (PEC) member will individually evaluate and score each responsive proposal using the criteria set out in Sections 5.04 through 5.11 and assign a single score of 1 through 10, with 10 representing the highest score and 1 representing the lowest score. Using only whole numbers, PEC members should start with a score of 5 on each section. The score may either increase or decrease depending on the offeror's response to each question for that section. As an example, if the offeror provided responses over and above the evaluation questions in a section, they would receive a higher score. However, if the offeror's response fails to address all questions of a section or demonstrates some lack of understanding or competency as it relates to a question for that section, the offeror would then receive a lower score.

After the PEC has scored, the scores for each section will be totaled and the following formula will be used to calculate the total amount of points awarded for each section:

Offeror Total Score

$$\frac{\text{Offeror Total Score}}{\text{Highest Total Score Possible}} \times \text{Max Points} = \text{Points Awarded}$$

Example (Max Points for the Section = 100):

	PEC Member 1 Score	PEC Member 2 Score	PEC Member 3 Score	PEC Member 4 Score	Combined Total Score	Points Awarded
Offeror 1	10	5	5	10	30	75
Offeror 2	5	5	5	5	20	50
Offeror 3	10	10	10	10	40	100

Offeror 1 was awarded 75 points:

Offeror Total Score (30)

_____ x Max Points (100) = Points Awarded (75)

Highest Total Score Possible (40)

Offeror 2 was awarded 50 points:

Offeror Total Score (20)

_____ x Max Points (100) = Points Awarded (50)

Highest Total Score Possible (40)

Offeror 3 was awarded 100 points:

Offeror Total Score (40)

_____ x Max Points (100) = Points Awarded (100)

Highest Total Score Possible (40)

SEC. 5.04 PRIOR EXPERIENCE

This portion of the offeror's proposal will be evaluated against the following questions:

1) Questions regarding the personnel:

- a) Do the individuals assigned to the project have experience on similar projects?
- b) Is the offeror based and owned solely in the United States?
- c) Is the Account Team clearly identified?
- d) Does the offeror's firm meet the prior experience requirements of Sec. 1.04?
- e) Are resumes complete and do they demonstrate backgrounds that would be desirable for individuals engaged in the work the project requires?

- f) How extensive is the applicable education and experience of the Account Manager designated to work on the project?
- g) How extensive is the applicable education and experience of the personnel designated to work on the project?

2) Questions regarding the firm and subcontractor (if used):

- a) How well has the firm demonstrated experience in completing similar projects on time and within budget?
- b) How successful is the general history of the firm regarding timely and successful completion of projects?
- c) Has the firm provided three Client Reference Forms from previous clients?
- d) If a subcontractor shall perform work on the contract, how well do they measure up to the evaluation used for the offeror?
- e) If used, are subcontractors based and owned solely in the United States?

SEC. 5.05 SERVICE APPROACH

Each portion of the Service Approach (Network Plan, Customer and Member Support, and Medicare Part D Enhanced EGWP) will be evaluated against the following questions:

- a) How well has the offeror demonstrated an understanding of the purpose and scope of the required services?
- b) How logical is the approach/methodology to fulfilling the scope, objectives, and goals of the State?
- c) How well has the offeror demonstrated an understanding of the deliverables the State expects it to provide?

SEC. 5.06 RISK ASSESSMENT

This portion of the offeror's proposal will be evaluated against the following questions:

- a) How well has the offeror identified pertinent risks, issues, challenges, and potential problems related to this specific project/service?
- b) How well has the offeror identified a clear and concise approach/methodology that can logically mitigate the risks?
- c) The offeror's ability to provide verifiable documented results of mitigation strategies (*i.e.*, the impacts of their mitigation approach).

SEC. 5.07 VALUE OPPORTUNITY ASSESSMENT

This portion of the offeror's proposal will be evaluated against the following questions:

- a) How well has the offeror identified pertinent ideas or opportunities that are specific to this project/service?
- b) The offeror's ability to provide verifiable documented results of the ideas/opportunities (*i.e.*, actual impacts of these ideas).

