

West Virginia Public Employees Insurance Agency

REQUEST FOR PROPOSAL

For

PHARMACY BENEFIT MANAGEMENT SERVICES

RFP #ARFP PEI2100000006

Release Date: April 27, 2021

Notification of Interest: May 4, 2021 4:00PM Eastern Time

Bidder's Conference Call: May 10, 2021 3:00PM Eastern Time

Written Questions Due: May 13, 2021 4:00PM Eastern Time

Proposal Due Date: June 18, 2021 4:00PM Eastern Time

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SECTION I: INTRODUCTION

This Request for Proposal (“RFP”) is issued by the West Virginia Public Employees Insurance Agency (PEIA) for a contract for pharmacy benefits management (PBM) services as described herein.

A. BACKGROUND

PEIA was established under the Public Employee Insurance Act of 1971, to provide hospital, surgical, major medical, prescription drug, group life, and accidental death and dismemberment insurance coverage to eligible employees; and to establish and promulgate rules for the administration of these plans.

Benefits are made available to all active employees of the State of West Virginia and various related State agencies and local governments. Participants may elect health insurance coverage through a self-insured preferred provider benefit plan (PPB) or through an external managed care organization (MCO). Additionally, all participants may elect to purchase additional life insurance under the optional life insurance policy. For revenue, PEIA relies almost solely on the premiums paid directly by its participating employers and employees.

WV PEIA provides prescription drug benefits for its employees and their covered dependents, and, also, administers the benefit plan on behalf of the West Virginia Retiree Health Benefits Trust Fund for non-Medicare eligible retirees, Medicare eligible retirees, and their covered dependents. The covered populations include state employees, county and municipal employees, as well as school and university faculty, teachers and other employees. The covered population is located throughout the country, although primarily in West Virginia. The majority of Medicare eligible retirees currently receive prescription benefits through a Medicare Advantage Prescription Drug Plan (MAPD), and are excluded from this RFP. A smaller number of Medicare eligible members receive prescription benefits through the standard benefit and participate in the Centers for Medicare and Medicaid Services (CMS) \Retiree Drug Subsidy (RDS) program. The population of Medicare eligible members fluctuates throughout the plan year ranging between 200 and 2,500. Retirees are located throughout the country as well.

All COBRA eligibility data/information needed comes from the TPA. All communication regarding COBRA is between the TPA and the PBM.

The chart below outlines the January 2021 prescription benefit enrollment by population and type of group:

	Subscribers	Dependents	Total Members
Active WV PEIA State	54,396	68,887	123,283
Active WV PEIA Non-State	14,597	16,210	30,807
Non-Medicare RHBT Retiree State	5,407	4,740	10,147
Non-Medicare RHBT Retiree Non-State	2	1	3
Medicare Retiree RHBT	1,154	600	1,754
Total All Plans	75,556	90,438	165,994

Bidders should note services provided under this contract will be used by the West Virginia Children’s Health Insurance Program (CHIP) and may be made available to other West Virginia State agencies. It is WV PEIA’s expectation that the calculation of volume-related discounts and cost savings include covered lives, claims volume and other purchased services from all State agencies utilizing this contract. Note that each agency has separate management teams, plan designs, and requirements. Separate billing, rebate payment, and reporting is required for each agency.

Please refer to WV PEIA 2021 Summary Plan Descriptions (SPD) for a description of the current pharmacy benefit plan at www.peia.wv.gov. Plan descriptions for CHIP are available on their website: www.chip.wv.gov. CHIP currently provides prescription drug coverage for approximately 21,000 members.

CVS Health has been WV PEIA’s PBM since July 1, 2016.

A majority of prescriptions, approximately 99%, are obtained at retail, and 1% are delivered via mail-order

Currently all specialty medications covered under the pharmacy benefits require precertification, or prior authorization. Specialty drugs covered under pharmacy benefits are processed through the PBM. The medical vendor performs the prior authorization review using the medical vendor’s clinical criteria for specialty drugs covered under medical benefits.

Prior authorization of non-specialty medications is performed by the West Virginia University School of Pharmacy’s Rational Drug Therapy Program (RDTP). RDTP staff currently conducts each prior authorization review based on the PBM’s clinical criteria and has access to the PBM system to enter the prior authorization approvals, denials, and pends.

PEIA has a two-step appeals process. The PBM must handle the first level of appeals for claims payment and for any Prior Authorization completed such as tier/formulary exception and Specialty. Appeals for clinical reviews or drugs requiring prior-authorization (PA), step therapy (ST), or quantity limits (QL) are reviewed by the West

Virginia University School of Pharmacy’s Rational Drug Therapy Program. The second level of appeals is handled by WV PEIA. As part of its proposal response, the Bidder must describe, in detail, its appeals process and the internal decision-making system to handle member appeals. Currently the External Review appeal request, which must be conducted by an Individual Review Organization (IRO) is handled by the Third Party Administrator, (TPA).

