



State of Delaware
Office of Management & Budget
Statewide Benefits Office

STATE EMPLOYEE BENEFITS COMMITTEE

State of Delaware's Request for Proposal for Pharmacy Benefit Management Services

July 27, 2015

Intent to Bid Deadline – Monday, August 10, 2015, noon ET

**Mandatory Pre-Bid Meeting (Conference Call) –
Wednesday, August 12, 2015, 1:30 p.m. ET**

Proposals Due – Thursday, September 17, 2015, by noon ET

OMB15003–PharmBenft

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I. Introduction

On behalf of the State of Delaware, the State Employee Benefits Committee (SEBC) is seeking proposals to provide a Pharmacy Benefit Management program to approximately 66,000 active and retired employees of the State of Delaware and their dependents.

For complete information about the benefit, please go to <http://ben.omb.delaware.gov/script/index.shtml>

Public notice has been provided in accordance with 29 Del. C. § 6981. This RFP is available in electronic form through the State of Delaware Procurement website at www.bids.delaware.gov. Paper copies of this RFP will not be available.

Important Dates (A full timeline is included in Section I.D.)

Contract Effective Date:	July 1, 2016
Open Enrollment:	May, 2016
Intent to Bid Due¹:	Monday, August 10, 2015, by noon ET
Mandatory Pre-Bid Meeting (Conference Call)²	Wednesday, August 12, 2015, 1:30 p.m. ET
Follow-Up Questions Due:	Wednesday, August 19, 2015, by noon ET
Proposal Submissions Due:	Thursday, September 17, 2015, by noon ET

A. Background and Overview

Organization Description

The SEBC is chaired by the Director of the Office of Management and Budget (OMB). The Committee is comprised of the Insurance Commissioner, the Chief Justice of the Supreme Court, the State Treasurer, the Director of the Office of Management and Budget, the Controller General, the Secretary of Finance, the Secretary of Health and Social Services, the Lieutenant Governor, and the President of the Correctional Officers Association of Delaware or their designees. The Statewide Benefits Office (SBO) is a division within the OMB. The SBO functions as the administrative arm of the SEBC responsible for the administration of all statewide benefit programs with the exception of pension and deferred compensation benefits. These programs include, but are not limited

¹ IMPORTANT: Your bid will not be accepted if the State of Delaware does not receive an email or written confirmation of an Intent to Bid. See Section II.B.3 for details.

² IMPORTANT: Your bid will not be accepted if your organization does not participate in the Mandatory Pre-Bid Meeting (Conference Call). See Section II.B.5 for details.

to, health, prescription, dental, vision, disability, life, flexible spending accounts, wellness and disease management programs, pre-tax commuter benefits, and supplemental benefits. Visit <http://ben.omb.delaware.gov> for information about the programs.

Background Information

As of March 2015, there were 43,655 active employees and non-Medicare retirees enrolled in the prescription drug benefit program, including approximately 8,500 active employees and retirees in 60 participating groups, such municipalities and volunteer fire departments.

As of March 2015, there were 22,167 Medicare-eligible retirees enrolled in a Medicare Part D employer group waiver prescription drug plan (EGWP). In order to maintain a calendar year plan, the effective date of the EGWP will be January 1, 2017, and any transition of these retirees from the existing EGWP would be done six (6) months after the transition of the active and non-Medicare retiree group.

Participants may only enroll for health insurance (which includes prescription coverage) during Open Enrollment in May for coverage beginning on the following July 1, the start of the State's fiscal year. New hires must follow the eligibility and spousal and dependent coordination of benefits rules for the health plans. (Please refer to <http://ben.omb.delaware.gov/documents/eer-070114.pdf>).

The SEBC intends to make a single award to one organization for pharmacy benefit management services for all SEBC pharmacy benefit plans. The SEBC will not entertain a sub-contract to a company that would administer critical functions or the complete administration of the EGWP program. This will maximize purchasing economies, minimize employee transition issues, and provide for the most cost effective and seamless administration of the plan. In particular, it is critical that existing and newly retired employees and existing non-Medicare retirees who transition to Medicare health benefits continue to have uninterrupted access to pharmacy benefits prior to their enrollment in the Medicare Part D EGWP. Bidders must demonstrate expertise and experience in managing both active plans and retired populations including Medicare Part D EGWP plans, and must be able to accept and coordinate enrollment from SEBC's multiple medical carriers.

Interested vendors will be required to duplicate the plan design and clinical programs in place as of the effective date of the new contract. The plan design includes a zero-dollar copay for preventative drugs and benefit maximums for fertility drugs. The clinical programs include specific coverage authorization, step therapy, and quantity limits. Vendors can view the current program details and plan designs at: <http://ben.omb.delaware.gov/script/index.shtml>.

Also, the Pharmacy Benefit Management program is subject to the State's Pharmacy Access Act pertaining to network access and participation. For complete information please go to <http://delcode.delaware.gov/title18/c073/index.shtml>.

A signed non-disclosure agreement is required by the Intent to Bid deadline of Monday, August 10, 2015, by noon ET. A census and claims detail file will only be provided to those bidders after a confirmation of an intent to bid and a signed non-disclosure agreement is received. NOTE: Brokers cannot execute the non-disclosure agreement on behalf of their client. Please see Section II.B.3 in the *General Terms and Conditions* for more detail.

B. Proposal Objectives

The SEBC desires to contract with an organization specializing in providing pharmacy drug benefit management programs. The organization must have prior experience directly related to the services requested in this RFP and must be able to demonstrate clearly their ability to:

- offer state of the art prescription drug benefit management services;
- provide clinically and financially appropriate management programs;
- provide transparency in contracting terms with drug manufacturers and pharmacy networks for both traditional and specialty drugs;
- provide competitive financial terms;
- provide excellent customer service to participants;
- provide excellent account management services to the State, including timely reporting;
- meet or exceed performance guarantees; and
- be responsive to requests of the SEBC.

C. Scope of Services

The selected organization is required to provide the following services, at a minimum³:

- a. Prescription claim adjudication.
- b. Participant enrollment maintenance including the capability to accept and process enrollment files in the health insurance vendors' (currently Highmark Delaware and Aetna) designated format.
- c. Distribution of member ID cards and benefit information.
- d. Patient and provider education.

³ This is a general list of services. Details are set forth in the minimum qualifications and questionnaire sections.

- e. Network pharmacy management, including a 90 day retail network.
- f. Formulary management and rebate administration.
- g. Systematic prospective, concurrent, and retrospective drug utilization review.
- h. Clinical management programs including prior authorization and appeals processing.
- i. Fraud, waste, and abuse detection and prevention programs.
- j. Mail order and specialty pharmacy services.
- k. Dedicated, knowledgeable, and accessible member support services.
- l. Secure and multifunctional member website that allows convenient access to enrollment and plan information.
- m. Meaningful and timely management reporting.
- n. Integration with the State’s medical and wellness programs and providers.
- o. Dedicated, expert, and accessible account management staff.
- p. Support for all program related member communications including open enrollment, direct mailings, and other types of media.
- q. Comprehensive management of the EGWP including the ability to maintain benefits for Medicare retirees who are awaiting their EGWP enrollment approval by the Centers for Medicare and Medicaid Services (CMS).
- r. Superior program implementation support.

D. Timetable/Deadlines

The following timetable is expected to apply during this RFP process:

Event	Target
RFP Released	Monday 7/27/2015
Intent to Bid Deadline ⁴	Monday 08/10/15, noon ET
Mandatory Pre-Bid Meeting (Conference Call) ⁵	Wed 08/12/15, 1:30 p.m. ET

⁴ IMPORTANT: Your bid will not be accepted if the State of Delaware does not receive an email or written confirmation of an Intent to Bid. See Section II.B.1 for details.

Follow-up Questions due to SBO from Confirmed Bidders	Wed 08/19/15, noon ET
Responses to Questions to Confirmed Vendors	By Friday 08/28/15
Deadline for Bids	Thursday 09/17/15, noon ET
Notification of Finalists - Invitation to Interview	Week of 10/19/15
Finalist Interviews ⁶	Monday and Tuesday, 11/2/15 and 11/3/15
Contract Award	November, 2015
Open Enrollment	May, 2016
Plan Effective Date - Commercial	Friday 07/01/16
Plan Effective Date - EGWP	Monday 01/01/17

E. Evaluation Process

Proposal Review Committee

The Proposal Review Committee (PRC) will review all proposals submitted in response to the RFP. The PRC shall be comprised of representatives from each of the following offices:

- Office of Management and Budget
- Controller General's Office
- Department of Finance
- Department of Health and Social Services
- State Insurance Commissioner's Office
- State Treasurer's Office

⁵ IMPORTANT: Your bid will not be accepted if your organization does not participate in the Mandatory Pre-Bid Meeting. See Section II.B.5 for details. The Mandatory Pre-Bid Meeting will be a webinar conference call to discuss bid submission requirements for the hard copies and electronic copies. Additionally, we will review the technology requirements. All other topics will be addressed in the written Question and Answer process.

⁶ The SEBC will require each of the finalists to make a presentation in Dover, Delaware, at the expense of the proposing firm. In addition to communicating your organization's capabilities to fulfill the requirements in the RFP, the presentation will require a demonstration of regarding customer service and account management on-line functions. Because the finalist notifications may go out as late as a week or two beforehand, SAVE THE DATES of Monday and Tuesday, November 2 and 3, 2015.

- Chief Justice of the Supreme Court
- Lieutenant Governor’s Office
- President of the Correctional Officers Association of Delaware

The PRC shall determine the firms that meet requirements pursuant to selection criteria of the RFP and procedures established in 29 Del. C. § 6981 and 6982. The PRC reserves full discretion to determine the competence and responsibility, professionally and/or financially, of vendors. Vendors are to provide in a timely manner any and all information the PRC may deem necessary to make a decision. The PRC shall interview at least one (1) of the qualified firms.

The minimum requirements are mandatory.

Failure to meet any of the minimum requirements outlined in the RFP may result in disqualification of the proposal submitted by your organization.

The SEBC will not respond to a question in the question and answer process that asks whether or not a bid would be disqualified if the vendor does not meet a specific minimum requirement. The bid must be submitted and then analyzed in its entirety.

The proposing firm’s ability to meet the Technology and Data Requirements in Section VII are also considered a minimum requirement.

The PRC shall make a recommendation regarding the award of contract to the SEBC who shall have final authority, in accordance with the provisions of this RFP and 29 Del.C. §6982, to award a contract to the successful firm or firms as determined by the SEBC in its sole discretion to be in the best interests of the State of Delaware. The SEBC may negotiate with one or more firms during the same period and may, at its discretion, terminate negotiations with any or all firms. The SEBC reserves the right to reject any and all proposals or award to multiple vendors. The SEBC also reserves the right to award to multiple vendors, however, it is the SEBC’s intention to award the contract to one vendor.

Evaluation Criteria

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used by the PRC to evaluate proposals:

Topic and Weighting	Description
Responsiveness – 5%	Compliance with the submission requirements of the bid including format, clarity, conformity, realistic responses, and completeness, as well as responsiveness to requests during the evaluation process.

Cost - 50%	Competitive discounts, rebate guarantees, and administrative fees. Cost considerations will include both commercial and EGWP competitive pricing. Best and Final Rates will not be requested after your bid submission. Please provide your best and final rates with your initial proposal.
Organization's Ability and Experience - 20%	Proven ability to perform the services as outlined in the Scope of Services. Ability to duplicate existing plan designs, match existing clinical programs and implement the program with minimal disruption to participants.
Network and Formulary– 15%	Convenient retail pharmacy network, including 90-day supply retail network, and formulary that balances comprehensive coverage and cost management.
Administrative Services - 10%	Accomplished account management personnel and the ability to be responsive and solve problems for members and the Statewide Benefits account team. Qualifications and experience of the organization's personnel to provide excellent customer service to the participants and account management services.

The SEBC will use the information contained in your proposal to determine whether you will be selected as a finalist and for contract negotiations. The proposal the SEBC selects will be a working document. As such, the SEBC will expect the proposing firm to honor all representations made in its proposal.

It is the proposing firm's sole responsibility to submit information relative to the evaluation of its proposal and the SEBC is under no obligation to solicit such information if it is not included with the proposing firm's proposal. Failure of the proposing firm to submit such information in a manner so that it is easily located and understood may have an adverse impact on the evaluation of the proposing firm's proposal.

The proposals shall contain the essential information for which the award will be made. The information required to be submitted in response to this RFP has been determined by the SEBC and the PRC to be essential in the evaluation and award process. Therefore, all instructions contained in this RFP must be met in order to qualify as a responsive contractor and to participate in the PRC's consideration for award. Proposals that do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the PRC.

RFP Award Notification

The contract shall be awarded to the vendor whose proposal is determined by the SEBC to be most advantageous, taking into consideration the evaluation criteria set forth in the RFP. The SEBC is not obligated to award the contract to the vendor who submits the

lowest bid. Rather the contract will be awarded to the vendor whose proposal is determined by the SEBC to be the most advantageous. The award is subject to the appropriate State of Delaware approvals. After a final selection is made, the winning vendor will be invited to negotiate a contract with the State; remaining vendors will be notified in writing of their selection status.

If you are selected as a finalist and after the interview, your organization is selected by the Proposal Review Committee (PRC) as their recommendation to the SEBC for the contract award, the Department of Technology and Information (DTI) must approve the technology section of your bid submission.

Within five (5) business days of the approval by DTI, Appendix K, *Non-Public Data Owned by the State of Delaware - State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions*, must be signed by your organization and any subcontractor(s) used for technology services. If the document is not signed within five (5) business days, and all the Technology and Data Security requirements in this section are not met, the PRC's recommendation to award the contract will be withdrawn.

Alternatively, if the contract is awarded by the SEBC before the DTI review process is complete, the award will be contingent upon DTI's approval of all the Technology and Data Security requirements in this section and the signature of the *Non-Public Data Owned by the State of Delaware - State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions* form within five (5) business days of DTI's approval.

Award of Contract

The final award of a contract is subject to approval by the SEBC. The SEBC has the sole right to select the successful vendor(s) for award, to reject any proposal as unsatisfactory or non-responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP. Notice in writing to a vendor of the acceptance of its proposal by the SEBC and the subsequent full execution of a written contract will constitute a contract, and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

F. Confidentiality of Documents

The OMB is a public agency as defined by State law, and as such, it is subject to the Delaware Freedom of Information Act, 29 Del. C. Ch. 100 (FOIA). Under the law, all the State's records are public records unless otherwise declared by law to be not public and are subject to inspection and copying by any person. However, organizations are advised that for this PBM contract, when the contract has been fully executed or after the effective date of the contract, whichever comes later, the contents of the proposal and terms of the contract, including administrative fees but excepting AWP discounts, dispensing fees, and rebates, will become public record and nothing contained in the proposal or contract will be deemed to be confidential except the proprietary information.

The State of Delaware wishes to create a business-friendly environment and procurement process. As such, the State respects the vendor community's desire to protect its intellectual property, trade secrets, and confidential business information. Proposals must contain sufficient information to be evaluated. The State has been advised that a PBM's AWP discounts, dispensing fees, and rebates are confidential business information which is excluded from the public records and not subject to FOIA disclosure. If a vendor feels that they cannot submit their proposal without including other confidential business information, they must adhere to the following procedure or their proposal may be deemed non-responsive, may not be recommended for selection, and any applicable protection for the vendor's confidential business information may be lost.

In order to allow the State to assess its ability to protect a vendor's confidential business information, vendors will be permitted to designate appropriate portions of their proposal as confidential business information. Proposing firms must submit one hard copy of any information the firm is seeking to be treated as proprietary in a separate, sealed envelope labeled "Proprietary Information" with the RFP name included. The envelope must contain a letter from the proposing firm's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not public record as defined by FOIA at 29 Del. C. § 10002(d) and state the reasons that each document meets the said definitions. The documents must also be provided electronically on a CD with a complete redacted copy. In order to submit a complete electronic copy, you must scan the letter as the first page so that the file is clearly designated.

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the State will open the envelope to determine if the procedure described above has been followed. Such requests will not be binding on the SEBC to prevent such a disclosure but may be evaluated under the provisions of 29 Del.C. Chapter 100. Any final decisions regarding disclosure under FOIA shall be made at the sole discretion of the OMB. The State shall independently determine the validity of any vendor designation as set forth in this section. Any vendor submitting a proposal or using the procedures discussed herein expressly accepts the State's absolute right and duty to independently assess the legal and factual validity of any information designated as confidential business information. Accordingly, vendors assume the risk that confidential business information included within a proposal may enter the public domain.

Please see Section II.C., *Submission of Proposal*, for a detailed description of the number, format, and type of copies that are required.

All documentation submitted in response to this RFP and any subsequent requests for information pertaining to this RFP shall become the property of the State of Delaware, OMB and shall not be returned to the proposing firm. All proposing firms should be aware that government solicitations and responses are in the public domain.