SEC. 5.08 CONTRACTUAL REQUIREMENTS

This portion of the offeror's proposal will be evaluated against the following questions:

- a) Has the offeror agreed to requirements stated with minimum deviations that may not be industry standard?
- b) Are any deviations meaningfully altering the goals of the State's intent for this procurement?

SEC. 5.09 NETWORK DISRUPTION ANALYSIS

This portion of the offeror's proposal will be evaluated against the following questions:

- a) Does the proposed network provide ample access to the membership?
- b) Does the proposed network leave more members without access to a pharmacy than members with access?

SEC. 5.10 FORMULARY DISRUPTION ANALYSIS

This portion of the offeror's proposal will be evaluated against the following questions:

- a) Does the proposed formulary allow for clinically viable options for all disease states covered by the plan currently?
- b) Does the PBM outline the methods in which a member shall be able to access off formulary medications in the event a medication is not covered?

SEC. 5.11 FINANCIAL REQUIREMENTS

This portion of the offeror's proposal will be evaluated against the following questions:

- a) Has the offeror confirmed all the financial requirements of this RFP?
- b) Has the offeror provided a narrative of short answer responses where indicated?
- c) Has the offeror taken any exceptions to the financial requirements?

SEC. 5.12 INTERVIEWS

The PEC will conduct interviews with the personnel assigned to fill the positions and accomplish the work identified on Submittal Form B from the offerors who have scored above the natural point break with the highest ranking.

SEC. 5.13 CONTRACT COST (COST PROPOSAL)

The consulting firm will perform a financial analysis of the proposed fees. The consulting firm utilizes client specific claims data to get average per drug wholesale unit costs. These costs and utilization statistics are then trended for the initial term of the contract using the consulting firm's internal industry assumptions for market trends, and then each offeror's proposed pricing guarantees are applied to trended costs. In this way, each cost proposal is compared using the client specific utilization and spending patterns and projected forward using the consulting firm's industry knowledge on emerging drug market trends.

The RFP Results – Financial document will display the total costs for each offeror. Overall, a maximum of **30%** of the total evaluation points will be assigned to cost. After the procurement officer applies any applicable preferences, the offeror with the lowest total cost will receive the maximum number of points allocated to cost per 2 AAC 12.260(c). The point allocations for cost on the other proposals will be determined using the following formula:

$$[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})] \div (\text{Cost of Each Higher Priced Proposal})$$

Example (Max Points for Contract Cost = 400):**Step 1**

List all proposal prices, adjusted where appropriate by the application of applicable preferences claimed by the offeror.

Offeror #1	\$40,000
Offeror #2	\$42,750
Offeror #3	\$47,500

Step 2

In this example, the RFP allotted 40% of the available 1,000 points to cost. This means that the lowest cost will receive the maximum number of points.

Offeror #1 receives 400 points.

The reason they receive that amount is because the lowest cost proposal, in this case \$40,000, receives the maximum number of points allocated to cost, 400 points.

Offeror #2 receives 374.3 points.

$\$40,000 \text{ lowest cost} \times 400 \text{ maximum points for cost} = 16,000,000 \div \$42,750 \text{ cost of Offeror \#2's proposal}$
= **374.3**

Offeror #3 receives 336.8 points.

$\$40,000 \text{ lowest cost} \times 400 \text{ maximum points for cost} = 16,000,000 \div \$47,500 \text{ cost of Offeror \#3's proposal}$
= **336.8**

SEC. 5.14 ALASKA OFFEROR PREFERENCE

Per 2 AAC 12.260, if an offeror qualifies for the Alaska Bidder Preference, the offeror shall receive an Alaska Offeror Preference. The preference will be 10% of the total available points, which will be added to the offeror's overall evaluation score.

