

# Ohio | Department of Medicaid

**John R. Kasich, Governor**  
**John B. McCarthy, Director**

May 6, 2014

Dear Vendor:

This letter is to announce the release of The Ohio Department of Medicaid (ODM) releases this Request for Information (RFI) for the purpose of seeking information from vendors of pharmacy benefit management services on state-of-the-art innovations and reforms for pharmacy benefit manager (PBM) practices, roles, and technologies. ODM wants to improve and expand its PBM services by using an integrated approach to drug dispensing, utilization, and value purchasing that aligns with Ohio's current priorities for Medicaid modernization, cost containment and improved health outcomes. The depth of knowledge and experience present in the collective stakeholder community provides an excellent opportunity to gather relevant and valuable information to help inform the development process connected with this project. This RFI is only the first significant effort to reach out to and draw on that expertise.

Respondents should note that no contract will be awarded pursuant to this RFI and that responding to, or not responding to, this RFI will neither increase nor decrease any respondent's chance of being awarded a contract from a subsequent solicitation by ODM. Please be advised as well that the contents of your response will be considered public information and will be made available upon request by interested parties.

If you are interested in responding for this important project, please obtain the RFI through the Ohio Department of Administrative Services (DAS) web site <https://procure.ohio.gov/proc/index.asp>, And following these instructions:

- \* Select "Find it Fast" on the left side of the page
- \* Select the Type as "Doc/Bid/Schedule #"
- \* Enter the MCD RFP number **ODM14159002** in the search box
- \* Press the button "Find it Fast"

If you experience problems opening the above referenced DAS URL, please contact the ODM Office of Contracts and Procurement at the following telephone number: (614) 728-8034.

Thank you for your attention to this request.

Sincerely,

(Signature on File)

Heather L. Sullivan  
Acting Deputy Director  
Office of Contracts and Procurement

## Request for Information # ODM14159002

### Integrating Pharmacy Services for Individuals Eligible for Ohio Medicaid

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#### Section I – General Information

The Ohio Department of Medicaid (ODM) releases this Request for Information (RFI) for the purpose of seeking information from vendors of pharmacy benefit management services on state-of-the-art innovations and reforms for pharmacy benefit manager (PBM) practices, roles, and technologies. ODM wants to improve and expand its PBM services by using an integrated approach to drug dispensing, utilization, and value purchasing that aligns with Ohio's current priorities for Medicaid modernization, cost containment and improved health outcomes. The depth of knowledge and experience present in the collective stakeholder community provides an excellent opportunity to gather relevant and valuable information to help inform the development process connected with this project. This RFI is only the first significant effort to reach out to and draw on that expertise.

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Interested Parties may ask clarifying questions regarding this RFI. To ask a question, Interested Parties must use the following Internet process:

1. Access the DAS Web Page at <http://procure.ohio.gov/proc/index.asp>
2. Select "Find it Fast" in the left navigation bar;
3. Select "Doc/Bid/Schedule#;"
4. Type in RFI Number **ODM14159002**;
5. Click the "Find it Fast" Button to locate the RFI; and,
6. Follow the instructions to send an e-mail question.

Questions about this RFI must reference the relevant part of this RFI, the heading for the provision under question, and the page number of the RFI where the provision can be found. The Interested Party must also include the name of a representative of the Interested Party, the company name and business phone number. ODM may, at its option, disregard any questions which do not appropriately reference a RFI provision or location, or which do not include identification for the originator of the question. ODM will not respond to any questions submitted after 10:00 a.m. on the date the Q&A period closes.

The answers provided by ODM may be accessed by following the instructions above, once the Q&A period closes and ODM posts the Q&A Document.

ODM responses to all questions asked via the Internet will be posted on the Internet website dedicated to this RFI, for reference by all Interested Parties. Interested Parties' questions shall only be answered inside this forum. Clarifying questions asked and ODM responses to them comprise the "ODM Q&A Document" for this RFI. ODM reserves the right to determine when to post (i.e., as received or after the closing of the Q&A period) official answers to vendor questions.

Vendor proposals in response to this RFI are to take into account any information communicated by ODM in the Final Q&A Document for the RFI. It is the responsibility of all Interested Parties to check this site for responses to questions, as well as for any amendments or other pertinent information regarding this RFI.