II. Terms and Conditions

A. Proposal Response Requirements

1. **Conformity** - Your proposal must conform to the requirements set forth in this RFP. The SEBC reserves the right to deny any and all exceptions taken to the RFP requirements. By submitting a bid, each vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules, appendices, and exhibits hereto, and has fully informed itself as to all existing conditions and limitations. The failure or omission to examine any form, instrument or document shall in no way relieve vendors from any obligation in respect to this RFP.
2. **Concise and Direct** - Please provide complete answers and explain all issues in a concise, direct manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. Please do not refer to another answer if the question appears duplicative, but respond in full to each question. If you cannot provide a direct response for some reason (e.g., your company does not collect or furnish certain information), please indicate the reason rather than providing general information that fails to answer the question. **“Will discuss” and “will consider” are not appropriate answers, nor is a reference to the current contractual terms by an incumbent.** All information requested is considered important. If you have additional information you would like to provide, include it as an appendix to your proposal.
3. **Realistic** – It is the expectation of the SEBC that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within their proposal. Proposals must be realistic and must represent the best estimate of time, materials, and other costs including the impact of inflation and any economic or other factors that are reasonably predictable. The State of Delaware shall bear no responsibility or increased obligation for a vendor’s failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.
4. **Completeness of Proposal** – The proposal must be complete and comply with all aspects of the specifications. Any missing information could disqualify your proposal. Proposals must contain sufficient information to be evaluated and, therefore, must be complete and responsive. Unless noted to the contrary, we will assume that your proposal conforms to our specifications in every way. The SEBC reserves full discretion to determine the competence and responsibility, professionally, and/or financially, of vendors. Failure to respond to any request for information may result in rejection of the proposal at the sole discretion of the SEBC.

B. General Terms and Conditions

General

1. **Intent to Bid** – You must indicate your intent to bid via email to Ms. Laurene Eheman at laurene.eheman@state.de.us by Monday, August 10, 2015, no later than noon ET. Upon receipt, a Word document of the RFP will be provided. **Your bid will not be accepted if the State of Delaware does not receive an email or written confirmation of an intent to bid.** Include the following information: company name and address, the name, title, and email address of the primary contact along with the same information for a secondary contact.
2. **No Bid** - To assist us in obtaining competitive bids and analyzing our procurement processes, if you choose not to bid we ask that you let us know the reason. We would appreciate your candor. For example: objections to (specific) terms, do not feel you can be competitive, or cannot provide all the services in the Scope of Services. Please email Ms. Laurene Eheman at laurene.eheman@state.de.us.
3. **Non-Disclosure Agreement** - A signed non-disclosure agreement is required by the Intent to Bid deadline of Monday, August 10, 2015, by noon ET. Census and claims/utilization data are collectively referred to as Attachment 6 throughout the RFP. These documents will only be provided to those bidders after a confirmation of an intent to bid and a signed non-disclosure agreement is received. NOTE: Brokers cannot execute the non-disclosure agreement on behalf of their client. After signature, scan all the pages and e-mail to Ms. Laurene Eheman at laurene.eheman@state.de.us. The data files will be sent via UPS overnight mail and instructions to access the data file will be included in the reply email confirmation.
4. **Definitions** – The following terms are used interchangeably throughout this RFP:
 - a. bidder, vendor, contractor, organization, service provider
 - b. SEBC, State of Delaware
 - c. proposal, bid, vendor’s submission
5. **Mandatory Pre-Bid Meeting** – A webinar will take place on Wednesday, August 12, 2015, at 1:30 p.m. ET. The purpose is to discuss the bid submission requirements of the organization and formatting of hard copies and electronic copies. We will also discuss the technology requirements. Your organization’s primary contact for the RFP or their designee must participate. Two other representatives are required to participate – the administrative person who will be compiling the hard and electronic copies, and, the person who will be responding to the requirements in the Technical Standards and Security Requirements

section. Your bid will not be accepted if your organization does not participate in the webinar. Questions regarding other topics will not be entertained and must be submitted in the Questions and Answers process as described in Section II.B.7.

6. **Discrepancies, Revisions and Omissions in the RFP** – The vendor is fully responsible for the completeness and accuracy of their proposal and for examining this RFP and all addenda. Failure to do so is at the sole risk of the vendor. **Should the vendor find discrepancies, omissions, unclear or ambiguous intent or meaning, or terms not appropriate to the services requested in the Scope of Services or Minimum Requirements** the vendor shall notify the contact for this RFP, Ms. Laurene Eheman, electronically, and only electronically, at laurene.eheman@state.de.us, at least ten (10) business days before the proposal opening by submitting the *RFP Terms and Conditions Exception Tracking*, Appendix E. This will allow for the issuance of any necessary addenda. It will also help prevent the opening of a defective proposal and exposure of the vendor's proposal upon which an award could not be made. All unresolved issues should be addressed in the proposal.

Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of Ms. Laurene Eheman, electronically, and only electronically, at laurene.eheman@state.de.us, no later than ten (10) business days prior to the time set for opening of the proposals.

If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware's website at www.bids.delaware.gov and emailed to all vendors that submitted an Intent to Bid. The State of Delaware or SEBC is not bound by any statement related to this RFP made by any State of Delaware employee, contractor or its agents.

7. **Questions** – The SEBC anticipates this will be an interactive process and will make every reasonable effort to provide sufficient information for vendor responses. Vendors are invited to ask questions during the proposal process and to seek additional information, if needed. However, do not contact any member of the SEBC about this RFP. Communications made to other State of Delaware personnel or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify the vendor.

Vendors should only rely on written statements issued by the RFP designated contact, Ms. Laurene Eheman. **All proposing vendors must submit their questions electronically, and only electronically, to Ms. Laurene Eheman at laurene.eheman@state.de.us no later than Wednesday, August 19, 2015, by noon ET.** So that we can be sure to respond within the context of the question, if you are referring to a specific question or term, you must copy the question or information and reference the section, question number, and/or page number. The SBO will then put all questions received and the responses into one document and send it to all vendors who confirmed their intention to bid.

Contract Term / Rate Guarantee Periods

The term of the commercial agreement will be for three (3) years beginning July 1, 2016. The vendor must guarantee financial terms through June 30, 2019. The term of the EGWP agreement will be for three (3) years beginning January 1, 2017. The vendor must guarantee financial terms through December 31, 2019. The State will have the option to renew the contract annually following the initial three-year contract period. Vendors will be asked if they are willing to renew for two (2) additional optional one-year periods that may be exercised at the discretion of the SEBC effective July 1, 2019 and July 1, 2020 (January 1, 2020 and January 1, 2021 for EGWP).

Contract Termination

The term of the contract between the successful organization and the State will be for three (3) years and may be renewed for two (2) additional one-year extensions at the discretion of the SEBC. The contract may be terminated by either party upon 180 days written notice. In the event the successful firm materially breaches any obligation under this Agreement, the State may terminate this Agreement upon thirty (30) days written notice.

Market Check

Beginning eighteen (18) months from the initial Effective Date, the SEBC may conduct a market check analysis of the pricing terms, which may include discount from AWP, dispensing fees, administration fees, and rebates, against the pricing then available to similarly sized or smaller plan sponsors and for similar pharmacy benefit management services. The SEBC will submit to the PBM a market check report that evaluates and compares all major pricing elements and other information to demonstrate comparability of plans. The PBM will review the market check request and respond to SEBC within thirty (30) days of receipt of the market check report. If the market check report validates an aggregate annualized savings of greater than 1%, the parties will discuss, in good faith, revisions to the pricing terms. Any revisions to the pricing terms resulting from the parties' negotiations will be effective July 1 of the following year, but no sooner than thirty (30) days after completion of the market check report. If the parties do not agree on any resulting revisions to pricing after SEBC completes the market check, the SEBC may terminate this agreement upon ninety (90) days prior notice.

Performance Guarantees

The State expects exceptional client account management and participant customer service from their vendors and is interested in evaluating financial and non-financial performance guarantees. The State reserves the right to negotiate both financial and non-financial performance guarantees. Please refer to Appendix C.

Use of Subcontractors

Subcontractors are subject to all the terms and conditions of the RFP.

Required Reporting of Fees and 2nd Tier Spend

Monthly Vendor Usage Report - One of the State's primary goals in administering all its contracts is to keep accurate records regarding actual value/usage. This information is essential in order to update the contents of a contract and to establish proper bonding levels if they are required. The integrity of future contracts revolves around the State's ability to convey accurate and realistic information to all interested parties. For benefit programs, only the administrative fees are reported.

A complete and accurate Usage Report (for illustrative purposes, Attachment 4) shall be furnished in an Excel format and submitted electronically to the State's central procurement office no later than the 15th (or next business day after the 15th day) of each month, stating the administrative fees on this contract. The SBO will submit this report on your behalf.

2nd Tier Spending Report - In accordance with Executive Order 44, the State of Delaware is committed to supporting its diverse business industry and population. The successful Vendor will be required to accurately report on the participation by Diversity Suppliers which includes: minority (MBE), woman (WBE), veteran owned business (VOBE), or service disabled veteran owned business (SDVOBE) under this awarded contract. The reported data elements shall include but not be limited to: name of state contract/project, the name of the Diversity Supplier, Diversity Supplier contact information (phone, email), type of product or service provided by the Diversity Supplier and any minority, women, veteran, or service disabled veteran certifications for the subcontractor (State OSD certification, Minority Supplier Development Council, Women's Business Enterprise Council, VetBiz.gov). The format used for Subcontracting 2nd Tier report is shown as in Attachment 4.

Accurate 2nd Tier Reports shall be submitted to the Office of Supplier Diversity on the 15th (or next business day) of the month following each quarterly period. For consistency, quarters shall be considered to end the last day of March, June, September and December of each calendar year. Contract spend during the covered periods shall result in a report even if the contract has expired by the report due date. You will be asked for this information and the SBO will submit this report on your behalf.

Offshore Vendor Activity

An activity central to the Scope of Services cannot take place at a physical location outside of the United States. Only support activities, including those by a subcontractor, may be performed at satellite facilities such as a foreign office or division. Failure to adhere to this requirement is cause for elimination from future consideration.

Rights of the PRC

- The PRC reserves the right to:
 - Select for contract or negotiations a proposal other than that with lowest costs.

- Reject any and all proposals received in response to this RFP.
 - Make no award or issue a new RFP.
 - Waive or modify any information, irregularity, or inconsistency in a proposal received.
 - Request modification to proposals from any or all vendors during the review and negotiation.
 - Negotiate any aspect of the proposals with any organization.
 - Negotiate with more than one organization at the same time.
 - Select more than one contractor/vendor to perform the applicable services.
- Right of Negotiation – Discussions and negotiations regarding price, performance guarantees, and other matters may be conducted with organizations(s) who submit proposals determined to be reasonably acceptable of being selected for award, but proposals may be accepted without such discussions. The PRC reserves the right to further clarify and/or negotiate with the proposing organizations following completion of the evaluation of proposals but prior to contract execution, if deemed necessary by the PRC and/or the SEBC. The SEBC also reserves the right to move to other proposing firms if negotiations do not lead to a final contract with the initially selected proposing firm. The PRC and/or the SEBC reserves the right to further clarify and/or negotiate with the proposing firm(s) on any matter submitted.
 - Right to Consider Historical Information – The PRC and/or the SEBC reserves the right to consider historical information regarding the proposing firm, whether gained from the proposing firm’s proposal, question and answer conferences, references, or any other source during the evaluation process.
 - Right to Reject, Cancel and/or Re-Bid – The PRC and/or the SEBC specifically reserve the right to reject any or all proposals received in response to the RFP, cancel the RFP in its entirety, or re-bid the services requested. The State makes no commitments, expressed or implied, that this process will result in a business transaction with any vendor.

C. Submission of Proposal

1. **Format** - For each requirement or question, retain the numbering/lettering convention, copy the item and state your answer below it. Please completely answer the question even if you must restate information provided in a different minimum requirement or in another question.

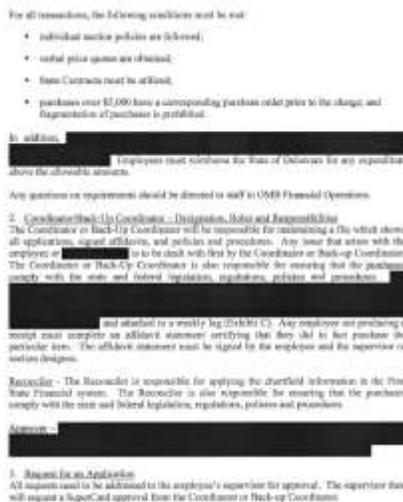
In each section, and for each attachment or appendix you reference, clearly separate the corresponding materials with a tab. Please include a table of contents for the appendices.

2. **Hard Copies** – Please submit four (4) complete hard copies - binders are preferred instead of spiral bound - of your proposal to Ms. Laurene Eheman at the following address:

Ms. Laurene Eheman, RFP and Contract Manager
 Office of Management and Budget
 Statewide Benefits Office
 500 W. Loockerman Street, Suite 320
 Dover, DE 19904
 Phone: (302) 739-8331

Complete means that it includes all information you may deem proprietary and confidential. In other words, the information deemed proprietary and confidential must not be redacted or separated from the rest of the information.

3. **Electronic Copies** – Please include a *complete* electronic copy of your proposal in a PDF format on its own CD. You must scan all the documents; for example, a signed cover letter, the signed Officer's Statement and any appendices. Please divide the PDF into manageable sections for easier readability.⁷ Please label and carefully package the CD.
4. **Redacted Copies** – Since a PBM's AWP discounts, dispensing fees, and rebates are confidential business information which is excluded from the public records and not subject to FOIA disclosure, you must submit a hard copy and electronic copy with that information redacted. Other information that you assert is confidential and proprietary must also be submitted in a redacted form within those same copies of the entire proposal. This means the information must be blacked out or substituted with a blank page that references the page or document that is missing. For example:



⁷ As stated in the *Technical Standards and Security Requirements* section, sub-heading *Directions*, please ensure that your responses (and exhibits, if any) to that section are in a separate tab.

One (1) hard copy is needed with the redacted materials. Imagine you are flipping through the hard copy. You would see that section on a page with information blacked out (redacted) that the author considers confidential and proprietary. If an entire document, section or appendix consisting of multiple pages is considered confidential and proprietary, use a blank page with a reference to the missing information. For example, “Appendix C – Disaster Recovery Plan – is confidential and proprietary and is not public record as defined by FOIA at 29 Del. C. § 10002(d)”.

One (1) electronic copy is needed with the redacted materials in a PDF format on a separate CD from the non-redacted copy. You must scan all the documents; for example, the signed cover letter, the signed Officer's Statement and any appendices. Please divide the PDF into manageable sections for easier readability. Please label and carefully package the CD.

Recap of Proposal Copy Formats	Hard Copies	PDF Copies on separate CDs
Confidential and Proprietary documents: <u>Only</u> those documents (not redacted) and the attorney’s cover letter in a marked and sealed envelope	1	1
Complete bid <u>with</u> redacted sections	1	
Complete bid <u>without</u> redacted sections	4	1

The person who is putting together the hard and electronic copies is welcome to, and encouraged to, contact Ms. Laurene Eheman directly by phone at 302-739-8331 to discuss the requirements and ask questions.

5. **Proposal Submission Date** – Both hard and electronic copies of your complete proposal must be received at the above address no later than **noon ET on Thursday, September 17, 2015**. If the office is closed on the bid due date due to weather or other emergency, the due date and time cannot be pushed forward one day. Any proposal received after this date and time shall not be considered and will be returned to the proposing firm unopened. The proposing firm bears the risk of delays in delivery. The contents of any proposal shall not be disclosed or made available to competing entities during the negotiation process.
6. **Proposal Opening** – To document compliance with the deadline, the proposals will be date and time stamped upon receipt. Proposals will be opened only in the presence of State of Delaware personnel. There will be no public opening of proposals, but a public log will be kept of the names of all vendor organizations that submitted proposals. The list will be posted on www.bids.delaware.gov. In accordance with Executive Order #31 and Title 29, Delaware Code, Chapter 100, the contents of any proposal will not be disclosed to competing vendors prior to

contract execution. Proposals become the property of the State of Delaware at the proposal submission deadline.