In plan year 2020 (July 2019 – June 2020), for PEIA there were almost 25,000 non-specialty Prior Authorizations covered and 392 appeals for both PEIA and CHIP. In plan year 2020 (July 2019 – June 2020), for CHIP there were approximately 8,000 non-specialty Prior Authorizations covered. The table below shows the PA’s for specialty medications and the formulary exclusions/tier exceptions.

July 2019 – June 2020	WV PEIA	CHIP
Specialty PA	2,678	162
Specialty Appeals	230	11
Specialty Exceptions (Quantity Limit Review)	22	3
Formulary Exclusions	252	0
Non-Specialty Appeals	14	2
Tier Exceptions	60	0

WV PEIA works with external vendors to assist with the Specialty Pharmacy Program:

WV PEIA works with an external vendor to administer a modified 340b program. Medication still requires PA through CVS Specialty. The external vendor must bill the discounted price to CVS and CVS processes the claims at billed charges. The external vendor contacts CVS Account Manager to enter the PA to allow the prescription to process there rather than CVS Specialty Pharmacy. The external vendor fills approximately 30 to 40 specialty prescriptions each month.

Beginning on May 1, 2021, WV PEIA will work with a second external vendor to administer another modified 340b program. CVSHealth has built a separate network and loaded the discounts. Medication still requires PA through CVS Specialty. The external vendor will not need to contact CVS to allow the PA to fill through them. They do not need to bill the discounted price. The claim will adjudicate at the discounted rate. WV PEIA anticipates the volume to be greater than 30 to 40 specialty prescriptions each month.

WV PEIA contracts with an external vendor to find Foundation funding for specialty medications. Medication still requires PA through CVS Specialty. WV PEIA does

not receive the claims for the medications that go through the external vendor. Approximately 3-5 prescriptions per month go through the external vendor.

B. OBJECTIVE

The objective of this Request for Proposal (RFP) is to solicit proposals for PBM services for the WV PEIA including the services and programs described in Section V of this document.

WV PEIA is seeking bids for the following services:

1. PBM services for the actively employed members, non-Medicare and Medicare retirees and dependents;
2. Retiree Drug Subsidy (RDS) services for the Medicare-eligible retirees and Medicare-eligible dependents of retired employees.

It is essential that the selected PBM duplicate the current plan designs and provide and support similar cost management and clinical programs, services and access to plan members. See Section V and Exhibit A for details about plan designs, services, and programs for both the WV PEIA Active and Retiree Plans and CHIP Plan.

C. CONTRACT LENGTH & SPECIFICS

WV PEIA seeks to contract with a qualified Vendor commencing upon July 1, 2022 and ending on June 30, 2025 with the option to extend for additional years as mutually agreed. Payments for contractual services shall commence July 1, 2022 and shall not be made during the implementation period. The selected Bidder will be required to provide eight months implementation and transition support beginning November 1, 2021, if a new Bidder is awarded the contract. WV PEIA reserves the right to waive, modify, or extend due dates and deadlines specified herein.

The contract is scheduled to be awarded no later than November 1, 2021. The benefit Plan Year will be July 1 to June 30 each year for actively employed and non-Medicare eligible participants, and January 1 to December 31 for Medicare participants. Subcontracting portions of the Bidder's functions will be permitted by WV PEIA as long as the contract is in place at the time of the proposal submission. The winning Bidder will be solely responsible for all subcontractors. Subcontractors have no appeal rights under this RFP.

WV PEIA intends to contract with the successful Bidder on all-inclusive a per member per month (PMPM) administrative fee basis.

Recognizing the complexities of pharmacy benefit management, WV PEIA intends to work closely with the successful Bidder to assure the best possible results. Therefore, Bidders will be evaluated as to their flexibility, creativity, and capacity. The successful Bidder must demonstrate its ability and willingness to work with both drug retailers

and drug manufacturers to find the most effective ways to control drug costs. These efforts must include appropriate therapeutic controls and careful monitoring of performance and pricing.

Bidders should also note that WV PEIA requires reporting, billing, and rebate payment to be provided separately for active State employees, non-State agency employees, and retirees (separately for non-Medicare and Medicare RDS retirees). Bidders are expected to examine carefully all documentation, schedules and requirements stipulated in this RFP and respond to each requirement in the prescribed format. The successful Bidder must provide all staffing, systems and procedures required to perform the services described herein.

In addition to the provisions of this RFP, information provided during any finalist's presentations and the successful proposal will be incorporated by reference in the contract. Any additional clauses or provisions required by federal or state law or regulation in effect at the time of execution of the contract will also be included.

WV PEIA reserves the right to make a contract award without any further discussion with potential Bidders regarding the proposals received. Therefore, proposals should be submitted initially on the most favorable terms available to WV PEIA from a price and technical standpoint. WV PEIA reserves the right to conduct discussions with all responsible parties who submit proposals that pass the Mandatory Minimum Requirements described in this RFP. At WV PEIA's discretion, WV PEIA may also contact some or all of the Bidders to request additional information or clarification. All materials submitted by Bidders pursuant to such requests will be considered to be part of their proposals. WV PEIA also reserves the right to cancel this RFP at any time.

