

AMENDMENT 1 FOR RFP NUMBER 0A1111

DATE AMENDMENT ISSUED: February 6, 2015

The State of Ohio, through the Department of Administrative Services, Office of Information Technology, on behalf of the Ohio Department of Medicaid is requesting proposals for:

Pharmacy Benefits Management

INQUIRY PERIOD BEGINS: January 7, 2015
INQUIRY PERIOD ENDS: ~~February 13, 2015 at 8:00 a.m.~~
February 27, 2015 at 8:00 a.m.
OPENING DATE: ~~February 23, 2015 at 1:00 p.m.~~
March 9, 2015 at 1:00 p.m.

OPENING LOCATION: Department of Administrative Services
General Services Division
Bid Room
4200 Surface Road
Columbus, Ohio 43228

PRE-PROPOSAL CONFERENCE DATE: Monday, January 26, 2015

The attached is an Amendment for the RFP listed above. Please use the replacement page(s) contained in the Amendment to replace the corresponding page(s) previously in the RFP.

Specifications and requirements that have been revised are surrounded by bolded double asterisks and, when applicable, strikethrough text.



REQUEST FOR PROPOSALS

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This RFP consists of five parts and 11 attachments, totaling 98 consecutively numbered pages. Supplements also are attached to this RFP with a beginning header page and an ending trailer page. Please verify that you have a complete copy.

In lieu of taking exceptions to RFP requirements, including but not limited to terms and conditions, scope of work requirements, etc., or providing assumptions that may be unacceptable to the State, offerors are strongly encouraged to use the inquiry process in Part Three of the RFP.

Mandatory Requirements Overview. The offeror must show evidence of meeting the following mandatory requirements of this RFP:

Offeror / Subcontractor Mandatory Requirements:

The offeror (prime contractor) and/or its subcontractor(s) must demonstrate at least five (5) years of experience in the following areas for public sector clients of similar size, scope and characteristics of the Ohio Department of Medicaid RFP:

1. Pharmacy claims processing for large scale public sector programs;
2. Drug rebate administration;
3. Pharmacy audit (claim review) services;
4. Health plan preferred drug lists;
5. Prior authorization;
6. Lock-in programs for inappropriate controlled substance use;
7. Drug utilization review programs; and
8. Drug and medical claim analytics and reporting.

Key Project Personnel Mandatory Requirements:

The proposed **Implementation Manager** (e.g., Contractor Project Manager) for the PBM Project must:

1. Be a full-time employee of the offeror (prime contractor) or its subcontractor.
2. Have a minimum of five (5) years of Project Management experience managing implementations of public sector IT related projects. and
3. Must have attained a Project Management Professional (PMP) Certification from the Project Management Institute (PMI) or equivalent.

The proposed **Account Manager** for the PBM Project must:

1. Be a full-time employee of the offeror (prime contractor).
2. Have a minimum of five (5) years of public sector pharmacy benefit management or pharmacy program oversight related experience. and
3. Have a minimum of three (3) years of project / contract management experience.

Calendar of Events. The schedule for the RFP process and the Project is given below. The State may change this schedule at any time. If the State changes the schedule before the Proposal due date, it will do so through an announcement on the State Procurement Website's question and answer area for this RFP. The Website announcement will be followed by an amendment to this RFP, also available through the State's Procurement Website. After the Proposal due date and before the award of the Contract, the State will make schedule changes through the RFP amendment process. Additionally, the State will make changes in the Project schedule after the Contract award through the change order provisions in the General Terms and Conditions Attachment to this RFP. It is each prospective offeror's responsibility to check the Website question and answer area for this RFP for current information regarding this RFP and its Calendar of Events through award of the Contract.

Dates:

Firm Dates

RFP Issued:	January 7, 2015
Inquiry Period Begins:	January 7, 2015
Pre-Proposal Conference Date:	January 26, 2015, at 1:00 p.m.
Inquiry Period Ends:	**February 27, 2015, at 8:00 a.m. February 13, 2015, at 8:00 a.m.**
Proposal Due Date:	**February 23, 2015, at 1:00 p.m. March 9, 2015, at 1:00 p.m.**

- Nature and extent of State support required in terms of staff roles, percentage of time available, and so on;
- Assistance from State staff and the experience and qualification levels required; and
- Other support requirements.