Example:

Step 1

Determine the number of points available to qualifying offerors under this preference:

1000 Total Points Available in RFP x 10% Alaska Offeror preference = 100 Points for the preference

Step 2

Determine which offerors qualify as Alaska bidders and thus, are eligible for the Alaska Offeror preference. For the purpose of this example, presume that all proposals have been completely evaluated based on the evaluation criteria in the RFP. The scores at this point are:

Offeror #1	830 points	No Preference	0 points
Offeror #2	740 points	Alaska Offeror Preference	100 points
Offeror #3	800 points	Alaska Offeror Preference	100 points

Step 3

Add the applicable Alaska Offeror preference amounts to the offerors' scores:

Offeror #1	830 points
Offeror #2	840 points (740 points + 100 points)
Offeror #3	900 points (800 points + 100 points)

Offeror #3 is the highest scoring offeror and would get the award, provided their proposal is responsive and responsible.

SECTION 6. GENERAL PROCESS AND LEGAL INFORMATION

SEC. 6.01 INFORMAL DEBRIEFING

When the contract is completed, an informal debriefing may be performed at the discretion of the project director or procurement officer. If performed, the scope of the debriefing will be limited to the work performed by the contractor.

SEC. 6.02 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES

Prior to the award of a contract, an offeror must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran Preference and Alaska Offeror Preference, an offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. Offerors should contact the **Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, PO Box 110806, Juneau, Alaska 99811-0806** for information on these licenses. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- copy of an Alaska business license;
- certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;
- a canceled check for the Alaska business license fee;
- a copy of the Alaska business license application with a receipt stamp from the State's occupational licensing office; or
- a sworn and notarized statement that the offeror has applied and paid for the Alaska business license.

Offerors are not required to hold a valid Alaska business license at the time proposals are opened if the offeror possess one of the following licenses and are offering services or supplies under that specific line of business:

- fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game,
- liquor licenses issued by Alaska Department of Revenue for alcohol sales only,
- insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance, or
- Mining licenses issued by Alaska Department of Revenue.

Prior the deadline for receipt of proposals, all offerors must hold any other necessary applicable professional licenses required by Alaska Statute.

SEC. 6.03 SITE INSPECTION

The State may conduct on-site visits to evaluate the offeror's capacity to perform the contract. An offeror must agree, at risk of being found non-responsive and having its proposal rejected, to provide the State reasonable access to relevant portions of its work sites. Individuals designated by the procurement officer at the State's expense will conduct the site visits.

SEC. 6.04 CLARIFICATION OF OFFERS

In order to determine if a proposal is reasonably susceptible for award, communications by the procurement officer or the proposal evaluation committee (PEC) with an offeror are permitted only to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the procurement officer or the PEC may be adjusted as a result of a clarification under this section.

SEC. 6.05 DISCUSSIONS WITH OFFERORS

The State may conduct discussions with offerors in accordance with AS 36.30.240 and 2 AAC 12.290. The purpose of these discussions will be to ensure full understanding of the requirements of the RFP and proposal. Discussions will be limited to specific sections of the RFP or proposal identified by the procurement officer. Discussions will only be held with offerors who have submitted a proposal deemed reasonably susceptible for award by the procurement officer. Discussions, if held, will be after initial evaluation of proposals by the procurement officer or the PEC. If modifications are made as a result of these discussions, they will be put in writing. Following discussions, the procurement officer may set a time for best and final proposal submissions from those offerors with whom discussions were held. Proposals may be reevaluated after receipt of best and final proposal submissions.

If an offeror does not submit a best and final proposal or a notice of withdrawal, the offeror's immediate previous proposal is considered the offeror's best and final proposal.

Offerors with a disability needing accommodation should contact the procurement officer prior to the date set for discussions so that reasonable accommodation can be made. Any oral modification of a proposal must be reduced to writing by the offeror.

SEC. 6.06 EVALUATION OF PROPOSALS

The procurement officer, or an evaluation committee made up of at least three State employees or public officials, will evaluate proposals. The evaluation will be based solely on the evaluation factors set out in **SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION**.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a

new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

SEC. 6.07 CLARIFICATION PERIOD

The State will invite the highest (or second highest) prioritized offeror to the clarification period. The clarification period is carried out prior to the signing of a contract. The intent of this period is to allow the apparent best-value offeror an opportunity to clarify any assumptions, issues, or risks, and confirm that their proposal is accurate. The State's objective is to have the services completed on time, without any cost increases, in a timely and efficient manner, and with high customer satisfaction. It is the offeror's responsibility to ensure that the offeror understands the State's expectations. The offeror is at risk, and part of the risk is understanding the State's expectations.