SECTION II: GENERAL INFORMATION

A. PROPOSAL CONDITIONS FOR WEST VIRGINIA PEIA

1. RFP SCOPE

West Virginia PEIA is soliciting proposals for Pharmacy Benefit Management (PBM) Services as described in these procurement documents.

2. POINT OF CONTACT

West Virginia PEIA has engaged Segal to support this RFP and shall be the single point of contact for this RFP, whether verbal or written. All communication regarding this RFP should be directed to WV PEIA's contact at Segal:

Kyra Poplaski
Segal
1800 M Street NW Suite 900S
Washington, D.C. 20036-5880
Telephone: 202-525-0682
Email: kpoplaski@segalco.com

The above person is the point of contact from the date of release of the RFP, until the selection of the successful Bidder. See Section III of this RFP regarding restrictions on communications with State and other personnel.

3. ESTIMATED RFP TIMETABLE

The following dates will apply during the proposal and implementation process. WV PEIA reserves the right to waive or modify specific terms and conditions contained in this RFP, and to waive, modify, or extend due dates and deadlines specified herein.

Action	Due Date (Eastern Time)
RFP Released	April 27, 2021
Notification of Interest Form Due	May 4, 2021
Bidder's Conference Call	May 10, 2021
Deadline for Bidder Inquiries and/or Requests for Clarification and Proposed Specification Changes	May 13, 2021

Response to Bidder Inquiries and/or Requests for Clarification and Proposed Specification Changes	May 21, 2021
Proposal Submission Deadline	June 18, 2021
Notice of Award	October 1, 2021
Implementation Period	November 1, 2021
Contract Effective Date	July 1, 2022

4. NOTIFICATION OF INTEREST FORM

Bidders must submit, in writing, notification of the intent to bid on any or all of the services outlined in this RFP. Notification of Interest forms (Exhibit N) should be submitted via email to WV PEIA’s contact named in Section 2.A.2 and should be received no later than the date and time shown in Section 2.A.3 (Estimated RFP Timetable). Submission of the Notification of Interest form does not create an obligation to respond to this RFP and is not a prerequisite for submitting a response, however it is necessary to ensure receipt of any amendments or other notices and communications relating to this RFP.

5. WRITTEN QUESTIONS

Bidders may submit, by email, any questions or clarifications prior to submitting a proposal to PEIA’s contact named above in Section 2.A.2. Written questions received after that date and time shown in Section 2.A.3 (Estimated RFP Timetable) shall not be answered.

The questions will be consolidated and/or paraphrased and responded to via a written addendum, or addenda that will be posted online on or before May 21, 2021.

The Bidder must include complete contact information including the Bidder’s name, telephone number, and e-mail address. WV PEIA shall attempt to provide any assistance or additional information of a reasonable nature, which might be requested by interested Bidders.

RFP inquiries must be submitted by an individual authorized to commit the organization to provide the services necessary to meet the requirements of this RFP.

6. BIDDER’S CONFERENCE

WV PEIA will host a Bidder’s Conference call for all interested organizations to become familiar with the requested services on **May 10, 2021 at 3pm EST. (Call-in number: 1-929-229-2412, access code: 58651830#, Phone Conference ID: 586 518 30# or [Microsoft Teams Link](#))**. Bidders will have the opportunity to ask clarifying questions at the Bidder’s Conference and PEIA will make a reasonable attempt to answer all questions presented. Answers to questions raised at the

conference will be sent to all potential Bidders who attended the conference. Responses to questions during the bidder's conference will not be binding on PEIA. Written responses will follow. While attendance on the conference call is not mandatory, PEIA encourages Bidders to have a representative from their organization attend this meeting.

7. CONFIDENTIAL INFORMATION

In order to obtain Exhibit B and Exhibit C, which contains confidential data that is necessary to complete a Proposal in response to this RFP, each Bidder must print, complete and return the Data Request Form and Limited Data Use Agreement, which is included as Exhibit H and I of this RFP. A scanned copy with the appropriate signature, transmitted by e-mail to the email address listed in Section 2.A.2, is preferred. Completion of these forms is mandatory and they are not subject to edit(s), amendment(s), and/or exception(s).

8. COMPLETED FORMS

The following forms shall be completed and attached here. Each Form shall be filled out in its entirety and shall include the signature of the Bidder's authorized agent. Failure to complete, sign, and/or return all specified Forms may result in disqualification of the Bidder's Proposal.

- Exhibit D: Plan Deviations Form
- Exhibit F: WV PEIA Service Agreement
- Exhibit G: State of West Virginia Executive Branch Business Associate Agreement with corresponding Appendix A
- Exhibit H: Data Request Form
- Exhibit I: Limited Data Use Agreement
- Exhibit J: Purchasing Affidavit
- Exhibit L: Data Management Addendum
- Exhibit M: WV-96

The following forms are not mandatory, but may apply to the Bidder. If applicable, these completed forms should be included in the Bidder's proposal.