The State may not be able or willing to provide the additional support the offeror lists in this part of its Proposal. The offeror therefore must indicate whether its request for additional support is a requirement for its performance. If any part of the list is a requirement, the State may reject the offeror's Proposal, if the State is unable or unwilling to meet the requirements.

Conflict of Interest Statement. Each Proposal must include a statement indicating whether the offeror or any people that may work on or benefit from the Project through the offeror have a possible conflict of interest (e.g., employed by the State of Ohio, etc.) and, if so, the nature of that conflict. The State may reject a Proposal in which an actual or apparent conflict is disclosed. The State also may terminate the Contract if it discovers any actual or apparent conflict of interest that the offeror did not disclose in its Proposal.

Proof of Insurance. The offeror must provide the certificate of insurance in the form that Attachment Four requires. The policy may be written on an occurrence or claims made basis.

Payment Address. The offeror must give the address to which the State should send payments under the Contract.

Legal Notice Address. The offeror must give the name, title, and address to which the State should send legal notices under the Contract.

W-9 Form. The offeror must complete a W-9 form in its entirety. The offeror must submit at least one originally signed W-9. All other copies of a Proposal may contain copies of the W-9. The offeror must indicate on the outside of the binder which Proposal contains the originally signed W-9. A current version of the Internal Revenue's W-9 form is available at <http://www.irs.gov/pub/irs-pdf/fw9.pdf> .

Independent Contractor Acknowledgement Form. Unless the offeror is a "business entity" as that term is defined in ORC. 145.037 ("an entity with five or more employees that is a corporation, association, firm, limited liability company, partnership, sole proprietorship, or other entity engaged in business"), the offeror must complete and submit an originally signed Independent Contractor Acknowledgement form in its entirety. All other copies of a Proposal may contain copies of the Independent Contractor Acknowledgement form. The offeror must indicate on the outside of the binder which Proposal contains the originally signed Independent Contractor Acknowledgement form. A current version of the Independent Contractor Acknowledgement form is available at <https://www.opers.org/forms-archive/PEDACKN.pdf> \ | "zoom=80

Standard Affirmation and Disclosure Form (EO 2011-12K). The offeror must complete and ****submit/sign**** the Affirmation and Disclosure Form (Attachment Nine) as part of its Proposal. Executive Order 2011-12K is available at <http://www.governor.ohio.gov/Portals/0/pdf/executiveOrders/EO%202011-12K.pdf>

Background Checks. All Contractor and subcontractor personnel assigned to the Pharmacy Benefits Management Services Project who may have access to sensitive or confidential information or to sensitive State systems must have a current fingerprint search and background check performed by the Federal Bureau of Investigation or other Federal investigative authority. The fingerprint search and background checks must be completed before any such Contractor or subcontractor personnel gain access to State facilities, sensitive and/or confidential information or systems. All costs associated with

deals with directing and managing project execution, monitoring and controlling project work, performing integrated change control, and closing the project.

The Contractor will:

- ✦ Develop, administer and maintain a detailed project integration plan;
- Prepare, submit for approval by ODM and execute the Detailed Project Plan which addresses each phase of the SDLC. The plan must identify all integration points between all stakeholders and ODM including but not limited to interfaces, inputs and outputs that the Contractor requires from other Contractors or the State;
- Prepare and submit weekly updates to the Project Plan. Weekly updates should include an executive summary highlighting the changes/updates to the plan and call attention to any areas of risk; and
- Provide necessary tools/resources to ODM to assist in the coordination of the Integrated Project Plan, Issue Management, Change Management and Integration Management Change Control.

2.10 Issue Management

Issue Identification, Tracking, and Resolution is a key activity that must be maintained throughout the life cycle of the Project.

The Contractor will develop and follow an approach to identify and track all issues, using an automated issue management tracking system.

Reports generated by this protocol will become a part of the Weekly Project Status Report activities. This issue tracking protocol will be developed by the Contractor, in collaboration with the OMD PMO and will be monitored by the State.

The Contractor will:

- Provide an issue management tracking system that provides, at a minimum the following:
 - Description of the issue;
 - Priority of the issue;
 - Dependencies and plans for resolution;
 - Staff responsibility assignments;
 - Impact severity;
 - Targeted and actual resolution dates, and
 - Resolution action summary.
- Work closely with ODM to gather requirements and develop policy for the issue management tracking system;
- Document the discovery of all issues within one calendar day of discovery;
- Track all Project related issues in the issue management tracking system;
- Provide adequate resources to ODM to coordinate the resolution of issues; and
- Prepare and submit weekly issue management reports as part of the Weekly Project Status Report or on a frequency as determined by ODM.