#### Anticipated Timetable

DATE	EVENT/ACTIVITY
May 6, 2014	ODM releases the RFI to the Vendor Community on the Internet: Q&A period opens -RFI becomes active -Interested Parties may submit inquiries.
May 27, 2014	Q&A period closes; 10 a.m. (for inquiries for RFI clarification) -No further inquiries will be accepted -ODM will provide answers that will make up the Final Q&A Document
June 16, 2014	Deadline for Interested Parties to submit responses to ODM (3 p.m.)
TBD	Interested Party interviews (at ODM discretion)

## Section II – Overview

**Purpose:** This RFI seeks innovative ideas for an integrated approach to drug utilization and payment for value, including specialty drug utilization and management, for Ohio's fee-for-service Medicaid population. ODM is looking for pharmacy-based solutions that are evidence-based and data driven to address the three goals of Ohio's Medicaid Quality Strategy:

- Deliver better care
- Improve the health of Ohio's Medicaid population
- Practice best evidence medicine

ODM's current practices are based on traditional pharmacy management techniques, in which a PBM provides a set of services to administer the pharmacy benefit without integrating data across systems and without a focus on improving the health of the patient. ODM's PBM system and services grew out of program conditions in the past, and do not fully reflect current clinical and operational needs. Traditional PBM services have included:

- Pharmacy Claims Processing
- Preferred Drug List Management
- Drug Rebates

- Prospective and retrospective Drug Utilization Review (DUR)
- Prior authorization and step therapy
- Dose optimization and quantity limits

ODM is seeking input from the vendor community about innovative PBM offerings built on Medicaid Information Technology Architecture (MITA) version 3.0 that meets the Centers for Medicare and Medicaid Services' (CMS) Seven Standards and Conditions<sup>1</sup>. Ohio is targeting release of a request for proposal (RFP) for a PBM vendor for its Medicaid fee-for-service population later in 2014, and desires to include in the PBM RFP innovative ideas for an integrated approach to drug utilization and value-based payment processes. Understanding the marketplace offerings of PBM vendors is an important step as Ohio crafts its PBM RFP.

**Background:** In January 2011, Governor John Kasich created the Office of Health Transformation (OHT)<sup>2</sup> to control Medicaid spending and improve health outcomes. OHT has implemented an aggressive package of Medicaid reforms, and Ohio now leads the nation in the scope and impact of its reforms. In June 2012, as the Governor's Administration continued implementing these reforms, it became clear that in some cases the system itself is a barrier to improvement. A mid-course correction was required to improve coordination across the state's six Medicaid-related agencies. In 2013, the Governor continued to streamline Medicaid activities, creating a new cabinet-level Medicaid department and consolidating mental health and addiction services into one agency. Reform highlights include:

- Link payment to performance – Ohio Medicaid now pays hospitals, nursing homes, and health plans based in part on how well they perform on quality and outcome measures.
- Fight fraud and abuse – aggressive new reforms are on track to save Ohio taxpayers millions of dollars.
- Accelerate the adoption of electronic health information exchange.
- Enhance statewide data sharing through “agencies without walls” protocols.
- Reset the basic rules of health care competition so the financial incentive is to keep people as healthy as possible.
- Make information about price and quality transparent, and get the right information to the right place at the right time to improve care and cut costs.
- Transform primary care from a system that reacts after someone gets sick to a system that keeps people as healthy as possible.
- Prevent chronic disease whenever possible and, when it occurs, coordinate care to improve quality of life and help reduce chronic care costs.
- Support the establishment of practices as patient-centered medical homes (PCMH).

**Desired Components:** This RFI seeks innovative ideas from a wide range of vendors with expertise in managing pharmacy benefits that include but are not limited to:

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<sup>1</sup> <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/Medicaid-Information-Technology-architecture-MITA.html>

<sup>2</sup> <http://www.healthtransformation.ohio.gov/>

- Claims processing
- Prior authorization criteria and determination
- Pricing methodologies
- Preferred drug list
- Rebates (federal, supplemental, and non-drug)
- Pharmacy auditing
- Cost containment
- Specialty pharmacy
- Provider-administered drug management
- Drug utilization review (prospective and retrospective)
- Health outcomes research
- Reporting and analytics/metrics
- Utilization management
- Provider outreach and education
- Pharmacy and prescriber network management
- Electronic prescribing
- Health information exchange
- Integration of pharmacy and medical benefits
- Clinical decision support
- Quality assessment and improvement
- Program integrity and avoiding fraud, waste and abuse
- Management of chronic illness, including behavioral health and pain management
- Integrating pharmacy into the PCMH model

### Section III - Content of Response

ODM wants to learn about the full spectrum of services and encourages vendors representing a wide range of experience in pharmacy and other health-related benefits to reply to this RFI. ODM requests that vendors respond to the applicable items below in writing by **June 16, 2014**.