- Exhibit K: Bidder's Litigation Waiver Form

SECTION III: PROCUREMENT PROCESS

A. PROCUREMENT PROCESS

1. LEGAL BASIS

The procurement process for this RFP will be conducted in accordance with the procurement policies and procedures established by PEIA. Pursuant to W. Va. Code §5-16-9(e); this purchase is not governed by the West Virginia Division of Purchasing.

2. RFP ISSUANCE AND AMENDMENTS

The Officials within WV PEIA have reviewed this RFP. The contents represent the best statement of the requirements and needs of WV PEIA. Final approval of the Contract rests with PEIA once all individual requirements have been met.

3. ORDER OF RESPONSES

Responses shall be made in the same order as provided in the specifications. Any organization seeking to provide administrative services must respond to appropriate sections of these specifications. Unless a variation from the specifications of the RFP is specifically noted in a response, the Bidder is agreeing to meet all specifications stated in this RFP.

4. BIDDER CERTIFICATIONS

An authorized officer of each Bidder submitting a proposal must certify that the Bidder complies with the RFP specifications by signing and returning the Signature Page included in this RFP. Failure to sign and return the Signature Page may result in disqualification of the submitted proposal.

5. TERMS OF SUBMISSION

WV PEIA assumes no responsibility for understandings or representations concerning conditions made by its officers or employees prior to and in the event of the execution of a contract, unless such understanding or representations are specifically incorporated into this RFP. Verbal discussions pertaining to modifications or clarifications of this RFP shall not be considered part of this RFP unless confirmed in writing. Any information provided by the Bidder verbally shall not be considered part of that Bidder's response. By submitting a Proposal, a Bidder agrees that in no event shall the Agency be either responsible for or held liable for any costs incurred by a Vendor in the preparation of or in connection with the Proposal, or for Work performed prior to the Effective Date of a resulting Contract.

6. SUBMISSION FORMAT

Instructions, formats, and approaches for the development of RFP information contained within the RFP are designed to ensure that the submission of data essential to the understanding of the Bidder's response is received in a consistent and comparable format.

Your RFP response must be clearly sectioned and tabbed as outlined within this RFP document. (e.g. Section II. Step 1, Step 2, etc.). Do not alter any part of this RFP. Retain the questions and numbering when responding. Please be concise and number all pages consecutively.

7. PROPOSAL SUBMISSION DEADLINE

All RFP submissions must be received by the PEIA point of contact outlined in Section 2.A.2 **no later than 4:00 PM EST on June 18, 2021**. Submissions received after the date and time specified will be marked as late and will not be considered.

All offers shall remain valid from the proposal submission deadline until the contract award.

8. RFP DELIVERY

Your RFP response must conform to the following criteria in order to be considered for evaluation:

- RFP submissions shall be all electronic via email to the WV PEIA point of contact outlined in Section 2.A.2
- RFP submission must include one copy of the full submission and one redacted copy as explained below.

The Technical Proposal is separate and must not contain any mention of the pricing guarantees, fees, or other information contained in the Cost Proposal. However, information such as labor hours and categories, materials, subcontracts, and so forth, shall be contained in the Technical Proposal so that the Bidder's understanding of the scope of the work may be evaluated. The Technical Proposal shall disclose the Bidder's technical approach in as much detail as possible, including, but not limited to, the information required by the Technical Proposal instructions.

The format and content requirements for the Technical and Cost Proposals must adhere to the instructions contained in this RFP. Failure to respond to a specific requirement may be used as a basis for rejection of the proposal from further consideration, or result in a score of "zero" or a "fail" for a particular item. Emphasis should be placed on conformance to the RFP instructions, responsiveness to requirements and completeness and clarity of content. Elaborate proposals are

neither necessary nor desired. If the proposal is presented in a fashion that makes evaluation difficult or overly time consuming, it is likely that points will be lost in the evaluation process. Bidders shall not include any personal use items with the proposal.

All proposals must be delivered no later than the date shown in Section 2.A.3 (Estimated RFP Timetable) of this RFP and only to the WV PEIA representative at the address listed in Section 2.A.2.

9. REDACTED PROPOSAL

WV PEIA regularly receives Freedom of Information Act (FOIA) requests for solicitations, vendor proposals, and final contracts. If Vendor proposal contains confidential, trade secret, or proprietary information that should not be subject to public disclosure or view, Vendor should include a redacted copy of their proposal to WV PEIA. Should WV PEIA receive a FOIA request pertaining to this solicitation, WV PEIA will not reach out to vendors after the fact to request redacted proposals. WV PEIA cannot and will not assume the responsibility for defending against the release of a Vendor's proposal under a Freedom of Information Act request.