The offeror shall be required to pre-plan the project in detail to ensure that there are no surprises, and to work with the State to prepare a clarification document (which will be incorporated into the contract), containing at a minimum the information as described below:

During the clarification period the susceptible offeror shall be required to prepare a clarification document containing the following information:

- a) **Verify the Fee/Cost Proposal:** Clarify the fee schedule. The offeror is expected, in good faith, to incorporate in and submit any additional data, supporting schedules, or substantiation reasonably required.
- b) **Provide a Project Schedule:** Prepare a high-level schedule of the project (with major milestones or tasks). If requested, prepare a detailed milestone schedule. This may include transition and implementation.
- c) **Provide a Client Action Item Schedule:** Prepare a schedule of any/all activities, actions, or decisions needed from the State (including specific due dates and client names responsible for the activities). This must be a separate document from the overall project schedule. This should be provided in a very simple format. Identify the roles and responsibilities of the State or its personnel.
- d) **Align Expectations:** Coordinate the project/service (schedule, cost, activities) with all critical parties (subcontractors, consultants, suppliers, manufacturers, networks, etc.). Create a detailed project plan. Review any unique technical requirements with the State.
- e) **Key Assumptions:** Provide a summary of the major assumptions that have been made in preparing the proposal. This should include items/tasks that the offeror has assumed the State will perform, items/tasks required from the State, and items/tasks that have not been included in the proposal (items that the offeror feels are outside the scope of work). This should also include any critical expectations or responsibilities that the offeror has of the State, State personnel, or other parties/organizations that are not contracted to by the offeror.

- f) **Risk Mitigation Approach:** Identify all risks, activities, or concerns that may be unforeseen or not within the control of the offeror. This should include everything (realistically) that may prevent the offeror from being successful on this project. This may include contractor risks, designer risks, owner risks, other party risks, and unforeseen risks. Identify if there are any strategies to mitigate these items. Provide a plan of how unforeseen risks shall be managed. Identify what (if anything) concerns the offeror most or is very unique about this project.
- g) **Financial Resources and Responsibility:** Provide necessary information on the offeror's ability to meet its financial obligations. Financial analysis includes and is not limited to standard accounting ratio analysis. Offeror shall be required to provide the most recent three years audited financial statements (Balance Sheet, Income Statement, and Cash-Flow Statement), including notes to the financial statements or the period of the company's existence, if shorter. Provide the most recent interim financial statements. Required if the latest available financial statement date is six months or more than the RFP submission date. Interim financial statements must be signed and attested to by an authorized officer as a fair representation, in all material aspects, of the company's financial condition in accordance with generally accepted accounting principles. Provide any subconsultant's financial stability information and qualifications of the subconsultant's key personnel (if the subconsultant shall perform at least 25% of the work). The State may request clarifications or additional documentation, other than the aforementioned documents as stated above. However, no request by the offeror to submit additional information for re-evaluation of financial resources and responsibility will be accepted.
- h) **Organizational Chart:** Provide an organizational chart specific to the personnel assigned to accomplish the work called for in this RFP; illustrate the lines of authority; designate the individual responsible and accountable for the completion of each component and deliverable of the RFP. If requested, provide resumes on all key personnel.
- i) **Provide any additional requested documentation:** Provide a detailed project/work plan, past and current client references, staffing plans, contracts, insurance, background checks, additional references and reference information, etc.

The potential best-value offeror shall be required to conduct and participate in several meetings throughout the clarification period. At a minimum, the State will require the offeror to conduct a kickoff meeting at the beginning of the clarification period. The offeror shall lead the kickoff meeting and is expected to be prepared to present the following information:

- a) Description of their plan for project execution and management.
- b) High level schedule for project delivery.
- c) Address any major concerns provided by the State.
- d) Address all project assumptions.
- e) Identify major risks to project delivery (focusing on risks that the offeror does not directly control) and the associated risk mitigation strategy. Clearly identify any information or actions needed from the State to support successful project delivery.

