

# State of Alaska RFP 2013-0200-1396

## 3 Pharmacy Benefit Management Services

### 3.1 Company Profile

#### 3.1.1 General

3.1.1.1 Describe your company's ownership structure. Explain why your organization is best suited to provide Pharmacy Benefit Management (PBM) services.

*Unlimited.*

3.1.1.2 Describe how your company meets and exceeds the minimum requirements listed in Section 2.7 of the RFP.

*Unlimited.*

3.1.1.3 Provide client references for whom you provide (or have provided) the same services you are proposing to the State that meet the following qualifications. The same reference may be used to meet one or more qualifications but five distinct references must be provided.

- A client with more than 6,000 employee participants for at least 5 years;
- A client with at least 20,000 retiree participants for at least 5 years;
- A client you have processed over 75,000 claims per month for at least 5 years;
- A client you have had for two years or less;
- A client whose contract has ended with you in the last two years;
- A governmental client for at least 3 years; and
- Two clients you currently provide self-insured EGWP services for with at least 1,000 Medicare Eligible Retirees.

Reference information should be in the following format:

*Report by Column.*

Name of client	Client 1	Client 2	Client 3	Client 4	Client 5	Client 6	Client 7	Client 8
Name of client	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Type of business	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Beginning year of providing service to client	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Number of	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>

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participants (total Lives)								
Name, address and telephone number of the designated client representative	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Types of coverage or plans provided; and	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>
Reason for Termination (if applicable)	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>	<i>Unlimited.</i>

3.1.1.4 Describe a situation in which you brought a client's pharmacy benefit trend down. This client should be similar to the State of Alaska in size, as well as in industry.

*Unlimited.*

### 3.1.2 Account Management Team

3.1.2.1 Please submit a written narrative providing a thorough description of the proposed account management structure. Your narrative must include the following:

- I. An organizational chart depicting the account management structure.
- II. The individuals who will comprise the account management team.
- III. For each individual on the proposed account management team:
  - a. name
  - b. title
  - c. physical work location where normally based
  - d. years of industry experience
  - e. years with organization
  - f. level of educational attainment
  - g. resume
  - h. years in current position
  - i. level and scope of decision making authority.
- IV. How often the account management team will meet with the Project Director and/or his designee(s) and whether the account management team will meet in person with the State on a quarterly basis in Alaska or other locations to be specified by the State.
- V. Maximum number of accounts assigned to each member of the account management team.

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- VI. List other projects and or plans anticipated to be implemented by each member of the account management team during 2013/2014 and evaluate their impact on each member's ability to implement the scope of work set forth in the RFP relative to PBM services.

*Unlimited.*

## 3.1.3 Organizational Capacity

3.1.3.1 Confirm you, as the Offeror, have reviewed and understand the information presented in Introduction section of the RFP.

*Unlimited.*

3.1.3.2 Identify and describe, how all aspects of the work for each function identified below will be organized and staffed.

- A. Company Profile
  - a. HIPAA Compliance
  - b. Communications
  - c. Information Technology
  - d. Integration with Vendors
- B. Patient Value Chain
  - a. Networks
    - i. Retail Networks
      - 1. Broad National Retail Networks
      - 2. Retail-90 Networks
      - 3. Price Sources for Retail Network
    - ii. Mail Order
      - 1. Shipping and Handling
      - 2. Member Payments
    - iii. Specialty Pharmacy
      - 1. Definitions of Specialty Drugs
      - 2. Distribution Alternatives and Operations
    - iv. Required Attachments
  - b. Pricing
    - i. Maximum Allowable Cost (MAC)
    - ii. Average Wholesale Price (AWP)
    - iii. Drug Classification
    - iv. Retail Pricing
    - v. Mail Order
    - vi. Specialty Pharmacy Pricing
    - vii. Rebates
  - c. Eligibility and Enrollment
  - d. Customer/Member Service
    - i. Pharmacist Availability
    - ii. Specialty Drugs
  - e. Claims Processing
  - f. Coordination of Benefits
  - g. Clinical Programs

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- i. Drug Utilization Review (DUR) Programs
    - ii. Formulary
  - h. Medicare Part D
    - i. Medicare Part D Administration
    - ii. Retail Network
    - iii. Formulary
  - i. Quality Control
    - i. Performance Guarantees
  - j. Appeals
  - k. Data Analysis
    - i. Data Collection
    - ii. Reporting
  - l. Financial
    - i. Subrogation
    - ii. Banking
- C. State Objectives
  - a. Plan Design
  - b. Policy Development
  - c. Innovation
  - d. Performance Incentives

For each function, please provide the following information:

- a. A work flow chart depicting how the work associated with each function will be performed and a narrative describing the processes depicted in each flow chart. In your narrative please specifically address, for each function:
  - i. The role of customer service and communications.
  - ii. Special expertise, if any, that you can provide the State with respect to each function.
  - iii. Your experience and background in performing each specific function.
  - iv. How your system technologies uniquely position you to perform each specific function.
  - v. What innovation you can provide to the State with respect to each specific function.
  - vi. How you will coordinate with other Contractors who may be awarded Contracts under this RFP.
  - vii. If applicable, specify how the process will be different for members outside of Alaska.
- b. Whether the specific function will be managed and staffed by you, a subcontractor or joint venturer.
- c. If the function will be managed and/or staffed by a subcontractor or joint venturer, please identify the subcontractor or joint venturer and identify how long the subcontractor or joint venturer has been providing the service to a client of similar size to the State.
- d. If the function will be managed and/or staffed by a subcontractor or joint venturer, explain how communication and coordination occurs between your organization and subcontractors or joint venturers who will provide the functional service.
- e. Describe your organization's process for quality oversight of all subcontracted vendors and joint venturers and provide sample corrective actions used if performance needs to be improved.
- f. Please include an organizational chart depicting all personnel or positions that will be assigned to accomplish each function.
- g. Please identify the geographic location where the work associated with each identified function will be performed, including which functions will be performed exclusively in Alaska.
- h. For any function that will not be performed exclusively in Alaska, please identify the total number of positions that will be based in Alaska for each function.
- i. Please identify the proposed point-of-contact for each function.

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- j. Please identify customer service hours of operation for each function. Specify hours of operation by Alaska Standard Time and the applicable time zone where the function will be performed if not in Alaska.
- k. Please identify for which functions you will provide onsite support. For example, open enrollment meetings and health fairs.
- l. If the Project Team includes the role of a pharmacy director, or similar position, please provide the following information:
  - a. The role of the Pharmacy Director in each function.
  - b. A description of how the Pharmacy Director will support the pharmacy management process and assigned staff.
  - c. Whether the Pharmacy Director will be subject to the review and approval of the Project Director.

*Unlimited.*

3.1.3.3 Provide a copy of your standard Administrative Services Organization contract.

*Single, Pull-down list.*

1: Attached,

2: Not Attached

### 3.1.4 Implementation Plan

3.1.4.1 Identify and describe, by function, how you will execute a successful implementation for each aspect of the work set forth in Section 1.04 of the RFP instructions relative to the PBM services component. For each function, please provide:

- I. A work flow chart depicting how the implementation work associated with each function will be performed and a narrative describing the processes depicted in each flow chart.
- II. Whether the specific function will be managed and staffed by you, a subcontractor or joint venturer.
- III. If the function will be managed and/or staffed by a subcontractor or joint venturer, please identify the subcontractor or joint venturer and identify how long the subcontractor or joint venturer has been providing the service to a client of similar size to the State.
- IV. If the function will be managed and/or staffed by a subcontractor or joint venturer, explain how communication and coordination occurs between your organization and subcontractors or joint venturers who will provide the functional service.
- V. Describe your organization's process for quality oversight of all subcontracted vendors and joint venturers and provide sample corrective actions used if performance needs to be improved.
- VI. An organizational chart depicting the implementation management team structure.
- VII. Whether you will provide an Alaska-based implementation project manager during the term of the implementation.
- VIII. The individuals who will comprise the implementation management team.
- IX. For each individual on the proposed implementation management team:
  - a. name
  - b. title
  - c. physical work location where normally based
  - d. years of industry experience
  - e. years with organization

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- f. level of educational attainment
  - g. resume
  - h. years in current position
  - i. level and scope of decision making authority
  - j. whether the individual management team member will be exclusively assigned to the implementation until completion.
  - k. For those individuals not assigned exclusively to the implementation, please identify the amount of time they will be devoted to the implementation.
- X. The geographic location where the work associated with each identified implementation function will be performed, including which implementation functions will be performed exclusively in Alaska.
- XI. For any implementation function that will not be performed exclusively in Alaska, please identify the total number of positions that will be based in Alaska for each implementation function.
- XII. The proposed point-of-contact for each implementation function.
- XIII. Timeline for implementation
- XIV. How often the implementation team will meet with the Project Director and/or his designee(s) and whether the implementation team leader will meet in person with the State on a monthly basis in Alaska or other locations to be specified by the state.

*Unlimited.*

3.1.4.2 Will you provide welcome kits as part of the implementation? If so, please identify and describe all information that will be contained in the welcome kits. If there is an additional cost, please indicate the cost on the rate sheet.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.1.4.3 Offeror must perform comprehensive systems testing and quality assurance audits, with results reported to the State, prior to the contract effective date as part of the base administrative fees with no additional charge to the State. If there are any costs, please detail.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.1.4.4 Please confirm that your cost proposal includes the cost of all implementation expenses. If not, please identify all additional costs on the rate sheet.

*Unlimited.*

3.1.4.5 Please confirm that you will provide run-out administration, including communications and data support for transition to new Contractor, for a period of 12 months following contract termination. If there is an additional cost, please indicate the cost on the rate sheet.

*Unlimited.*

3.1.4.6 Within your implementation team, is employee compensation tied directly to performance?

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*Single, Radio group.*

- 1: Yes,
- 2: No,
- 3: Partially

3.1.4.7 Please outline your procedures for loading patient payment histories from the prior carrier. If there is an additional cost, please indicate the cost on the rate sheet.

*500 words.*

3.1.4.8 Please confirm that you will be able to provide ID cards without Social Security Numbers to all members prior to the effective date of the Contract if the State chooses. If there is an additional cost, please indicate the cost on the rate sheet.

*Unlimited.*

3.1.4.9 At State option, if Offeror is not requested to provide ID cards, Offeror agrees to coordinate and provide information required by a third party vendor at no charge to the State.

*Single, Radio group.*

- 1: Yes,
- 2: No. Explanation: [ 500 words ]

## 3.1.5 HIPAA Compliance

3.1.5.1 Confirm your organization is in compliance with and will administer the proposed benefit plan (s) in accordance with all applicable legal requirements, including HIPAA, COBRA, DOL, ERISA, and state and local mandates.

*Unlimited.*

3.1.5.2 Describe how you maintain confidentiality of patient and plan data.

*Unlimited.*

3.1.5.3 Confirm you are currently receiving eligibility files in the HIPAA 834 format.

*Unlimited.*

3.1.5.4 Are your eligibility and claim systems compliant with recently updated HIPAA regulations?

*Unlimited.*

3.1.5.5 Please list the dates in which your eligibility and claims systems were reviewed or validated against the updated HIPAA regulations.

*Unlimited.*

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3.1.5.6 Was an outside auditor/reviewer employed for HIPAA review/validations of these two systems?

*Unlimited.*

3.1.5.7 How soon after the contract award will you provide the HIPAA companion guide for creating eligibility files that load to your system?

*Unlimited.*

3.1.5.8 Confirm your ability to administer HIPAA creditable coverage notices.

*Unlimited.*

### 3.1.6 Communications

3.1.6.1 Confirm that you are able to customize all communication/educational materials to include the AlaskaCare logo as the prominent feature.

*Single, Pull-down list.*

- 1: Confirmed,
- 2: Not confirmed

3.1.6.2 Can you provide communication materials in an electronic and editable format for use by the State in their communications? If there is an additional cost, please indicate the cost in the rate sheet.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.1.6.3 Please confirm all communications/educational materials will be submitted to the Project Director, or his designee, for review and approval before dissemination to members. If you cannot confirm, please explain.

*Single, Radio group.*

- 1: Confirmed,
- 2: Not confirmed, please explain: [Unlimited]

3.1.6.4 Please describe the process that will be implemented to ensure that internal reference source(s) provided to your personnel are consistent with the State's documentation such as employee communication materials, open enrollment information, plan documents, etc.

*Unlimited.*

3.1.6.5 What is the average number of work days from placing an order to time of delivery for the following communication materials?

	Average Days to delivery
Employee ID cards	Decimal.



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Enrollment forms	<i>Decimal.</i>
Claims forms	<i>Decimal.</i>
Provider Directories	<i>Decimal.</i>
Program Descriptions	<i>Decimal.</i>

3.1.6.6 Please attach sample member communication materials, including a sample ID card and sample member welcome letter.

*Single, Pull-down list.*

1: Attached,

2: Not Attached

3.1.6.7 Is the creation, customization, production, and distribution of the materials itemized below included in your cost proposal?

1. If there is an additional cost for any of the items listed below, please indicate each additional cost on the rate sheet.
2. Will each of the items listed below be made available online?
3. Please identify any additional communication and/or educational materials not listed below that are included in your cost proposal, and provide an example of each where possible.
4. Please identify any additional communication and/or education materials not listed below that you can provide for an additional fee. Please indicate each additional cost on the rate sheet.

	Can Provide?	Included in Fees? If no, include fee on rate sheet.	Can Customize?
Employee ID Cards	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Replacement ID Cards	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Claim Forms	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Provider Directories	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Summary Annual Reports	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Summary of Material Modifications	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No

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Annual Benefit Statements	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
General Letters and Correspondence Sent to Employees	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No

### 3.1.7 Information Technology

3.1.7.1 Offeror shall maintain the identified State's list of data elements necessary to meet the State's claims review and reporting requirements.

*Unlimited.*

3.1.7.2 The Offeror shall provide all necessary data for the State to comply with or participate in programs (whether optional or mandated) implemented as part of any local, state or federal government health care reform legislation. Required data shall be provided at no additional cost to the State. This includes future program options such as Employer Group Waiver Programs (EGWP) or wrap plans that the State determines is advantageous to the State, its benefit plan and/or membership and decides to participate.

*Unlimited.*

3.1.7.3 The Offeror must make all data available in a State approved electronic format. In addition, all schemata and file definitions must be made available to the State upon request.