10. PROPOSAL WITHDRAWAL

Prior to the proposal due date, a Bidder may withdraw their proposal by submitting a written request for its withdrawal signed by the Bidder's authorized agent. The written withdrawal request will be directed to the WV PEIA Representative at the address listed in Section 2.A.2.

11. ACCEPTANCE OF PROPOSALS

WV PEIA will accept all proposals submitted according to the requirements and deadlines specified in this RFP. Each Bidder may submit only one proposal. WV PEIA reserves the right to reject any or all proposals received. It is understood that all proposals, whether rejected or not, will become the property of WV PEIA. After receipt of proposals, WV PEIA reserves the right to sign a contract, without negotiation, based on the terms, conditions, and premises of this RFP and the proposal of the selected Bidder(s) or to negotiate with a finalist or finalists.

All proposals must be responsive to all requirements in the RFP in order to be considered for Contract award.

After the opening of proposals, WV PEIA may ask any Bidder for written clarification of their proposal. In the event this clarification is requested, submission of the clarification shall be considered part of the original proposal. WV PEIA reserves the right to waive any or all minor irregularities in proposals,

providing such action is in the best interest of WV PEIA. Where WV PEIA may waive minor irregularities, such waiver shall in no way modify the RFP requirements or excuse the Bidder from full compliance with RFP specifications and other Contract requirements if the Bidder is awarded the Contract. WV PEIA also reserves the right to reject any and all proposals received, or cancel this RFP, according to the best interest of WV PEIA.

Proposals must be valid for 180 days following the close date of this RFP. This period may be extended by written mutual agreement between the Bidder and WV PEIA.

12. ORAL PRESENTATIONS

At the option of WV PEIA, oral presentations by selected Bidders may be required. Bidders will be notified if an oral presentation is required. Any cost incidental to an oral presentation shall be borne entirely by the Bidder and WV PEIA shall not compensate the Bidder. The Bidders should present complete, comprehensive proposals without relying on oral presentations, because WV PEIA reserves the right to award a contract without further discussions or an oral presentation. The Bidders may be requested to provide demonstrations of their proposed systems as part of their presentations. Presentations will be recorded and any representations made during the oral presentation will become part of the Bidder's proposal and are binding if a contract is awarded.

13. SITE VISITS

WV PEIA may request a site visit to review the Bidder's facilities or its subcontractors' facilities. This may include, but not be limited to, a review of policies and procedures, and any other area of operation that directly or indirectly affects the provisions of the RFP, Contract or the delivery of health care services.

Any cost incidental to the site visit by the Bidder shall be borne by the Bidder. WV PEIA will be responsible for its own travel and accommodations.

A readiness review may also be conducted on-site at the selected Bidder's facilities following execution of the Contract and before implementation of the Pharmacy Benefit Management services.

14. CONTRACT AWARD NOTICE

The notice of the intended contract award shall be sent by email only to all Bidders who submitted a proposal. A contract award is contingent on approval by the WV PEIA Director.

15. PROTEST OF INTENDED AWARD

Bidders that have submitted a litigation bond may protest the award in accordance with the following procedure. Protests based on the contract award must be submitted in writing to the Director of the West Virginia PEIA within five (5) working days from the date of Contract Award Notice. Protest should be sent to:

Ted Cheatham, Director
West Virginia Public Employees Insurance Agency
601 57th Street, SE Suite 2
Charleston, West Virginia 25304-2345
Telephone: (304) 558-7850, ext. 72620

Protests may be submitted by FAX at (304) 558-2470.

All protests must contain:

1. The name and address of the protesting proposer
2. A statement of the grounds of the protest (See Legal Standard below)
3. Supporting documentation (if available)
4. The resolution or relief sought

Failure to submit all of this information shall be grounds for rejection of the protest by the Director of WV PEIA.

WV PEIA may refuse to review any protests when the matter involved is the subject of litigation before a court of competent jurisdiction; if the merits have previously been decided by a court of competent jurisdiction; or if it has been decided in a previous protest by the Director of WV PEIA.

Subcontractors under a proposer's proposal do not have standing to file a protest.

The Director will respond to the protest within five (5) business days of receipt of the written notice at the offices of WV PEIA.

Proposers in disagreement with the response of the Director may ask for further review of the protest by the Cabinet Secretary of the West Virginia Department of Administration. The request for further review should be sent to the address

Allan I. McVey
Cabinet Secretary, West Virginia Department of Administration
State Capitol Complex, Building
1, Room E-119 1900 Kanawha
Boulevard East
Charleston, WV 25305

Appeals may be submitted by FAX at (304) 558-2999.

If the protesting vendor believes that due to the nature of the contract award an expedited determination is required, a request that the matter be directed immediately to the Department of Administration Cabinet Secretary should be in the original protest submitted to the Director of WV PEIA. If the Director is in agreement with the reasons for the expedited request, the Director will forward the protest to the Department of Administration Cabinet Secretary and inform the requesting proposer of his/her actions.