- f) Propose a schedule for items that must be reviewed in detail and resolved during the clarification period.

The susceptible offeror shall be required to hold a final summary meeting at the end of the negotiation and clarification period. This meeting is to present a summary of the final details that were discussed and resolved during the negotiation and clarification period. The offeror shall lead the meeting to present the entire proposal, project execution plan, and identified risks and mitigation plans.

SEC. 6.08 CONTRACT NEGOTIATION

After final evaluation, the procurement officer may negotiate with the offeror of the highest-ranked proposal. Negotiations, if held, shall be within the scope of the request for proposals and limited to those items which would not have an effect on the ranking of proposals. If the highest-ranked offeror fails to provide necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the State may terminate negotiations and negotiate with the offeror of the next highest-ranked proposal. If contract negotiations are commenced, they will be held via Microsoft Teams meeting.

SEC. 6.09 FAILURE TO NEGOTIATE OR CLARIFY

If the selected offeror:

- Fails to provide the information required to begin negotiations and clarifications in a timely manner; or
- Fails to negotiate or clarify in good faith; or
- Indicates they cannot perform the contract within the budgeted funds available for the project; or
- If the offeror and the State, after a good faith effort, simply cannot come to terms,

the State may terminate negotiations and clarifications with the offeror initially selected and commence negotiations and clarifications with the next highest ranked offeror.

SEC. 6.10 OFFEROR NOTIFICATION OF SELECTION

After the completion of contract negotiation, the procurement officer will issue a written Notice of Intent to Award and send copies of that notice to all offerors who submitted proposals. The notice will set out the names of all offerors and identify the offeror selected for award.

SEC. 6.11 PROTEST

AS 36.30.560 provides that an interested party may protest the content of the RFP.

An interested party is defined in 2 AAC 12.990(a)(7) as "an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a contract solicitation, the award of a contract, or the failure to award a contract."

If an interested party wishes to protest the contents of a solicitation, the protest must be received, in writing, by the procurement officer at least ten days prior to the deadline for receipt of proposals.

AS 36.30.560 also provides that an interested party may protest the award of a contract or the proposed award of a contract.

If an offeror wishes to protest the award of a contract or the proposed award of a contract, the protest must be received, in writing, by the procurement officer within ten days after the date the Notice of Intent to Award the contract is issued.

A protester must have submitted a proposal in order to have sufficient standing to protest the proposed award of a contract. Protests must include the following information:

- the name, address, and telephone number of the protester;
- the signature of the protester or the protester's representative;
- identification of the contracting agency and the solicitation or contract at issue;
- a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

Protests filed by telex or telegram are not acceptable because they do not contain a signature. Fax copies containing a signature are acceptable.

The procurement officer will issue a written response to the protest. The response will set out the procurement officer's decision and contain the basis of the decision within the statutory time limit in AS 36.30.580. A copy of the decision will be furnished to the protester by certified mail, fax or another method that provides evidence of receipt.

All offerors shall be notified of any protest. The review of protests, decisions of the procurement officer, appeals, and hearings, will be conducted in accordance with the State Procurement Code (AS 36.30), Article 8 "Legal and Contractual Remedies."

SEC. 6.12 APPLICATION OF PREFERENCES

Certain preferences apply to all State contracts, regardless of their dollar value. The Alaska Bidder, Alaska Veteran, and Alaska Offeror preferences are the most common preferences involved in the RFP process. Additional preferences that may apply to this procurement are listed below. Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the following website:

[Application Of Preferences](#)

- Alaska Products Preference - AS 36.30.332
- Recycled Products Preference - AS 36.30.337
- Local Agriculture and Fisheries Products Preference - AS 36.15.050
- Employment Program Preference - AS 36.30.321(b)
- Alaskans with Disabilities Preference - AS 36.30.321(d)

- Alaska Veteran's Preference - AS 36.30.321(f)
- Alaska Military Skills Program Preference – AS 36.30.321(l)