7. **Officer Certification** – All vendors participating in this RFP will be required to have a company officer attest to compliance with RFP specifications and the accuracy of all responses provided. Please fill out the *Officer Certification Form*, Appendix D, and include it in your bid package.
8. **Vendor Errors/Omissions** – The SEBC will not be responsible for errors or omissions made in your proposal. You will be permitted to submit only one proposal. You may not revise or withdraw submitted proposals after the applicable deadline.
9. **General Modifications to RFP** – The SEBC reserves the right to issue amendments or change the timelines to this RFP. All firms who submitted an Intent to Bid notice will be notified in writing via e-mail of any modifications made by the SEBC to this RFP. If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware’s website at www.bids.delaware.gov.
10. **Modifications to Submitted Proposal** – Changes, amendments or modifications to proposals shall not be accepted or considered after the time and date specified as the deadline for submission of proposals. However, vendors may modify or withdraw its complete proposal by written request, provided that both proposal and request is received by Ms. Laurene Ehemann prior to the proposal due date and time. Pages for substitution will not be accepted or allowed. The proposal may be re-submitted in accordance with the proposal due date in order to be considered.
11. **Proposal Clarification** – The SEBC may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications will be requested in writing and the vendor’s responses will become part of the proposal.
12. **References** – The SEBC may contact any customer of the vendor, whether or not included in the vendor’s reference list, and use such information in the evaluation process. Additionally, if applicable to the scope of work in this RFP, the State of Delaware may choose to visit existing installations of comparable systems, which may or may not include vendor personnel. If the vendor is involved in such site visits, the State of Delaware will pay travel costs only for the State of Delaware personnel for these visits.
13. **Time for Acceptance of Proposal** – The bidder agrees to be bound by its proposal for a period of at least 180 days, during which time the State may request clarification or correction of the proposal for the purpose of the evaluation.
14. **Incurred Costs** – This RFP does not commit the SEBC to pay any costs incurred in the preparation of a proposal in response to this request and vendor/bidder

agrees that all costs incurred in developing its proposal are the vendor/bidder's responsibility.

15. **Basis of Cost Proposal** – Your proposal must be based on your estimated cost of all expenses for the services and funding arrangements requested.
16. **Certification of Independent Price Determination** – By submission of a proposal, the proposing firm certifies that the fees submitted in response to the RFP have been arrived at independently and without – for the purpose of restricting competition – any consultation, communication, or agreement with any other proposing firm or competitor relating to those fees, the intention to submit a proposal, or the methods or factors used to calculate the fees proposed. Please fill out the *State of Delaware Non-Collusion Statement*, Appendix A, and include it in your bid package.
17. **Improper Consideration** – Bidder shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee, group of employees, retirees or agent of the SEBC in an attempt to secure favorable treatment or consideration regarding the award of this proposal.
18. **Representation Regarding Contingent Fees** – If it is your business practice to engage services from any person or agency to secure or execute any of the services outlined in this RFP, any commissions and percentage, contingent, brokerage, service, or finder's fees must be included in your proposed fee. The SEBC will not pay any separate brokerage fees for securing or executing any of the services outlined in this RFP.
19. **Confidentiality** – All information you receive pursuant to this RFP is confidential and you may not use it for any other purpose other than preparation of your proposal. After the RFP process is completed and the contract award is made, the Non-Disclosure Agreement requires that the census and claims data be destroyed in a secure manner and a certificate of destruction be provided to the State.
20. **Solicitation of State Employees** – Until contract award, vendors shall not, directly or indirectly, solicit any employee of the State of Delaware to leave the State's employ in order to accept employment with the vendor, its affiliates, actual or prospective contractors, or any person acting in concert with the vendor, without prior written approval of the State's contracting officer. Solicitation of State of Delaware employees by a vendor may result in rejection of the vendor's proposal.

This paragraph does not prevent the employment by a vendor of a State of Delaware employee who has initiated contact with the vendor. However, State of Delaware employees may be legally prohibited from accepting employment with the contractor or subcontractor under certain circumstances. Vendors may not

knowingly employ a person who cannot legally accept employment under state or federal law. If a vendor discovers that they have done so, they must terminate that employment immediately.

21. **Consultants and Legal Counsel** – The SEBC may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors’ responses. Bidders shall not contact the consultant or legal counsel on any matter related to this RFP.
22. **Contact with State Employees** – Direct contact with State of Delaware employees regarding this RFP other than the designated contact, Ms. Laurene Eheman, is expressly prohibited without prior consent. Vendors directly contacting State of Delaware employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business with the State who require contact in the normal course of doing that business.
23. **Organizations Ineligible to Bid** - Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.
24. **Exclusions** - The PRC reserves the right to refuse to consider any proposal from a vendor who:
 - a. Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
 - b. Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor;
 - c. Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;
 - d. Has violated contract provisions such as:
 - i. Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - ii. Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;

- iii. Has violated ethical standards set out in law or regulation; and
- iv. Any other cause listed in regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

III. Minimum Requirements

IMPORTANT: The following minimum requirements are mandatory. Failure to meet any of these proposal criteria may result in disqualification of the proposal submitted by your organization. Additionally, the Technology and Data Requirements in Section V are considered minimum requirements.

“Will discuss” and “will consider” are not appropriate answers. If your organization is the current vendor, please reply with a full explanation to every question since the review committee may not be familiar with the current contract or your services.

As an introduction, please provide the following information:.

Firm Name:

Firm Address:

Firm Website:

The individual(s) representing your company during the RFP process:

Representative Name: _____ Phone #: _____ Email: _____

The individual(s) responsible for day-to-day service (if different):

Representative Name: _____ Phone #: _____ Email: _____

A. PBM CORE CAPABILITIES AND EXPERIENCE

1. The selected vendor must have at least five (5) years’ experience as an organization providing all of the services indicated in the Scope of Services (Section I.C). For EGWP management experience (Section I.C.q) at least two (2) years’ experience is required. Please confirm and provide a concise outline of your organization’s experience and qualifications.
2. The selected vendor must be currently providing pharmacy benefit management services for at least 1,000,000 covered lives. Please confirm.
3. The selected vendor must have current experience providing pharmacy benefit services for a public sector client with at least 50,000 covered lives, of which at least 10,000 must be Medicare retirees covered in a Medicare Part D employer group waiver prescription drug plan. Please confirm.

Of your company's current clients, using the list of information below, provide three (3) or more references with at least one being a public sector client. Additionally, provide references for three (3) terminated clients and note the date of termination and reason.

Your company must have proven ability to perform the services described in this RFP, therefore, you must provide the references at this time in order to show your ability to

serve clients of a similar size. If requested in your bid response, the SEBC will agree to notify you before contacting your references during the initial bid analysis process. Then, if selected as a finalist, you will be asked to arrange for your current client references to contact the State or its designated representative. Specific instructions will be provided at that time.

Include the following information:

- a. Client name
 - b. Client principal location
 - c. Location servicing account, if different
 - d. Client contact including name, title address, email and phone number
 - e. Total number of employees
 - f. Number of employees that are participants in the prescription drug benefit
 - g. Effective date of contract
 - h. (Date and reason for termination, if applicable)
4. The selected vendor must hold a contract with CMS as Medicare Part D Prescription Drug Plan, be providing EGWP benefits to current clients, and be able to implement the State's Medicare Part D benefit, including the standard and enhanced benefit utilizing a single-card point-of-sale transaction system. The selected vendor cannot sub-contract to a company that would administer critical functions or the complete administration of the EGWP program. Please confirm and describe.
5. The selected vendor must be able to duplicate the plan designs indicated in Section IV of this RFP for both the active/non-EGWP retirees and the EGWP retiree groups. The selected vendor must also closely mirror the indicated clinical programs described. Please confirm and describe any deviation.

B. ACCOUNT SUPPORT

6. The individual who will act as the SEBC's primary contact shall be, at a minimum, a senior level manager and shall have at least five (5) years' experience providing prescription drug benefit account management, of which three (3) years' experience must have been in providing prescription drug benefit account management services to clients of similar size and complexity. Please provide a statement detailing such experience and a resume.
7. Please confirm that the primary contact will respond promptly (same day) to all State administrative staff requests and questions and will have broad and extensive expertise in at least the following areas: plan design set-up/management, claims processing, enrollment, billing, and member service. Indicate the percent of their time that will be spent on the State's account. Also, indicate whether the primary contact can be dedicated 100% to the State's account and, if so, whether this would entail additional cost/fees.

8. Please confirm that the primary contact and/or lead personnel assigned to a transition team and account management team will be part of any interview team. Additionally, confirm that during the presentation the vendor will provide a demonstration of on-line information and any account management functions, if requested.
9. Please confirm that you will provide designated clinical manager to the State, who will have full knowledge of all clinical programs in effect under the Plan as well as all clinical programs offered by your organization. What percent of their time would be spent on the State's account?
10. Please confirm your organization's willingness to have the State participate in the selection process if there is a change in account managers.
11. Please confirm that a designated member service manager will be assigned to this account. What percent of their time would be spend on the State's account?
12. Please confirm that for both the EGWP and Active plans, a designated enrollment analyst must be assigned to the State's account. The duties are to monitor the inbound files from the State's medical plan carriers (currently Highmark Delaware and Aetna), manage discrepancy issues, and actively engage in relationships with the vendors.
13. Please confirm that your company will provide regular information concerning industry developments or new services and will provide articles and other communications at a frequency determined by the State for inclusion in newsletters and websites.
14. At no cost to the State, please confirm that you will meet with the State on-site on a quarterly basis, noting your company performance according to the performance guarantees in place and to review plan participation.
15. At no cost to the State, please confirm that your organization will provide on-site representation throughout Delaware for two (2) days of benefit representatives' meetings in April each year as well as approximately five (5) days of Health Fairs and educational sessions in May at various locations in all three counties.
16. Please confirm that you will provide a toll-free telephone number for Statewide Benefit Office account management personnel and HR benefit representatives.

C. BENEFIT ADMINISTRATION

17. Please confirm that member Welcome Kits and ID cards will be mailed to the homes of newly enrolled employees within fourteen (14) calendar days upon receipt of the enrollment file from the State.
18. Please confirm that your organization will provide communications including the production and distribution of promotional materials at no cost to the State and participants to approximately 125 human resource offices with the State of Delaware concerning the open enrollment period.

19. Please confirm your organization will conduct customer service surveys and report on a quarterly basis. (This is a requirement in the Performance Guarantees.) If you have a sample of a customer service survey, please provide a copy.
20. Please confirm that you will provide a customer service toll-free telephone line 24 hours a day, 7 days a week.
21. Please confirm that your system is able to handle multiple coverage termination rules depending on the type of Qualifying Event (QE). The State requires that coverage terminates at the end of the month for all QEs except:
 - a. Coverage terminates the day after the effective date of a divorce; and
 - b. Coverage for the ex-spouse of a retiree covered by a Medicare supplement plan will terminate on the last day of the month in which the divorce is final.
22. On a monthly basis and at no cost to the State, after implementation, the vendor agrees to provide the State's data mining vendor, currently Truven, with claims data. On a more frequent and regular basis to be determined, the vendor agrees to provide the State's health carriers (which provide disease management services to the State), currently Highmark and Aetna, with claims data. The Contractor may, at the direction of the State, be required to provide claims data to other parties and/or business partners of the State, including, but not limited to, the State's healthcare consultant, actuary, and data mining vendor, as determined necessary for the administration of the State's Group Health Insurance Program. Such requests shall be fulfilled at no cost to the State. The State acknowledges that the release of claims data must be done in compliance with HIPAA Privacy rules and regulations.
23. Please confirm that services will extend nationwide to all eligible employees and retirees.
24. Please confirm that your organization will run a geo-access analysis and provider disruption on an annual basis to compare the prior year's information with the current year's census, Attachment 6.
25. Please confirm that you will provide member support services for selecting and/or locating network pharmacies.
26. Please confirm that your retail network includes pharmacies that provide 90 day supply prescription for maintenance drugs.
27. Reporting:
 - a. Please confirm that your organization can provide the reports listed in the *Master Report Schedule for All Groups*, Attachment 1, at no cost to the State. Which reports are available on-line? Please provide a sample of these types of reports and include samples of any reports that are available but not listed.

- b. Please confirm that you can set up the administration of the State's program into an organization of the data as three (3) separate groups – department or agencies, retirees/pensioners, and non-payroll – and include the corresponding State's accounting code and a designation of OPEB or non-OPEB status.
 - c. Please confirm that you can manage customized tracking and bi-monthly reporting to the TPAs of IVF expenses for a small number of grandfathered members for services under a plan design that was modified in 2010.
 - d. Please confirm that you will provide a QB7 report within thirty (30) days of the end of each quarter. A sample report is attached as Attachment 7.
 - e. Please confirm that you will provide a rebate reconciliation report (actual to guarantee) annually within 180 days after the end of each contract year?
28. Please confirm that your organization can provide *ad hoc* reports as requested. Is there a fee for such reports? If so, please indicate in Section V.A. Administrative Fees. Please provide a sample of a type of *ad hoc* report that was produced for a client.

D. FINANCIAL

29. Please confirm that all fees or costs to administer the program are included in your pricing terms quoted in the Financial Section (Section V). Fees or costs that are not included in your bid will not be considered by the State.
30. Please confirm that you agree to the Market Check provision indicated in the General Terms Section (Section II).
31. Please confirm your company's willingness to supply the State with renewal information and/or proposed contract amendments at least 180 days prior to the renewal anniversary.
32. Please confirm that the State will be charged the generic price and the member charged the generic copay if a generic is out of stock.
33. Please confirm that the State will have the ability to suspend payments to pharmacies currently identified by the State and reported to PBM as engaging in suspicious dispensing practices.
34. Please confirm that you will set a maximum reimbursement dollar limit on all compounded claims and notify the State when the limit is exceeded.
35. Please confirm that the State will receive a 90-day notice, when possible, of any event or negotiation that may cause a disruption in the retail pharmacy network access.
36. Please confirm that you will not bill the State for any uncollected participant's copays.

37. Please confirm that members do not incur any additional costs for the delivery of specialty drugs.
38. Please confirm that you agree with the following definitions:
- a. AWP (Average Wholesale Price) - AWP will be based on date sensitive (i.e., point of sale), 11-digit NDC as supplied by a nationally recognized pricing source (e.g., MediSpan) for retail and mail order adjudicated claims.
 - b. Member Copay - Members will pay the lowest of the following: plan copay, plan discounted price plus dispensing fee, U&C, or retail cash price. Excess copayment retention is not permitted.
 - c. Pass Through - PBM agrees to pass-through 100% of all rebates to the State.
 - d. Paid Claims - Defined as all transactions made on eligible members that result in a payment to pharmacies or members from the State or State member copays. (Does not include reversals and adjustments.) Each unique prescription that results in payment shall be calculated separately as a paid claim.
 - e. Member - All eligible employees, retirees, and their eligible dependents enrolled under the State prescription benefit program.
39. Please confirm that the State or its designee will have the right to audit, with an auditor of its choice, with full cooperation of the selected PBM, on an annual basis, the services and pricing (including rebates) provided in order to verify compliance with all program requirements and contractual guarantees. The State's right to audit shall survive the termination of the agreement between the parties for a period of three (3) years.
40. Please confirm that you will comply with the provisions of House Bill No. 38 of the 148th General Assembly which amends Title 18 of the Delaware Code by adding Chapter 33A – Pharmacy Audit Integrity Program. This bill specifies procedures that must be followed during pharmacy audits and also establishes procedures for modifying contracts between pharmacy benefit managers and pharmacies. The bill can be viewed at: <http://legis.delaware.gov/lis/lis148.nsf/vwlegislation/hb+38>
41. Please confirm that you will provide an annual electronic claims file in NCPDP format at **NO** charge to the State.
42. Please confirm that you will **NOT** implement or administer or allow any program that results in the conversion from lower discounted ingredient cost drug products to higher ingredient cost drug products without the prior written consent of the State or its designee.
43. Please confirm that pricing will **NOT** be contingent on participation in any proposed clinical management programs, group medical or behavioral health programs proposed by you or any other vendor, or any other programs not in effect prior to the contract effective date.

44. Please confirm that all rebate revenue earned by the State will be paid to the State regardless of its termination status.
45. Please confirm that there are **NO** additional fees (beyond those outlined in the financial section) required to administer the services outlined in this Proposal. Any mandatory fees, including clinical and formulary programs fees, must be clearly outlined in the Financial Section.
46. Please confirm that you agree to load all current Prior Authorizations, open mail order refills, open specialty refills and accumulator files that exist for current members from the existing PBM at **NO** charge to the State no later than the date of implementation of management by the selected PBM.
47. Please confirm that all fees include the cost of claims incurred/filled during the effective dates of this contract regardless of when they are actually processed and paid (run-out).
48. Please confirm that Minimum Brand and Minimum Generic Discount Guarantees for both mail and retail are defined as follows: (Aggregate Ingredient Cost/Aggregate AWP)
 - a. Aggregate Discounted Ingredient Cost prior to application of plan specific copayments will be the basis of the calculation.
 - b. Aggregate AWP will be from a single, nationally recognized price source for all claims. (Indicate suggested source.)
 - c. Dispensing Fees are not included in the Aggregate Ingredient Cost.
 - d. AWP discount guarantees **MUST** be measured and reconciled on a component (brand, generic, retail, mail order, rebates and specialty pharmacy program) basis only. Surpluses in one component will not be utilized to offset deficits in another component.
 - e. All guarantee measurements shall be calculated prior to the copayment being applied.
 - f. Both the Aggregate Ingredient Cost and Aggregate AWP from the actual date of claim adjudication will be used.
 - g. Aggregate AWP will be the date sensitive, 11-digit NDC of the actual product dispensed at both retail and mail.
 - h. Both single-source and multiple source generic products are to be included in the generic guarantee measurement (regardless of the exclusivity period and/or number of manufacturers) and excluded from brand guarantee measurement.
 - i. The guarantee measurement includes zero-balance claims at the applicable discount prior to member cost share being applied and not at 100% discount.