Decisions by the Department of Administration Cabinet Secretary shall be considered to be the final level of administrative relief. Any further appeal of the administrative decision of the Department of Administration Cabinet Secretary must be directed to the Circuit Court of Kanawha County, Charleston, West Virginia.

16. LEGAL STANDARD

A protesting vendor should be advised, that the legal standard for a successful challenge has been established by the W. Va. Supreme Court as follows:

“A State agency which awards a public contract upon criteria other than price is clothed with a heavy presumption that the contracting agency has properly discharged its duties and exercised discretionary powers in a proper and lawful manner; accordingly, the burden of proof in any action challenging the award of a contract by an unsuccessful Bidder or taxpayer is upon the challenger who must show fraud, collusion, or such an abuse of discretion that it is shocking to the conscience.” Syl. Pt.3 State ex rel. E.D.S. Federal Corp. v. Ginsberg, 163 W.Va. 647, 259S.E.2d (1979).

17. RESTRICTIONS ON COMMUNICATIONS WITH STATE AND OTHER PERSONNEL

From the issue date of this RFP, shown in Section 2.A.3 (Estimated RFP Timetable), until a Bidder is selected and announced, Bidders are prohibited from communicating with any WV PEIA representatives regarding this procurement, except for the contact listed in Section 2.A.2. This provision is not intended to restrict current Contractors from communicating with PEIA staff regarding ongoing operational matters. All communications related to this RFP are restricted to written communications except as set forth below. Bidders may not engage in attempting to influence, or lobbying activity, to influence the selection process via any unauthorized contact with any employee or officer of WV PEIA or the state of WV. Violation of this requirement shall disqualify the Bidder from further consideration. Any Bidder, by submitting its proposal, acknowledges that it will refrain from lobbying with, or otherwise contacting

any of the above referenced individuals to try to influence the outcome of the selection process.

- The only exceptions to these restrictions are: WV PEIA staff and/or Bidder staff present at the Bidder's Conference for the purpose of addressing questions; or
- WV PEIA personnel involved in Oral Presentations by the Bidder

As described in this RFP, any clarification regarding the RFP will be issued in writing by WV PEIA.

No statements, clarifications, or opinions regarding this RFP are valid or binding except those issued in writing by WV PEIA. Under no circumstances will questions be entertained except in writing or at the Bidders' Conference.

18. CANCELLATION

WV PEIA reserves the right to cancel all or any part of this RFP at any time. Cancellation of this RFP, in whole or in part, shall not bar WV PEIA from issuing an RFP for the same services or from purchasing the same services through other means.

19. EVALUATION PROCESS

Segal has been retained by WV PEIA to assist in the evaluation of each Bidder's responses for completeness and responsiveness to the RFP. Segal will review the technical proposals, deduct appropriate points for deficiencies, and make a final written report to the WV PEIA evaluation committee. After completion of the Technical review, Segal will review the cost proposals, assign appropriate points, and make a final written report to the WV PEIA evaluation committee. WV PEIA has the ultimate decision of awarding the contract. All proposals will be evaluated in accordance with WV PEIA procedures set forth in Steps #1 through #4 below.

STEP #1: MANDATORY MINIMUM QUALIFICATIONS

Each proposal shall be evaluated initially to determine compliance with the WV PEIA's Mandatory Minimum Qualifications. Any proposal that fails to meet one (1) or more of the following nine (9) qualifications shall be eliminated from further consideration for this contract. Any proposal that meets all of the minimum qualifications shall be further evaluated in accordance with WV PEIA's selection criteria. Therefore, to receive further consideration, a proposal must check "YES" to each of the following questions and comply fully with the "Submission Requirement(s)" for each such qualification.

1. Is the Bidder able and willing to demonstrate its financial stability?

YES NO

Submission Requirements: a) Bidder's most recent financial report; b) most recent independent auditor's report; c) SSAE 16, SAS-70, or equivalent external audit of Bidder's operations; and d) A.M. Best Financial Rating. Attach to proposal.

2. Has the Bidder provided as part of its proposal the contractual terms and fee and cost information requested in Sections VI and VII?

YES NO

Submission Requirements: Full and complete responses to the Section VI (Requested Contractual Terms) and Section VII (Financial) of this RFP.

3. Has the Bidder responded to the performance guarantees set forth in the Performance Guarantees Section VIII of the RFP and placed at least \$750,000 at-risk annually?

YES NO

Submission Requirement: Provide an annual at-risk amount of at least \$750,000 and provide a complete response to the Performance Guarantees Section VIII.

4. Has the Bidder provided as part of its proposal all information requested in this RFP including all information requested in the Technical Questionnaire Section X?

YES NO

Submission Requirements: Full and complete responses to all of the information requests made in Section X of this RFP.

5. Has the Bidder a sufficient retail network that minimizes disruption for WV PEIA’s membership? Bidder must meet the following retail network match: 95% or greater of the retail scripts dispensed to WV PEIA’s members during 2020 must have been from pharmacies currently in Bidder’s retail network.