The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development keeps a list of qualified employment programs and individuals who qualify as persons with a disability. As evidence of a business' or an individual's right to the Employment Program or Alaskans with Disabilities preferences, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of these preferences, a business or individual must be on the appropriate Division of Vocational Rehabilitation list prior to the time designated for receipt of proposals. Offerors must attach a copy of their certification letter to the proposal. **An offeror's failure to provide this certification letter with their proposal will cause the State to disallow the preference.**

SEC. 6.13 ALASKA BIDDER PREFERENCE

An Alaska Bidder Preference of 5% will be applied to the price in the proposal. The preference will be given to an offeror who:

- 1) holds a current Alaska business license prior to the deadline for receipt of proposals;
- 2) submits a proposal for goods or services under the name appearing on the offeror's current Alaska business license;
- 3) has maintained a place of business within the State staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
- 4) is incorporated or qualified to do business under the laws of the State, is a sole proprietorship and the proprietor is a resident of the State, is a limited liability company (LLC) organized under AS 10.50 and all members are residents of the State, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the State; and
- 5) if a joint venture, is composed entirely of ventures that qualify under (1)-(4) of this subsection.

Alaska Bidder Preference Certification Form

In order to receive the Alaska Bidder Preference, the proposal must include the Alaska Bidder Preference Certification Form attached to this RFP. An offeror does not need to complete the Alaska Veteran Preference or Alaska Military Skills Program questions on the form if not claiming the Alaska Veteran or Alaska Military Skills Program Preferences. An offeror's failure to provide this completed form with their proposal shall cause the State to disallow the preference.

SEC. 6.14 ALASKA VETERAN PREFERENCE

An Alaska Veteran Preference of 5%, not to exceed \$5,000, will be applied to the price in the proposal. The preference will be given to an offeror who qualifies under AS 36.30.990(2) as an Alaska bidder and is a:

- A. sole proprietorship owned by an Alaska veteran;
- B. partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;

- C. limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- D. corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans.

In accordance with AS 36.30.321(i), the bidder must also add value by actually performing, controlling, managing, and supervising the services provided, or for supplies, the bidder must have sold supplies of the general nature solicited to other State agencies, other government, or the general public.

Alaska Veteran Preference Certification

In order to receive the Alaska Veteran Preference, the proposal must include the Alaska Bidder Preference Certification Form attached to this RFP. An offeror's failure to provide this completed form with their proposal shall cause the State to disallow the preference.

SEC. 6.15 ALASKA MILITARY SKILLS PROGRAM PREFERENCE

An Alaska Military Skills Program Preference of 2%, not to exceed \$5,000, will be applied to the price in the proposal. The preference will be given to an offeror who qualifies under AS 36.30.990(2) as an Alaska bidder and:

- A. Employs at least one person who is currently enrolled in, or within the previous two years graduated from, a United States Department of Defense SkillBridge or United States Army career skills program for service members or spouses of service members that offers civilian work experience through specific industry training, pre-apprenticeships, registered apprenticeships, or internships during the last 180 days before a service member separates or retires from the service; or
- B. has an active partnership with an entity that employs an apprentice through a program described above.

In accordance with AS 36.30.321(i), the bidder must also add value by actually performing, controlling, managing, and supervising the services provided, or for supplies, the bidder must have sold supplies of the general nature solicited to other State agencies, other government, or the general public.

Alaska Military Skills Program Preference Certification

In order to receive the Alaska Military Skills Program Preference, the proposal must include the Alaska Bidder Preference Certification Form attached to this RFP. An offeror's failure to provide this completed form with their proposal shall cause the State to disallow the preference.

In addition, proof of graduation of the qualifying employee from an eligible program as described in AS 36.30.321(l) must be provided to the procurement officer at time of proposal submission. Offerors must provide clarification or additional information requested by the procurement officer related to the preference not later than 5:00 PM Alaska Time one (1) business day following the date of the request. Failure to provide sufficient documentation shall result in the offeror not receiving the Military Skills Program Preference.