2.11 Change Management

The purpose of this change management process is to ensure that standardized methods and procedures are used for efficient and prompt handling of all changes to the systems, services, and IT infrastructure, in order to minimize the number and impact of any related incidents upon service.

The Contractor must participate in the change management process. This RFP and subsequent Contract are considered fixed-price so it is unlikely that there will be changes that are reimbursable to the Contractor. If such a situation arises, Contractor compensation for changes will only be considered at the State's discretion and when the mutually agreed to change management process is followed. The change management process will apply to all proposed changes and will address the following concepts:

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- All proposed changes must be initiated through a Project Change Request;
- Any document resulting from the change request shall be binding upon agreement and signature of all associated parties;
- The State expects that the Contractor will maintain continual federal and state compliance. For this reason, all Contractor costs to put into effect changes required to maintain this compliance will be considered included in the Contract price resulting from this procurement;
- Routine changes made in the ordinary course of the Contractor's provision of services within the scope of its Contract that do not change performance levels or reduce the Contractor's capacity to attain established performance thresholds, such as changes to operating procedures, schedules, equipment configurations, must be made at no additional cost to the State. Performance Standards are presented in Supplement Four of this RFP;
- Examples of routine changes that are included in the routine maintenance of the Contractor's PBM system and to be performed at no additional cost to the State are:
 - Activities necessary for the PBM system to function in compliance with federal and/or state law, federal and/or state administrative rules, the State Plan, state waivers, state policies, or the operating manuals or such documentation including deficiencies found after implementation of modifications incorporated into the PBM system.
 - Activities necessary to comply with new industry standards and operating rules associated with those standards;
 - Activities necessary for the PBM system to meet the performance requirements detailed in this RFP;
 - Activities necessary to ensure that data, tables, programs, and documentation are current and that errors are found and corrected;
 - Data maintenance activities for updates to tables, including database support activities;
 - Changes to scripts or system parameters concerning the frequency, number, sorting, and media of reports; and
 - Changes to disposition parameters for established edit or claim review criteria.
- Changes approved for Contractor compensation are subject to the provisions of the Contract;

The Contractor's proposed Change Management process requires specific State agreement before it is implemented. The State, at its sole discretion, determines to what extent State staff will be involved in the Change Management process, including but not necessarily limited to, State staff involvement in, nor sign-off approval for, projects under the change management process. State approval of any Contractor work product in no way releases the Contractor from full responsibility for the accuracy and quality of the work product.

The State is dependent on the Contractor for providing products and services that fully comply with the responsibilities, requirements and deliverables set forth in this RFP, Supplements and subsequent Contract. State approval of Contractor work product associated with the responsibilities, requirements and deliverables does not in any way relieve the Contractor from full financial responsibility for Contractor work product that does not meet the State requirements, as set out in the RFP, Supplements and the subsequent Contract.

The Contractor will:

- Adhere to the mutually agreed to Change Management process and requirements of ODM including but not limited to review and approval of changes released to production, including post implementation review changes;
- Adhere to the Information Technology Infrastructure Library (ITIL) standards associated with change management activities;
- Document change requests for any identified deficiency within three (3) business days of discovery of the deficiency or within a timeframe determined by ODM;
- Develop a deliverable expectation document or an Impact analysis document that includes estimates for effort, resources, cost and impacts to the system, recipients, providers and ODM;

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- Maintain the change request process and ensure that the process and testing results comply with specified quality and timeliness standards; and
- Assist ODM in identifying potential policy/IT changes at the local, state, and federal level and manage/execute changes when ****necessary.****

2.12 Scope Management

A major component of the Scope Management Plan will be the Requirements Management Plan. A key component of the Requirements Management Plan is the Requirements Traceability Matrix. The Contractor must maintain a Requirements Traceability Matrix that addresses:

- Assumption definition, tracking, and traceability;
- Business requirement definition, tracking, traceability, and test verification;
- Technical and functional requirement definition, tracking, traceability, and test verification; and
- Tracing and analysis of deliverables to requirements.

This proposed requirements traceability system(s) will serve as the central repository for all requirements and will be considered part of the infrastructure requirements defined in Supplement Two, Requirements Matrix.

This Requirements Traceability Matrix will be maintained and updated throughout the PBM system.

