

Request for Proposal for Pharmacy Benefit Management Services

Attachment C-1: References - EGWP

Representations made by the Bidder in this Proposal become contractual obligations that must be met during the contract term.

Instructions: West Virginia PEIA currently offers integrated Medicare Advantage/Prescription Drug (MAPD) plans to its Medicare eligible participants. While it is not anticipated that a stand-alone Medicare Part D, or EGWP, plan will be offered to Medicare eligible participants during the course of this contract, PEIA is interested in obtaining information as to the Bidder's experience and capabilities with respect to the administration of a self-funded EGWP plan.

Please provide references for two clients (public or private sector) for whom you administer a Medicare Part D Prescription Drug Plan for Medicare participants.

Information	Reference #1	Reference #2
Company Name		
Contact Person		
Title		
City, State		
Telephone #		
Fax Phone #		
E-mail Address		
# Covered Lives		

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Attachment C-2: Questionnaire - EGWP

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Please provide a brief response (less than 1,024 characters in length) to each of the following questions. If a drop down list is available, please select a response from that list.

Question	Response
I. GENERAL	
Q-1 Provide the total number of covered lives in your EGWP book of business as of March 31, 2015: a.) Total number of covered lives by fully insured EGWP plans: b.) Total number of covered lives by self-funded EGWP plans:	
Q-2 Please provide a distribution of employer clients by number of members in the following categories for who you provide EGWP administration services. (Clients do not need to be identified.) Less than 1,000 members 1,000 - 4,999 members 5,000 - 9,999 members 10,000 - 49,999 members 50,000 - 99,999 members 100,000 - 499,999 members 500,000 or more members	
II. PLAN DESIGN	
Q-3 a.) Are you able to duplicate the current pharmacy benefits for Medicare primary participants covered by the Medicare Advantage Prescription Drug Plans (MAPD)? b.) If no, please describe the differences between the current pharmacy benefits for Medicare primary participants covered by PEIA and the plan(s) you are able to provide.	Select one
III. ADMINISTRATIVE FUNCTIONS	
Q-4 Will you provide all CMS required filings related to formulary, medication therapy management and other clinical programs on a timely basis?	Select one
Q-5 Will you provide all CMS required filings related to certification of compliance to waste, fraud and abuse requirements?	Select one
Q-6 Confirm that you will mirror the current clinical rules as closely as possible consistent with CMS regulations.	
Q-7 Does your member appeals process meet all CMS Medicare Part D requirements?	Select one
Q-8 a.) What is the location (city/state) of the customer service call center the Bidder will be utilizing for an EGWP plan? b.) Is this the same facility that will be used for non-Medicare participants?	
Q-9 Describe the enrollment process, including when changes will be effective.	
Q-10 Describe the disenrollment process, including when changes will be effective.	
Q-11 What are your standards regarding turnaround time for issuing identification cards and accuracy?	
Q-12 a.) Please describe your preferred accounting methodology for tracking direct subsidy monies received as result of PEIA utilization to assure 100% pass through of costs and revenue. b.) Please describe your preferred accounting methodology for tracking catastrophic reinsurance received as a result of PEIA utilization to assure 100% pass through of costs and revenue.	

	Question	Response
	c.) Please describe your preferred accounting methodology for tracking discounts received from pharmaceutical manufacturers for brand drugs in the Standard Part D benefit donut hole to assure 100% pass through of costs and revenue.	
Q-13	Confirm that you process low-income premium subsidy refunds to members of PEIA and low-income cost sharing refund requests to members.	

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Attachment C-3: Financial Proposal - EGWP

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Instructions: West Virginia PEIA currently offers integrated Medicare Advantage/Prescription Drug (MAPD) plans to its Medicare eligible participants. While it is not anticipated that a stand-alone Medicare Part D, or EGWP, plan will be offered to Medicare eligible participants during the course of this contract, PEIA is interested in obtaining the Bidder's financial proposal for a self-funded EGWP plan. This pricing may only be utilized if the MAPD were no longer offered to eligible participants.

The financial proposal in **Attachment C-3** is based on a self-funded program in which the PBM will pass-through 100% of all costs, CMS revenue and pharmaceutical manufacturer revenue to PEIA and other West Virginia State agencies including, but not limited to, West Virginia Children's Health Insurance Program (CHIP). Monthly fees for administration will be charged to PEIA and CHIP on a per member per month (PMPM) basis.

Please complete the Table II below in its entirety by providing your organization's pricing guarantees for the use of a broad, national retail network; an open specialty pharmacy network; and the pricing requirements listed in Table I below.