- j. Retail and mail order guarantees will exclude compounds, paper/direct claims, copayment differential claims, specialty claims, OTC claims, claims with ancillary charges, and claims from non-traditional pharmacies.
 - k. The guarantee measurement must exclude the savings impact from DUR programs, formulary programs, utilization management programs, and/or other therapeutic interventions.
49. Please confirm that retail and mail order discounts are on a post September 26, 2009 AWP rollback basis.
50. Please confirm that the State will be notified of any switch in the AWP source at least 180 days prior to the change. In the event that the AWP source change is not determined by a third party to be price neutral for the State, the State will have the right to terminate the contract with no penalty.
51. Please confirm that mail order pricing applies to all Rx's dispensed through mail order facilities.
52. Please confirm that Maximum Brand and Generic Aggregate Dispensing Fee Guarantees for both retail and mail shall be defined as follows: (Aggregate Dispensing Fee charges applicable / Total number of applicable claims)
- a. Aggregated Dispensing Fees will be the total of all dispensing fees charged on applicable claims before the application of plan cost sharing.
 - b. Dispensing Fees **MUST** be measured and reconciled on a component (brand, generic, retail, mail order, and specialty pharmacy program) basis only. Surpluses in one component may not be utilized to offset deficits in another component.
 - c. Compounds, defined Specialty claims, and OTC claims will be excluded from the calculation.
 - d. In no case will the dispensing fee be inflated to reflect fees not associated with the specific adjudication of said claim. In no instances will charges for dispensing fees be inflated to capture any amount due by a member or the plan.
53. Please confirm that mail order and specialty drug dispensing fees will remain constant throughout the contract term and will not be increased for any increases in postage charges.
54. Please confirm that guaranteed rebates per brand prescription will be based on all brand prescriptions dispensed, **not** on only brand formulary prescriptions dispensed.
55. Please confirm that rebates are guarantees on a minimum (i.e., not fixed) basis.
56. Please confirm that 100% of all rebates collected be passed through to the State.

57. Please confirm that over-performance of minimum rebate guarantees will not be used to offset shortfalls in other areas.
58. Please confirm that rebates will not be withheld for execution of any contract amendments. The State is entering into a three-year agreement with the potential for two additional one-year periods and needs no annual renewals/amendments signatures for payment of rebates.
59. Please confirm that all financial pricing components (discounts, dispensing fees, rebates) are subject to independent, electronic audit utilizing date sensitive AWP information on an NDC level from a nationally recognized pricing source (e.g., MediSpan). Any shortfalls in any pricing category will be guaranteed on a dollar-for-dollar basis with 100% of any shortfall recouped by the State. Over performance in any category cannot be used to offset shortfalls in any other category.
60. Please confirm that you will provide Retail/Mail Order unit cost equalization to the State, meaning that Mail Order unit costs prior to member cost sharing, dispensing fees, and sales taxes charged to the State will be no greater than those at Retail. The PBM agrees to produce a date-sensitive comparison report showing unit costs charged to the State at a GCN level, and reimburse the State on a dollar-for-dollar basis for all instances where mail order unit costs exceed retail unit's costs. Report and reconciliation will be provided on an annual basis.

D. LEGAL

61. The vendor agrees not to appoint any agent, general agent, or broker, nor authorize payment of any kind to a party not approved in writing by the State.
62. Please confirm that your organization will not use the names, home addresses or any other information obtained about participants of the prescription drug benefit management program for offering for sale any property or services that are not directly related to services negotiated in the RFP without the express written consent of the State.
63. Please confirm that commission percentages, brokerage or contingent fees are not payable to any agent or broker by the State of Delaware.
64. Please confirm your acceptance that an activity central to the Scope of Services cannot take place at a physical location outside of the United States. Only support activities may be performed at satellite facilities such as a foreign office or division. Subcontractors are also subject to this provision.
65. Please confirm that within the past five (5) years the firm or any officer, controlling stockholder, partner, principal, or other person substantially involved in the contracting activities of the business is not currently suspended or debarred and is not a successor, subsidiary, or affiliate of a suspended or debarred business.
66. Please confirm your company is appropriately licensed to do business in the State of Delaware and provide a copy of the license.

67. Please confirm that your organization is operating as an independent contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney’s fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the vendor’s negligent performance under this contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the vendor in their negligent performance under this contract.
68. Please confirm that your organization is operating as an independent contractor and shall maintain insurance that will protect against claims under Worker’s Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The vendor is an independent contractor and is not an employee of the State of Delaware.
69. During the term of this contract, the vendor shall, at its own expense, carry insurance minimum limits as follows:

a.	Comprehensive General Liability	\$1,000,000 per person and \$3,000,000 per occurrence
b.	Medical or Professional Liability	\$1,000,000 per occurrence and \$3,000,000 aggregate
c.	Misc. Errors and Omissions	\$1,000,000 per occurrence and \$3,000,000 aggregate

The successful vendor must carry (a) and (b) and/or (c), above, depending on the type of service being delivered. If you believe that a type of coverage would not apply to your service, please explain. Please provide a copy of your certificate of insurance with the appropriate types and coverage levels.

If awarded the contract, the State of Delaware shall **not** be named as an additional assured.

Please provide a copy of your certificate of insurance with the appropriate types and coverage levels. At this time, you must provide a copy of your certificate of insurance with the appropriate types and coverage levels, and, if awarded the contract, please confirm your understanding that the vendor must provide a copy of your certificate of insurance before any work is done pursuant to the terms in the RFP and resulting contract.

70. The effective date of the contract awarded under this RFP will be July 1, 2016. It is anticipated that the award will be made in mid-November, 2015. Please confirm that if you are awarded the contract no later than January 31, 2016, you would be able to successfully implement the prescription drug benefit program for a May open enrollment period and a July 1, 2016, effective date.

71. Please confirm your commitment to execute a contract at least ninety (90) days prior to the date employee services will commence under the contract, as follows:
- a. Begin the contract development and review process in December, 2015;
 - b. Execute final contract by April 1, 2016;
 - c. With a contract effective date of April 1, 2016, for all implementation services and technology and data security requirements;
 - d. All implementation services - including but not necessarily limited to, communications, test file exchanges, enrollment file processing, and on-site meetings - for Open Enrollment in May, 2016, through July 1, 2016, will be at no cost to the State; and
 - e. Payment for contract services rendered on or after July 1, 2016, will not be remitted by the State until after July 1, 2016.
72. If awarded the contract, please confirm your organization's willingness to enter into performance guarantees. Please follow the instructions in Appendix C and include the completed *Performance Guarantees* form in your bid package. You must fill out the column labeled "Penalty Dollars at Risk" so the total equals at least \$500,000, which is the minimum level the State requires.
73. Please confirm that upon termination of this Agreement your organization will not solicit any SEBC member or retiree for any services or products without the explicit written permission of the State.
74. Please confirm that this Agreement or any of the functions to be performed hereunder shall not be assigned by either party to another party, absent advance notice to the other party, and written consent to said assignment, which consent shall not be unreasonably withheld. In the event either party shall not agree to an assignment by the other party, then this agreement shall terminate upon the effective date of said assignment.
75. **Please confirm your organization's acceptance. For your response, if you do not accept this indemnity paragraph as written, you must provide a redline of suggested changes. Be advised that the State cannot agree to major changes.**

Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of the vendor, its agents or employees, or (B) vendor's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) vendor shall have been notified in writing by the State of any notice of such claim; and (ii) vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

76. Please confirm your organization's agreement that:
- a. Only the State may terminate the contract for convenience.
 - b. The vendor can terminate the contract for cause with written notice to the State of no less than 180 days.
 - c. The State can terminate the contract for cause with written notice to the vendor of no less than thirty (30) days.
77. Please confirm your organization's agreement that it is the State's right to modify the benefit design during the contract period with reasonable notice.
78. The State requires your organization to confirm that all services identified in your proposal are provided solely by your organization and identify any services that may be provided by a subcontractor. This includes graphics, mailing, and printing services, for example. Subcontractors are subject to all the terms and conditions of the RFP. If a subcontractor(s) is involved, note in your response to this question and complete Appendix F, *Subcontractor Information Form*, included herein for each subcontractor. The company MWBE and veteran owned information is for self-identification only.
79. If your company is awarded the contract, please confirm your agreement that performing the services subject to this RFP, as set forth in 19 Del. C. § 710, you will not discriminate against any employee or applicant with respect to compensation, terms, conditions or privileges of employment because of such individual's race, marital status, genetic information, color, age, religion, sex, sexual orientation, gender identity, or national origin. The successful vendor shall comply with all federal and state laws, regulations and policies pertaining to the prevention of discriminatory employment practice. Failure to perform under this provision constitutes a material breach of contract.
80. Please confirm your organization's acceptance: The RFP and the executed Contract between the State and the successful organization will constitute the Contract between the State and the organization. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: contract, State of Delaware's RFP. No other documents will be considered. These documents contain the entire agreement between the State and the organization.
81. Please confirm your organization's acceptance: The payment of an invoice by the SEBC shall not prejudice the SEBC's right to object or question any invoice or matter in relation thereto. Such payment by the SEBC shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any costs invoiced therein. Vendor's invoice or payment shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the SEBC, based on audits, to not constitute allowable costs. Any payment shall be reduced for overpayment, or increased for underpayment on subsequent invoices.

82. Please confirm your organization's acceptance: The SEBC reserves the right to deduct from amounts that are or shall become due and payable to the vendor under this contract between the parties any amounts which are or shall become due and payable to the SEBC by the vendor.
83. Please confirm your organization's acceptance that any payments made by the State of Delaware will be by Automated Clearing House (ACH) as per its ACH processing procedures.
84. Please confirm that your organization will not use the State's name, either express or implied, in any of its advertising or sales materials without the State's express written consent.
85. If your company is awarded the contract, please confirm your understanding that pursuant to 29 Del. C. § 6909B and effective November 4, 2014, the State does not consider the criminal record, criminal history or credit score of an applicant for state employment during the initial application process unless otherwise required by state and/or federal law. Vendors doing business with the State are encouraged to adopt fair background check provisions. Vendors can refer to 19 Del. C. § 711(g) for applicable established provisions.
86. Please confirm your acceptance that in the event of any dispute under the contract, you consent to jurisdiction and venue is in the State of Delaware and that the laws of the State of Delaware shall apply to the contract except where Federal law has precedence.
87. Please confirm your acceptance that the State of Delaware reserves the right to pre-approve any news or broadcast advertising releases concerning this solicitation, the resulting contract, if awarded, the work performed, or any reference to the State of Delaware with regard to any project or contract performance. Any such news or advertising releases pertaining to this solicitation or resulting contract shall require the prior express written permission of the State of Delaware.
88. The State acknowledges that a contractor has the right to exercise full control over the employment direction, compensation and discharge of all persons employed by the contractor in the performance of services for their clients. However, please confirm that, if awarded the contract, your organization will attempt to honor the State's request for specific individuals to be assigned to managerial roles in all areas of account management.
89. Please confirm that, if awarded the contract, your organization ("vendor") will provide on an annual basis Service Organization Control ("SOC") Reports 1 and 2 that address the internal control over financial reporting of vendor's services and other criteria that are applicable to non-financial reporting subject matter for vendor's services. SOC 1 and 2 reports may include multiple reports to reflect all processes and locations utilized by vendor in performing the Services. All SOC reports will be prepared by external auditors selected by the vendor with appropriate credentials. Upon the State's request, the vendor will confirm directly with the State's auditors to confirm separately any SOC report or

Bridge Letters. Vendor will cause the SOC reports to be delivered to State promptly after such reports are delivered to vendor by the vendor's auditors. Upon the request of the State, vendor will deliver to the State a Bridge Letter or report to address any time gap between the date of the SOC reports delivered by vendor and the date of the State's audit that relies on such reports. SOC reports are prepared under the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Attestation Engagements (SSAE) 16.

90. Please confirm that, if awarded the contract, your organization will provide a written report no later than forty-five (45) days following the close of each quarter which shall describe any judgment or settlement or pending litigation involving Contractor that could result in judgments or settlements in excess of One Hundred Thousand Dollars (\$100,000).
91. Please confirm that your company complies with all federal, state and local laws applicable to its activities and obligations including:
 - a. the laws of the State of Delaware;
 - b. the applicable portion of the Federal Civil Rights Act of 1964;
 - c. the Equal Employment Opportunity Act and the regulations issued there under by the federal government;
 - d. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
 - e. that programs, services, and activities provided to the general public under resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued there under by the federal government.

If awarded the contract, your organization will keep itself fully informed of and shall observe and comply with all applicable existing Federal and State laws during its performance of the work. If your organization fails to comply with (a) through (e) of this paragraph, the State reserves the right to terminate the contract or consider the Contractor in default.

92. Please confirm that, if awarded the contract, your organization will accept the terms in the *Business Associate Agreement*, see Attachment 5. If you do not accept the terms as written, you must provide a redline of suggested changes. **Be advised that the State cannot agree to major changes.**
93. Please confirm you have filled out the *State of Delaware Non-Collusion Statement* form, Appendix A, and included it in your bid package.
94. Please confirm you have filled out the *Officer Certification Form*, Appendix D, and included it in your bid package.

95. Please confirm you have filled out the *Employing Delawareans Report*, Appendix G, and included it in your bid package. (The number of Delawareans employed by your organization are not taken into consideration during the evaluation or scoring of your bid.)
96. Please confirm you have filled out the *Financial Ratings Form*, Appendix H, and included it in your bid package.

IV. Plan Designs and Programs

A. Plan Designs

1. The State requires bidders to duplicate the active and retiree plans' copayments, maximum out-of-pockets, retail (31-day) and mail (90-day) supply limits, and mandatory mail order (with opt-out). The State also requires bidders to offer clinical and other programs comparable to those outlined below. The State must be notified of any variations from the current clinical and other programs. If no variations from the current clinical and other programs are identified within your response, the State will assume the prescription drug plan can be duplicated exactly.
2. Please review all information provided or referenced below. If no variations are provided on this form, it will be assumed that your organization can administer the current plan designs exactly as it is currently managed:

Prescription Drug	Active and Non-Medicare (Flat Copay)	Medicare (Initial Coverage Stage - Flat Copay)
<i>Copay:</i>		
30 day supply	Generic Brand Formulary Brand Non-Formulary	\$8 \$28 \$50
90 day supply	Generic Brand Formulary Brand Non-Formulary	\$16 \$56 \$100

For Medicare participants, after the total yearly drug costs reach \$3,310, retiree will continue to pay the same copayment amount as in the Initial Coverage stage until yearly out-of-pocket drug costs reach \$4,850.

After yearly out-of-pocket drug costs (what retiree and others pay on retirees behalf, including manufacturer discounts but excluding payments made by retirees Medicare prescription drug plan) reach \$4,850, retiree will pay the greater of 5% coinsurance or:

- *a \$2.95 copayment for covered generic drugs (including brand drugs treated as generics), with a maximum not to exceed the standard copayment during the Initial Coverage stage*
- *a \$7.40 copayment for all other covered drugs, with a maximum not to exceed the standard copayment during the Initial Coverage stage.*

B. Current Clinical and Other Programs

For each program, confirm that you can and will administer the State's clinical and other programs as described on the following site:

<http://ben.omb.delaware.gov/script/index.shtml>.

Also, please explain how you administer these programs. If your program differs, please fully describe the differences here (not on the Exception appendices) and state why you believe your program is superior. Please specify if any additional fees apply in your response below and in your response to the Financial Section of this document.