2.13 Requirements Traceability Matrix Overview

The Requirements Traceability Matrix maintains linkage from the source of each requirement through its decomposition to implementation and verification. It is produced and maintained during the System Development Life Cycle (SDLC).

The Requirements Traceability Matrix is built during the Requirements Validation phase of the SDLC and is a deliverable of this phase.

Traceability is an essential activity of the project and ensures that the correct product is being built during each phase of the SDLC.

2.13.1 Requirements Traceability Matrix Outline

This outline specifies the minimum content elements for the Requirements Traceability Matrix document.

REVISION HISTORY	Provide a revision history table with column titles: Revision Number, Date of Release, Owner and Summary of Changes.	
RESPONSIBILITIES	Provide information regarding the responsibilities for the Requirements Traceability Matrix, such as who is responsible for maintaining the matrix.	
LIST OF SOURCES FOR REQUIREMENTS	Document all sources for the requirements to be traced in the matrix.	
	Contract Requirements	Document the source for all contractual requirements that were specifically defined in the contract and all supporting documents, including but not limited to the RFP. The specific requirements can be listed in this section, or the section of the contract containing the requirements noted. Include any contract requirement identifiers. <i>Note any abbreviation that will be used to signify a contract requirement source in the physical matrix, i.e. Contract Requirement=CR.</i>
	System Requirements	Document the sources from the system requirements specification (SyRS) created for the project, include the SyRS identifier. <i>Note any abbreviation that will be used to signify a system requirement source in the physical matrix, i.e. System Requirement= SyRS.</i>
	Software Requirements	Document the sources from the software requirements

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data has been mapped to the new PBM solution correctly and accurately using a massive sampling effort. It will also serve as the data migration development environment.

- **Mock Environment (Transition Testing):** This environment supports the testing of both data migration and all other transition efforts large and small. The early Mock environments can be a virtual representation of the Delivery environment. However, during the later Mock tests, the Mock and Delivery environments must both be as close to identical as possible. This environment will also be used to conduct “what if” analysis in the development of policies and procedures.

3.3.2 Production Environment Interactions

The building of environments and management of environment changes are vitally important to the continued success of the project.

Special regard must be paid to version control, management of tests and change implementation. For this reason, release management software will be considered part of the infrastructure requirements defined in Supplement Two (2), Requirements Matrix. Details of the proposed approach should be provided in the Configuration Management Plans of the response. However, the environment specific areas are covered in the following diagram and sections.

- **Building Environments:** The first environment to be built should be the Control environment (Out-of-the-Box, Orchestration /Management, and Gold). It will be the source of all other environments. All changes intended for an environment should first go through the standard build and change process. This is vital for version control.
- **Change Process by Environment:** The first environment to see any given change will be the Individual Development environments. Once the change has been unit tested, it will be packaged and added to the Control environment. From the Control environment it will be applied to the Development Integration environment.

After successful integration testing, the change will be moved to the current Test environment. Subsequently, when all testing has been successful, the change will be moved to the Gold and Training environments and all developers will be notified that individual development environments need to be updated.

From there it will be moved to the Staging and Delivery environments. The Staging and Delivery environments should not be involved until the initial go-live has been accomplished.

3.3.3 Validation Environment (Maintained after Go-Live)

This environment will contain a scaled down, less complex version of the Delivery environment. This environment is used primarily to make and test major hardware and software infrastructure changes to the solution.