*Unlimited.*

3.1.7.4 Upon determination and identification of system problems, programming problems, or transfer problems, the Offeror shall notify the State immediately upon identification of issue. The Offeror shall also make every effort necessary to correct such problem immediately or as soon as possible, including but not limited to: working nights; weekends; and holidays, to minimize any negative impact to employees, retirees, or dependents and to maintain continual operations of the program.

*Unlimited.*

3.1.7.5 The Offeror must accept data transmissions from designated State vendors and agree there will be no additional fees, unless outlined in the Administrative Fee table in the cost proposal, to establish the interface and/or any other IT services in the initial set-up or to accept changes to the file layout during the term(s) identified as part of the award. The Offeror must reconcile each data feed and work with the appropriate vendors to keep the data accurate and consistent among all parties at no additional cost to the State, and will work with the State and its respective vendors to identify opportunities to improve data transmission requirements that will result in improved operational efficiencies and program effectiveness.

*Unlimited.*

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3.1.7.6 Describe how your company will use its systems technologies to perform each aspect of the work set forth in Section 1.04 of the RFP instructions relative to the Pharmacy Claims Administration and Managed Network.

*Unlimited.*

3.1.7.7 Does your automated data processing capability include the ability to interface with the State's health reporting eligibility system when fully operational?

*Unlimited.*

3.1.7.8 Describe the proprietary software that will be used in administration of this Contract, as well as any services or software purchased or licensed from outside vendors to update your system.

*Unlimited.*

3.1.7.9 Describe your system access security process with members, providers and the State.

*Unlimited.*

3.1.7.10 Describe the advantages of your Internet home page, including access and capability to communicate with the State and members on information regarding:

- a. Claims status
- b. Eligibility (name, address, covered dependents, etc.)
- c. Providers (including name, location, education background and credentials, gender, specialty, languages spoken, standard rates for selected procedures, patient satisfaction levels, etc.); and
- d. Health improvement and education information

*Unlimited.*

3.1.7.11 Please indicate which of the following member services are available on your website by noting "yes" or "no" in the space provided.

	Yes/No	Comments
Order refills and renew retail prescriptions	<i>Single, Pull-down list. 1: Yes, 2: No</i>	<i>Unlimited.</i>
Order refills and renew mail order prescriptions	<i>Single, Pull-down list. 1: Yes, 2: No</i>	<i>Unlimited.</i>
Order refill and renew specialty pharmacy prescriptions	<i>Single, Pull-down list. 1: Yes,</i>	<i>Unlimited.</i>

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	2: No	
Order new prescriptions (when allowed by law)	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Purchase Over the Counter (“OTC”) medications	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Prescription refill reminders	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Order status for mail order prescriptions	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Order status of specialty prescriptions	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Claims history	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Review financial information - deductible	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Review financial information – out of pocket	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Print claims history	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Look-up medication information	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>

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Locate a network pharmacy	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Review eligibility information	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Review benefits information	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
State-specific/member-specific cost information: Total prescription cost	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
State-specific/member-specific cost information: Total State prescription cost	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
State-specific/member-specific cost information: Total member prescription cost	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Member- and State-specific cost and calculated savings information about lower-cost generic alternatives for multi-source brands (i.e., generic equivalents and generic or preferred brand therapeutic alternatives) available for consideration	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Member- and State -specific cost and calculated savings information about lower-cost alternatives for single-source brands (i.e., generic or preferred brand therapeutic alternatives) available for consideration	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Member-and State -specific cost and calculated savings information about a lower-cost channel (e.g., Mail) for consideration	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Potential Gaps in (or omissions of) Care (e.g., diabetic without a claim for a medication that is recommended in treatment guidelines, like an Angiotensin Converting Enzyme Inhibitor)	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Medication non-adherence alert (alert when a gap in therapy/day supplies	<i>Single,</i>	<i>Unlimited.</i>

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according to claims history is identified)	<i>Pull-down list.</i> 1: Yes, 2: No	
Applicable drug exclusions	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Price for medications that are excluded	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Prior authorization list	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Price for medications requiring prior authorization	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Notation during medication look-up about coverage limitations (e.g., excluded, requires prior approval, subjected to step therapy or quantity limitations)	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
List of drugs with quantity limits	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Price for prescriptions with quantities over the quantity limit	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
List of drugs that are subject to Step Therapy protocols, if applicable	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Price for second-line medications that are subject to Step Therapy protocols, if applicable	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Description of your company's clinical management programs	<i>Single, Pull-down</i>	<i>Unlimited.</i>

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	<i>list.</i> 1: Yes, 2: No	
Chat with a Customer Service Representative	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Chat with a Pharmacists	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Order replacement ID cards	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Order paper claim forms	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Instructions for requesting reimbursement for paper claims	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Instructions about how to get started / use the mail pharmacy	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Instructions about how to get started / use the specialty pharmacy	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Instructions about how to file an appeal	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Unlimited.</i>
Other	<i>500 words.</i>	<i>Unlimited.</i>

3.1.7.12 Explain your process of providing a secure electronic portal for members and providers to contact you via e-mail for customer service inquiries.

*Unlimited.*

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3.1.7.13 Describe your company's use of current system technologies to notify customers of issues that relate to them.

*Unlimited.*

3.1.7.14 Describe any on-line comparative reporting tools you make available to assist members in choosing elective care providers and facilities.

*Unlimited.*

3.1.7.15 Indicate services you offer to members and providers via e-mail and electronically.

*Unlimited.*

3.1.7.16 Describe electronic services methods you use to educate members in accounts you currently manage of similar size to the State of Alaska about health care issues that impact plan costs.

*Unlimited.*

3.1.7.17 Provide an overview of your documentation, storage, retrieval and recovery of electronic files.

*Unlimited.*

3.1.7.18 Explain your Computer Disaster Recovery plan. Provide the most recent outside assessment of its readiness.

*Unlimited.*

3.1.7.19 Do you provide unlimited on-line eligibility entry and update functionality to authorized State staff?

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.1.7.20 Do you conduct manual eligibility updates at no charge to the State?

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.1.7.21 Offeror must allow access to its point-of-sale system by authorized representatives of the State to assist in adjudication of claims, including real-time viewing and issuing of prior authorization, real-time viewing of submitted claims (denied and adjudicated) and various reference screens. The materials must be printable from the site by the State.

*Unlimited.*



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3.1.7.22 The State's data is their data, not the Offeror's and will be considered proprietary and will not be shared, except at the State's request, or sold to any entity without full knowledge and express written consent.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.1.7.23 Are all data feeds for set-up and on-going maintenance included in your pricing? If not, please include the fees on the rate sheet.

*Single, Pull-down list.*

1: Yes,

2: No

3.1.7.24 Please indicate any additional charges for any required manual interventions (workarounds) due to system interface incompatibility, file format issues, plan compliance, etc. on the rate sheet.

*Single, Pull-down list.*

1: Additional charges indicated,

2: No additional charges

3.1.7.25 Does the online system allow the State to assign different levels of access internally?

*Unlimited.*

### 3.1.8 Integration with Other Vendors

3.1.8.1 Are you able to accept electronic feeds of data or referrals from other vendor partners? If there is an additional cost, please indicate the cost on the rate sheet.

*Single, Pull-down list.*

1: Yes, included in base pricing,

2: Yes, for an additional fee (indicated on rate sheet),

3: Yes, for an additional fee IF the number of contracted data feeds are exceeded (indicated on rate sheet),

4: No

3.1.8.2 Are you able to provide electronic feeds of participation data to an outside data aggregator or vendor partners? If there is an additional cost, please indicate the cost on the rate sheet.

*Single, Radio group.*

1: Yes, included in base pricing,

2: Yes, for an additional fee (indicated on rate sheet),

3: Yes, for an additional fee IF the number of contracted data feeds are exceeded (indicated on rate sheet),

4: No

3.1.8.3 Are you willing to provide monthly interface with the data integration vendor or other vendors for claims and utilization data? If there is an additional cost, please indicate the cost on the rate sheet.

*Single, Radio group.*

1: Yes, no additional cost,

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2: Yes, additional cost (indicated on the rate sheet),

3: No

3.1.8.4 Does your program/system have the capability to share data with the following vendors or programs?

*Multi, Checkboxes.*

1: Biometrics,

2: Case Management,

3: Demand Management/Nurse Line,

4: Disease Management,

5: EAP/Behavioral health,

6: Health Advocacy/Health Coach,

7: Health Plans/TPA,

8: Health Risk Appraisal,

9: Healthcare savings/FSA,

10: Labs,

11: Maternity Management,

12: Mental Health / Substance Abuse,

13: Nurse and/or doctor line,

14: On site clinics,

15: Providers,

16: Utilization Management,

17: Wellness/Lifestyle management,

18: Other, please specify: [ 500 words ]

3.1.8.5 Please describe how you will coordinate with other Contractors, if any, to manage functions such as data sharing, eligibility, coordination of benefits and payment of medical, pharmacy and healthcare claims.

*Unlimited.*

3.1.8.6 Are you capable of designing exports to the FSA vendor to process FSA claims based off medical claim data that is stored within your system?

*Unlimited.*

3.1.8.7 Please provide examples of FSA data coordination that you have done with other customers.

*Unlimited.*

3.1.8.8 Offeror agrees to coordinate clinical management with the medical administrator, wellness and disease management vendor, and any other vendor or administrator the State contracts with to provide services for its members health administration and management services.

*Single, Pull-down list.*

1: Yes,

2: No

3.1.8.9 Describe your procedures for implementation of ongoing treatment plans.

*Unlimited.*

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## 3.2 Patient Value Chain

### 3.2.1 Definitions

Please provide your response to the below definitions. Please note: ALL of the following definitions are considered mandatory requirements by the State, and any deviation from required definitions shall result in disqualification from the bidding process.

3.2.1.1 **"Pass-thru pricing"** will mean that the amount you pay the pharmacies in the retail network may not be different from the amount paid to you for retail network pharmacy claims by the State (thus, prices will vary by pharmacy) and you are required to pass-through 100% of Rebates to the State in addition to offering minimum guarantees for the rebates on a per claim basis that State will receive.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.1.2 **Single-Source ("SS") Brands** will be defined as products that have not lost their patent protection (i.e., a product available from the innovator, the manufacturer with the New Drug Application approval) or are available from only one manufacturer.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.1.3 **Multi-Source ("MS") Brands** will be defined as innovator products that have lost their patent protection and are available from at least two sources: the innovator (one with the New Drug Application approval) and at least one other with either an Abbreviated New Drug Application approval or a marketing agreement for an authorized / branded generic.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.1.4 **Brands** will be defined as SS-Brand and MS-Brand products as defined above. For purposes of your drug classification and pricing offer, Brands shall be identified using the Medi-Span indicators as follow:

(1) "M" in the Medi-Span Multi-Source code AND any value except "G" in the Medi-Span Brand-Name code; OR

(1) "O" in the Medi-Span Multi-Source code AND any value except "G" in the Medi-Span Brand-Name code; OR

(2) "N" in the Medi-Span Multi-Source code AND "T" in the Medi-Span Brand- Name code.

*Single, Pull-down list.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.1.5 **Single-Source ("SS") Generics**, for purposes of pricing term offers and guarantees in this RFP, will be defined as the non-innovator product that is available from two sources: the innovator (one with the New Drug Application approval) and another with either an Abbreviated New Drug Application approval or a marketing agreement for an authorized / branded generic.

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*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.1.6 **Multi-Source ("MS") Generics**, for purposes of pricing term offers and guarantees in this RFP, will be defined as non-innovator products that are available from three or more sources: the innovator (the manufacturer with the New Drug Application approval) and two or more manufacturers with Abbreviated New Drug Application approvals or marketing agreements for an authorized / branded generic.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.1.7 **Generics** will be defined as SS-Generic and MS-Generic products as defined above. For purposes of your drug classification and pricing offer, Generics shall be identified using the Medi-Span indicators as follow:

(1) "Y" in the Medi-Span Multi-Source code; or

(2) "N" in the Medi-Span Multi-Source code AND "B" in the Medi-Span Brand- Name code; or

(3) "N" in the Medi-Span Multi-Source code AND "G" in the Medi-Span Brand- Name code

*Single, Pull-down list.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.1.8 **"Rebates"** will include Rebates and Other Manufacturer Revenue for purposes of your offer (and your Pricing Offer), which is defined as all revenue you receive from outside sources related to the State's utilization or enrollment in programs. These would include but are not limited to access fees, market share fees, rebates, formulary access fees, administrative fees and marketing grants from pharmaceutical manufacturers, wholesalers and data warehouse vendors.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.1.9 **"Maximum Allowable Cost (MAC)"** shall mean and refer to, for generic drugs (and brand drugs that are dispensed in a generic formulation), the maximum allowable cost reimbursed to the Participating Pharmacy, as established by the Offeror. Client will delegate to the Offeror the discretion to establish a Maximum Allowable Cost list in order to: (i) enable the Offeror to generate cost-effective and marketing competitive prices, and (ii) decrease such prices as generic prices decrease in the market place.

Accordingly, the Offeror is obligated to establish such prices, and thereafter adjust such prices, to provide Client with prices reflective of the Offeror's acquisition and/or reimbursement costs. The Offeror represents that it incorporate only one proprietary Maximum Allowable Cost list used to reimburse all retail, 90-day at retail, mail and specialty pharmacies and to invoice Client. Should the Offeror in the future establish multiple Maximum Allowable Cost lists as alternative proprietary Maximum Allowable Cost lists for Participating Pharmacies, the Offeror shall provide to Client the most favorable Maximum Allowable Cost for each generic drug (and each brand drug that is dispensed as a generic) on any of its Maximum Allowable Cost lists. The PBM also represents that it currently reviews adjustments to its proprietary Maximum Allowable Cost list at least quarterly and that it will continue to do so, using Pass-Through Pricing as defined by these requirements as a basis for its adjustments. As brand drugs lose their patents, and generic substitutes for those brand drugs become available, and prices for each change as a result, the Offeror agrees to review at least quarterly all such drug prices for adjustment, using Pass-Through Pricing as defined by these requirements as a basis for its adjustments.

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*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.1.10 “**Usual and Customary**” (U&C) means the amount a participating pharmacy would charge to a cash-paying customer for same strength, quantity and dosage form of a covered drug, as of the date the prescription is filled.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

## 3.2.2 Networks

### 3.2.2.1 Retail Networks

#### 3.2.2.1.1 Retail Networks - General

3.2.2.1.1.1 Please list each retail pharmacy network you offer (i.e. broad retail network, narrow retail network, etc) and provide a brief description of each (e.g., number of pharmacies included, chains excluded).