YES NO

Submission Requirement(s): A full and complete response to Section X – Network Disruption will allow WV PEIA to confirm this minimum qualification.

6. Has the Bidder provided as part of its proposal complete client reference information requested in the Client References Section X?

YES NO

Submission Requirements: Full and complete responses to all of the information requested in Section X.

7. Does the Bidder have experience working with a minimum of five (5) states, large municipalities, or other governmental entities?

YES NO

Submission Requirement(s): Demonstrate such experience by providing the total number of public entity clients with at least 25,000 members.

8. Does the Bidder have experience servicing a client with at least 100,000 members with plans and services similar to those currently offered by WV PEIA?

YES NO

Submission Requirement(s): Demonstrate such experience by providing the names of clients with at least 100,000 members.

9. Has the Bidder completed the documents required in Section II of this RFP?

YES NO

Submission Requirement(s): Submitted signed copies of the required documents as outlined in Section II of this RFP

STEP #2: FINANCIAL SCORING (50 TOTAL POINTS)

The financial proposals (Section VII) will be scored based on the total projected costs (TPC) (*i.e.*, claims and administrative costs) for the three-year period from

July 1, 2022 to June 30, 2025. The lowest cost proposal will receive 100% of the 50 points allocated for the Financial Score. All other financial proposals will be scored on a sliding scale where the bidder's score will be reduced by 2 points for every percentage point it is higher than the lowest cost proposal. As the scale is sliding, scores will be adjusted for partial percentage differences.

The following exhibit illustrates how the financial score will be calculated from the 50 points available:

		Formula	Example, where: Lowest Bid TPC = \$1,000 and Bidder TPC = \$1,025
A	Cost Difference	$= (\text{Bidder's TPC} / \text{Lowest Bid TPC}) - 1$	$(\$1,025 / \$1,000) - 1 = 0.025$
B	Convert Decimal to Percent Value	$= A \times 100$	$0.025 \times 100 = 2.5$
C	2 Point Reduction per Percentage Higher	$= 2 \times B$	$2 \times 2.5 = 5.0$
	Bidder's TPC Score	$= 50 - C$	$50 - 5.0 = \mathbf{45.0}$

STEP #3: NON-FINANCIAL SCORING (50 TOTAL POINTS)

The Bidder's response to information requested in Sections V, VI, VIII, and X of the RFP will be evaluated based on the extent to which the Bidder documents conformance with specifications, as well as the completeness, soundness, and creativity of the Bidder's response.

Evaluation of proposals shall be based on technical criteria, including:

- Required Plan Design Services and Programs
- Requested Contractual Terms
- Performance Guarantees
- Technical Questionnaire

STEP #4: CONTRACT AWARD

WV PEIA shall award a contract, if at all, to the Bidder submitting the highest ranked proposal. Formal and final selection of the Bidder, however, is contingent upon the successful negotiation and the proper execution of all contract documents (acceptable to WV PEIA) and the approval of the Evaluation Committee and the WV PEIA

Director. If WV PEIA is unable to reach agreement with the Bidder, WV PEIA may, at its sole discretion and at any time and without liability to the Bidder, immediately terminate such contract discussions with the Bidder and undertake discussion with the Bidder submitting the next highest ranked proposal, and so on.

B. SUBCONTRACTING OF KEY PBM FUNCTIONS

Subcontracting of key PBM functions shall require prior approval by WV PEIA. If your organization plans to utilize subcontractors for any portion of the services identified in this RFP, please include the subcontractor(s) information, to include an outline of the services or functions in which you would plan to subcontract, the length of your relationship with the subcontractor(s), and a brief company profile. Further, please outline how you, as the Vendor, intend to ensure the compliance of the subcontractor(s) with the terms and conditions of the State of West Virginia Executive Branch Business Associate Agreement and Data Use Addendum.

Bidder shall be accountable for the performance of all subcontractors, including HIPAA and/or regulatory compliance, and shall be responsible for all performance guarantee penalties (See Section VIII) that may result from underperformance and/or a failure to perform on the part of the subcontractor(s).

C. BIDDER CONTACTS

Designate the individual(s) with the following responsibilities:

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

Representative Name: _____ Phone #: _____
Email: _____

The individual(s) with overall service responsibility upon award :

Representative Name: _____ Phone #: _____
Email: _____

SECTION IV: CONTRACTUAL SERVICES TERMS AND CONDITIONS

A. TERM OF CONTRACT

Prescription drug benefit management services are being requested from one PBM for an initial thirty- six (36) month period with possible annual renewals thereafter.

B. CONTRACT ADMINISTRATOR

Upon approval of a Contract, and following execution of said Contract, WV PEIA shall direct the Bidder to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of any Contract resulting from this Request implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of such Contract. That authority is retained by WV PEIA and other authorized representatives and these appointees are subject to change.