Table I

Pricing Requirements	
1.	<p>Administrative fees quoted are specific to PEIA. The administrative fee must be quoted on a fully-loaded basis, i.e., fees must include all direct and indirect costs, general and administrative overhead, purchasing burden, underwriting and actuarial related services and profit. No other fees or charges may be added to the contract after award, nor will the Contractor be compensated on any basis other than the applicable fully loaded per Member per Month (PMPM) rate.</p> <p>Your administrative fee PMPM offer should also include the following programs or programs which you believe to be comparable.</p> <p>a.) Concurrent and retrospective DUR programs that ensures appropriate utilization of drugs based on product choice, quantity dispensed, dosing, and duration of therapy.</p> <p>b.) Clinical initiatives based on national clinical guidelines to assist a physician in optimizing patient care through the identification of potential gaps in care in a patient's treatment.</p> <p>c.) Prior Authorization (See current benefits at www.peia.wv.gov.)</p> <p>d.) Step Therapy (See current benefits at www.peia.wv.gov.)</p> <p>e.) Quantity Limits (See current benefits at www.peia.wv.gov.)</p> <p>f.) POS messaging</p> <p>g.) Generic messaging, which includes notices to the Plan regarding upcoming generic releases and communications to Plan participants to increase awareness of the value of generic drugs.</p> <p>h.) Prescription monitoring for fraud, waste and abuse; evaluation of the appropriateness of controlled substances and other targeted drugs, ensuring safe and appropriate utilization; and communication to physicians via mail as necessary.</p> <p>i.) Mail service program that automatically substitutes a generic for a brand alternative when prescribing physician has authorized generic substitution.</p>
2.	<p>Your offer for claims processed at retail pharmacies must provide complete "pass-through" pricing for all PEIA participants. In other words, you pass directly to PEIA the contract prices you have negotiated with those pharmacies (i.e., you take no spread), which includes the benefit of "lowest-of-pricing logic". ("Lowest-of-pricing logic" means that the participant will pay the lesser of the copay, the U&C, and the contract rate at the point of sale.) This also applies to mail order and specialty pricing guarantees if the Bidder does not own its mail order and specialty pharmacy. If a Bidder owns its mail order and/or the specialty pharmacy, the Bidder must meet pricing guarantees for those claims but pass through of actual acquisition cost of the pharmacy is not required.</p>
3.	<p>Since each pricing guarantee is independent of the other pricing guarantees, any surplus in one pricing component cannot be applied to a deficit in another pricing category.</p> <p><u>a.) Ingredient Cost Discounts</u></p> <p>The drug ingredient cost guarantees may NOT include consideration for the following: (i) claims that may be reimbursed based upon a pharmacy U&C price; (ii) compounds; (iii) savings associated with any drug utilization review program, which includes but is not limited to switching from brands to generics, prior authorization denials or concurrent reviews; or (iv) overages/savings from meeting guarantees for other pricing terms such as Rebates.</p> <p>The drug ingredient cost guarantees (discount percentages off AWP) offered in the pricing guarantee table below must be expressed as a minimum guarantee for both brand and generic drugs. The AWP must be from one nationally recognized source like Medispan and be the one associated with the actual NDC-11 submitted by the pharmacy and used to fill the prescription. Also, note that the actual published AWP will be used.</p> <p>Zero-balanced claims will be included in the guarantees.</p> <p>Single Source Generics will be included in the guarantees for generic drugs during the period of exclusivity.</p> <p>The financial proposal evaluation will be based upon AWP as submitted by Medispan as of the dispense date of the prescription. The financial proposal is offered and reconciled in accordance with the following:</p> <p style="margin-left: 20px;">a.) MAC at Retail and Mail</p> <p style="margin-left: 20px;">b.) Non-MAC contract rate at Retail and Mail</p>

The formula to be used to determine actual performance against the Contractor's quoted pricing guarantees shall be the ratio of the Total Ingredient (materials) Cost (net of the excluded items listed above, for all claims) to the undiscounted (gross) Average Wholesale Price (AWP) (net of the excluded items listed above, for all claims).

In the event there are changes in the marketplace to the baseline measure used to guarantee the ingredient costs of drugs (e.g. elimination of AWP, change in calculation of AWP, etc.), the discounts will be adjusted accordingly to provide an equivalent price. The Contractor shall provide notice to PEIA and shall provide a means to independently evaluate whether the effective equivalent to the quoted AWP discount rate has been achieved. Any change in the marketplace that would require an adjustment to the pricing would require a contract modification.

The guaranteed minimum AWP discount shall be applicable to only the drug-type and place of service quoted.

b.) Dispensing Fee per Script

The guaranteed maximum average annual dispensing fee per claim that is processed at the retail pharmacies shall be based on paid claims, NOT claims that are reversed, rejected or not billed to the client.

The guaranteed maximum average annual dispensing fee per claim that is processed at the mail and specialty pharmacies, if any, shall be a fixed amount per paid claim.

c.) Rebates per Brand Script

"Rebates" for purposes of your offer must provide complete pass through of all revenue you receive from outside sources related to PEIA's utilization or enrollment of programs, which includes but is not limited to Manufacturer Payments, Rebates, fees, discounts, grants or payments of any kind that are associated with the utilization of PEIA's pharmacy benefit program.

Along with complete pass through of "Rebates", you must provide a guaranteed minimum dollar amount per paid brand prescription that PEIA will receive for "Rebates." The Contractor shall pay minimum rebates due no less frequently than quarterly. There must be an annual reconciliation between the guarantee and actual amount of Rebates paid.

Table II

Pass-through Pricing Financial Offer - Per Unit	PRICING GUARANTEES	
	Calendar Year 2016	Calendar Year 2017
ADMINISTRATIVE FEES		
1. Administrative Fee per Medicare eligible member (PMPM)		
a.) PEIA		
b.) CHIP		
INGREDIENT COSTS (Percent off AWP)		
2. Retail Pharmacy		
a.) Brand		
b.) Generic		
3. Retail 90 Pharmacy		
a.) Brand		
b.) Generic		
4. Mail Order Pharmacy		
a.) Brand		
b.) Generic		
5. Specialty Pharmacy		
a.) Brand		
b.) Generic		
DISPENSING FEES (Per Script)		
6. Retail Pharmacy		
a.) Brand		
b.) Generic		
7. Retail 90 Pharmacy		
a.) Brand		
b.) Generic		
8. Mail Order Pharmacy		
a.) Brand		
b.) Generic		
9. Specialty Pharmacy		
a.) Brand		
b.) Generic		
REBATES (Per Brand Script)		
10. Guaranteed Pharma Revenue per Brand Script		
a.) Retail Pharmacy		
b.) Retail 90 Pharmacy		
c.) Mail Order Pharmacy		
d.) Specialty Pharmacy		