*500 words.*

3.2.2.1.1.2 Do you contract with and manage directly the retail pharmacy networks that you are proposing for the State?

*Single, Radio group.*

1: Yes,

2: No

3.2.2.1.1.3 If you do not contract with and manage directly the retail pharmacy networks being proposed, provide information about the company that will be the subcontracted provider: Note: If you use the same company for all networks, please provide the information requested under the “Broad Retail Network” and insert “Same” in the cells for the other network options.

Subcontractor	Broad Retail Network	Retail-90 Network
Company name	<i>500 words.</i>	<i>500 words.</i>
Headquartered city	<i>500 words.</i>	<i>500 words.</i>
Headquartered state	<i>500 words.</i>	<i>500 words.</i>
Tenure of current relationship	<i>500 words.</i>	<i>500 words.</i>
Current contract term of relationship	<i>500 words.</i>	<i>500 words.</i>

3.2.2.1.1.4 Does your organization track edits performed on retail prescriptions (e.g., change in dose, therapy)?

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*Single, Radio group.*

1: Yes,

2: No

3.2.2.1.1.5 Do you have contracts with retail pharmacies that allow you to deliver prescriptions filled by your mail-order pharmacy to their pharmacy for customer pick-up? If “yes,” please provide list of pharmacies available to receive mail pharmacy deliveries.

*Single, Radio group.*

1: Yes: [ 500 words ],

2: No

3.2.2.1.1.6 Will you notify the State when you delete pharmacies from your Retail network?

*Single, Radio group.*

1: Yes,

2: No

3.2.2.1.1.7 Will you notify the State's members when you delete pharmacies from your Retail network? If so, please explain how and when members will be notified.

*500 words.*

3.2.2.1.1.8 Should there be a decrease in the number or composition of one of your pharmacy network for which the State participates, will you agree to (1) provide an analysis of the impact of the change in the network - to help the State understand the impact to (a) participants, (b) the Guaranteed Ingredient Cost Discounts, and (c) Guaranteed Dispensing Fee; (2) allow the State to perform its own analysis; and (3) if the State disagrees with (a) the Offeror analysis, (b) the proposed change in the Guaranteed Ingredient Cost Discounts and Guaranteed Dispensing Fee, or (c) that the change to the network is unacceptable, the State may terminate the contract without financial consequence (e.g., no loss of rebates earned but not yet paid) upon sixty (60) days' notice.

*Single, Pull-down list.*

1: Yes,

2: No

## **3.2.2.1.2 Broad National Retail Networks**

3.2.2.1.2.1 Do you offer a retail network that provides access to all national and regional chains and the majority of independent pharmacies?

*Single, Radio group.*

1: Yes,

2: No

3.2.2.1.2.2 If yes, please list each Broad Retail Network you offer and provide a brief description of each (e.g., number of pharmacies included, chains excluded). Please provide across your National Broad Retail Network and across the state of Alaska only.

*500 words.*

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3.2.2.1.2.3 In the previous year, have you deleted pharmacies from your broad network?

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.2.1.2.4 In the previous year, if you deleted pharmacies from your broad network, please list these pharmacies and the reasons they were deleted. If reason is proprietary, please list reason as “confidential/proprietary”

*500 words.*

3.2.2.1.2.5 Are you willing and able to customize your networks based on the State’s specifications and needs?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.1.2.6 Provide a brief description of how members currently utilizing Broad Retail pharmacies that will move from being “in-network” to “out-of-network” would be transitioned over to your Broad Retail network.

*500 words.*

### **3.2.2.1.3 Retail-90 Networks**

3.2.2.1.3.1 Do you offer a retail network that provides better prices for dispensing 90-day supplies (i.e., Retail-90 Network)?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.1.3.2 If yes, please list each Retail-90 Network you offer and provide a brief description of each (e.g., number of pharmacies included, chains excluded). Please provide across your national network and across the state of Alaska only.

*500 words.*

3.2.2.1.3.3 Does your company offer mail order pricing at select retail-90 pharmacies?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.1.3.4 If your company offers mail order pricing at select retail-90 pharmacies, please provide information about these networks/select pharmacies.

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500 words.

3.2.2.1.3.5 In the previous year, have you deleted pharmacies from your Retail-90 network?

*Single, Pull-down list.*

1: Yes,

2: No

3.2.2.1.3.6 In the current or previous year, if you deleted pharmacies from your Retail-90 network, please list these pharmacies and the reasons they were deleted. If reason is proprietary, please list reason as “confidential/proprietary”

500 words.

3.2.2.1.3.7 Do you have the capability to customize your Retail-90 network based on the State’s specifications and needs?

*Single, Radio group.*

1: Yes,

2: No

3.2.2.1.3.8 Provide a brief description of how members currently utilizing Retail-90 pharmacies that will move from being “in-network” to “out-of-network” would be transitioned over to your Retail-90 network.

500 words.

## **3.2.2.1.4 Price Source(s) for Retail Network**

3.2.2.1.4.1 Specify the pricing source(s) used for each of your retail networks.

500 words.

3.2.2.1.4.2 Specify the pricing source(s) used to determine pricing (e.g., Average Wholesale Price, or “AWP”) guarantees with your clients.

500 words.

3.2.2.1.4.3 How often do you update the pricing file used in contracts with your retail networks and with the State?

500 words.

3.2.2.1.4.4 Is your retail pharmacy network contracted at the new AWP (those available post-September 26, 2009)?

*Single, Radio group.*

1: Yes,

2: No



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3.2.2.1.4.5 If your retail pharmacy network is not contracted at the new AWP (those available post-September 26, 2009), when will this occur?

500 words.

## 3.2.2.2 Mail Order

### 3.2.2.2.1 Mail Order - General

3.2.2.2.1.1 Do you own and operate the mail order pharmacies that you are proposing for the State?

*Single, Radio group.*

1: Yes,

2: No

3.2.2.2.1.2 If no, provide information about the company that will be used as a subcontracted for mail order providers.

Mail Pharmacies	Mail Pharmacy #1	Mail Pharmacy #2	Mail Pharmacy #3
Company name	500 words.	500 words.	500 words.
Headquartered city	500 words.	500 words.	500 words.
Headquartered state	500 words.	500 words.	500 words.
Tenure of current relationship	500 words.	500 words.	500 words.
Current contract term of relationship	500 words.	500 words.	500 words.

3.2.2.2.1.3 For each mail order facility currently in operation that you propose for primary and/or secondary mail order fulfillment for the State, please answer the following:

	Name of Mail Order Facility	Location: City, State	Year Opened	Number of Pharmacy Technicians/ Pharmacists	Max. Number of Prescriptions Processed per 24-hour Period (using last quarter data)	Current Operating Volume or Prescriptions per 24-hour Period (using last quarter data)	Dispensing Accuracy during the last 12-month period
Mail Order Facility #1	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.
Mail Order Facility #2	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.
Mail	500	500	500	500 words.	500 words.	500 words.	500 words.

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Order Facility #3	words.	words.	words.				
Mail Order Facility #4	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.
Mail Order Facility #5	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.
Others	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.

3.2.2.2.1.4 Are all packages shipped from the mail pharmacy tracked from your pharmacies to the point of delivery?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.2.1.5 If yes, is the mail package tracking available regardless of whether a package is destined for a mailbox, P.O. Box, or mail slot?

*Single, Pull-down list.*

- 1: Yes,
- 2: No,
- 3: N/A

3.2.2.2.1.6 What percent of all inbound prescriptions and order forms are electronically imaged? If less than 100%, please explain why they are not all imaged.

*Percent.*

3.2.2.2.1.7 Does your organization track mail order errors reported by members?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.2.1.8 If your organization tracks mail pharmacy errors, is the tracking client-specific?

*500 words.*

3.2.2.2.1.9 Does your organization track edits performed on mail order prescriptions (e.g., change in dose, therapy)?

*Single, Radio group.*

- 1: Yes,
- 2: No

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3.2.2.2.1.10 If yes (your organization tracks edits to claims), is the tracking client-specific?

*500 words.*

3.2.2.2.1.11 Do you track the following types of errors?

*Multi, Checkboxes.*

- 1: Date of Rx fill,
- 2: Patient Name,
- 3: Physician name,
- 4: Name of drug,
- 5: Dosage Strength of drug,
- 6: Quantity,
- 7: Directions,
- 8: Drug Interaction labels,
- 9: Drug warning labels,
- 10: Patient address,
- 11: Other: [ 500 words ]

3.2.2.2.1.12 Please provide a description of how your firm reports the types of errors identified in the previous question.

*500 words.*

3.2.2.2.1.13 Do you identify errors caught in-house versus reported by members separately?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.2.1.14 Are errors counted as errors only when a member reports them?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.2.1.15 Please provide a list of languages that are available through your Mail Order (for Rx labels and patient information), in addition to English.

*500 words.*

3.2.2.2.1.16 Is there an additional cost to have additional languages available through your Mail order (for Rx labels and patient information), in addition to English? If there is an additional cost, please indicate the cost on the rate sheet

*Single, Radio group.*

- 1: Yes (indicated on rate sheet),
- 2: No

3.2.2.2.1.17 Do you provide the following cost information to recipients on mail order prescriptions?

*Multi, Checkboxes.*

- 1: Member Cost,

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- 2: Employer Cost,
- 3: Total Cost,
- 4: YTD Out of Pocket ("OOP"),
- 5: YTD payments,
- 6: YTD OOP, as applicable to deductibles,
- 7: YTD OOP, as applicable to annual OOP maximums,
- 8: Other: [ 500 words ]

3.2.2.2.1.18 Can any of the cost information options provided above be "turned off" if requested by the State (e.g., State Cost)?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.2.1.19 Are there fees charged to the State if they implement a mandatory Mail Order program?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.2.1.20 Are there fees charged to the State if they implement a Retail penalty program (program that charges members more for refilling certain prescriptions at retail after a certain number of refills)?

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.2.2.1.21 If you charge a fee for either a mandatory Mail Order or Retail penalty program, please provide the expected fee schedule.

*500 words.*

3.2.2.2.1.22 What was your average annual turnaround time for dispensing mail order drugs without intervention?

*500 words.*

## **3.2.2.2.2 Shipping and Handling**

3.2.2.2.2.1 Do you offer expedited delivery of mail order prescriptions?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.2.2.2 If you offer expedited delivery of mail order prescriptions, please explain the conditions under which there will be an additional fee charged for this service.

*500 words.*

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3.2.2.2.3 Do you fund emergency supplies of medication if/when the delivery from your mail-order pharmacy is delayed, creating the need for an emergency supply?

*Single, Radio group.*

- 1: Yes,
- 2: No

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

- a. A prescription requiring clarification from the physician or physician's agent (e.g., missing quantity, illegible drug name)?
- b. A clean prescription where the delay is due to the Offeror's operational, capacity or drug supply issues?
- c. A clean prescription where the delay is a result of the Offeror's therapeutic switch/ intervention?

*500 words.*

3.2.2.2.5 Provide a brief description of how existing mail order patients would be transitioned over to your mail order facility with minimized disruption.

*500 words.*

3.2.2.2.6 Explain how prescriptions are shipped. Differentiating between specialty and standard prescriptions, describe your protocol for shipping temperature sensitive products, and your quality control processes.

*500 words.*

### **3.2.2.2.3 Member Payments**

3.2.2.2.3.1 What is your organization's standard maximum delinquent amount in outstanding balances before a member is denied further mail pharmacy prescriptions?

*500 words.*

3.2.2.2.3.2 Will you allow the State to set the unpaid member balance floor and ceiling?

*Single, Radio group.*

- 1: Yes,
- 2: No

### **3.2.2.3 Specialty Pharmacy**

#### **3.2.2.3.1 Specialty Pharmacy - General**

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3.2.2.3.1.1 Does your organization own and operate one or more Specialty pharmacies?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.3.1.2 How many years has your organization offered Specialty Pharmacy services?

*Decimal.*

3.2.2.3.1.3 If your organization does not own and operate one or more of the Specialty pharmacies you are proposing for the State, provide the information requested below.

Specialty Pharmacies	Specialty Pharmacy #1	Specialty Pharmacy #2	Specialty Pharmacy #3
Company name	500 words.	500 words.	500 words.
Headquartered city	500 words.	500 words.	500 words.
Headquartered state	500 words.	500 words.	500 words.
Tenure of current relationship	500 words.	500 words.	500 words.
Current contract term of relationship	500 words.	500 words.	500 words.

3.2.2.3.1.4 Provide the information requested below for the specialty pharmacy facility(s) for those proposed for the State

Specialty Facility	Name of Specialty Facility	Location: City, State	Year Opened	Number of Pharmacy Technicians/ Pharmacists	Max. Number of Prescriptions Processed per 24-hour period (using last quarter)	Current Operating Volume or Prescriptions per 24-hour period (using last quarter)	Dispensing Accuracy during the last 12-month period
Facility #1	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.
Facility #2	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.
Facility #3	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.
Facility #4	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.
Facility #5	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.	500 words.

3.2.2.3.1.5 Which of the following price sources does your company use to determine the gross cost of medications which are dispensed at the specialty pharmacy?

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## *Multi, Checkboxes.*

- 1: MediSpan,
- 2: Micromedex,
- 3: Thomson HealthCare's Red Book,
- 4: Other: [ 500 words ]

3.2.2.3.1.6 Which of the following can you accept and use to adjudicate specialty claims:

## *Multi, Checkboxes.*

- 1: Healthcare Common Procedure Coding ("HCPC"),
- 2: J Codes,
- 3: National Drug Code ("NDC") Codes,
- 4: Other: [ 500 words ]

### **3.2.2.3.2 Definition of Specialty Drugs**

3.2.2.3.2.1 What is your definition of Specialty/Biotech drugs?

*500 words.*

3.2.2.3.2.2 Which of the following are considered in determining if a medication is termed "specialty":

## *Single, Radio group.*

- 1: The unit cost of the medication,
- 2: The 30-day cost of the medication,
- 3: The production of the medication,
- 4: The method of delivery of the medication - intravenously, orally, etc,
- 5: Method of distribution of the medication - specialty, mail order, retail pharmacies, etc,
- 6: Other: [ 500 words ]

3.2.2.3.2.3 Do you have a dedicated P&T (Pharmacy and Therapeutics) committee for your specialty drug program?

## *Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.3.2.4 If you have a dedicated specialty P&T Committee for specialty, what is the composition of your specialty P&T Committee, and their credentials.

*500 words.*

3.2.2.3.2.5 List the Specialty drugs to which your organization does not have access (i.e., limited distribution products).

*500 words.*

3.2.2.3.2.6 How does your organization obtain access to limited distribution products if you are not a "preferred vendor" for your clients?