SEC. 6.16 STANDARD CONTRACT PROVISIONS

The contractor shall be required to sign the State's Standard Agreement Form for Professional Services Contracts (form SAF.DOC/Appendix A). This form is attached with the RFP for your review. The contractor must comply with the contract provisions set out in this attachment. No alteration of these provisions will be permitted without prior written approval from the Department of Law, and the State reserves the right to reject a proposal that is non-compliant or takes exception with the contract terms and conditions stated in the Agreement. Any requests to change language in this document (adjust, modify, add, delete, etc.), must be set out in the offeror's proposal in a separate document. Please include the following information with any change that you are proposing:

- 1) Identify the provision that the offeror takes exception with.
- 2) Identify why the provision is unjust, unreasonable, etc.
- 3) Identify exactly what suggested changes should be made.

SEC. 6.17 QUALIFIED OFFERORS

Per 2 AAC 12.875, unless provided for otherwise in the RFP, to qualify as an offeror for award of a contract issued under AS 36.30, the offeror must:

- 1) Add value in the contract by actually performing, controlling, managing, or supervising the services to be provided; or
- 2) Be in the business of selling and have actually sold on a regular basis the supplies that are the subject of the RFP.

If the offeror leases services or supplies or acts as a broker or agency in providing the services or supplies in order to meet these requirements, the procurement officer may not accept the offeror as a qualified offeror under AS 36.30.

SEC. 6.18 PROPOSAL AS PART OF THE CONTRACT

Part of or all of this RFP and the successful proposal may be incorporated into the contract.

SEC. 6.19 ADDITIONAL TERMS AND CONDITIONS

The State reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

SEC. 6.20 HUMAN TRAFFICKING

By signature on their proposal, the offeror certifies that the offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <https://www.state.gov/trafficking-in-persons-report/>

Failure to comply with this requirement shall cause the State to reject the proposal as non-responsive or cancel the contract.

SEC. 6.21 RIGHT OF REJECTION

Offerors must comply with all of the terms of the RFP, the State Procurement Code (AS 36.30), and all applicable local, state, and federal laws, codes, and regulations. The procurement officer may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

Offerors may not qualify the proposal nor restrict the rights of the State. If an offeror does so, the procurement officer may determine the proposal to be a non-responsive counteroffer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

may be waived by the procurement officer.

The State reserves the right to refrain from making an award if it determines that it is not in the best interest of the State.

A proposal from a debarred or suspended offeror shall be rejected.

SEC. 6.22 STATE NOT RESPONSIBLE FOR PREPARATION COSTS

The State will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

SEC. 6.23 DISCLOSURE OF PROPOSAL CONTENTS

This section governs the ownership, return, and disclosure of any offer or other record an offeror submits in response to this request for proposals. (Herein, any reference to “Record” includes all such records and the offer; any reference to “Law” includes any federal or State of Alaska (State) law, including any court or administrative order or rule.)

1. All Records belong to the State.
2. The State has sole discretion regarding whether to return any Record. In exercising this discretion, the State will comply with all Laws.

3. Unless a notice of intent to award is issued, the State will, to the extent permitted by Law, consider all Records confidential and not subject to the Alaska Public Records Act (APRA).
4. If and when a notice of intent to award is issued, the State will consider nonconfidential any Record unless, at the time of submission, the offeror undertook the following protective measures:
 - a. marked information confidential;
 - b. for any information marked confidential, identified the authority that makes that specific information confidential; and
 - c. committed, in writing, to explain in detail, including with affidavits and briefs, why each authority applies in any court or administrative proceeding in which any nondisclosure is challenged.
5. If the offeror did not undertake each protective measure, the State will not consider any information in a Record confidential: the State will disclose the entire Record without any redaction in response to an APRA or other request or, if it chooses, in the absence of a request and the State will disclose the entire Record without notifying the offeror.
6. If the offeror undertook each protective measure, the State will withhold the information marked confidential to the following extent:
 - a. the State agrees that the Law protects the information; and
 - b. if the nondisclosure is challenged, the offeror fulfills its commitment to explain, including with affidavits and briefs, how each authority applies to the information marked confidential.

SEC. 6.24 ASSIGNMENT

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the procurement officer.