1. Briefly describe your organization and the products and services you provide.
2. What capabilities and strategies have you traditionally employed to manage the pharmacy benefit for Medicaid customers?
3. Explain how your pharmacy benefit administration capabilities support best practices for health plans and the integration of pharmacy into the PCMH model.
4. Explain your approach and successes related to managing drug costs and pharmacy trend and in particular your approach to managing increasing specialty pharmacy costs and drugs in the medical benefit.

5. If applicable, explain how your claims processing platform is flexible, adaptable and intuitive.
6. Describe your integrated approach to drug utilization and payment for value that improves health outcomes.
7. Provide a list of current/former clients that have adopted your approach and your clients' actual experience to date.
8. Provide an estimate of the implementation timeline for your solution, and describe the factors that might cause this timeline to become longer or shorter.
9. What support would you need from the State, an outgoing pharmacy benefits vendor, and any other vendors/service providers during the implementation?
10. What information would you need from ODM in order to submit a responsive proposal?
11. Provide an explanation of how your services are priced (e.g., monthly/annual fee, per-item charge, hourly).
12. Discuss your solution's compliance with CMS' Seven Standards and Conditions as it relates to service-oriented architecture.
13. How can ODM best invest in flexible resources to continuously meet the needs of constantly changing dynamics in health care, medicine and pharmacy, and improve the health of Ohio's Medicaid population?
14. Share your experiences in improving the quality of the pharmacy and prescriber networks and what metrics you used to measure the improvement.

We hope that the issuance of this RFI will generate constructive and substantial comment from all of the stakeholders with an interest in the development, design and ultimate implementation of this specific project. We intend to use the comments and suggestions received to inform and guide the next steps in this process, as well as to facilitate and inform further conversations with stakeholders.

## Section IV - Submission

ODM requests submissions in both paper and electronic format. The information should be prepared and submitted in accordance with instructions found in this section. The submission must include:

- **Two (2)** paper copies (one signed original and one copy) and one CD-ROM copy of the submission;

Please ensure that all copies and all formats of the proposal are identical.

The vendor's total submission must be received by the Office of Contracts and Procurement (OCP) no later than **3:00 p.m.** on **June 16, 2014**. Faxes or e-mailed submissions will not be accepted. Vendors are encouraged to hand-deliver to the address below, or use a private delivery company (e.g., FedEx, UPS) to deliver their submissions, as these types of companies deliver directly to ODM's security desk in the building lobby where it will be received and date and time stamped.

**Address for hand delivery or delivery by a private delivery company:**

**Office of Contracts and Procurement  
Ohio Department of Medicaid  
50 West Town Street  
Columbus, Ohio 43215  
ATTN: RFP/RLB Unit**

**Address for postal deliveries:**

**Ohio Department of Medicaid  
Office of Contracts and Procurement  
PO Box 182709  
Columbus, Ohio 43218-2709  
ATTN: RFP/RLB Unit**

Please convert the entire submission into one single secure .pdf document saved to the CD-ROM submitted to ODM. If the submission's size necessitates more than a single .pdf document to contain the entire proposal, please use the fewest separate .pdf documents possible.

CD-ROMs should be labeled with the organization's name, the RFI number, and the submission date or due date. The requested CD-ROMs will be used by ODM for archiving purposes and for fulfillment of Public Records Requests.

All submissions must be received by OCP by the specified deadline. Materials received after the date and time as stated above will not be added to any previously received submissions.

OCP will accept submissions at any time during normal ODM business hours prior to the posted submission deadline (date and time). ODM is not responsible for submissions incorrectly addressed or for delivery to any ODM location other than the addresses specified above. No confirmation of mailed submissions can be provided.

Thank you for your interest in this project.