*500 words.*

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## 3.2.2.3.3 Distribution Alternatives and Operations

3.2.2.3.3.1 Which of the following distribution routes will your company support for member purchases of specialty medications?

*Multi, Checkboxes.*

- 1: Your company's specialty pharmacy-ie,
- 2: Any willing pharmacy in the contracted retail pharmacy network,
- 3: A subset of pharmacies in the contracted retail pharmacy network,
- 4: A contracted medical provider of the Client (e.g., physician, hospital, outpatient clinic)

3.2.2.3.3.2 If you support a subset of pharmacies in the contracted retail pharmacy network as a distribution route as indicated in the previous question, please state the necessary criteria.

*500 words.*

3.2.2.3.3.3 Describe your organization's Specialty drug distribution procedures to patient homes versus physician offices.

*500 words.*

3.2.2.3.3.4 Is there any additional cost to the member or plan for expedited deliveries of prescriptions for specialty medications? If yes, explain.

*Single, Radio group.*

- 1: Yes: [ 500 words ],
- 2: No

3.2.2.3.3.5 Will you allow the State to set the unpaid member balance floor and ceiling?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.3.3.6 What are your procedures to address out-of-stock drugs?

*500 words.*

3.2.2.3.3.7 What was your out-of-stock rate for each of the past 2 years?

*500 words.*

3.2.2.3.3.8 What procedures do you have in place to minimize drug wastage, including ensuring precise dosing of self-injectables?

*500 words.*

3.2.2.3.3.9 Does your Specialty pharmacy titrate and pre-mix self-injectables so that syringes are ready for patient use upon delivery?



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*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.3.3.10 Does your Specialty Pharmacy charge as a compound drug when they have to dilute or pre-mix a medication for patient use upon delivery?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.2.3.3.11 If yes to the question directly above, provide the pricing formula used by the specialty pharmacy for compounding medications.

*500 words.*

3.2.2.3.3.12 Provide a listing of the prior authorizations, step therapy and other clinical programs available for Specialty drugs dispensed at Retail and Specialty pharmacies. Label attachment "Specialty Drug Management Programs."

*500 words.*

3.2.2.3.3.13 What was your average annual turnaround time for dispensing Specialty drugs without intervention?

*500 words.*

3.2.2.3.3.14 What was your average annual turnaround time for dispensing Specialty drugs with intervention?

*500 words.*

3.2.2.3.3.15 Will your organization split quantities to meet client benefit parameters if requested?

*Single, Radio group.*

- 1: Yes,
- 2: No

### 3.2.2.4 Required Attachments

3.2.2.4.1 Pharmacy Benefit Management GeoAccess and Network Analysis

Please complete the Excel worksheets in Attachment J7 and provide the completed worksheets as an attachment to the RFP. Detailed instructions are provided in the worksheet.

*Single, Pull-down list.*

- 1: Attached,
- 2: Not Attached

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## 3.2.3 Pricing

### 3.2.3.1 Pricing - General

3.2.3.1.1 Offeror must uphold contractual pricing for the life of the contract regardless of changes in the State's membership.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.2 If any changes in pricing terms are required by your organization, the State may terminate the agreement without financial consequence (e.g., rebates earned but not yet paid).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.3 The terms you present do NOT require the State to implement any plan designs or programs that are different from the plan designs and programs currently in place, or planned to be in place for implementation date. This includes participation in step therapy, prior authorization, therapeutic interchange (i.e., switch programs), if not currently in place or planned to be in place for implementation date.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.4 The terms you present are State-specific (not book-of-business averages).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.5 Pricing, guarantees and reconciliations for all terms (discounts, dispensing fees, rebates etc.) do not differ for Consumer Driven Plans, High Deductible Health Plans, Health Savings Accounts (HSAs), Health Reimbursement Accounts (HRAs) or other such Plans should the State implement at some point in the future.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.6 Confirm that pricing is based on your open formulary, and does not assume use of a preferred drug step therapy or high performance formulary, unless currently in place, or planned to be in place for implementation date.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

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3.2.3.1.7 Each financial component guarantee for discounts and dispensing fees at retail, mail order and specialty will be measured, reported, reconciled and guaranteed on an individual component basis. There will be no cross subsidization within a distribution channel or among distribution channels. Shortfalls in one component guarantee may not be offset by overages in another component guarantee. Rebate guarantees for retail, mail order and specialty can be reconciled in the aggregate.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.8 The same claims and methodologies used to calculate actual performance (e.g. guaranteed discount achieved) will be used when calculating the net shortfall/surplus tied to the performance guarantees.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.9 You will provide an annual reconciliation between the actual claims pricing terms (Average Whole Sale “AWP” discounts and dispensing fees) by network (retail, mail, specialty) that were applied and those that were guaranteed within 90 days from the close of the year and, if necessary, will credit any difference against future billings to the State under the program, or reimburse the State directly with a check, depending on the State’s preferred method of payment.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.10 You will provide aggregate semi-annual discount guarantees for generics dispensed at retail and through mail order.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.11 You will provide an annual reconciliation between the actual rebates received and those that were paid/guaranteed within 120 days from the close of the year and will credit, if necessary, any difference against future billings to the State under the program will be used when calculating the net shortfall/surplus tied to the performance guarantees.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.12 In the pass-thru pricing arrangement, compounds (i.e., claims for a prescription that requires the pharmacy to create the medication by combining two or more ingredients) will be priced at the exact rate you negotiated with the pharmacy.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

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3.2.3.1.13 Multi-Source ("MS") Brands filled under a Dispense As Written ("DAW") 1 (substitution allowed; dispensed as written by prescriber) or DAW 2 (substitution allowed; patient requested product dispensed) code when a "mandatory generic policy" is not in place (i.e., member only pays the applicable copay) will be included in the Brand AWP Discount Effective Rate Guarantee.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.14 At the State's option, Offeror must offer a competitive generic dispensing rate guarantee at both retail and mail order for each year of the contract. Generic Dispensing Rate (GDR) must be defined as the number of generic prescriptions dispensed divided by the total number of prescriptions dispensed (brand and generic) on an annual basis. (Generic Dispensing Rate = Generic Rx's / Total Rx's)

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.15 Within ninety (90) days after the end of each Contract Year, Offeror shall pay to the State the full shortfall at Retail and/or Mail Order, should the actual GDR be less than the target guaranteed GDR. The shortfall will be calculated as the Average Plan Cost per Brand (multi and single source) Claim less the Average Plan Cost per Generic (multi and single source) Claims multiplied by the shortfall (Target/Guaranteed GDR minus Actual GDR)

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.16 The Offeror's financial proposal must be based on a full disclosure, fully transparent, 100 percent pass-through arrangement.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.17 The only source of profit/revenue derived by the Offeror will be the contractually agreed upon per member (or per employee/retiree) per month administrative fee.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.1.18 The Offeror will not earn revenues from any hidden source, including but not limited to rebates, discounts, credits, incentives, grants, chargebacks, reimbursements, health management fees paid by pharmaceutical manufacturers and other third parties to the Offeror, or other financial benefits of any sort. The Offeror will be required to pass-through to the State all such financial benefits.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

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3.2.3.1.19 The Offeror will pass-through to the State all network pricing and manufacturer rebate and fee improvements made over the contract term immediately or as soon as practically possible such that the State will receive the benefit of the improved pricing when the PBM itself does.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

### 3.2.3.2 Maximum Allowable Cost (MAC)

3.2.3.2.1 The Offeror must apply a lowest-net-cost, single MAC price list across all channels (retail, mail order, 90-day at retail, specialty pharmacy).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.2.2 The MAC list at Retail-90 will include the same medications or more and will use the same prices or lower prices as the most aggressive retail pharmacy MAC list.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.2.3 The MAC list used at Retail-90 pharmacies will include price points that compete with low-cost generic programs available from retails (e.g., WalMart's \$10 per 90).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.2.4 The MAC list you use for the State at mail pharmacies will include the same medications or more and will use the same prices or lower prices as the most aggressive retail pharmacy MAC list.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.2.5 The MAC list used at mail pharmacies will include price points that compete with low-cost generic programs available from retails (e.g., Wal-Mart's \$10 per 90).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.2.6 The MAC list at specialty pharmacies will include the same medications or more and will use the same prices or lower prices as the most aggressive retail pharmacy MAC list.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

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3.2.3.2.7 You agree that the MAC lists used to price claims will be updated no less frequently than 4 times throughout each contract year term of the contract to remain competitive; however, you will proactively communicate, identify and explain, to the client any deletions and any unit price increases over 10% per month.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.2.8 The Offeror MAC list must cover at least 95 percent of generic drugs dispensed through retail, 90-day retail and mail.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.2.9 The Offeror will not earn any MAC and/or generic spread revenue, passing through to the State the actual contracted rate and dispensing fee or usual and customary price for every paid claim.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.2.10 If the Offeror in the future establish multiple Maximum Allowable Cost lists as alternative proprietary Maximum Allowable Cost lists for Participating Pharmacies, the Offeror shall provide to State the most favorable Maximum Allowable Cost for each generic drug (SS and MS) on any of its Maximum Allowable Cost lists.

*Single, Pull-down list.*

1: Yes,

2: No. Explanation: [ 500 words ]

### 3.2.3.3 Average Wholesale Price (AWP)

3.2.3.3.1 All references and inputs of AWP are based on current AWP's (Post-AWP Rollback, September 26, 2009), and AWP discounts are applied directly to this AWP, with no further adjustment

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.3.2 The AWP used to price the claim must be from only one nationally recognized source (e.g., MediSpan).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.3.3 The AWP used to price retail pharmacy claims will be the actual National Drug Code (NDC)-11 submitted by the pharmacy as the one the pharmacy used to fill the prescription.

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*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.3.4 The AWP used to price mail pharmacy claims will be the actual NDC-11 submitted by the pharmacy as the one the pharmacy used to fill the prescription.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.3.5 The AWP used to price specialty pharmacy claims will be the actual NDC-11 submitted by the pharmacy as the one the pharmacy used to fill the prescription.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.3.6 All inputs for AWP will apply to the AWP applicable on the date that the claim is processed.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.3.7 The AWP used in the guaranteed AWP discount calculation will be the same AWP used to price the claim. See the requirements associated with the AWP used to price the claims.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.3.8 You will not charge a higher AWP price per unit for any repackaged products assigned a different NDC number than the original manufacturer/labeler AWP price per unit for the same product (drug name, form and strength).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.3.9 The AWP that will be used to calculate the AWP discount for MS-Brands dispensed as the "house generic" (DAW 5 code submitted by the pharmacy) will be no higher than the average AWP of the three least expensive generic products available in the marketplace.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.3.10 In the event there are changes in the marketplace to the baseline measure used for the ingredient costs of drugs (e.g. AWP), the terms will be adjusted accordingly to provide an equivalent price.

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*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.3.11 In the event there are changes in the marketplace to the baseline measure used for the ingredient costs of drugs (e.g. AWP), you will provide as much advanced notice as possible to the State and sufficient details to support any changes being propose.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.3.12 In the event there are changes in the marketplace to the baseline measure used for the ingredient costs of drugs (e.g. AWP) and you propose changes to the State's pricing terms in order to account for the changes, changes will be agreed upon before any changes are made. If changes are not agreeable either party has the right to terminate the agreement without financial consequences (e.g., loss of rebates earned but not yet paid).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

## 3.2.3.4 Drug Classification

3.2.3.4.1 You may not manipulate or change a product's brand or generic status retroactively for purposes of achieving pricing guarantees

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.4.2 Generics, for purposes of pricing term offers and guarantees in this RFP, will be defined as all products that are not SS-Brands or MS-Brands.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.4.3 You will maintain a list of single-source generics and will provide the list upon the State's request. Additionally, you will provide effective dates and term dates for drugs that have dropped from or been added to the list.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

## 3.2.3.5 Retail Pricing



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3.2.3.5.1 All retail claims must be adjudicated at the lowest of: (a) the contracted discount plus dispensing fee; (b) MAC plus dispensing fee; or (c) the usual and customary (U&C) price (including the pharmacy's sales price, if any).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.5.2 All retail claims will be adjudicated according to the “lowest of” logic such that members always pay the lowest of the applicable copayment, the contracted price and/or the pharmacy’s U&C amount (including the pharmacy's sale price, if any). Offerors will not be allowed to adjudicate based on “zero balance logic” or on a minimum copayment amount (except as allowed by the plan) and retail pharmacies will not be allowed to collect a minimum payment.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.5.3 U&C priced claims will NOT be assessed a separate dispensing fee.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.5.4 Maximum Average Dispensing Fee guarantees will exclude all U&C claims submitted and billed by retail pharmacies including reversed/denied claims.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.5.5 Effective (Average Annual) rates for Brands will include all claims for multi and single source brands.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.5.6 Effective (Average Annual) rates for Brands will include all specialty brand claims dispensed at retail.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.5.7 Effective (Average Annual) rates for Brands will include the impact of U&C claims; the ingredient cost must be equal to the submitted U&C price for discount guarantee reconciliation purposes.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

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3.2.3.5.8 Effective (Average Semi-Annual) rates for Generics will include all claims for ALL generics, including multi and single source generic drugs, MAC'd and Non-MAC'd generics, limited supply generics, patent litigated generics.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.5.9 Effective (Average Semi-Annual) rates for Generics will include all specialty generics claims dispensed at retail.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.5.10 Effective (Average Semi-Annual) rates for Generics will include the impact of U&C claims; the ingredient cost must be equal to the submitted U&C price for discount guarantee reconciliation purposes.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.5.11 In addition to including single source generics in the overall generic effective rate, you will also offer a standalone single source generic guarantee that must be greater than the Brand effective rate.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

### 3.2.3.6 Mail Order

3.2.3.6.1 All mail order claims must be adjudicated at the lowest of: (a) the contracted discount plus dispensing fee; or (b) MAC plus dispensing fee. Offerors are not allowed to assess a "minimum charge" at mail order.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.6.2 All mail order claims will be adjudicated according to the "lowest of" logic such that members always pay the lowest of the applicable copayment or the discounted price. Offerors will not be allowed to adjudicate based on a minimum copayment amount through mail order.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.6.3 Effective (Average Annual) rates for Brands will include all claims for multi and single source brands.