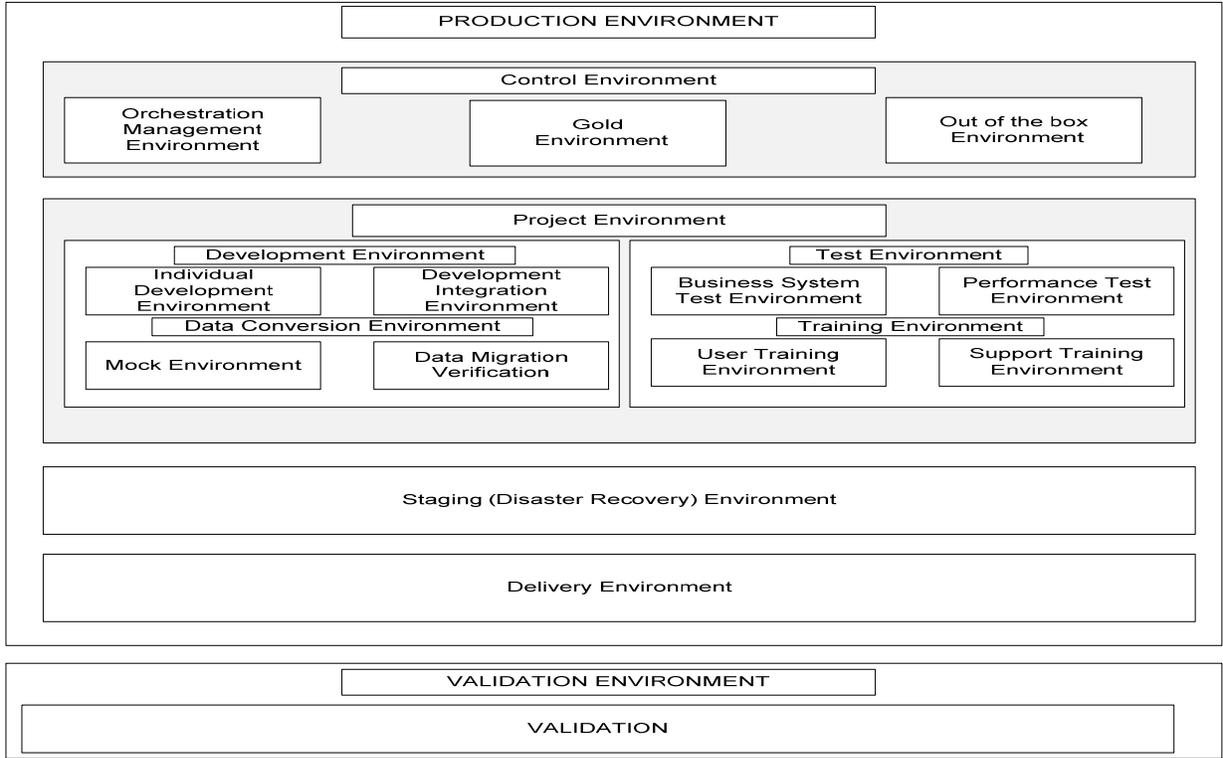
Validation will support a much smaller group of users than Production and will be accorded a lower priority. Management of this environment must still occur but it can be much more flexible.

3.3.4 Environments Building Approach

~~**This environment will contain a scaled down, less complex version of the Delivery environment. This environment is used primarily to make and test major hardware and software infrastructure changes to the solution.**~~

The State’s preferred basic environments and interconnections for the ODM PBM solution are illustrated in the figure below:

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#	Requirement Area	Requirement Sub-Area	Requirement	Offeror Proposed Solution	Offeror Comments
1.087	Claims processing	ProDUR	The Contractor's claims processing system shall allow for ProDUR alerts that fall within one interaction type (e.g. drug to drug level one interaction) to be uniquely dispositioned as in the previous requirement without changing the disposition of the edit in general (e.g. setting one specific level one drug to drug interaction to message only while all other level one drug to drug interactions are set to soft edit).		
1.088	Claims processing	ProDUR	The Contractor's claims processing system shall edit and adjudicate for ProDUR alerts between single line item pharmacy claims and multi-ingredient compounds.		
1.089	Claims processing	ProDUR	The Contractor's claims processing system shall allow for posting of multiple ProDUR alerts in a single response to pharmacy.		
1.090	Claims processing	ProDUR	The Contractor's claims processing system shall allow for ranking of ProDUR alerts, as approved by ODM, so that the response transaction lists the highest ranking ProDUR alert first, in the event that there are multiple ProDUR alerts.		
1.091	Claims processing	ProDUR	The Contractor's claims processing system shall have the ability to recognize dose changes and require the use of the current supply of drug up to the early refill thresholds without the need for manual intervention or prior authorization.		
1.092	Claims processing	Quality	The Contractor shall reprocess erroneously denied claims within five (5) business days of **State approval to reprocess the denied claims-discovery of erroneous denial** .		
1.093	Claims processing	Quality	The Contractor shall develop and conduct a monthly quality assurance (QA) process to confirm accurate claims processing, including editing, utilization management, and pricing and provide the results to ODM upon request.		
1.094	Claims processing	Quality	The Contractor shall conduct research on claim payment problems and provide a Root Cause Analysis (RCA) within five (5) business days of the discovery of the issue. The Contractor shall notify ODM within one (1) hour of discovery of any claims processing issue.		
1.095	Claims processing	Third Party Liability	The POS claims processing system shall adhere to the most current version of the National Council for Prescription Drug Program (NCPDP) Implementation Guide functionality for Governmental Programs to allow appropriate reimbursement and coordination of a beneficiary's benefits.		