SEC. 6.25 FORCE MAJEURE (IMPOSSIBILITY TO PERFORM)

The parties to a contract resulting from this RFP are not liable for the consequences of any failure to perform, or default in performing, any of its obligations under the contract, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party.

For the purposes of this RFP, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

SEC. 6.26 DISPUTES

A contract resulting from this RFP is governed by the laws of the State of Alaska. If the contractor has a claim arising in connection with the agreement that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – AS 36.30.632. To the extent not otherwise governed by the preceding, the claim shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

SEC. 6.27 SEVERABILITY

If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

SEC. 6.28 SUPPLEMENTAL TERMS AND CONDITIONS

Proposals must comply with Section 6.21 Right of Rejection. However, if the State fails to identify or detect supplemental terms or conditions that conflict with those contained in this RFP or that diminish the State's rights under any contract resulting from the RFP, the term(s) or condition(s) will be considered null and void. After award of contract:

If conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and

If the State's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

SEC. 6.29 SOLICITATION ADVERTISING

Public notice has been provided in accordance with 2 AAC 12.220.

SEC. 6.30 FEDERALLY IMPOSED TARIFFS

Changes in price (increase or decrease) resulting directly from a new or updated federal tariff, excise tax, or duty, imposed after contract award may be adjusted during the contract period or before delivery into the United States via contract amendment.

- **Notification of Changes:** The contractor must promptly notify the procurement officer in writing of any new, increased, or decreased federal excise tax or duty that may result in either an increase or decrease in the contact price and shall take appropriate action as directed by the procurement officer.
- **After-imposed or Increased Taxes and Duties:** Any federal excise tax or duty for goods or services covered by this contract that was exempted or excluded on the contract award date but later imposed on the contractor during the contract period, as the result of legislative, judicial, or administrative action may result in a price increase provided:

-
- a) The tax or duty takes effect after the contract award date and isn't otherwise addressed by the contract.
 - b) The contractor warrants, in writing, that no amount of the newly imposed federal excise tax or duty or rate increase was included in the contract price, as a contingency or otherwise.
 - **After-relieved or Decreased Taxes and Duties:** The contract price shall be decreased by the amount of any decrease in federal excise tax or duty for goods or services under the contract, except social security or other employment taxes, that the contractor is required to pay or bear, or does not obtain a refund of, through the contractor's fault, negligence, or failure to follow instructions of the procurement officer.
 - **State's Ability to Make Changes:** The State reserves the right to request verification of federal excise tax or duty amounts on goods or services covered by this contract and increase or decrease the contract price accordingly.
 - **Price Change Threshold:** No adjustment shall be made in the contract price under this clause unless the amount of the adjustment exceeds \$250.

SECTION 7. ATTACHMENTS

SEC. 7.01 ATTACHMENTS

Attachments:

- 1) Submittal Form A – Offeror Information and Certifications (eight pages);
- 2) Submittal Forms B-E (four pages);
- 3) Submittal Form F – Mandatory Requirements Spreadsheet;
- 4) Submittal Form G (Part 1 of 2) – Contractual Requirements Spreadsheet;
- 5) Submittal Form G (Part 2 of 2) – Contractual Requirements Narrative Response Form (10 pages)
- 6) Submittal Form H – GeoAccess Analysis Spreadsheet;
- 7) Submittal Form I – Network Disruption Analysis Spreadsheet;
- 8) Submittal Form J – Formulary Disruption Analysis Spreadsheet;
- 9) Submittal Form K – Subcontractors Spreadsheet;
- 10) Submittal Form L – Cost Proposal Spreadsheet;
- 11) Submittal Form M (Part 1 of 2) – Financial Requirements Spreadsheet;
- 12) Submittal Form M (Part 2 of 2) – Financial Requirements Narrative Response Form (three pages);
- 13) Standard Agreement Form Professional Services and Appendices A-D (10 pages);
- 14) Client Reference Form (three pages);
- 15) Non-Disclosure Agreement (NDA) (five pages);
- 16) Intent to Propose (ITP) (one page); and
- 17) HIPAA Business Associate Agreement (16 pages)