The clinical and other programs include:

1. Prior authorization
2. Step therapy
3. Quantity limits
4. Zero copay diabetes ancillary prescriptions
5. Benefit maximums for fertility medications
6. Parity for cancer drugs whether purchased at a pharmacy or by a doctor. This is a State of Delaware requirement. Please refer to:
<http://www.legis.delaware.gov/LIS/LIS146.NSF/vwLegislation/HB+265?Opendocument>

Affordable Care Act (ACA) Compliance

7. Preventative co-pays
8. Required coverage

Exclusions

9. Erectile dysfunction drugs
10. Weight management drugs
11. Others as allowed under ACA

V. Financial Terms

Confirm your understanding and acceptance of each term in this Introductory section:

1. This RFP requires pricing on a “traditional” discount model with 100% of all rebate revenue being sent to the State. Pricing shall be based on your broadest network.
2. The Pharmacy Benefit Management program is subject to the State’s Pharmacy Access Act pertaining to network access and participation. For complete information please go to <http://delcode.delaware.gov/title18/c073/index.shtml>
3. Bidders are required to complete all financial exhibits as instructed. Administrative fees and dispensing fees are required on a per-prescription paid basis. Note that fees must be based on prescriptions dispensed (not adjustments, errors, or redo's).
4. All services covered under the fee should be listed.
5. Additional time periods of claims and census data will not be provided. The SEBC believes that the data provided is adequate for interested bidders to prepare a competitive bid.
6. All fees are binding until the implementation date (July 1, 2016) specified in this proposal and must remain guaranteed for the full three (3) year contract term.

A. Administrative Fees

Bidders are required to complete all financial exhibits as instructed. Administrative fees are requested on a per member basis. If alternative pricing is proposed, explain in detail. Complete the following Administrative Fee Table:

Administrative Fees	Year One 07/01/2016 – 06/30/2017	Year Two 07/01/2017 – 06/30/2018	Year Three 07/01/2018 - 06/30/2019
Administrative Fee per Member per Month			
<i>Services to be included in fees above:</i>			
Toll Free Phone Lines	Yes/No	Yes/No	Yes/No
Monthly Data Feeds to State or Designee(s)	Yes/No	Yes/No	Yes/No
Prospective /Concurrent/Retro DUR	Yes/No	Yes/No	Yes/No
Standard Reports	Yes/No	Yes/No	Yes/No
<i>Ad Hoc</i> Reports	Yes/No	Yes/No	Yes/No
COB Program	Yes/No	Yes/No	Yes/No

Administrative Fees	Year One 07/01/2016 – 06/30/2017	Year Two 07/01/2017 – 06/30/2018	Year Three 07/01/2018 - 06/30/2019
First Level Appeals	Yes/No	Yes/No	Yes/No
Second Level Appeals	Yes/No	Yes/No	Yes/No
Prior Authorization Program	Yes/No	Yes/No	Yes/No
Fraud and Abuse Program	Yes/No	Yes/No	Yes/No
Step Therapy Program	Yes/No	Yes/No	Yes/No
Quantity Limitations	Yes/No	Yes/No	Yes/No
Custom System Overrides	Yes/No	Yes/No	Yes/No
Annual EOB Statements	Yes/No	Yes/No	Yes/No
Retro Termination Letters	Yes/No	Yes/No	Yes/No
Member-submit Claims	Yes/No	Yes/No	Yes/No
Drug Notification Letters	Yes/No	Yes/No	Yes/No
Member Formulary Guides	Yes/No	Yes/No	Yes/No
Member ID Cards	Yes/No	Yes/No	Yes/No
Member Mailing Postage	Yes/No	Yes/No	Yes/No
Audit Recovery Fees	Yes/No	Yes/No	Yes/No
Other (Provide a list as noted in #1 below.)	Yes	Yes	Yes
Services not included in fees above (i.e., services marked “N” above) (show fees separately):			
Medicare Part D EGWP Administration Fee			
Other			

1. Detail all services and supplies to be provided under your basic fees that are not included in your response above.
2. Confirm that postage is included in all mail order prescriptions and any mailings.
3. Confirm that quoted fees include postage paid mail order envelopes for enrollee prescription submission.
4. Confirm that mail order and specialty drug dispensing fees will remain constant throughout the contract term and will not be increased for any increases in postage charges.
5. Detail all data related services included under the base administrative fees including *ad hoc* reporting, electronic claims files, plan design options, custom mailings, etc. In addition, detail any data-related service fees not included in the base administrative fees.

6. Confirm that multi-language communication phone line support is included in the base administrative fee. List the languages available to State employees who speak to your customer service representatives.
7. Provide a price quote for all utilization management, clinical management, disease management, or medical management programs offered that are not included in the base administration fee.
8. For file layout changes, either at the request of the State or its health insurance vendor(s), will you allow the use of the Pharmacy Management Fund for coding hours? When that fund is exhausted, what would the charge be per hour?

B. Prescription Drug Pricing and Rebates – Actives and Non-Medicare Retirees (Commercial)

AWP Reimbursement Basis — Complete the following tables using the drug reimbursement that your organization is willing to guarantee on a dollar-for-dollar basis for each year of the contract. Columns marked "AWP Discount" are to be completed using a discount from 100% AWP and dispensing fee logic. All guarantees must be based on the AWP unit cost dispensed at the point of sale, and post September 26, 2009 AWP rollback, including usual & customary and zero-balance claims. **Best and Final Rates will not be requested. Please provide your best and final rates with your initial proposal.**

Requirements for all years (numbers in tables below correspond to requirements):

1. Post September 26, 2009 rollback
2. Including single-source generics
3. Rebates are 100% pass-back with stated minimum guarantees

Year 1 (07/01/2016 - 06/30/2017)

Broadest Retail Network (List any Major Retail Chains Excluded)	AWP Discount Retail Supply Up to 30 days	AWP Discount Retail Supply 31- 90 days	AWP Discount Mail Supply 1- 90 days
Brand Drugs			
• Discount from AWP[1] for all brands			
• Dispensing Fee Per Rx			
Generic Drugs[2]			

Broadest Retail Network (List any Major Retail Chains Excluded)	AWP Discount Retail Supply Up to 30 days	AWP Discount Retail Supply 31-90 days	AWP Discount Mail Supply 1-90 days
<ul style="list-style-type: none"> Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices) 			
<ul style="list-style-type: none"> Dispensing Fee Per Rx 			
Rebates [3]			
<ul style="list-style-type: none"> Three Tier Plan—Per Brand Rx 			

Year 2 (07/01/2017 - 06/30/2018)

Broadest Retail Network (List any Major Retail Chains Excluded)	AWP Discount Retail Supply Up to 30 days	AWP Discount Retail Supply 31-90 days	AWP Discount Mail Supply 1-90 days
Brand Drugs			
<ul style="list-style-type: none"> Discount from AWP[1] for all brands 			
<ul style="list-style-type: none"> Dispensing Fee Per Rx 			
Generic Drugs[2]			
<ul style="list-style-type: none"> Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices) 			
<ul style="list-style-type: none"> Dispensing Fee Per Rx 			
Rebates [3]			
<ul style="list-style-type: none"> Three Tier Plan—Per Brand Rx 			

Year 3 (07/01/2018 - 06/30/2019)

Broadest Retail Network (List any Major Retail Chains Excluded)	AWP Discount Retail Supply Up to 30 days	AWP Discount Retail Supply 31-90 days	AWP Discount Mail Supply 1-90 days
Brand Drugs			
<ul style="list-style-type: none"> Discount from AWP[1] for all brands 			
<ul style="list-style-type: none"> Dispensing Fee Per Rx 			

Broadest Retail Network (List any Major Retail Chains Excluded)	AWP Discount Retail Supply Up to 30 days	AWP Discount Retail Supply 31-90 days	AWP Discount Mail Supply 1-90 days
Generic Drugs[2]			
<ul style="list-style-type: none"> Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices) 			
<ul style="list-style-type: none"> Dispensing Fee Per Rx 			
Rebates [3]			
<ul style="list-style-type: none"> Three Tier Plan—Per Brand Rx 			

C. Prescription Drug Pricing and Rebates – Medicare Part D EGWP Retirees

AWP Reimbursement Basis - Complete the following tables using the drug reimbursement that your organization is willing to guarantee on a dollar-for-dollar basis for each year of the contract. Columns marked "AWP Discount" are to be completed using a discount from 100% AWP and dispensing fee logic. All guarantees must be based on the AWP unit cost dispensed at the point of sale, and post September 26, 2009 AWP rollback, including usual & customary and zero-balance claims. **Best and Final Rates will not be requested. Please provide your best and final rates with your initial proposal.**

Requirements for all years (numbers in tables below correspond to requirements):

1. Post September 26, 2009 rollback
2. Including single-source generics
3. Rebates are 100% pass-back with stated minimum guarantees

Year 1 (01/01/2017 - 12/31/2017)

Broadest Retail Network (List any Major Retail Chains Excluded)	AWP Discount Retail Supply Up to 30 days	AWP Discount Retail Supply 31-90 days	AWP Discount Mail Supply 1-90 days
Brand Drugs			
<ul style="list-style-type: none"> Discount from AWP[1] for all brands 			

Broadest Retail Network (List any Major Retail Chains Excluded)	AWP Discount Retail Supply Up to 30 days	AWP Discount Retail Supply 31-90 days	AWP Discount Mail Supply 1-90 days
<ul style="list-style-type: none"> • Dispensing Fee Per Rx 			
Generic Drugs[2]			
<ul style="list-style-type: none"> • Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices) 			
<ul style="list-style-type: none"> • Dispensing Fee Per Rx 			
Rebates [3]			
<ul style="list-style-type: none"> • Three Tier Plan—Per Brand Rx 			

Year 2 (01/01/2018 - 12/31/2018)

Broadest Retail Network (List any Major Retail Chains Excluded)	AWP Discount Retail Supply Up to 30 days	AWP Discount Retail Supply 31-90 days	AWP Discount Mail Supply 1-90 days
Brand Drugs			
<ul style="list-style-type: none"> • Discount from AWP[1] for all brands 			
<ul style="list-style-type: none"> • Dispensing Fee Per Rx 			
Generic Drugs[2]			
<ul style="list-style-type: none"> • Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices) 			
<ul style="list-style-type: none"> • Dispensing Fee Per Rx 			
Rebates [3]			
<ul style="list-style-type: none"> • Three Tier Plan—Per Brand Rx 			

(continued)

Year 3 (01/01/2019 - 12/31/2019)

Broadest Retail Network (List any Major Retail Chains Excluded)	AWP Discount Retail Supply Up to 30 days	AWP Discount Retail Supply 31- 90 days	AWP Discount Mail Supply 1- 90 days
Brand Drugs			
• Discount from AWP[1] for all brands			
• Dispensing Fee Per Rx			
Generic Drugs[2]			
• Discount from AWP[2] for all generics (composite discount of MAC and Non-MAC prices)			
• Dispensing Fee Per Rx			
Rebates [3]			
• Three Tier Plan—Per Brand Rx			

D. Pharmacy Access Act

The Pharmacy Benefit Management program is subject to the State’s Pharmacy Access Act pertaining to network access and participation. For complete information please go to <http://delcode.delaware.gov/title18/c073/index.shtml>

1. Please indicate if the State Health Plan was exempt from the Pharmacy Access Act’s provisions, how would your financial proposal differ from your submitted proposal?
2. Under the Pharmacy Access Act provisions that require all pharmacies willing to participate in the network if they agree to the network reimbursement rate, how would your organization go about conducting a solicitation of a narrower more aggressive retail network?
3. Please indicate the average discount and dispensing fee differential between your broad retail pharmacy network and your most common narrow pharmacy network.
4. How many pharmacies participate in your most common narrow network? Please Indicate which chains are excluded.

E. Specialty Drug Pricing and Rebates – Actives and non-Medicare Retirees (Commercial)

1. Please provide your organization's definition and qualification criteria of a “specialty drug product.”
2. Provide an AWP-based pricing list of all specialty pharmaceuticals that your company dispenses and distributes to providers and patients. Your pricing must include adequate supplies of ancillaries such as needles, swabs, syringes, and containers. **Best and Final Rates will not be requested. Please provide your best and final rates with your initial proposal.** The following items must be included in your list:
 - a. Product Name
 - b. Therapeutic Group/Therapeutic Category
 - c. Guaranteed Minimum AWP Discount for all specialty pharmacy program prescriptions

Complete the following tables:

Open Specialty Pharmacy Program	7/1/2016-6/30/2017	7/1/2017-6/30/2018	7/1/2018-6/30/2019
Dispensing Fee—Per Rx			
Aggregate Guaranteed Discount from AWP			
Administrative Fee—Per Rx			
Minimum Rebate Guaranteed Rebate - per Rx			

3. Please provide the open and exclusive guaranteed specialty discount guarantees.
4. Based on the State’s attached prescription drug claims information for 2014, indicate the percent retail and mail specialty prescriptions and specialty AWP on the following table:

	Response
Specialty Rx's at Retail as a Percent of all Retail Rx's	
Specialty AWP at Retail as a Percent of all Retail AWP	
Specialty Rx's at Mail as a Percent of all Mail Rx's	
Specialty AWP at Mail as a Percent of all Mail AWP	

F. Specialty Drug Pricing and Rebates – Medicare Part D EGWP Retirees

1. Please provide your organization's definition and qualification criteria of a “specialty drug product.”
2. Provide an AWP-based pricing list of all specialty pharmaceuticals that your company dispenses and distributes to providers and patients. Your pricing must include adequate supplies of ancillaries such as needles, swabs, syringes, and containers. **Best and Final Rates will not be requested. Please provide your best and final rates with your initial proposal.** The following items must be included in your list:
 - a. Product Name
 - b. Therapeutic Group/Therapeutic Category
 - c. Guaranteed Minimum AWP Discount for all specialty pharmacy program prescriptions

Complete the following table:

Open Specialty Pharmacy Program	1/1/2017-12/31/2017	1/1/2018-12/31/2018	1/1/2019-12/31/2019
Dispensing Fee—Per Rx			
Aggregate Guaranteed Discount from AWP			
Administrative Fee—Per Rx			
Minimum Rebate Guaranteed Rebate - per Rx			

3. Please provide the open specialty discount guarantees.
4. Based on the State’s attached prescription drug claims information for 2014, indicate the percent retail and mail specialty prescriptions and specialty AWP on the following table:

(continued)

	Response
Specialty Rxs at Retail as a Percent of all Retail Rx's	
Specialty AWP at Retail as a Percent of all Retail AWP	
Specialty Rxs at Mail as a Percent of all Mail Rx's	
Specialty AWP at Mail as a Percent of all Mail AWP	

G. Prescription Drug Exclusions

Are any prescriptions excluded from the guaranteed prescription drug and specialty pharmacy program pricing as described in your responses in the Financial Sections above? If so, attach a document in the format provided below, and provide a minimum guaranteed AWP discount for these prescriptions at both retail and mail, and indicate, based on the State's prescription drug claims information for calendar year 2014, the percent retail and mail AWP excluded for these prescriptions from your guarantees. Otherwise, your above responses will be assumed applicable to all prescriptions. **Best and Final Rates will not be requested. Please provide your best and final rates with your initial proposal.**

Prescription Type: _____	Retail	Mail
Minimum Guaranteed AWP Discount		
Rx Type's AWP as a Percent of all AWP		
Prescription Type: _____	Retail	Mail
Minimum Guaranteed AWP Discount		
Rx Type's AWP as a Percent of all AWP		

Prescription Type: _____	Retail	Mail
Minimum Guaranteed AWP Discount		
Rx Type's AWP as a Percent of all AWP		

H. Pharmacy Management Fund (Allowance)

The SEBC anticipates certain future financial costs associated with the management of the prescription drug benefit, including: 1) costs to verify the selected vendor's compliance with financial and operational performance guarantees set forth in the contract, 2) member communications related to benefit/program changes or features, and 3) implementation/transition costs, including file layout changes, in the case of a change of vendors. The SEBC seeks an allowance amount (Pharmacy Management Fund, PMF) that would be available to reimburse a portion of such expenses. Examples may include: member communication mailings, audit costs, data file fees if a TPA changes their file layout requirements, etc.

Please indicate in the table below the allowance amount (if any) you would provide for the PMF and indicate any restrictions that would be applicable. Restrictions that require the allowance to be utilized for vendor services or expenses are not acceptable. The SEBC would provide documentation for any costs or expenses submitted for reimbursement and such costs would not exceed their fair market value.

Allowance	Amount PMPM (Per Member Per Month)
Pharmacy Management Fund	\$
List of Included Costs:	
1.	
2.	
3.	
List of Restrictions or Exclusions:	
1.	
2.	
3.	

VI. Questionnaire

Instructions:

- A. Whenever applicable, you must clearly and succinctly indicate how your standard procedures would be modified in order to accommodate any specific requirements of the State that deviate from your standard procedures.
- B. Generic responses or stock answers that do not address State-specific requirements will be deemed unresponsive. “Will discuss” and “will consider” are not appropriate answers.
- C. If a question is repeated in multiple sections and your answer is the same, please do not refer to your answer in another section but copy it under each question.
- D. If your organization is the current vendor, please reply with a full explanation to every question since the review committee may not be familiar with the current contract or your services.
- E. Responses Exception Tracking, Appendix B – If you have an exception, you must copy and paste the term into the chart and provide a detailed explanation, or, check the box to acknowledge that you take no exceptions to the specifications, terms or conditions found in the *Questionnaire* section and submit it with your bid package.