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*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.6.4 Effective (Average Semi-Annual) rates for Generics will include all claims for ALL generics, including multi and single source generic drugs, MAC'd and Non-MAC'd generics, limited supply generics, patent litigated generics.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.6.5 In addition to including single source generics in the overall generic effective rate, you will also offer a standalone single source generic guarantee below that must be greater than the Brand effective rate.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.6.6 You will NOT pass along the cost of increases in postage rates to the State during the term of the agreement.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.6.7 The dispensing fee per claim listed for mail, if any, is not an average but the maximum amount that will apply per claim.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.6.8 Offeror agrees that the State will not be responsible for any member contributions (e.g., deductible, coinsurance, copays) owed to the Offeror. Collecting such fees will be the sole responsibility of the Offeror.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.6.9 The Offeror must agree to offer consistent pricing for all standard mail order prescriptions regardless of the days' supply (i.e., Offeror will not apply retail pricing to any mail order claims).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.6.10 The State will not be assessed any fees for mail order claims where member pays 100% the cost of the prescription, exclusive of administrative fees, if applicable.

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*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.6.11 The Offeror will not earn any spread revenue in mail, passing through to the State the full value of the agreed upon pricing and any upside performance.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

## 3.2.3.7 Specialty Pharmacy Pricing

3.2.3.7.1 All specialty pharmacy claims must be adjudicated at the lowest of: (a) the contracted discount plus dispensing fee; or (b) MAC plus dispensing fee. Offerors may not assess a "minimum charge" through specialty pharmacy.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.2 All specialty pharmacy claims will be adjudicated according to the "lowest of" logic such that members always pay the lowest of the applicable copayment or the discounted price. Offerors will not be allowed to adjudicate based on a minimum copayment amount through specialty pharmacy

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.3 In addition to providing your specialty drug list, which applies varying ingredient cost (AWP) discount and dispensing fees by drug for the State, in the appropriate section "Specialty Drug Price List," you will offer a minimum annual average AWP discount guarantee for all specialty claims processed at specialty pharmacy, as requested in the pricing offer section.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.4 You will price all claims processed by the specialty pharmacy for medications that are not on your specialty drug list at the mail-order pharmacy rates.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.5 If Offeror classifies a drug as specialty, but the drug is designated by the FDA as generic, vendor must price drug at the generic guaranteed rates.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

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3.2.3.7.6 You will NOT pass along the cost of increases in postage rates to the State during the term of the agreement.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.7 You agree your pricing will not be contingent upon an exclusive retail lockout arrangement, unless currently in place or planned to be in place prior to implementation date.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.8 The dispensing fee per claim listed for specialty pharmacy, if any, is not an average but the maximum amount that will apply per claim.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.9 Offeror agrees that the State will not be responsible for any member contributions (e.g., deductible, coinsurance, copays) owed to the Offeror through the specialty pharmacy. Collecting such fees will be the sole responsibility of the Offeror.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.10 Specialty Pharmacy pricing, including guaranteed discounts, dispensing fees and rebate guarantees, apply to all specialty pharmacy claims, regardless of supply days.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.11 You will allow the State to limit specialty pharmacy claims to a 30-day supply (including those dispensed by your specialty pharmacy), with no modification to the pricing terms you are proposing for specialty medications in this RFP.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.12 The State will not be assessed any fees for specialty pharmacy claims where member pays 100% the cost of the prescription, exclusive of administrative fees, if applicable.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

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3.2.3.7.13 Please provide the criteria you use to determine whether a medication is/will be considered to be a "specialty drug" during the term of the contract.

*500 words.*

3.2.3.7.14 Medications will only be added to your "specialty drug list" that meet the specific criteria you provided directly above, as the definition/criteria used to determine whether a medication is considered to be a specialty drug.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.15 The State will be provided at least 90 days notice in advance of new medications being added to your "specialty drug list" whenever feasible; the State reserves right to exclude the medication from coverage if the medication is in a category that is currently excluded (e.g., growth hormones).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.16 You will maintain and submit to the State on a mutually agreed upon frequency your list of specialty drugs (that include effective and term dates, as appropriate).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.17 You will provide guaranteed minimum AWP discount pricing and dispensing fees per Rx for newly approved Specialty drugs similar to those already available to treat the same condition.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.7.18 The Offeror will not earn any spread revenue in specialty pharmacy, passing through to the State the full value of the agreed upon pricing and any upside performance.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

### 3.2.3.8 Rebates

3.2.3.8.1 Offeror agrees to pay the State a guaranteed rebate payment/credit equal to the greater of the specified % pass-through of actual Total Rebates or Per Claim Rebate Guarantees.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

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3.2.3.8.2 All rebates must be received by the State no less than quarterly and paid within 30 days of the end of each quarter.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.8.3 The State will receive the first rebate check/credit within 60 days from the end of the first quarter of the agreement.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.8.4 You will pay the State the greater of the amount received or the minimum amount guaranteed per claim, regardless of the actual rebates that have been received for rebates during the quarter.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.8.5 The State's share of any Total Rebates received by the Offeror from manufacturers after the annual reconciliation will be applied to the next contract year's annual reconciliation or sent to the State as a check, at the State's preferred method of payment.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.8.6 The State's share of any Total Rebates received by the Offeror from manufacturers after the annual reconciliation and after the Termination of the Contract, shall be paid to the State.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.8.7 Minimum rebate guarantees will apply to all prescriptions dispensed under the State's Plan; including covered prescriptions where the member paid the full cost of the drug and the State paid zero. Amounts may vary based on delivery channel and plan design type.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.8.8 Rebate Guarantees must be provided without minimum or average days' supply requirements.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.8.9 Rebate guarantees will not be reduced based on patent expirations, OTC introductions of branded drugs, actions by drug manufacturers, brand products moving off-patent to generic status, recalls

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or withdrawals of branded products or unexpected generic introductions for the term of the proposed contract or for changes made by Offeror to your standard formulary.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.8.10 The State's rebate share, which you propose in your pricing offer , includes rebates received for specialty drugs and you have provided your rebate guarantees for specialty drugs dispensed at retail and through the specialty pharmacy, as requested in the pricing offer.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.8.11 The Offeror cannot employ any therapeutic switching/interchange program(s) or rebate maximization strategies, without the full consent and disclosure of all therapeutic class considerations, cost differential, overall financial impact and member impact to the State.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.3.8.12 Rebate reporting must be at the 11-digit National Drug Code level (NDC11).

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

### 3.2.4 Eligibility & Enrollment

3.2.4.1 Can you accommodate an account code structure in the eligibility file that will allow the State to identify trends in rebates and claim activity information broken down by different organizational units?

*Unlimited.*

3.2.4.2 Explain whether or not your proposal includes on-line access by the State to view eligibility files. If yes, describe this arrangement, and whether or not this access includes the ability for the State to update member data on an ad hoc basis.

*Unlimited.*

3.2.4.3 How will eligibility data be transferred from the State to the Offeror?

*Unlimited.*

3.2.4.4 Please confirm your ability to accommodate the electronic transfer of eligibility from the State's system.



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*Unlimited.*

3.2.4.5 How often is eligibility electronically updated? Confirm that you will accept a daily eligibility file.

*Unlimited.*

3.2.4.6 How often is eligibility electronically updated by any subcontractors or joint venturers?

*Unlimited.*

3.2.4.7 Please confirm you can receive and send FTP files or have other secure methods of transmission.

*Unlimited.*

3.2.4.8 Can you accept eligibility via paper, as well as by electronic feed?

*Unlimited.*

3.2.4.9 Do you allow online access to the client's staff for real-time eligibility updates?

*Unlimited.*

3.2.4.10 Indicate how dependent eligibility information is stored. Is it part of the member record, or a separate record?

*Unlimited.*

3.2.4.11 What is the standard turnaround time for an eligibility file upload?

*Multi, Checkboxes.*

- 1: Within 24 hours,
- 2: By Next Business Day,
- 3: Within 5 Business Days,
- 4: Other: [ 500 words ]

3.2.4.12 Are you able to administer 90 day retroactive enrollment adjustments?

*Single, Radio group.*

- 1: Yes,
- 2: No,
- 3: Other: [ 500 words ]

3.2.4.13 Are you able to make exceptions to the 90 day retroactive enrollment to allow for longer periods than 90 days?

*Single, Radio group.*

- 1: Yes,
- 2: No,
- 3: Other: [ 500 words ]

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3.2.4.14 Clearly state your company's timelines and deadlines for Open Enrollment (system updates due to plan changes or file formats, new divisions, manual work arounds, dates for the last pre-OE updates, OE file updates, etc.).

*Unlimited.*

### **3.2.5 Customer/Member Service**

#### **3.2.5.1 Customer/Member Service - General**

3.2.5.1.1 Will you provide the State with unit(s) dedicated to customer service? Please describe each function supported by these customer service unit(s).

*Unlimited.*

3.2.5.1.2 Where will the dedicated offices(s) be located and will those offices be dedicated to customer service, claims processing or both?

*Unlimited.*

3.2.5.1.3 List how many customer service representatives will be dedicated to the State's plans.

*Unlimited.*

3.2.5.1.4 Describe your training program for customer service employees.

*Unlimited.*

3.2.5.1.5 Explain any incentive programs you employ to retain competent customer service employees.

*Unlimited.*

3.2.5.1.6 What is the average years of experience for your customer service staff?

*Unlimited.*

3.2.5.1.7 What is the average length of employment for your customer service staff?

*Unlimited.*

3.2.5.1.8 How many dedicated toll-free phone lines will be made available to answer member and provider inquiries?

*Unlimited.*

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3.2.5.1.9 How many dedicated toll free phone lines for the hearing impaired will be made available to answer member and provider inquiries?

*Unlimited.*

3.2.5.1.10 During what hours/days of week will toll free phone lines be staffed?

*Unlimited.*

3.2.5.1.11 Provide an explanation of how you define “after-hours.” How are calls “after-hours” of operation handled?

*Unlimited.*

3.2.5.1.12 Is there a voice mail system or capability for callers to leave messages after normal business hours? During after-hours?

*Unlimited.*

3.2.5.1.13 Do members reach a live representative or an interactive voice response unit (IVR) when calling customer service?

*Unlimited.*

3.2.5.1.14 Are all calls logged into your tracking system?

*Unlimited.*

3.2.5.1.15 If no, what percentage of calls are logged into your tracking system?

*Unlimited.*

3.2.5.1.16 Please check all items below which pertain to calls handled by the customer service representatives:

*Multi, Checkboxes.*

- 1: All calls are recorded,
- 2: Customer service representatives document all calls,
- 3: Customer service representatives can make adjustments to claims during a call,
- 4: Calls are documented verbatim,
- 5: Calls are documented in summarization

3.2.5.1.17 What other methods of contacting customer service representatives, besides telephone, are available for members to use?

*Unlimited.*

3.2.5.1.18 Do customer service representatives handle both member calls and provider calls?

*Unlimited.*

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3.2.5.1.19 Can customer service representatives access claims status on-line in real-time?

*Unlimited.*

3.2.5.1.20 Identify the typical work and training experience required of your customer service and claims processing supervisors and/or managers.

*Unlimited.*

3.2.5.1.21 What is the current ratio of customer service representatives to supervisors and managers.

*Unlimited.*

3.2.5.1.22 What is the ratio of customer service representatives to covered lives in your organization's programs?

*Unlimited.*

3.2.5.1.23 Describe when and how a caller's recurring or unresolved issue is elevated to a supervisor/manager for resolution. Explain how you measure the success of this process over time.

*Unlimited.*

3.2.5.1.24 Provide the turnover rate of your call center representatives for the past three calendar years.

*Unlimited.*

3.2.5.1.25 Using current calendar year data, please provide the following information for each customer service office that will have responsibility for this account:

- Answer Speed
- Wait Time
- Abandonment Rate
- ID Card Issuance (timeliness)

*Unlimited.*

3.2.5.1.26 Please indicate whether customer service representatives have on-line access to the following information and/or the ability to edit or update data by providing a Yes or No response below.

	On-Line access	Ability to edit or update data
Member Eligibility	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Date of Initial call	<i>Single, Pull-down list.</i>	<i>Single, Pull-down list.</i> 1: Yes, 2: No

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	1: Yes, 2: No	
Date Inquiry Closed	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Representative who handled the call	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Call Status	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
If and where issue was referred for handling	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Reason for call	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
What was communicated to member	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Claims History-Status	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Benefit Descriptions	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Status of Questions-Complaints	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Status of Pre-certification Requests	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Mail-order delivery status	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Specialty pharmacy delivery status	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Referral Status	<i>Single, Pull-down list.</i>	<i>Single, Pull-down list.</i> 1: Yes,

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	1: Yes, 2: No	2: No
Price a prescription	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Cost-savings opportunities (e.g., using generic alternatives to brands)	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Disease Specific Education Information	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
ID Card Orders	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Specify Other Features	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No

3.2.5.1.27 When ordering a prescription refill, can the member reach a customer service representative without redialing into a new number?

*500 words.*

3.2.5.1.28 Describe your process for written inquiries.

*Unlimited.*

3.2.5.1.29 Do you send a letter of acknowledgment for written inquiries prior to the issue resolution?

*Single, Radio group.*

1: Yes,  
2: No

3.2.5.1.30 In the past calendar year, what was your average turnaround time for responding to written inquiries? (days)

*500 words.*

3.2.5.1.31 Describe other dedicated or customized customer services you are prepared to offer the State.

*Unlimited.*

### 3.2.5.2 Pharmacist Availability

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3.2.5.2.1 How many pharmacists are available to answer member questions?

*500 words.*

3.2.5.2.2 How many pharmacists are available to answer member question 24 hours per day, 7 days per week, 365 days per year?

*500 words.*

3.2.5.2.3 If pharmacists are not available 24 hours per day, 7 days per week, 365 days per year, to answer member questions, what are the hours of operation for the pharmacy customer service unit?

*500 words.*

3.2.5.2.4 Do you have a separate pharmacy customer service unit dedicated to answering questions specific to Specialty Medications and the Specialty Pharmacy?

*500 words.*

3.2.5.2.5 If you have a separate pharmacy customer service unit dedicated to answering questions specific to Specialty Medications and the Specialty Pharmacy, how many pharmacist customer service representatives are dedicated to answering questions specific to Specialty Medications and the Specialty Pharmacy?

*Unlimited.*

3.2.5.2.6 Do you have pharmacists dedicated to answering physician calls versus member calls?

*Single, Radio group.*

1: Yes,

2: No

3.2.5.2.7 How many pharmacists are dedicated to handling calls from physicians?

*500 words.*

3.2.5.2.8 What percentage of pharmacy customer service calls is recorded?

*500 words.*

### 3.2.5.3 Specialty Drugs

3.2.5.3.1 How many customer service representatives are dedicated to answering questions specific to Specialty Medications / Pharmacy?