#	Requirement Area	Requirement Sub-Area	Requirement	Offeror Proposed Solution	Offeror Comments
1.115	Claims processing	Transaction Management	The Contractor shall ensure that all claims are submitted in a National Council for Prescription Drug Program (NCPDP) compliant format.		
1.116	Claims processing	Transaction Management	The Contractor shall process all pharmacy claims in HIPAA-compliant, National Council for Prescription Drug Program (NCPDP) D.0 version and at the direction of the State, incorporate new versions into the claims adjudication system at no additional cost to the State.		
1.117	Claims processing	Transaction Management	The Contractor shall conduct trading partner testing and registration and certification of all trading partners.		
1.118	Claims processing	Transaction Management	The Contractor shall establish **a process for National Council for Prescription Drug Program (NCPDP) claims processing ability electronic data interchange (EDI) capability** to providers, including troubleshooting assistance, which allows **NCPDPEDI** submitters to submit test transactions at no additional cost to the provider or the State.		
1.119	Claims processing	Transaction Management	The Contractor shall provide testing assistance to **NCPDPEDI** submitters in testing its billing via electronic submissions at no additional cost to the provider or the State.		
1.120	Claims processing	Transaction Management	The Contractor shall report and provide testing results information about test transactions to the submitter.		
1.121	Claims processing	Transaction Management	The Contractor shall provide additional FAQs and other training content related to this business process monthly, or as directed and approved by ODM.		

#	Requirement Area	Requirement Sub-Area	Requirement	Offeror Proposed Solution	Offeror Comments
5.008	Reporting	Pharmacy Enrollment	The Contractor shall produce a monthly report to be delivered to ODM ten (10) business days after the end of the calendar month detailing the pharmacy enrollment. This report shall include pharmacy type (retail chain, retail independent, Long Term Care, Mail Order, specialty, etc.). The report shall include geographical information and mapping to identify under-served areas at the county level.		
5.009	Reporting	MAC	The Contractor shall produce a monthly report detailing calls related to MAC rates including but not limited to counts, call category and call type. Report is due to ODM no later than 10 business days following the end of the previous calendar month		
5.010	Reporting	MAC	The Contractor shall produce a monthly report of active MAC prices and effective dates used for claims processing. Report is due to ODM no later than 10 business days following the end of the previous calendar month.		
5.011	Reporting	MAC	The Contractor shall produce a monthly report comparing the National Average Drug Acquisition Cost (NADAC) against the ODM MAC pricing and report out any NDC that has a price that is above or below the CMS NADAC price, variances reporting will be defined by the Contractor and ODM. Report is due to ODM no later than 10 business days following the end of the previous calendar month		
5.012	Reporting	CMS 64.9R	The Contractor shall produce a report to designated ODM Finance staff, using the 64.9R form contained in the CMS-64; the form is currently known as OMB No. 0938-0067.		
5.013	Reporting	CMS 64.9R	The Contractor shall obtain sign-off of all source financial documents, spreadsheets, reports, and/or forms comprising the quarterly submission and provided to ODM Finance by the Contractor by the designated Account Manager of the Contractor as having been validated for accuracy, timeliness, and completeness.		
5.014	Reporting	CMS 64.9R	The Contractor shall produce a cover letter addressed to the designated ODM Finance staff, signed by the designated Account Manager of the Contractor for each quarterly submission. The cover letter shall certify that the designated Account Manager has reviewed all documentation contained in the quarterly submission and determined it to be accurate, timely, and complete.		
5.015	Reporting	CMS 64.9R	The Contractor shall submit an electronic copy of the cover letter to the Director of ODM Federal Funding and cc'd to the ODM pharmacy staff. A hard copy of the cover letter is to follow to both parties within fourteen (14) calendar days.		
5.016	Reporting	CMS 64.9R	The Contractor shall be responsible for all aspects of data associated with drug rebates, both federal and state Supplemental programs along with rebates invoiced and collected as part of the Affordable Care Act required for the CMS-64.9 base and 64.9R.		
5.017	Reporting	CMS 64.9R	The Contractor shall abide by all reporting requirements listed in Section 2500 of the State Medicaid Manual or updated to the reporting sections of the State Medicaid Manual, including the manner in which drug rebate disputes should be reported** on the CMS-64.9 I form **.		