A. General Questions

1. Please complete the following table:

Organization Legal Name:	
Year PBM Established:	
Total Lives Covered (2014):	
Percent Lives Covered from Top 10 Clients:	
Total Client Drug Spend (2014):	
Total Number of Retail Claims Processed (2014):	

Total Number of Mail Order Claims Processed (2014):	
Total PBM Employees (2014):	

2. Does your organization (or affiliate or subsidiary) provide services to pharmaceutical manufacturers? If so, please describe.
3. Has your organization acquired, been acquired by, or merged with another organization in the past 24 months? If so, please describe.
4. Do you anticipate any major structural changes to your organization over the next 24 months? If so, please describe.
5. Do you plan to expand, close, or relocate major facilities over the next 24 months? If so, please describe.
6. Do you plan to change any key operational systems such as claims processing, enrollment, or member service over the next 24 months? If so, please describe.
7. Does your organization (or affiliate, subsidiary, or sub-contractor) perform any activities outside the U.S.? If so, please refer to the requirement “Offshore Vendor Activity” on Page 18, describe the activity(ies) and state why you feel the task(s) qualify as not being central to the scope of services performed but are support activities.
8. Please describe any known investigations of your organization by Federal or State government agencies or offices that have been announced, are underway, are pending, or have been settled with the past 24 months.

B. Member Services

9. Will dedicated or designated member service representatives (MSR) (call center) be assigned to the State? If so, please describe your approach and its significance to the State and its members.
10. Please indicate the location of the member service call center(s) proposed for the State.
11. For the call center(s) indicated above please fill out the following table for 2014:

Number of calls handled:	
--------------------------	--

Percent of calls handled by live representative:	
Percent of calls abandoned:	
Average speed of answer (live representatives only):	
Average wait time to speak to a pharmacist:	
Number of member service representatives:	
Number of member service pharmacists:	
Number of supervisors, trainers, and management staff:	
Member service representative turnover percentage:	
Member service representative call average talk time:	
Percent of member calls recorded:	

12. Describe concisely how member service staff will be trained and prepared, in advance, to support State members.
13. Describe concisely your overall training program and requirements for new MSRs including initial, subsequent, and ongoing training and development.
14. Describe concisely any differences in MSR training (if any) for retired members.
15. Describe concisely how MSR performance is measured, how often calls are monitored or reviewed for quality, and the process used to provide feedback and coaching.

16. Describe concisely the criteria MSRs use to determine when to transfer a call to a pharmacist?
17. Will the same call center(s) be used for both active and EGWP retirees? If not, please briefly explain.
18. Describe concisely your process and contingency plans to shift call volume to another location in case of natural disaster or technical malfunctions.
19. Which of the following member functions do you provide via the internet?
 - a. Enrollment Status/Changes (yes/no)
 - b. Provider Directory (yes/no)
 - c. Pharmacy Directory (yes/no)
 - d. Provider Profiles (yes/no)
 - e. Plan Design Details (yes/no)
 - f. Claims Status (yes/no)
 - g. Other (list):
20. Please describe all internet and mobile application tools available to members. How often is the Internet directory updated?
21. Do you provide a drug cost look-up tool on your member website that provides both the plan copay and full drug cost?
22. Does your drug look-up tool on your member website capture retailer's U&C price? If not, would you be willing to develop this capability or provide a link to this information?
23. How many toll free numbers are available to the State and its members to handle claims or other member service issues?
24. Will separate toll free numbers be required for the mail order program? For the specialty program?
25. Are bilingual services available; either on the website or customer service telephone line?
26. Please describe in detail your company's quality assurance programs.
27. Please describe in detail your company's procedures for handling service complaints by providers.
28. Please describe in detail your company's procedures for handling service complaints and grievances by members.

29. Please refer to the State's appeal process for members when coverage for a specific medication is denied – Attachment 8. Please provide a complete description of your internal claims and appeals process along with your external review processes. Please confirm the State has the right to override the appeal.

C. Client Services

30. For each member of the clinical services and account management team that you propose to support the State's account, please provide their name, title, location, years of PBM experience, description of their role, and the expected percentage of their time that will be dedicated to the State.
31. For these critical account team members (#1 account executive, #2 day-to-day account manager, and #3 clinical account manager) please indicate whether the State will be allowed to meet with proposed new account team members in advance and approve of any such account team changes.
32. Please indicate your expected response time for an account team member to respond to a.) routine voicemail messages; b.) urgent voicemail messages; c.) standard email messages; d.) urgent email messages.
33. Please provide a sample management report that would be reviewed by the account team on a regular basis.
34. Will the State's administrative staff have on-line access to:
 - a. View enrollment information?
 - b. Update enrollment information?
 - c. View claim information?
35. Please describe concisely the process of how an escalated member issue communicated from the State's administrative staff to the account management team is handled, and include the role of each individual involved.
36. Will the State have the authority to override the vendor regarding decisions on individual medication choices of members (excluding EGWP)?

D. Network Structure / Access

37. Confirm that your proposal is based on your broadest network.
38. Indicate whether you are willing to solicit a more aggressive pharmacy network and describe how the process would work.
39. What is the current number of retail pharmacies in your network?

40. List any pharmacy chains excluded from your proposed retail pharmacy network.
41. Provide the number of participating retail pharmacies that were terminated from the network in the past 24 months:

Termination Rates	# of Pharmacies	% of Pharmacies	Reasons for Terminations
By Your Organization ⁺			
By Pharmacy ⁺⁺			

⁺ when the termination is initiated by the PBM

⁺⁺ when the termination is initiated by a pharmacy

42. Based on all the State’s retail prescriptions during 2014 (Attachment 6), please prepare a “disruption” analysis and complete the following table:

Total retail pharmacies in claims data:	
Total count of these retail pharmacies in your network:	
Total retail prescriptions in claims data*:	
Total retail prescriptions in your network*:	

* Include only positive retail prescriptions in your analysis. These claims are indicated by a positive “1” in the “ClaimTypeCounter” field.

43. Which of the following elements are included in your pharmacy selection process? Please provide the percentage of pharmacies that satisfy the following criteria elements:
- a. Require unrestricted licensure
 - b. Review malpractice coverage and history
 - c. Require full disclosure of current litigation and other disciplinary activity
 - d. Require signed application/agreement
 - e. Require current DEA registration
 - f. On-site review of pharmacy location and appearance
 - g. Review hours of operation and capacity of network pharmacies to handle the added volume the State would generate
 - h. On-site electronic access to patient data

44. Describe the process in place to ensure that members are credited for prescriptions filled but not obtained (Return to Stock situations).
45. List the specific network management processes currently in place to avoid fraud and abuse.

E. Prescription Reimbursement Issues

46. What is your proposed source for AWP data?
47. How often are AWP prices updated in your adjudication system?
48. What percent of your network pharmacy contracts include the “lesser of retail price, MAC price, or discounted price” provision?
49. How do you guarantee that members always receive this lowest price? What procedures are established to ensure that the pharmacy is in compliance with this provision?
50. Will members pay the lowest of the discounted AWP price, U&C, and copay at retail pharmacies?
51. Will you guarantee on a dollar-for-dollar basis that the average, realized AWP discounts for brand and generic drugs and quoted dispensing fees will be no less than those quoted at Retail and Mail Order for the life of the contract?
52. Describe the timing and process you use to reconcile actual and guaranteed pricing terms and indicate when a true-up payment will be made, if necessary, in relation to the end of each contract year.
53. Explain in detail how network pharmacies’ U&C prices are captured and reported.
54. Do you maintain multiple contracts with individual pharmacies at varying reimbursement rates? If yes, explain.
55. Will the retailers provide the lower of the discounted plan cost plus dispensing fee, member cost, U&C, or retail price for plan adjudication?
56. Define your electronic process for determining a product's brand or generic status for both retail and mail order claims using First DataBank and/or Medi-Span definitions.
57. Do you agree that single-source generics will be counted as generics for the purposes of the generic discount guarantee calculation?
58. How often are your retail network provider contracts renegotiated?

59. Is it possible for a retail pharmacy to submit NDC numbers for adjudication that contain AWP prices designed to maximize their discounted ingredient costs? If not, please indicate why.
60. How do you ensure that submitted NDCs at retail are indicative of pharmacy drug purchasing patterns?
61. Does your organization share in any financial remuneration that retail pharmacies receive from drug manufacturers or other sources?
62. Specify if you are able to readily provide a detailed listing of all of the various ingredients that are included in multi-ingredient compound claims and confirm multi-ingredient compounds can take a specified cost-share.
63. Describe what procedures or management tools your organization has in-place to manage the cost of compound drugs and to prevent overcharging of plan sponsors.

F. Mail Order

64. Complete the following for your proposed mail order facility.
 - a. Where will the mail-order facility (facilities) location for the State be?
 - b. Number of full-time Clinicians/ Pharmacists on staff at facility?
 - c. Number of part-time Clinicians/ Pharmacists on staff at facility?
 - d. Number of Registered Pharmacists?
 - e. Number of Pharmacy Technicians?
 - f. Number of Other staff? (specify)
 - g. Which companies are used for delivery services? If mail order services are provided by a sub-contracted company, you must submit a Subcontractor Information Form, Appendix F.
65. Describe the process for ordering prescriptions by mail and include a sample envelope.
66. Describe your process for ordering refills by mail, phone, fax, and the Internet. What percentage of refills are currently received by mail, phone, fax, and Internet?
67. How far in advance may participants order a refill? As an example, provide the point for a 90-day supply prescription.

68. Describe your process of filling/ordering prescriptions, refills, and split-prescriptions.
69. Does your mail order facility have auto refill? If so, please confirm members must first actively opt-in and then have the ability to turn auto refill ON and OFF via the website and via phone.
70. If mail order pricing is based on fixed package sizes of 100s, provide an example and estimate to demonstrate the cost of this pricing methodology compared to discounts based on the actual package size from which the dispensed drug originated (e.g., bulk bottle of 5,000 tablets).
71. Will you agree that all mail order discount guarantees will be based on lowest listed NDC level AWP cost? If not, state your suggested pricing basis.
72. Does your organization, or your associated facilities, repackage drug products for use in filling mail order prescriptions? If yes, does the AWP for repackaged drugs match the AWP of the same package size of the source labeler? If not, describe how you establish the AWP for your repackaged NDC's.
73. Can members speak to a pharmacist if requested? Describe the phone prompts a member would need to follow in order to speak to a pharmacist.
74. Can refills be phoned in?
75. Can refill payments be made by credit card or HRA debit card?
76. How many calendar days advanced notice must a claimant provide in order to guarantee that their supply is received before the existing supply is depleted?
77. Describe your policy on too-early refills, vacation, and emergency supplies. Outline your process for prescriptions which are ordered prior to the first available refill date.
78. Provide the mail order performance statistics, over the past three years, for the facilities being proposed:
 - a. Mail Facility Name
 - b. Average turn-around time (no intervention required)
 - c. Average turn-around time (intervention required)
79. Explain the process for providing the State participants with a short-term retail prescription supply in the case of delayed delivery of their mail order prescription.
80. What criteria are used to determine whether or not a short-term retail supply is authorized?

81. Under what circumstances is the member contribution not waived for the short-term retail supply?
82. How are participants 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 operational, capacity, or drug supply issues.
 - c. A clean prescription where the delay is a result of a therapeutic switch intervention.
83. Describe online integration, if any, with retail pharmacies to ensure non-duplication and to identify potential adverse interaction.
84. What are your contingency plans and procedures for providing backup service in the event of strike, natural disaster, or backlog?
85. How do you propose notifying members when prescriptions are received, mailed, etc.? (Explain and note availability of phone, e-mail, and other types of contact.)
86. Describe the process for notifying members of the following:
 - a. The expiration date of their prescription.
 - b. Their next refill date and the number of refills remaining.
 - c. Prescriptions not on the formulary and/or non-preferred.
 - d. Generic substitution availability.
87. Do you bill members before or after a prescription is filled?
88. How do you ensure that no more than three (3) refills are dispensed at mail order regardless of how many refills have been authorized by the prescriber on the initial prescription?

G. Specialty Pharmacy Program

89. Please provide your organization's definition and qualification criteria of a specialty drug.
90. Describe how your organization notifies clients of the pricing terms for new specialty drugs including how far in advance such notice is provided.

91. Can your organization implement a separate plan design for specialty drugs that would include generic, preferred brand, and non-preferred brand tiers?
92. Are your proposed guarantees for your retail/mail program contingent upon the State's purchase of your specialty drug program?
93. Does your firm utilize courier services for specialty product delivery? If so, detail these services and procedures and detail how courier service vehicles maintain temperature control.
94. Do you currently have a specialty/biotech drug P&T committee? If yes, explain the role, function, and structure and how it differs from your traditional P&T Committee.
95. Provide your recommended clinical rules for specialty drugs by drug including prior authorization and step therapy.
96. Are all specialty drugs limited to thirty (30) days' supply for a patient's initial prescription? If not, please explain.
97. Do you limit certain specialty drugs to less than thirty (30) days' supply for a patient's initial prescription? If yes, please indicate which drugs and the days' supply limit.
98. Do you allow a prescription to be filled for greater than thirty (30) days once a patient is stabilized on a medication?
99. Please describe your quantity limit rules for specialty drugs and include a list of the quantity limits by drug.
100. Provide the customer and member service operation hours of your specialty pharmacy program.
101. Provide a concise description of your member service pharmacist support for specialty drugs, including how many pharmacists provide member support, the hours of their availability and any specialized expertise they hold.
102. Provide a concise description of the member support services your organization provides to members who utilize oncology specialty drugs.
103. Does your organization receive medical claim records from clients' medical carriers, and if so, how is this information utilized?
104. Provide a brief recommendation of how you would propose to collaborate with the SEBC's medical carriers to optimize patient care and utilization of specialty drugs.

105. Please indicate any specialty drug categories for which you recommend clients limit coverage to the pharmacy benefit only.
106. What differentiates your company and capabilities from other specialty drug management organizations?

H. Clinical Capabilities

107. Please briefly describe your drug utilization review (DUR) process and indicate which point-of-sale edits can be overwritten and which are “hard” rejects.
108. Provide a sample DUR report you produce and make available to clients.
109. Please describe the “look-back” period utilized for the refill-too-soon edit and indicate whether it includes only the previous claim or cumulative historical claims.
110. Please describe your policies for lost medication, vacation supplies, and overseas supplies for prescription early refills.
111. What was your overall average CDUR savings as a percentage of plan cost in 2014?
112. Briefly summarize the DUR edits that detect fraud and/or abuse.
113. In addition to point-of-sale edits, describe any other tools or programs that are available to detect, prevent, and resolve fraud and/or abuse? Indicate whether such programs are optional and whether they entail a separate fee. Also provide a complete description and samples of any documents used in a separate section of your bid.
114. Do you require a DEA or other identifier to be indicated to fill a controlled substance drug? If so, how is the requirement enforced?
115. Please describe your prior authorization, step therapy and quantity level limit program capabilities and also please attach a list of drug categories for which such programs can be applied.
116. Does your prior authorization rule for drugs used to treat Hepatitis-C (Harvoni or Viekira Pack) take into account severity of illness? Please provide a copy of the complete criteria.
117. Are there any clinical utilization management features, capabilities or processes that differentiate your organization from competitors, and if so, please provide a succinct description.
118. Provide a sample of your client clinical management performance report.

119. Do you monitor individual physician prescribing patterns? If so, what action is taken with physicians who have a high degree of non-compliance to improve their compliance?
120. Provide a copy of any physician score card or other reporting that is provided to clients.

I. Formulary and Rebate Management

121. For the purposes of this RFP, rebates are defined as all plan specific revenue from pharmaceutical manufactures and/or wholesalers, including base rebates, incentive rebates, and administrative fees or other revenue. Please indicate your agreement with this definition.
122. Provide a copy of your proposed formulary. (Please attach both electronic and hard copy).
123. Are any generic drugs considered “non-preferred” on your proposed formulary (i.e., subject to the “non-preferred” copay)? If yes, please describe in detail and provide examples.
124. Does your formulary currently exclude any prescription drugs from coverage? If so, please provide a list of those excluded from coverage.
125. If your formulary excludes prescription drugs from coverage, please indicate the notification process for any future changes to the exclusion list, including the amount of advanced notification you will provide to the State and its employees and the form the notification will take.
126. If your formulary does not currently exclude any prescription drugs, will you confirm that no such future exclusions will be required during the term of this contract?
127. Do your manufacturer agreements contain provisions that limit the amount the manufacturer can raise the AWP price of prescription drugs each year? If yes, please describe.
128. What reporting will you provide to the State to demonstrate such manufacturer price limit agreements provide meaningful benefits to the State?
129. Do you have a formulary appeal process in place to address member concerns regarding formulary alternatives or provider indications of medical necessity? If yes, explain this process.
130. Do you agree to provide rebate reporting by therapeutic category and by manufacturer on a quarterly basis?