*500 words.*

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3.2.5.3.2 What percentage of all your customer service representatives are dedicated to answering questions specific to Specialty Medications / Pharmacy?

*500 words.*

3.2.5.3.3 What is the composition of staffing in your Specialty organization? Include the clinical support available for patients through your Specialty organization, including the number of nurses and pharmacists on staff at the proposed pharmacy(-ies).

*500 words.*

3.2.5.3.4 What percentage of calls, answered by the dedicated specialty customer service unit, is recorded?

*500 words.*

3.2.5.3.5 What are the minimum hiring standards and training for your CSRs regarding Specialty drug patient issues?

*500 words.*

3.2.5.3.6 What are your minimum hiring standards for a Non-Clinical Specialty-Specific Customer Service Representatives?

*500 words.*

3.2.5.3.7 What are your minimum hiring standards for a Non-Clinical Specialty-Specific Customer Service Representatives?

*500 words.*

3.2.5.3.8 If your Specialty Service Center conducts outbound calls to patients, please describe the nature of these calls.

*500 words.*

3.2.5.3.9 If your Specialty Service Center conducts outbound calls to physicians and/or case managers, please describe the nature of these calls.

*500 words.*

3.2.5.3.10 Are your patient management programs supported by pharmaceutical manufacturer revenue in any way?

*Single, Radio group.*

- 1: Yes,
- 2: No



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3.2.5.3.11 If your patient management programs are supported by pharmaceutical manufacturer revenue in any way, please describe.

*500 words.*

3.2.5.3.12 Provide a brief description of how existing specialty drug patients would be transitioned over to your Specialty Pharmacy seamlessly, including those patients whose medication is not considered a specialty drug by client current vendor and those taking medications with limited distribution rights.

*500 words.*

3.2.5.3.13 Please respond to the following questions noting whether each method is available to 1) contact a mail order/specialty pharmacist, 2) submit inquiries to the customer service team and 3) interface with the applicable nurse line.

	Via email	Via live phone conversation	Via phone messaging	Via fax
Contact a mail order/specialty pharmacist:	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Submit inquiries to customer service team:	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No
Interface with applicable nurse line:	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No	<i>Single, Pull-down list.</i> 1: Yes, 2: No

3.2.5.3.14 Attach an example of your proposed member satisfaction survey tool and label it “Member Satisfaction Survey”

*Single, Pull-down list.*

1: Provided,  
2: Not Provided

3.2.5.3.15 Detail your member satisfaction survey methodology, including: member selection, details on minimum number of respondents to achieve statistical significance, mode of communication (telephonic or mail) and calculations used to determine the final satisfaction score.

*500 words.*

3.2.5.3.16 Indicate your willingness to include in the selection of respondents for the survey, those members that have utilized mail order services, specialty services and live member call center services. Describe how your methodology will accommodate this request.

*500 words.*

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3.2.5.3.17 Indicate your willingness to modify the existing survey tool to meet the needs and requests of the State.

*500 words.*

3.2.5.3.18 Indicate any costs for a second and/or subsequent survey in a given year if requested by the State on the rate sheet.

*500 words.*

3.2.5.3.19 Please provide Calendar Year 2011 (CY2011) book-of-business (BOB) member satisfaction results.

*500 words.*

### 3.2.6 Claims Processing

3.2.6.1 Offeror must provide an Administrative Manual for the pharmacy program that provides the information necessary for the State or its designee to operate the plan. The manual must be in a mutually agreed upon format and the necessary information within the manual. The manual must be provided at completion of the implementation and must be updated on an ongoing basis by the Account Management team. This manual must be provided as part of the base administrative fees with no additional cost to the State.

*Unlimited.*

3.2.6.2 Describe how you will provide a dedicated system of claims administration.

*Unlimited.*

3.2.6.3 Does your claim system have a common database for edits, pricing, production of EOBs and reporting?

*Unlimited.*

3.2.6.4 Explain your capability to accept electronic claims directly from providers and claim clearinghouses on behalf of members.

*Unlimited.*

3.2.6.5 What are the hours/days of operation for the claims processing unit?

*Unlimited.*

3.2.6.6 How many claims processors will be dedicated to the State's plans?

*Unlimited.*

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3.2.6.7 What are the average years of experience for your claim processing staff?

*Unlimited.*

3.2.6.8 What is the average length of employment for claim processing staff?

*Unlimited.*

3.2.6.9 Describe your training program for claims processing staff?

*Unlimited.*

3.2.6.10 Explain any incentive programs you employ to retain competent claim processing staff?

*Unlimited.*

3.2.6.11 What is the average productivity of the claims approvers on a per approver per day basis?

*Unlimited.*

3.2.6.12 How does the claim office handle periods of significantly increased workload?

*Unlimited.*

3.2.6.13 How does the claim office's performance for the past two years compare with the claim turnaround time goal?

*Single, Pull-down list.*

- 1: Up by 5--10%,
- 2: Up by 11--15%,
- 3: Up by 16--20%,
- 4: Down by 5--10%,
- 5: Down by 11--15%,
- 6: Down by 16--20%,
- 7: Other. Indicate: [ 500 words ]

3.2.6.14 In the claim processing office that will have payment responsibility for this account, what are your standard targets and average statistics for the following?

	Standard Target	Average Statistics
Claims processing turnaround time	500 words.	500 words.
Answer speed	500 words.	500 words.
Wait time	500 words.	500 words.
Abandonment rate	500 words.	500 words.
Payment accuracy	500 words.	500 words.
Financial accuracy	500 words.	500 words.
Member Satisfaction	500 words.	500 words.

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First Call Resolution	500 words.	500 words.
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3.2.6.15 What clinical staff is available as a resource to the claims processors?

*Unlimited.*

3.2.6.16 Did you develop the claims system internally? If you did not develop your system internally, which firm developed it and when?

*Unlimited.*

3.2.6.17 Are all claims processed on a single claims system?

*Unlimited.*

3.2.6.18 How are changes to the claims system implemented?

*Unlimited.*

3.2.6.19 When was the last update to your claim processing system, and what changes were implemented?

*Unlimited.*

3.2.6.20 Are system changes planned in the next two years? If there are system changes planned, please indicate the nature of the changes.

*Unlimited.*

3.2.6.21 Does your claims system have the capability to process network and non-network claims on the same system?

*Unlimited.*

3.2.6.22 Please provide a claims workflow diagram from date of receipt of a claim through release of payment and reporting to plan sponsor.

*Unlimited.*

3.2.6.23 Confirm that you are able to pay claims in accordance with provider contracts held by the State and not your network.

*Unlimited.*

3.2.6.24 For what period of time are claims records maintained after records are purged from the system?

*Unlimited.*

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3.2.6.25 Does your claims system automatically match claims with predetermination information, both for in- and out-of-network?

*Unlimited.*

3.2.6.26 Confirm that you are able to pay claims in accordance with provider contracts held by the State and not your network.

*Unlimited.*

3.2.6.27 For what period of time are claims records maintained after records are purged from the system?

*Unlimited.*

3.2.6.28 What percentage of claims are auto-adjudicated for contracted Alaska providers? For non-contracted?

*Unlimited.*

3.2.6.29 Describe your organization's success in increasing auto adjudication rates for Alaska providers.

*Unlimited.*

3.2.6.30 Is customer/member services housed with the claims paying unit?

*Unlimited.*

3.2.6.31 What was your percentage of turnover for claims examiners in 2011 and 2010 at the claim office(s) that would be assigned to this account.

*500 words.*

3.2.6.32 Which of the following descriptions would best characterize your claim adjudication process?

*Single, Radio group.*

- 1: System-based adjudication with claims specialist oversight,
- 2: Claim specialist adjudication with system-based claim tracking,
- 3: Primarily claim specialist adjudication and tracking,
- 4: Other: [ 500 words ]

3.2.6.33 What security measures are in place to ensure that reimbursements are issued to the proper party?

*Multi, Checkboxes.*

- 1: Assignment signature required,
- 2: Network provider automatically assigned,
- 3: Other: [ 500 words ]

3.2.6.34 Will you accept liability for claim processor negligence? Fraud?

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*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.6.35 Can you use an identifier other than the SSN?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.6.36 If an identifier other than SSN is used, is there an additional charge? If so, please indicate on the rate sheet.

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.6.37 Explain whether you offer direct deposit of participant benefit reimbursement.

*Unlimited.*

## 3.2.7 Coordination of Benefits

3.2.7.1 Describe your current COB administrative procedures to ensure all claims are paid consistently in the correct order of benefit determination.

*Unlimited.*

3.2.7.2 Define the process, including who in your organization is responsible, for follow-up on possible COB opportunities.

*Unlimited.*

3.2.7.3 Explain the edits used in your system to identify potential COB cases on a continual basis.

*Unlimited.*

3.2.7.4 Describe how you would fulfill the annual validation to identify other health insurance coverage requirement.

*Unlimited.*

3.2.7.5 Confirm that you will coordinate COB information electronically with other vendors such as the medical provider, dental network, and health management provider, for their use in coordinating benefits.

*Unlimited.*

3.2.7.6 Confirm whether you are able to handle internal coordination when a claimant is covered under more than one State benefit plan such as being covered as the member and also as a dependent.

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*Unlimited.*

3.2.7.7 Describe how you will obtain coordination of benefits information to determine when case management might not be appropriate, such as when the plan is secondary to Medicare or other plans.

*Unlimited.*

3.2.7.8 Describe your use of computer edit checks or triggers to initiate COB.

*Unlimited.*

3.2.7.9 Is COB history stored online?

*500 words.*

3.2.7.10 Medicare COB:

- Explain whether or not you have an electronic system currently in place to allow Medicare Part B claims filed with the Medicare carrier to automatically coordinate (crossover) with the retiree plans so that retirees are not required to submit secondary Part B claims to this plan.
- Describe your Medicare COB program; note whether you accept information from all Medicare Part B carriers or list those carriers with whom you have contracts.

*Unlimited.*

### 3.2.8 Clinical Programs

#### 3.2.8.1 Clinical Programs - General

3.2.8.1.1 Does your organization contract with any other organization for clinical program administration or management?

*Single, Radio group.*

1: Yes,

2: No

3.2.8.1.2 If your organization contracts with another organization clinical program administration or management, please provide the information that is requested in the table below

Clinical Program Subcontracts	Subcontract#1	Subcontract#2
Company name	500 words.	500 words.
Headquartered city	500 words.	500 words.
Headquartered state	500 words.	500 words.
Tenure of current relationship	500 words.	500 words.
Current contract term of relationship	500 words.	500 words.

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## 3.2.8.2 Drug Utilization Review (DUR) Programs

3.2.8.2.1 Please attach an Exhibit that describes your methodology for calculating DUR Savings. Label the exhibit “DUR savings.” If different methodologies are used for Prospective compared to Concurrent and Retrospective DURs, please describe each separately.

*Single, Pull-down list.*

- 1: Attached,
- 2: Not Attached

3.2.8.2.2 If a DUR edit is overridden, is it counted in the savings presented in the DUR Savings Reports?

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.8.2.3 Is there a charge for hard edits used for DUR programs?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.8.2.4 Please attach an exhibit that lists the therapeutic classes/medications for which you offer Prospective DUR (“PDUR”) programs (e.g., medications subjected to prior authorizations). Please differentiate between different types of PDUR programs (prior authorization, step therapy). Label the exhibit “Prospective DUR programs.

*Single, Pull-down list.*

- 1: Attached,
- 2: Not Attached

3.2.8.2.5 Does your company automatically notify participants about savings opportunities?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.8.2.6 If yes, provide the information requested below about the means by which notifications are provided and the charges assessed:

	Available (yes/no)	Charge (\$ per notice)
Internet	<i>Single, Pull-down list.</i> 1: Yes, 2: No	500 words.
Email	<i>Single, Pull-down list.</i> 1: Yes, 2: No	500 words.
Letter	<i>Single, Pull-down list.</i> 1: Yes, 2: No	500 words.



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3.2.8.2.7 Does your company currently have the ability to run all pharmacy claims of a given client against a RDUR program to identify potential safety issues (e.g., drug-drug interactions) for which physicians would be alerted?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.8.2.8 Does your company currently have the ability to run medical claims against a pharmacy RDUR program to identify potential safety issues (e.g., drug-medical condition interactions) for which physicians would be alerted?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.8.2.9 Can you receive and use data from the medical vendor to identify and outreach to members obtaining specialty medications through a provider?

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.8.2.10 Does your company currently have the ability to run claims against a RDUR program to identify gaps or omissions in care (e.g., no ARB for a patient with Diabetes) for which physicians would be alerted?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.8.2.11 Does your company currently have the ability to run claims against a RDUR program to identify patient adherence issues for which patients and/or physicians would be alerted?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.8.2.12 Provide an exhibit that includes information about programs you offer or patient / physician touch points that help address potential patient adherence issues. Label attachment "Adherence Programs."

*Single, Pull-down list.*

- 1: Attached,
- 2: Not Attached

3.2.8.2.13 Are savings reported for DUR programs auditable to the individual claims transactions?

*Single, Radio group.*

- 1: Yes,
- 2: No

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3.2.8.2.14 For fee-based programs, do you guarantee a minimum Return-On-Investment (“ROI”)?

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.8.2.15 Do you have predictive modeling capabilities specific to pharmacy claims only?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.8.2.16 Do you have the ability to receive medical claims information in addition to the pharmacy claims for the purposes of predictive modeling?

*Single, Radio group.*

- 1: Yes,
- 2: No

### 3.2.8.3 Formulary

3.2.8.3.1 Provide a listing of drugs your PBM does not normally cover. Describe your process for modifying this list to meet the State's open formulary provisions.

*500 words.*

3.2.8.3.2 Does your organization contract with any other organization for formulary development and/or administration?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.8.3.3 If your organization contracts with another organization for formulary development and/or administration, please provide the information that is requested in the table below

Formulary Subcontracts	Subcontract#1	Subcontract#2
Company name	<i>500 words.</i>	<i>500 words.</i>
Headquartered city	<i>500 words.</i>	<i>500 words.</i>
Headquartered state	<i>500 words.</i>	<i>500 words.</i>
Tenure of current relationship	<i>500 words.</i>	<i>500 words.</i>
Current contract term of relationship	<i>500 words.</i>	<i>500 words.</i>

3.2.8.3.4 Describe the different formularies you offer.

*500 words.*

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3.2.8.3.5 How often are your formularies reviewed?

*500 words.*

3.2.8.3.6 Describe the committee(s)/team(s) involved in developing and managing your formularies?

*500 words.*

3.2.8.3.7 Do you communicate formulary changes to clients at least 60 days prior to the change?

*Single, Radio group.*

1: Yes,

2: No

3.2.8.3.8 Do you communicate formulary deletions to members impacted by the change?

*Single, Radio group.*

1: Yes,

2: No

3.2.8.3.9 How many days in advance do you provide to members when a drug is removed from the formulary?

*Decimal.*

3.2.8.3.10 Describe the Pharmacy & Therapeutics ("P & T") Committee's formulary drug review and decision-making process. Please include criteria for evaluating an existing drug's formulary status and criteria for adding a drug to your formulary.

*500 words.*

3.2.8.3.11 If your organization utilizes comparative effectiveness data in the formulary review process, please explain.

*500 words.*

3.2.8.3.12 Are multi-source brand drugs moved to the non-preferred tier when a generic becomes available?

*Single, Radio group.*

1: Yes,

2: No

3.2.8.3.13 Are new medications automatically placed on the non-preferred tier of the formulary until they are reviewed by the P & T Committee? If no, explain.

*Single, Radio group.*

1: Yes,

2: No

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3.2.8.3.14 Does at least one of the 3-tier formularies you offer have at least one medication from every therapy class (e.g., COX-2 Inhibitors) represented on either tier-1 or tier-2 of the formulary? If no, explain.

*Single, Radio group.*

1: Yes,

2: No: [ 500 words ]

3.2.8.3.15 Do you agree to not require the client exclude coverage any specific medication(s) within a therapy class for which coverage is currently provided during the term of the agreement without financial consequence (i.e., a change in the rebate guarantees proposed)? If no, explain.

*Single, Radio group.*

1: Yes,

2: No: [ 500 words ]

3.2.8.3.16 Do you agree to not make changes to the contracted pricing terms during the term of the agreement based on the State's decision to not follow coverage recommendations your organization makes (e.g., require specific medication(s) within a therapy class be subjected to step therapy or prior authorization)? If no, explain.

*Single, Radio group.*

1: Yes,

2: No: [ 500 words ]

3.2.8.3.17 Are specialty drugs found in more than one tier? If yes, in which tiers are specialty drugs found?

*Single, Radio group.*

1: Yes,

2: No

3.2.8.3.18 Will you customize a formulary based on the State's request should they wish to implement one?

*Single, Radio group.*

1: Yes,

2: No

3.2.8.3.19 If a customized formulary is implemented, will member materials (including web-based information) be customized to reflect the client's specific formulary?

*Single, Pull-down list.*

1: Yes,

2: No

3.2.8.3.20 Does your organization currently offer a suggested list of preventive medications that should be covered at 100% to comply with Patient Protection and Affordable Care Act ("PPACA")? If so, please provide the list and label it "PPACA Medications."

*Single, Radio group.*

1: Yes. List is provided,

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2: Yes. List is Not provided - Explain: [ 500 words ],

3: No

3.2.8.3.21 Please confirm that all generics are included in the proposed formulary; if not, detail all generics that are not included.

*500 words.*

## 3.2.9 Medicare Part D

### 3.2.9.1 Medicare Part D Administration

3.2.9.1.1 What percent of your 2011 self-funded, commercial book-of-business do you support with Medicare Part D administrative services?

*500 words.*

3.2.9.1.2 Of these clients, what percent have filed for the CMS Retiree Drug Subsidy (RDS)?

*Unlimited.*

3.2.9.1.3 Complete the following table with the list of services that are included in your standard or core Medicare Part D administration fee.

Core service	Included in standard fee (yes/no)	If no, additional fee(s)
A. Medicare RDS application assistance	<i>Yes/No.</i>	<i>500 words.</i>
B. Medicare eligibility maintenance	<i>Yes/No.</i>	<i>500 words.</i>
C. Upload of monthly eligibility data and reconciliation of weekly/monthly response files from CMS	<i>Yes/No.</i>	<i>500 words.</i>
D. Separate data tracking and drug cost reporting	<i>Yes/No.</i>	<i>500 words.</i>
E. Financial and plan design modeling relative to Medicare Part D standard plan to determine actuarial equivalence	<i>Yes/No.</i>	<i>500 words.</i>
F. Submission and reconciliation of retiree drug costs, including quarterly or annual rebate adjustments	<i>Yes/No.</i>	<i>500 words.</i>
G. Analytic support for valuing subsidy payments versus alternative coverage options	<i>Yes/No.</i>	<i>500 words.</i>
H. Standard quarterly reporting to the State	<i>Yes/No.</i>	<i>500 words.</i>
I. Custom or ad hoc reporting requests	<i>Yes/No.</i>	<i>500 words.</i>
J. Quarterly updates on Medicare program changes, legislative issues, employer responses and recommendations for the State	<i>Yes/No.</i>	<i>500 words.</i>
K. Prior Authorization reviews (Part D drug coverage determination)	<i>Yes/No.</i>	<i>500 words.</i>

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L. Prior Authorization reviews (Part B versus Part D covered drugs)	Yes/No.	500 words.
M. Annual Letters of Creditable Coverage	Yes/No.	500 words.
N. Retention of claim records and supporting documentation for a minimum of six (6) years	Yes/No.	500 words.
O. Other (please specify)	Yes/No.	500 words.

3.2.9.1.4 Confirm your willingness to submit Retiree List updates and drug cost reports directly to CMS via the RDS website on behalf of the State.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.9.1.5 Describe any differences in formularies between your commercial plans and your Medicare Part D plans.

*500 words.*

3.2.9.1.6 Do you permit client review of all communications to retirees prior to release?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.9.1.7 Describe how you handle retroactive claim adjustments when a member reaches the Medicare Part-D True Out-of-Pocket ("TrOOP") limit.

*500 words.*

3.2.9.1.8 Describe how you honor repayment demands or requests for reimbursement that are made within the time period mandated by Medicare for recovery of improper payments.

*500 words.*

3.2.9.1.9 Describe the training you provide to client's staff and other health vendors who could take calls from Medicare retired members.

*500 words.*

3.2.9.1.10 Describe your clinical programs over and above the minimum CMS requirements.

*500 words.*

3.2.9.1.11 Do you provide an insured rate and/or shared risk rate for Medicare D group plans?

*Single, Radio group.*

- 1: Yes,
- 2: No

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3.2.9.1.12 Will you allow the State to offer a customized formulary for its EGWP?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.9.1.13 Describe how non-Part D drugs are handled.

*500 words.*

3.2.9.1.14 Will you allow the State to elect to cover non-Part D drugs?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.9.1.15 Will you allow the State to elect to cover non-formulary drugs via a prior authorization exceptions process or in the wrap plan?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.9.1.16 Will you allow the State to offer a customized network for its EGWP?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.9.1.17 Describe the specialty program available for the EGWP.

*500 words.*

3.2.9.1.18 Will you allow the State to offer a customized specialty program for its EGWP?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.9.1.19 Are you able to manage a commercial wrap-around plan using one identification card?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.9.1.20 In response to recent CMS regulations, are you able to administer an enhanced EGWP in lieu of a standard part D plan and commercial wrap?

*Single, Pull-down list.*

- 1: Yes,
- 2: No

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## 3.2.9.2 Retail Network

3.2.9.2.1 Is the retail network for your Medicare business different in participating pharmacy composition than your commercial business?

*Single, Radio group.*

1: Yes,

2: No

3.2.9.2.2 If the retail network for your Medicare business is different in participating pharmacy composition than your commercial business, please note any major composition differences.

*500 words.*

3.2.9.2.3 How many CMS-compliant retail pharmacy networks do you offer?

*Decimal.*

3.2.9.2.4 Are you willing to customize the retail network to meet the State's needs?

*Single, Radio group.*

1: Yes,

2: No

3.2.9.2.5 Are you able to administer Low Income Subsidy pass back on behalf of the State's retirees?

*Single, Pull-down list.*

1: Yes,

2: No

3.2.9.2.6 Are you able to administer a Medicare B vs. D program at point of sale?

*Single, Pull-down list.*

1: Yes,

2: No

3.2.9.2.7 Is there a fee for this service?

*500 words.*

3.2.9.2.8 Do you have the capabilities to bill Medicare B claims to the Medical Provider if requested? At POS? At Mail Order? Please list any associated fees.

*500 words.*

## 3.2.9.3 Formulary

3.2.9.3.1 How many CMS-compliant Part-D formularies do you offer?



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*Decimal.*

3.2.9.3.2 Describe the differences between the CMS-compliant Part-D formularies you offer.

*500 words.*

3.2.9.3.3 Does your organization contract with any other organization for formulary development and/or administration?

*Single, Radio group.*

1: Yes,

2: No

3.2.9.3.4 If your organization contracts with any other organization for formulary development and/or administration please list 1) the organization and describe its role, 2) Fees that your organization pays for formulary development/administration, including formulary administration fees, and 3) The percent of rebates that are retained by the contracting organization.

*500 words.*

3.2.9.3.5 How often are your CMS compliant Part D formularies reviewed?

*500 words.*

3.2.9.3.6 What is the frequency of formulary changes allowed under your Medicare Part D plan?

*500 words.*

3.2.9.3.7 Describe the committee(s)/team(s) involved in developing and managing your formularies?

*500 words.*

3.2.9.3.8 Do you have a separate P&T Committee (from your commercial committee) that makes decisions or recommendations for the Part D formularies and coverage rules you offer?

*500 words.*

3.2.9.3.9 What is the composition of your P&T Committee, and their credentials?

*500 words.*

3.2.9.3.10 Describe the P & T Committee's formulary drug review and decision-making process.

*500 words.*

3.2.9.3.11 What lead time do you provide to members when a drug is removed from the formulary?

*500 words.*

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3.2.9.3.12 What are the criteria for evaluating an existing drug's formulary status?

*500 words.*

3.2.9.3.13 What are the criteria for adding a drug to your formulary?

*500 words.*

3.2.9.3.14 What are the criteria for deleting single-source brand drugs from your Part-D formulary?

*500 words.*

3.2.9.3.15 Do you allow clients the option to delay single-source brand deletions from the Part-D formulary until the next plan year?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.9.3.16 How do you communicate formulary changes to your clients and their members?

*500 words.*

3.2.9.3.17 What percentage of your formulary consists of multi-source brand drugs?

*500 words.*

3.2.9.3.18 What percentage of your formulary are extended release versions of medications?

*500 words.*

### 3.2.10 Quality Control

3.2.10.1 The State reserves right to exercise a market check in the third or fourth quarter prior to the second contract year, and each subsequent contract year the Agreement is in effect, to assess and verify the competitiveness of the pricing term set forth in the agreement in comparison to that available in the marketplace at that time. The State will designate a third party independent consultant of its choosing that will compare the aggregate value of the upcoming plan year pricing terms to what they may receive under a competitive procurement; should the comparison yield a 1% or greater savings for the State on either a gross claims cost basis (i.e. including the impact of administrative fees and rebate guarantees, but prior to the application of member cost share) or case mix change opportunity, you agree to renegotiate in good faith, the pricing terms for the upcoming year of the contract agreement. If parties are unable to reach agreement, either party may terminate agreement without penalty upon 60 days' notice to the other party. Pricing terms evaluated shall include base administrative fees, discount and dispensing fee guarantees, and rebate guarantees. Benchmarks chosen in the analysis shall be groups with similar plan design, membership and utilization patterns as the State, to the extent possible.

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*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.10.2 Offeror agrees to comply with the State's request for a third-party to perform an Implementation Audit of the pharmacy plan set-up prior to and after the effective date of the Agreement. No charge will be assessed by the Offeror in conjunction with these services.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.10.3 Offeror agrees to cooperate with any independent auditor retained by the State for the purpose of reviewing the administration, adjudication and/or utilization management performance of the vendor for the State's pharmacy plan. No charge will be assessed by the vendor in conjunction with these services. Offeror agrees to comply with the State's request for a third-party to perform an Implementation Audit of the pharmacy plan set-up prior to or after the effective date of the Agreement.

*Single, Radio group.*

1: Yes,

2: No. Explanation: [ 500 words ]

3.2.10.4 Please explain in detail how you will evaluate and report to the State your performance under the Contract. Specifically, identify and describe, by function, how each aspect of the work set forth in Section 1.04 of the RFP instructions relative to the Pharmacy Benefit Management component will be evaluated for effectiveness and efficiency. For each function, please provide the following evaluative information:

- A detailed description of each performance standard you will utilize to evaluate each functional component for effectiveness and efficiency.
- The benchmark measurement for each identified performance standard for each functional component.
- The frequency of reporting to the State your evaluation of each identified performance standard for each functional component based on the standards and benchmarks you utilized to determine effectiveness and efficiency.
- Which standards you are willing to subject to penalty for failure to meet.
- Whether the evaluation of each standard will be conducted by your organization or will be conducted by an independent external organization.

*Unlimited.*

3.2.10.5 Performance Guarantees (use tables provided in Attachment G2)

Please complete the Excel worksheet "Performance Guarantees Worksheet" and provide the completed worksheet as an attachment to the RFP. Detailed instructions are provided in the worksheet.

*Single, Pull-down list.*

1: Attached,

2: Not Attached

3.2.10.6 Are you willing to put fees at risk for network expansion if needed?

*Unlimited.*

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3.2.10.7 Are you willing to guarantee savings in this proposal? If so, please explain.

*Unlimited.*

3.2.10.8 Are you willing to place fees at risk for meeting certain performance standards and guarantee outcomes under the Contract?

*Unlimited.*

3.2.10.9 Confirm you will not charge the State for claim payments not authorized by the State's plans when such payments were erroneously authorized by Contractor's employees, subcontractors or joint venturers, including pre-authorizations issued by Contractor's employees, subcontractors or joint venturers, causing the State's plans to incur costs for non-covered services.

*Unlimited.*

3.2.10.10 When are performance penalties paid out?

*Unlimited.*

3.2.10.11 Can tracking and reporting of the performance standards be based on State-specific data?

*Unlimited.*

3.2.10.12 Please confirm that you will permit and cooperate with internal audits on any aspect of the administration of the program, as the State determines to be necessary and appropriate. State personnel or outside auditors that the State selects may perform these audits, including audits that may take place after the end of the contract period.

*Unlimited.*

3.2.10.13 Please confirm that you will provide claims, payment documentation and other necessary information required for the State to complete its annual health funds audits.

*Unlimited.*

3.2.10.14 Do you agree to a fund implementation audit, prior to effective date, up to \$50,000 to be performed by a firm of the State's choosing?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.10.15 Please indicate whether or not you agree with the following statements regarding Audits.