131. When do formulary changes typically occur? Do you agree to limit formulary deletions to once per year?

J. Employer Group Waiver Plan (EGWP)

132. Please indicate whether your firm is currently a CMS approved Medicare Part D prescription drug plan that can contract with plan sponsors to establish and manage EGWPs.
133. Confirm that your organization can administer an EGWP plan effective January 1, 2017, and therefore would not be on the same fiscal year as the commercial plan.
134. Please state and explain your preference as to whether or not the contract for EGWP services would be a stand-alone contract or would be a scope of services section to the commercial contract.
135. Please indicate whether any EGWP functions are sub-contracted to other organizations. If so, please describe and complete a Subcontractor Information Form, Appendix F, for each subcontractor. (Reminder: The entire EGWP program cannot be sub-contracted.)
136. Will member services for EGWP retirees be handled by a separate unit or by the same unit that supports active employees?
137. Other than member services, please describe any other services that will be handled by a separate unit from the one that handles active employees (e.g. account service, billing, etc.).
138. How will your organization handle split contracts (one Medicare, one non-Medicare)? The Medicare member will be covered by the EGWP but the non-Medicare member cannot be. What will the communication process be between your units/departments to guarantee that no member inadvertently loses coverage due to communication issues? Will you maintain the non-Medicare member as a separate contract holder under the non-Medicare plan even if that member is the spouse?
139. Confirm that your P&T Committee meets CMS' requirements for objectivity and validity.
140. Confirm that you will provide all CMS required filings related to formulary, medication therapy management (MTM), and other clinical programs on a timely basis.
141. Confirm that you will provide all CMS required filings related to certification of compliance to all waste, fraud, and abuse requirements.
142. Confirm that your member appeals process meets all CMS Medicare Part D requirements.

143. Confirm that you provide all CMS required member communications.
144. Confirm that you will mirror the current retiree plan design as closely as possible consistent with CMS regulation.
145. Confirm that you will process low-income premium subsidy refunds to members and the Plan as well as low-income cost sharing refund requests to the members.
146. Provide a description of your MTM program including the processes for enrollment, targeting, intervention, and outcomes reporting.
147. Provide your book-of-business prescription drug event (PDE) error rate for 2013 and 2014.
148. Describe the transition process you will utilize for members who are currently using non-formulary prescription drugs, drugs requiring prior authorization, step therapy, and quantity level limits.
149. Describe the enrollment/disenrollment process and include detail regarding the timing of when enrollment/disenrollment changes go into effect.
150. Please confirm that your organization will provide monthly enrollment, detailed and summary claim reports, disclosure of subsidies, reinsurance, CGDP reimbursements, and rebates (even if only estimated pending approval), and utilization by category (mail, retail, brand, generic, etc.).
151. How frequently will the reporting package be provided? How long after each month will they be available?
152. Please refer to the State's appeal process for members when coverage for a specific medication is denied – Attachment 8. Please provide a complete description of your internal claims and appeals process along with your external review processes.

K. Implementation

153. Please provide a detailed implementation schedule for active employees and non-Medicare retirees assuming an Open Enrollment of May, 2016, and a July 1, 2016 effective date. The Open Enrollment period would require telephone customer service support and therefore training by May 1, 2016, by the customer service representatives of the State's plan design. On-site support is required at open enrollment meetings.
154. Please provide a detailed implementation schedule for Medicare Part D EGWP retirees assuming a January 1, 2017 effective date.

L. HIPAA Compliance

155. Is your organization compliant with the HIPAA requirements for disclosing individual health information electronically?
156. Describe your policy and procedures for ensuring that recipients of individual health information, which your organization has disclosed electronically, will maintain its confidentiality.
157. Will you agree to a contract provision that certifies your organization operates, and will continue to operate for the term of the contract, in conformity with HIPAA?
158. What safeguards exist for preventing breaches in patient confidentiality with regard to prescription claims information?

VII. Technical Standards and Security Requirements

The following minimum requirements are mandatory. Failure to meet any of these proposal criteria may result in disqualification of the proposal submitted by your organization. Omission of responses and forms could result in a determination that your bid is non-responsive.

DIRECTIONS –

- A. Because your responses to this section of the RFP will be analyzed by a different department, please provide your hard copy responses in a separate section or tab. For the pdf submission, please submit a separate and complete pdf copy. (You must also scan the documents with signatures, such as *Subcontractor* form(s), to include with your complete electronic copy.)
- B. The *Technology Exception Tracking Chart*, Appendix I, for this section is different and separate from the chart for the *Responses Exception Tracking*, Appendix E. If you have an exception, you must copy and paste the term into the chart and provide a detailed explanation, or, check the box to acknowledge that you take no exceptions in this section and submit it with your bid package. Exceptions of the terms in Appendix K, *Non-Public Data Owned by the State of Delaware - State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions*, must be included with your response on that form.

REQUIREMENTS -

1. File Layouts:
The following file transfers are required under the State of Delaware contract for the Pharmacy Benefit Management program for the commercial and EGWP populations:
 - a. Weekly inbound enrollment from the State’s health insurance providers (currently Highmark Delaware and Aetna) to the PBM. These files will provide the PBM with the enrolled subscribers and dependents for the entire State Group Health plan;
 - b. Weekly outbound claim files from the PBM to the State’s health insurance providers for their enrolled subscribers and dependents. These files will provide the health insurance providers with claims information to be used for wellness, disease, case and medical management.
 - c. Monthly outbound claim and enrollment files to the State’s data mining vendor (currently Truven) from the PBM.

Your organization must provide the data in the file layouts provided – Attachment 3. If you need revised fields, please provide a redlined document or other detailed explanation. If you attach your own file layout document, in order to aid us in our review, you must provide an explanation of the comparison between the two layouts.

Response:

2. Subcontractors:

Because any company that delivers technology services for the State's account would have access to the data, that type of subcontractor is subject to all the requirements in this Section. Therefore, the company must sign a *Subcontractor* form and respond to the requirements in this section in a separate document. Examples would be, but not certainly all, claims processor(s), a customer service call center that has access to participants' and claims data, and provider network databases if participants' data is linked to a participant. If you consider the requirement not applicable, please state your reason why. Please confirm your understanding of this requirement, list the subcontractor's business information, and describe in detail the technology services that would be provided including how the data is accessed.⁸

Response:

3. Third Party Agreements:

In order to exchange test and enrollment files before Open Enrollment in May, 2016, the State requires the PBM to sign a third party agreement with Highmark and Aetna. Please see Attachment 9. Please confirm your acceptance of these terms or provide a redlined document for consideration. Major changes that circumvent the responsibility to secure the data will not be considered.

Response:

4. Indemnity:

Please confirm your organization's acceptance. For your response, if you do not accept this indemnity paragraph as written, you must provide a redline of suggested changes. Be advised that the State cannot agree to major changes.

Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, including any claims or expenses with respect to

⁸ **NOTE:** This requirement is in conjunction with requirement 12 in the *State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions form*, Appendix K, copied below. Therefore, your response to this requirement would be similar.

12. The Service Provider shall identify all of its strategic business partners related to services provided under this contract, including but not limited to, all subcontractors or other entities or individuals who may be a party to a joint venture or similar agreement with the Service Provider, who will be involved in any application development and/or **operations**. (emphasis added)

the resolution of any **data security breaches/ or incidents**, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of the vendor, its agents or employees, or (B) vendor's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) vendor shall have been notified in writing by the State of any notice of such claim; and (ii) vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

Response:

5. Security and Encryption:

Computer, network, and information security is of paramount concern for the State and the Department of Technology and Information.

- a. Threats - The SANS Institute and the FBI have released a document describing the *Top 20 Internet Security Threats*. The document is available at <http://www.sans.org/critical-security-controls/> for your review. The contractor confirms that any systems or software provided by the contractor are free of the vulnerabilities listed in that document.

Response:

- b. Please complete Appendix K, *Non-Public Data Owned by the State of Delaware - State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions*, and include it in your bid package. **If you have any response other than "accepted" or "confirmed" with an explanation**, your response is considered an exception that will be evaluated by the SEBC. Provide a detailed explanation on this form only, Appendix K, and include a citation, if applicable (for example, Delaware Department of Insurance or a federal law).

Response:

- c. Additional security measures are required by the State of Delaware for the transmission of its data. These include a requirement of at least ten (10) characters for a password and encryption of email and mobile devices. Please refer to the following policies and respond:
- i. **The requirement of at least ten (10) characters in a password is non-negotiable.** The policy document is located at:
<http://dti.delaware.gov/pdfs/pp/StrongPasswordStandard.pdf>

Response:

- ii. If Delaware data will be transmitted via email or accessible on a mobile devices, the following requirements apply:
<http://dti.delaware.gov/pdfs/pp/SecureEmail.pdf>

Response:

<http://dti.delaware.gov/pdfs/pp/MobileDeviceEncryptionStandard.pdf>

Response:

6. Software Inventory:

A software inventory is required that lists any software that the State needs if you are awarded the contract. For example, a certain web browser (IE) or web service technology for an interface. Please use the form at Appendix J – *Software Inventory*.

Confirm Attached:

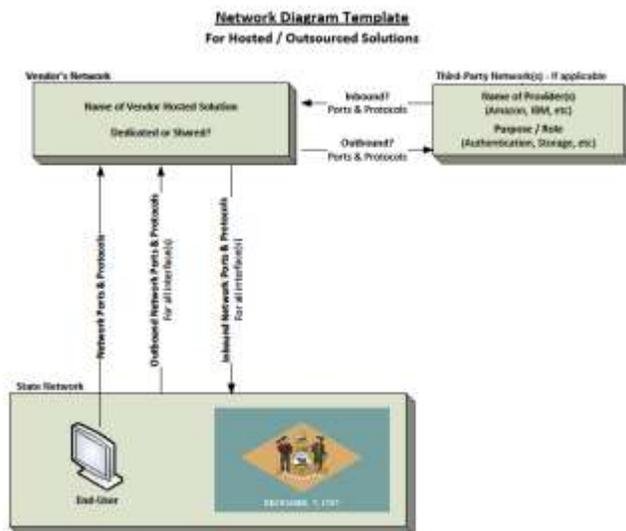
7. Additional Data Requests:

Please confirm your agreement that if you are awarded the contract and then request additional data, whether or not on a file feed or in a report, the State shall determine the cost of supplying the data and may deny the request.

Response:

8. Network Diagram:

Please provide a diagram with ports that clearly documents the user’s interaction with your organization’s website and the State. The network diagram should follow the following example:



Confirm Attached:

9. If you are selected as a finalist and after the interview, if your organization is selected by the Proposal Review Committee (PRC) as their recommendation to the SEBC for the contract award, the Department of Technology and Information (DTI) must approve the technology section of your bid submission.

Within five (5) business days of the approval by DTI, Appendix K, *Non-Public Data Owned by the State of Delaware - State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions*, must be signed by your organization and any subcontractor(s) used for technology services. If the document is not signed within five (5) business days, and all the Technology and Data Security requirements in this section are not met, the PRC's recommendation to award the contract will be withdrawn.

Alternatively, if the contract is awarded by the SEBC before the DTI review process is complete, the award will be contingent upon DTI's approval of all the Technology and Data Security requirements in this section and the signature of the *Non-Public Data Owned by the State of Delaware - State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions* form within five (5) business days of DTI's approval.

Response:

APPENDICES

APPENDIX A

STATE OF DELAWARE NON-COLLUSION STATEMENT

This is to certify that the undersigned vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal, **and further certifies that it is not a sub-contractor to another vendor who also submitted a proposal as a primary vendor in response to this solicitation** submitted this date to the State of Delaware, Office of Management and Budget.

It is agreed by the undersigned vendor that the signed delivery of this bid represents the vendor's acceptance of the terms and conditions of this solicitation including all specifications and special provisions.

NOTE: Signature of the authorized representative **MUST** be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Office of Management and Budget.

<input type="checkbox"/>	Corporation
<input type="checkbox"/>	Partnership
<input type="checkbox"/>	Individual

COMPANY NAME _____
(Check one)

NAME OF AUTHORIZED REPRESENTATIVE _____

SIGNATURE _____ TITLE _____

COMPANY ADDRESS _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

FEDERAL E.I. NUMBER _____ STATE OF DELAWARE LICENSE NUMBER _____

	Certification type(s)	Circle all that apply	
COMPANY CLASSIFICATIONS: CERT. NO.: _____	Minority Business Enterprise (MBE)	Yes	No
	Woman Business Enterprise (WBE)	Yes	No
	Disadvantaged Business Enterprise (DBE)	Yes	No
	Veteran Owned Business Enterprise (VOBE)	Yes	No
	Service Disabled Veteran Owned Business Enterprise (SDVOBE)	Yes	No

[The above table is for informational and statistical use only.]

PURCHASE ORDERS SHOULD BE SENT TO (COMPANY NAME): _____

ADDRESS _____

CONTACT _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

AFFIRMATION: Within the past five years, has your firm, any affiliate, any predecessor company or entity, owner, Director, officer, partner or proprietor been the subject of a Federal, State, Local government suspension or debarment?

YES _____ NO _____ if yes, please explain _____

THIS PAGE SHALL BE SIGNED, NOTARIZED AND RETURNED FOR YOUR BID TO BE CONSIDERED

SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of _____, 20 _____

Notary Public _____ My commission expires _____

City of County of State of _____

APPENDIX C

PERFORMANCE GUARANTEES

INSTRUCTIONS: If you propose alternative guarantees, performance results, or definitions, please use a strikeout font and insertion. **The State requires bidders to agree to place a minimum amount of at least \$500,000 per contract year at risk for performance guarantees.** The State reserves the right to negotiate both financial and non-financial performance guarantees with the selected vendor.

Provide the total amount per contract year at risk for performance guarantees. At time of contract, the parties shall mutually agree to the allocation of the at risk funds.

\$ _____

Terms: Vendor will perform a review of its records to determine whether each standard was met for the time period of the quarter immediately preceding the 45th day of the month following the end of a quarter (for example, November 15 for the first quarter (July 1 – September 30) of the plan year (July 1 to June 30). Quarterly results will be averaged on an annual basis and penalty payments, if any, will be made annually within six (6) months of the end of the plan year. In no instance will a measurement or penalties apply to any period less than a full quarter. **Note that unless specified, performance guarantees should incorporate performance for both the commercial plan and the Medicare Part D EGWP plan.**

Guarantee	Performance Results	Definition/Calculation	Penalty Dollars at Risk
Implementation			
Implementation Timeline	Implementation team will be assigned and introduced to the State within five (5) business days of SEBC approval.	Self-Explanatory	
Implementation Team	Implementation team members will not change and will be responsible for the accurate installation of all administrative, clinical and financial parameters for the State’s program.	Self-Explanatory	

Guarantee	Performance Results	Definition/Calculation	Penalty Dollars at Risk
Implementation Preparation	Customer service representatives will be trained on the State's plan design by May 1, 2016, and the plan design will be loaded by June 15, 2016, so that the State can perform an audit.	Self-Explanatory	
ID Card and Welcome Kit Mailing	All ID cards and Welcome Kits will be mailed at least ten (10) days prior to the effective date and will be 100% accurate (provided that a valid enrollment file was received at least fifteen (15) days prior to the effective date).	Self-Explanatory	
Implementation Satisfaction Scorecard	Assigned Account Executive will work with the State prior to the start of implementation to agree on terms of a satisfaction scorecard to be issued by the State after effective date for completion.	Self-Explanatory	
Payment Accuracy & System Performance			
Financial Accuracy	At least 99% of claim payments will be accurate.	Measurement: Claims payments made without error relative to the total dollars paid.	
System Downtime	At least 99.5% access to its systems by all the retail pharmacies in PBM's network 24 hours a day, 7 days a week, 365 days a year.	Self-Explanatory	
Internet Availability Rate	Web site operational at least 98% of the time.	Measurement: Percentage of hours that PBM's internet site is operational, excluding scheduled maintenance.	
Claims Enrollment Data	Enrollment loads not to exceed 24-hours after receipt.		