	Agree
You will allow auditing of your operations as they relate to the administration and servicing of this account.	<i>Single, Pull-down list.</i> 1: Agree,

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	2: Disagree
Your organization will not charge for services rendered in conjunction with the audit.	<i>Single, Pull-down list.</i> 1: Agree, 2: Disagree
If problems are discovered, follow-up audits will be paid by your organization.	<i>Single, Pull-down list.</i> 1: Agree, 2: Disagree

3.2.10.16 Do you use a statistically significant sample for internal audits?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.10.17 Do you have a dedicated internal audit staff?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.10.18 With what frequency is the claims processing function audited by an external auditing firm?

*Single, Radio group.*

- 1: Daily,
- 2: Weekly,
- 3: Monthly,
- 4: Other: [ 500 words ]

3.2.10.19 With what frequency is the claims processing function audited internally?

*Single, Radio group.*

- 1: Daily,
- 2: Weekly,
- 3: Monthly,
- 4: Other: [ 500 words ]

3.2.10.20 Are audits performed on a pre- or post-disbursement basis?

*Single, Pull-down list.*

- 1: Pre-Disbursement,
- 2: Post-Disbursement,
- 3: Both

3.2.10.21 How are claims selected for audit?

*Single, Radio group.*

- 1: Random by system,
- 2: Set percent per day,
- 3: Set number per approver per day/week,
- 4: Diagnosis,
- 5: Dollar amount,
- 6: Other. Please specify: [ 500 words ]

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3.2.10.22 The State has the right to audit any data necessary to ensure the Offeror is complying with all contract terms, which includes but is not limited to 100% of pharmacy claims data, which includes at least all National Council for Prescription Drug Program (NCPDP) fields from the most current version and release; pharmaceutical manufacturer and wholesaler agreements; [retail pharmacy contracts; mail and specialty pharmacy contracts to the extent they exist with other vendor(s)]; approved and denied utilization management reviews; clinical program outcomes; appeals; information related to the reporting and measurement of performance guarantees; etc.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.23 The State has the right to conduct audits at any time during the contract term upon 30-days written notice to the Offeror.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.24 The State has the right to audit post termination.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.25 The Offeror will not limit the time period of paid claims to be audited.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.26 The State must not be responsible for any of the Offeror's expenses related to an operational or financial audit, including the provision of records.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.27 The State has the right to audit at no charge except at a direct pass-through of any data retrieval fees, which may be required if data requested has already been stored.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.28 The State has the right to audit more than once per year if the audits are different in scope or for different services.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

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3.2.10.29 The State has the right to perform additional audits during the year of similar scope if requested as a follow-up to ensure significant/material errors found in an audit have been corrected and are not recurring or if additional information becomes available to warrant further investigation.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.30 Offeror shall provide reasonable cooperation with requests for information, which includes but is not limited to the timing of the audit, deliverables, data/information requests and your response time to our questions during and after the process.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.31 Offeror shall provide a response to all “findings” that receives within 10 days, or at a later date if mutually determined to be more reasonable based on the number and type of findings.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.32 Offeror agrees to permit auditing and support client requested auditing of electronic invoice reviews with each invoice.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.33 Offeror will support, not impede, the State's auditing of performance metrics at any time during the contract term.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.34 Offeror conducts a type II SAS70 audit at least annually at no cost to the State.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

3.2.10.35 Offeror will refund the State for any claims agreed to be errors within an audit and outside the audit period if a systemic error was found that found to be in other time periods based on Offeror's research.

*Single, Pull-down list.*

- 1: Yes,
- 2: No

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3.2.10.36 Confirm that you will handle all mandatory reporting to CMS and states that have surcharges such as New York and Massachusetts.

*Single, Radio group.*

1: Yes,

2: No. Explain: [ 500 words ]

3.2.10.37 The State requires the ability to audit the vendor administering its Medicare Part D drug program. Describe any audit requirements or restrictions regarding your services and confirm that the State will not be responsible for any audit expenses incurred by your organization.

*500 words.*

### 3.2.11 Appeals

3.2.11.1 Describe your method for processing appeals for certification review, claim review and/or billing appropriateness.

*Unlimited.*

3.2.11.2 Explain how you use staff medical professionals and/or outside consultants to review disputed claims for medical necessity and billing appropriateness.

*Unlimited.*

3.2.11.3 Describe how you retain medical consultants that represent various specialties for use in pre-authorization and claims resolution.

*Unlimited.*

3.2.11.4 Describe your multi-level appeals process for administrative and clinical denials.

*Unlimited.*

3.2.11.5 Describe how you will meet the State's appeal process requirements and confirm you will be able to provide copies of all claim and appeal documents to the State for appeals that reach the State's level.

*Unlimited.*

3.2.11.6 Confirm that you will participate, if needed, in administrative hearings resulting from denial determinations.

*Unlimited.*

3.2.11.7 Provide the percentages of total claims processed monthly that are appealed for other clients of similar size to the State.

*Unlimited.*



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3.2.11.8 Of your total denials, provide the percentage of services that are generally overturned on appeal.

*Unlimited.*

3.2.11.9 Do you have a dedicated appeals staff?

*Unlimited.*

3.2.11.10 Confirm the State will have a single point of contact for appeals related inquiries.

*Unlimited.*

3.2.11.11 Please provide copies of all appeal decision notices you use.

*Single, Pull-down list.*

- 1: Attached,
- 2: Not attached

3.2.11.12 Describe other services you offer prior to or during appeal.

*Unlimited.*

### 3.2.12 Data Analysis

#### 3.2.12.1 Data Collection

3.2.12.1.1 Do you utilize a data warehouse for reporting and claim and trend analysis?

*Unlimited.*

3.2.12.1.2 Describe your organization's data warehousing and population health analytical services, including software used.

*Unlimited.*

3.2.12.1.3 What resources do you provide from a health data analyst perspective to support your clients?

*Unlimited.*

3.2.12.1.4 If yes, please provide the name of the warehouse and indicate if the State will have access to data and reporting. If there is an additional cost, please indicate the cost on the rate sheet.

*Unlimited.*

3.2.12.1.5 Explain whether your organization will release detailed claims data to a central data warehouse for non-AlaskaCare health plan related analysis. Indicate if you are paid to provide this data.

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*Unlimited.*

## 3.2.12.2 Reporting

3.2.12.2.1 Attach samples of your standard reporting package. Label attachment "Standard Reporting Package"

*Single, Pull-down list.*

- 1: Attached,
- 2: Not Attached

3.2.12.2.2 Attach a list and detailed description (including frequency) of the reports provided on a standard basis (at no additional cost).

*Single, Pull-down list.*

- 1: Attached,
- 2: Not Attached

3.2.12.2.3 Are you able to provide reporting that allows the State to see trends in claim activity information by different organization units?

*Unlimited.*

3.2.12.2.4 Describe any custom reporting and data dashboards you have created for your clients, be specific and how they integrated into the full suite of services being proposed.

*Unlimited.*

3.2.12.2.5 Are reports available via the web?

*Unlimited.*

3.2.12.2.6 Are you able to accommodate requests for ad-hoc or customized reporting (including utilization information) at no cost to the State? If there is an additional cost, please indicate the cost on the rate sheet.

*Unlimited.*

3.2.12.2.7 If you are able to accommodate ad- hoc or customized reporting, what is the normal turnaround time to fulfill such request.

*Unlimited.*

3.2.12.2.8 Will you provide performance review reports by each different group/plan at least quarterly or more frequently if requested at no additional charge?

*Single, Radio group.*

- 1: Yes,
- 2: No

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3.2.12.2.9 Will you provide clinical program management outcome reports quarterly?

*Single, Radio group.*

- 1: Yes,
- 2: No

3.2.12.2.10 List all your client website reporting capabilities and please be specific.

*500 words.*

3.2.12.2.11 In addition to typical claims file requests for use by case and disease management vendors, please confirm that, if requested by the State and with the appropriate confidentiality agreements in place, you will provide full claims detail, which include pricing information, to State's third parties? Note any limitations and/or fees for such requests.

*500 words.*

3.2.12.2.12 Provide a sample rebate report that will be provided with each payment to the State and its consultant which include a breakdown of rebate payments by; a) therapy class, and b) manufacturer.

*Single, Pull-down list.*

- 1: Attached,
- 2: Not Attached

### 3.2.13 Financial

#### 3.2.13.1 Subrogation

3.2.13.1.1 Do you charge for subrogation?

*Unlimited.*

3.2.13.1.2 If you answered Yes to the previous question, please indicate the charge for subrogation.

*Unlimited.*

#### 3.2.13.2 Banking

3.2.13.2.1 Provide a sample of your administrative fee invoice.

*Single, Pull-down list.*

- 1: Attached,
- 2: Not Attached

3.2.13.2.2 Describe your process for printing checks, including whether they are produced daily, weekly, monthly or other. Describe whether the timing is different for members than for providers and your

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process for replacing a lost check when notified by a member or provider that they did not receive the check.

*Unlimited.*

3.2.13.2.3 Describe whether the timing for printing checks is different for members than providers and your process for replacing a lost check when notified by a member or provider that they did not receive the check.

*Unlimited.*

3.2.13.2.4 What measures are in place to ensure that reimbursements are issued to the proper party?

*Unlimited.*

3.2.13.2.5 Explain whether you offer direct deposit of participant benefit reimbursement and define for which benefits covered by this proposal the direct deposit service is available.

*Unlimited.*

3.2.13.2.6 Do you require that self-funded plans use a specific bank for funding claims? If yes, indicate name of the bank.

*Unlimited.*

3.2.13.2.7 Please confirm you will establish a separate bank account on the State's behalf.

*Unlimited.*

3.2.13.2.8 Confirm that you will set up the State's account structure based upon their requirements.

*Unlimited.*

3.2.13.2.9 Please confirm you will process claims and issue checks from the bank account you established on the State's behalf.

*Unlimited.*

3.2.13.2.10 Please confirm you will request an electronic transfer of funds from the State at regular intervals on a "checks cleared" basis and that the request will be by active employee claims and retiree claims; retirees claims will be split by medical and DVA expenses as well as by retirement system.

*Unlimited.*

3.2.13.2.11 Please confirm you will provide the State with a monthly report reconciling the account balance, claims drafts and electronic transfers.

*Unlimited.*

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3.2.13.2.12 For self-funded plans, confirm that no imprest balance is required.

*Unlimited.*

3.2.13.2.13 What is the frequency for ACH transfers for claim funding?

*Unlimited.*

### **3.3 State Objectives**

#### **3.3.1 Plan Design**

3.3.1.1 Please describe how you can assist the State with identifying and implementing possible plan enhancements that would support the states objectives as identified in Section 1.0 of the RFP.

*Unlimited.*

#### **3.3.2 Policy Development**

3.3.2.1 Please describe how you can support the State in policy development through the use of data driven analysis and best practice recommendations. Please include any additional resources your organization can provide.

*Unlimited.*

#### **3.3.3 Innovation**

3.3.3.1 Briefly describe the four most important ways you propose to assist the State in controlling health costs in Alaska now and in the future.

*Unlimited.*

3.3.3.2 Please provide a white paper with information on innovative steps your organization is prepared to implement in order to assist the State is achieving its vision as stated in Section 1.0 of the RFP. Include any programs or innovations that have proven successful with other similar clients. Focus on cost containment and cutting edge health care support, as well as integration with other key vendor partners.

*Single, Pull-down list.*

1: Attached,

2: Not Attached

#### **3.3.4 Performance Incentives**

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3.3.4.1 In accordance with Section 3.2 of the RFP, please describe in detail any proposals you are including with your cost proposal relative to fee increments for accomplishing state objectives as outlined in Section 1.0 of the RFP such as:

- a. Cost Containment Fee Increment. An annual fee increment in an amount to be proposed by the Offeror to be awarded if cost growth per member declines xx% from the prior fiscal year and claims processing accuracy audits show claims processing accuracy exceeds 98% for the fiscal year.
- b. Cost Reduction Fee Increment. An annual fee increment in an amount to be proposed by the Offeror to be awarded if overall claims costs are less than xx% from the prior fiscal year and claims processing accuracy audits show claims processing accuracy exceeds 98% for the fiscal year.

Note that these are examples and the State is willing to review other proposed performance incentives.

*Unlimited.*

### 3.4 Cost

#### 3.4.1 Fees

3.4.1.1 Confirm you have completed the rate table, and included any additional costs identified within the questionnaire.

*Unlimited.*

3.4.1.2 Confirm that your rates are guaranteed for at least 3 years.

*Unlimited.*

3.4.1.3 You understand that any response except "Yes" within this section may result in an adjustment to the pricing terms and fees you input in other sections within this RFP and/or may disqualify your offer from being considered.

*Unlimited.*

### 3.5 Response Attachments - PBM

#### 3.5.1 Pharmacy Benefit Management Pricing Tables

Please complete the Excel worksheets in Attachment F2 and provide the completed worksheets as an attachment to the RFP. Detailed instructions are provided in the worksheet.

*Single, Pull-down list.*

Answer and attachment required

- 1: Attached,
- 2: Not Attached

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Attached Document: [Attachment F2 - Pharmacy Benefit Management Pricing Tables and Examples.xls](#)

3.5.2 Please complete an attach the following file labeled "Attachment I2 - Pharmacy Benefit Management Services Implementation and Performance Guarantees.xlsx"

*Single, Pull-down list.*

Answer and attachment required

- 1: Attached,
- 2: Not Attached

Attached Document: [Attachment I2 - Pharmacy Benefit Management Services Implementation and Performance Guarantees.xlsx](#)

3.5.3 Please complete an attach the following file labeled "Attachment J7 - Pharmacy Benefit Management Services GeoAccess and Network Analysis.xlsx"

*Single, Pull-down list.*

Answer and attachment required

- 1: Attached,
- 2: Not Attached

Attached Document: [Attachment J7 - Pharmacy Benefit Management Services GeoAccess and Network Analysis.xlsx](#)

## 3.6 Reference Documents - PBM

3.6.1 Attachment G2 - Pharmacy Benefit Management Services Cost Scoring Methodology.docx

*Document.*

Attached Document: [Attachment G2 - Pharmacy Benefit Management Services Cost Scoring Methodology.docx](#)

3.6.2 Attachment H2 - Pharmacy Benefit Management Scoring Methodology Example.xlsx

*Document.*

Attached Document: [Attachment H2 - Pharmacy Benefit Management Scoring Methodology Example.xlsx](#)