Guarantee	Performance Results	Definition/Calculation	Penalty Dollars at Risk
Enrollment Data Error Reporting	Enrollment file error reporting on all enrollment file updates will be provided to the State within two (2) business days.	Self-Explanatory	
Invoicing Errors	All invoicing errors will be credits back to the State by next billing cycle or PBM will pay interest.	Self-Explanatory	
Account Management			
State Approval of Member Communications	100% of all member communications will be approved by the State – exceptions for drug recalls and urgent patient safety communications.	Self-Explanatory	
Member Communication Mailing Errors	100% of all member communications shall be accurate. Should a mailing be sent in error or contain erroneous information regarding any aspect of the plan’s administration, the vendor shall pay a penalty per erroneous document.	Self-Explanatory	
Pharmacy Audit Resolution	Within six (6) months of identification and notification to PBM by the State or its designee.	Self-Explanatory	
PBM Account Teams’ Performance	The State may assess a penalty per Contract Year if, after the first Contract Year and each successive Contract Year, the State’s benefits staff do not rate the account team’s performance for such Contract Year an average of 3 or better on a scale of 1 to 5 (5 being the best based on a range of performance criteria agreed to between the State and PBM at the beginning of such Contract Year). See Attachment 2.	Self-Explanatory	

Member Services			
Dispensing Accuracy Rate	99.99% of prescriptions dispensed with the correct drug and strength.	Measurement: Number of accurately ordered mail order pharmacy prescriptions divided by number of all mail order pharmacy prescriptions dispensed during the year. Measured based on Vendor's Book of Business	
Mail Turnaround – Prescriptions Not Requiring Intervention	95% of prescriptions dispensed within average of two (2) business days and 100% within average of three (3) business days.	Self-Explanatory	
Mail Turnaround – Prescriptions Requiring Intervention	95% of prescriptions dispensed within average of four (4) business days and 100% within average of five (5) business days.	Self-Explanatory	
Phone Average Speed of Answer	100% of member calls shall be answered within 30 seconds (excluding IVR).	Self-Explanatory	
Phone Abandonment Rate	100% of member calls shall be answered with an abandonment rate of 3% or less.	Self-Explanatory	
Written Inquiry Answer Time	95% of e-mail, fax or letter inquiries responded to within five (5) business days – 100% within ten (10) business days.	Self-Explanatory	
Direct Reimbursement Response Rate	97% of direct reimbursement paper claims will be responded to in five (5) business days – 100% in ten (10) business days.	Self-Explanatory	

Member Satisfaction Survey	The PBM agrees to conduct a Member Satisfaction Survey for each contract year. The Satisfaction Rate will be 90% or greater. A yearly penalty may be assessed against the PBM for failure to meet this standard. "Member Satisfaction Rate" means (i) the number of Eligible Persons responding to PBM annual standard Patient Satisfaction Survey as being satisfied with the overall performance under the Integrated Program divided by (ii) the number of Eligible Persons responding to such annual Patient Satisfaction Survey and a minimum of 20% of surveys must be returned for the Performance standard to be applicable.	Measured annually from Delaware's participants with a frequency of mailing to be mutually determined.	
Issue Resolution: Written Inquiries	PBM will resolve 98% of all written inquiries within ten (10) business days of receipt of inquiry	Self-Explanatory	
Issue Resolution: State Staff Involvement / Escalation	PBM will resolve member issues within three (3) business days for any case that required the involvement of the State's staff due to incorrect or incomplete information being provided by the PBM. If not resolved within 72 hours, a penalty will be applied per case, up to an annual maximum.	Self-Explanatory	
Meeting Attendance	Your company will attend and actively participate at Statewide Benefits Office's request in Benefit Representative meetings, educational sessions and health fairs.	Self-Explanatory	

Reports			
<i>Ad hoc</i> Reports	A minimum of 90% of <i>ad hoc</i> reports will be delivered to State within seven (7) business days of the request.	<i>Ad hoc</i> reports are defined as reports that are not part of the vendor's standard reporting package.	
Standard Reports	A minimum of 95% of standard reports will be delivered to the State by the target date specified in Attachment 1, <i>Master Report Schedule for All Groups</i> . During the term of this Agreement, the State and Contractor can change the reporting requirements by mutual written agreement.	Self-Explanatory	
Financial Reports	The QB7 report will be delivered within thirty (30) days of the end of each quarter. (See Attachment 7)	Self-Explanatory	
Rebate Reconciliation Report	A rebate reconciliation report (actual to guarantee) will be delivered within 180 days after the end of each contract year.	Self-Explanatory	
Audits			
Provide Data Extract Requested	Within thirty (30) days of request date or within ten (10) business days of executed confidentiality agreement (whichever occurs first).	Self-Explanatory	
Provide Complete Response to Data Request	Within thirty (30) days of request.	Self-Explanatory	
Responding to Data Reconciliation Requests	Within ten (10) business days of request.	Self-Explanatory	

Providing Initial Response to Audit Findings	Within thirty (30) days of receipt of findings.	Self-Explanatory	
----------------------------------------------	-------------------------------------------------	------------------	--

EGWP Specific			
PDP Member Appeal Resolution Time	100% of standard appeals within seven (7) business days; 100% of expedited appeals within 72 hours.	Self-Explanatory	
PDP Initial Coverage Determination Time	97% of standard determinations within 72 hours; 100% of expedited determinations in 72 hours.	Self-Explanatory	
PDP Prescription Drug Event (PDE) Submission Time	99% of prescription claims to be reported within sixty (60) days of date of service.	Self-Explanatory	
PDP Member Explanation of Benefit Mailing	98% sent by the end of month subsequent to the reporting month.	Self-Explanatory	
		TOTAL (\$500,000 or more)	

APPENDIX D

OFFICER CERTIFICATION FORM

Please have an officer of your company review and sign this worksheet to confirm the information is valid. Please include completed form with proposal.

Officer's Statement	
Company's Legal Name	
Company's Marketing Name (if different)	
Street Address	
City	
State	
Zip	
Phone Number	
Fax Number	
Email Address	
Name of Officer Completing Statement	
Title of Officer Completing Statement	
Phone Number of Officer Completing Statement	
Email Address of Officer Completing Statement	

I certify that our response to the State of Delaware's Request for Proposal for the Pharmacy Benefit Management Services is complete and accurate to the best of my knowledge and contains no material omissions or misstatements. I acknowledge that the State of Delaware will rely upon the information included in our response to make decisions concerning the administration of these benefits that are offered to their employees.

Officer's Signature

Date Signed

APPENDIX F

SUBCONTRACTOR INFORMATION FORM

PART I – STATEMENT BY PROPOSING VENDOR		
1. CONTRACT NO.	2. Proposing Vendor Name:	3. Mailing Address
4. SUBCONTRACTOR		
a. NAME	4c. Company OSD Classification: Certification Number: _____	
b. Mailing Address:	4d. Women Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4e. Minority Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4f. Disadvantaged Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4g. Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4h. Service Disabled Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. DESCRIPTION OF WORK BY SUBCONTRACTOR		
6a. NAME OF PERSON SIGNING	7. BY (<i>Signature</i>)	8. DATE SIGNED
6b. TITLE OF PERSON SIGNING		
PART II – ACKNOWLEDGEMENT BY SUBCONTRACTOR		
9a. NAME OF PERSON SIGNING	10. BY (<i>Signature</i>)	11. DATE SIGNED
9b. TITLE OF PERSON SIGNING		

APPENDIX G

EMPLOYING DELAWAREANS REPORT⁹

As required by House Bill # 410 (Bond Bill) of the 146th General Assembly and under Section 30, no bid for any public works or professional services contract shall be responsive unless the prospective bidder discloses its reasonable, good-faith determination of:

1.	Number of employees that would reasonably be anticipated to be employed on this account.	
2.	Percentage of such employees who are <i>bona fide</i> legal residents of Delaware.	
3.	Total number of employees of the bidder.	
4.	Total percentage of employees who are <i>bona fide</i> residents of Delaware.	

If subcontractors are to be used:

1.	Number of employees who are residents of Delaware.	
2.	Percentage of employees who are residents of Delaware.	

⁹ The number of Delawareans employed by your organization are not taken into consideration during the evaluation or scoring of your bid.

APPENDIX H

FINANCIAL RATINGS

Carrier's most recent rating or filing (identify date) from the following agencies:

Vendor Ratings	Rating
A.M. Best: Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	
Standard & Poors: Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	
Fitch (formerly Duff and Phelps): Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	
Moody's: Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	

1. Has there been any change in your organization's ratings in the last two years? If yes, please explain the nature and reason(s) for the change.
2. Are there any outstanding legal actions pending against your organization? If so, please explain the nature and current status of the action(s).
3. What fidelity and surety insurance or bond coverage does your organization carry to protect your clients? Specifically describe the type and amount of the fidelity bond insuring your employees, which would protect this plan in the event of a loss.
4. Does your organization agree to furnish a copy of all such policies for review by legal counsel if requested?
5. Do you anticipate any mergers, transfer of company ownership, sales management reorganizations, or departure of key personnel within the next three (3) years that might affect your ability to carry out your proposal if it results in a contract with the State of Delaware? If yes, please explain.
6. Is your Company affiliated with another company? If yes, please describe the relationship.

Appendix K

Non-Public Data Owned by the State of Delaware State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions

1. **Data Ownership:** The State of Delaware shall own all right, title and interest in its data that is related to the services provided by this contract.¹⁰ The Service Provider shall not access State of Delaware User accounts, or State of Delaware Data, except (i) in the course of data center operations, (ii) in response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State of Delaware's written request.

Response:

2. **Data Protection:** Protection of personal privacy and sensitive data shall be an integral part of the business activities of the Service Provider to ensure that there is no inappropriate or unauthorized use of State of Delaware information at any time. To this end, the Service Provider shall safeguard the confidentiality, integrity, and availability of State information and comply with the following conditions:
- a) All information obtained by the Service Provider under this contract shall become and remain property of the State of Delaware.
 - b) At no time shall any data or processes which either belongs to or are intended for the use of State of Delaware or its officers, agents, or employees, be copied, disclosed, or retained by the Service Provider or any party related to the Service Provider for subsequent use in any transaction that does not include the State of Delaware.

Response:

3. **Data Location:** The Service Provider shall not store or transfer non-public State of Delaware data outside of the United States. This includes backup data and Disaster Recovery locations. The Service Provider will permit its personnel and contractors to access State of Delaware data remotely only as required to provide technical support.¹¹

¹⁰ If, due to the nature of your product, the ownership of the data transfers to your organization when the data is under your control, please so state and provide an explanation and, if applicable, a citation for a regulation or law.

¹¹ The awarded vendor will be required to comply with the Offshore IT Staffing Policy: <http://dti.delaware.gov/pdfs/pp/OffshoreITStaffingPolicy.pdf>. The primary contractor must reside in the United States, be licensed for business in Delaware, and shall be liable for any noncompliance by any subcontractor. It is explicitly forbidden for the primary contractor or subcontractor staff to "share" access privileges. Describe your organization's relationship with any offshore staff, either as employees of your company or that of any subcontractor. State the scope (number and location) of the personnel, their role, and the process of data exchange, including a description of the data security measures.

Response:

4. **Encryption:**
- a) **Data in Transit:** The Service Provider shall encrypt all non-public data in transit regardless of the transit mechanism. The policy documents are located at: <http://dti.delaware.gov/pdfs/pp/SecureFileTransport.pdf> and <http://dti.delaware.gov/pdfs/pp/DataClassificationPolicy.pdf>
- b) **Encryption at Rest:** For engagements where the Service Provider stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. The policy document is located at: <http://dti.delaware.gov/pdfs/pp/WebApplicationSecurity.pdf>. Examples are social security number, date of birth, driver's license number, financial data, federal/state tax information, and hashed passwords. The Service Provider's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2, Security Requirements. The key location and other key management details will be discussed and negotiated by both parties. When the Service Provider cannot offer encryption at rest, they must maintain, for the duration of the contract, cyber security liability insurance coverage for any loss resulting from a data breach in accordance with the Cloud and Offsite Hosting Policy, <http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingPolicy.pdf>. Additionally, where encryption of data at rest is not possible, the vendor must describe existing security measures that provide a similar level of protection.

Response:

5. **Breach Notification and Recovery:** Delaware Code requires public breach notification when citizens' personally identifiable information is lost or stolen. (Reference: 6 Del. C. § 12B-102. <http://delcode.delaware.gov/title6/c012b/index.shtml>) Additionally, unauthorized access or disclosure of non-public data is considered to be a breach. The Service Provider will provide notification without unreasonable delay and all communication shall be coordinated with the State of Delaware. When the Service Provider or their sub-contractors are liable for the loss, the Service Provider shall bear all costs associated with the investigation, response and recovery from the breach including but not limited to credit monitoring services with a term of at least three (3) years, mailing costs, website, and toll free telephone call center services. The State of Delaware shall not agree to any limitation on liability that relieves a Contractor from its own negligence or to the extent that it creates an obligation on the part of the State to hold a Contractor harmless.

Response:

6. **Notification of Legal Requests:** The Service Provider shall contact the State of Delaware upon receipt of any electronic discovery, litigation holds, discovery searches, and expert testimonies related to, or which in any way might reasonably require access to the data of the State. The Service Provider shall not respond to subpoenas, service of process, and other

legal requests related to the State of Delaware without first notifying the State unless prohibited by law from providing such notice.

Response:

7. **Termination and Suspension of Service:** In the event of termination of the contract, the Service Provider shall implement an orderly return of State of Delaware data in CSV or XML or another mutually agreeable format. The Service Provider shall guarantee the subsequent secure disposal of State of Delaware data.
- a) **Suspension of Services:** During any period of suspension or contract negotiation or disputes, the Service Provider shall not take any action to intentionally erase any State of Delaware data.
 - b) **Termination of any Services or Agreement in Entirety:** In the event of termination of any services or agreement in entirety, the Service Provider shall not take any action to intentionally erase any State of Delaware data for a period of ninety (90) days after the effective date of the termination. After such 90 day period, the Service Provider shall have no obligation to maintain or provide any State of Delaware data and shall thereafter, unless legally prohibited, dispose of all State of Delaware data in its systems or otherwise in its possession or under its control as specified in section 7d) below. Within this ninety (90) day timeframe, vendor will continue to secure and back up State of Delaware data covered under the contract.
 - c) **Post-Termination Assistance:** The State of Delaware shall be entitled to any post-termination assistance generally made available with respect to the Services unless a unique data retrieval arrangement has been established as part of the Service Level Agreement.
 - d) **Secure Data Disposal:** When requested by the State of Delaware, the provider shall destroy all requested data in all of its forms, for example: disk, CD/DVD, backup tape, and paper. Data shall be permanently deleted and shall not be recoverable according to National Institute of Standards and Technology. The policy document is located at:
<http://dti.delaware.gov/pdfs/pp/DisposalOfElectronicEquipmentAndStorageMedia.pdf>

Response:

8. **Background Checks:** The Service Provider shall conduct criminal background checks and not utilize any staff, including sub-contractors, to fulfill the obligations of the contract who has been convicted of any crime of dishonesty, including but not limited to criminal fraud, or otherwise convicted of any felony or any misdemeanor offense for which incarceration for a minimum of one (1) year is an authorized penalty. The Service Provider shall promote and maintain an awareness of the importance of securing the State's information among the Service Provider's employees and agents.

Response:

9. **Data Dictionary:** Prior to go-live,¹² the Service Provider shall provide a data dictionary in accordance with the State of Delaware Data Modeling Standard at <http://dti.delaware.gov/pdfs/pp/DataModelingStandard.pdf>

Response:

10. **Security Logs and Reports:** The Service Provider shall allow the State of Delaware access to system security logs that affect this engagement, its data and or processes. This includes the ability for the State of Delaware to request a report of the records that a specific user accessed over a specified period of time.

Response:

11. **Contract Audit:** The Service Provider shall allow the State of Delaware to audit conformance including contract terms, system security and data centers as appropriate. The State of Delaware may perform this audit or contract with a third party at its discretion at the State's expense. Such reviews shall be conducted with at least thirty (30) days advance written notice and shall not unreasonably interfere with the Service Provider's business.

Response:

12. **Sub-Contractor Disclosure:** The Service Provider shall identify all of its strategic business partners related to services provided under this contract, including but not limited to, all subcontractors or other entities or individuals who may be a party to a joint venture or similar agreement with the Service Provider, who will be involved in any application development and/or operations.¹³

Response:

13. **Operational Metrics:** The Service Provider and the State of Delaware shall reach agreement on operational metrics and document said metrics in the Service Level Agreement.¹⁴

Examples include but are not limited to:

- a) Advance notice and change control for major upgrades and system changes
- b) System availability/uptime guarantee/agreed-upon maintenance downtime

¹² In this instance, "go live" means that if your organization is awarded the contract, for Delaware data only, upon approval by the State, and before the first data exchange. If your organization wishes to claim this information as proprietary and confidential, follow the directions in Section I.F., *Confidentiality of Documents*.

¹³ Subcontractors are subject to all the terms and conditions of the RFP. If a subcontractor(s) is involved, note in your response to this question and complete Appendix F, *Subcontractor Information Form*, included herein for each subcontractor.

¹⁴ For this product, the terms would be in the contract's statement of work or performance guarantees.

- c) Recovery Time Objective/Recovery Point Objective
- d) Security Vulnerability Scanning

Response:

By signing this agreement, the Service Provider agrees to abide by all of the above Terms and Conditions.

Service Provider Name/Address (print): _____

Authorizing Official's Title (print): _____

Authorizing Official's Signature: _____

Date: _____