C. COST LIABILITY

WV PEIA assumes no responsibility or liability for costs incurred by any Bidder prior to the signing of any Contract resulting from this RFP. WV PEIA's responsibility and liability is limited to the terms and conditions of any Contract resulting from this RFP.

D. BIDDER RESPONSIBILITIES

The Bidder shall be required to assume responsibility for all contractual activities offered in this proposal whether or not that Bidder performs them. Further, WV PEIA shall consider the Primary Bidder to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, responses to this RFP should include *a list of subcontractors, including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities*. WV PEIA reserves the right to approve subcontractors for this project and to require the Primary Bidder to replace subcontractors found to be unacceptable.

The Bidder is totally responsible for adherence by the subcontractors to all provisions of the Contract. The Bidder and any subcontractors must commit to the entire contract period stated within this RFP, unless WV PEIA specifically agrees to a change of subcontractors. The Agreement between the Bidder and PEIA will not be assignable to another party without prior written permission from WV PEIA. The Bidder shall provide advance notice to WV PEIA on any intended sale of the

contracting entity. WV PEIA will have the option of terminating the Contract with the Bidder upon the sale of the contracting entity.

E. NEWS RELEASES

From the time the RFP is released and until a successful Bidder is announced, news releases pertaining to this document or the services, study, data, or project to which it relates, shall not be made without prior written WV PEIA approval, and then only in accordance with the explicit written instructions from WV PEIA. No results of the program are to be released without prior written approval of WV PEIA and then only to persons designated.

F. FREEDOM OF INFORMATION/DISCLOSURE

All documents in this RFP process are subject to West Virginia's Freedom of Information Act (FOIA) and may be disclosed upon request. The Bidder must clearly identify which data are considered proprietary. If WV PEIA receives a FOIA request for data, labeled by the Bidder as proprietary, WV PEIA will notify the Bidder, in writing, of the request to allow the Bidder time to obtain the appropriate court order to prevent the release of the information. Otherwise, WV PEIA will be compelled by state law to release such information.

G. HIPAA COMPLIANCE

The Bidder must agree to become a Business Associate of the WV PEIA, it must have policies and procedures in place consistent with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) standards for the confidentiality, privacy, integrity and security of protected health information (45 CFR Parts 160 and 164) and any other applicable state or Federal law related to the privacy or security of information. The West Virginia State Government Executive Branch HIPAA Business Associate Addendum (BAA) and the corresponding Appendix A, approved by the Attorney General, and available online at the Purchasing Division's website (<http://www.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement resulting from this RFP.

At no time shall any WV PEIA member personally identifiable information (PII) and/or protected health information (PHI) be transmitted, sent, stored, shared, viewed, accessed, and/or otherwise used outside the 48 contiguous States of the United States.

Per Title 2 of HIPAA, the Vendor shall have robust controls for detecting fraud, waste, and abuse. Vendor shall detail said controls.

H. GRATUITIES OR KICKBACKS

By submission of a proposal, the Bidder represents that it has not retained any person, agency, or entity to solicit or secure a State contract upon an agreement or understanding for a commission or a percentage, brokerage, or contingent fee. The State will not pay any brokerage fees for securing or executing any of the services outlined in this RFP. Therefore, all proposed fees must be net of commissions and percentage, contingent, brokerage, service, or finder's fees.

I. APPROPRIATIONS

If the contract extends into more than one fiscal year (July 1 to June 30), and if appropriations are insufficient to support the contract, WV PEIA may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority.

J. LITIGATION BOND

Each Bidder responding to this RFP is required to submit a litigation bond in the amount of 5% of submitted bid annual administrative fees only, made payable to the West Virginia Public Employees Insurance Agency. A surety company licensed to do business in the State of West Virginia with the West Virginia Insurance Commission, on a form acceptable to the State, and countersigned by a West Virginia Resident Agent must issue this bond. The only acceptable alternate forms of the bond are (1) company certified check (not an individual) and (2) a cashier's check.

The purpose of the litigation bond is to discourage unwarranted or frivolous lawsuits pertaining to the award of a contract from this RFP. Secondly, the bond provides a mechanism for the State of West Virginia, the Agency, and its officers, employees, or agents thereof to recover damages, including (but not limited to) attorney fees, loss of revenue, loss of grants or portions thereof, penalties imposed by the federal government and travel expenses which may result from any such litigation. A claim against the bond will be made if the Bidder contests the award in a court of competent jurisdiction and the grounds are found to be unwarranted or frivolous based on the facts of the award or applicable law as determined by the court.

The bond or alternate form must remain in effect for two years from the proposal submission date. After six (6) months, each Bidder may request, and the State anticipates granting, a release of the litigation bond or alternate

form. However, the Bidder will be required to provide a release (signed and notarized in a form that is acceptable to the State) prior to release of the bond which states that the Bidder will not sue.

Failure to submit an appropriate bond or Litigation Waiver Form (Exhibit K) with the proposal at the time of bid opening will result in automatic disqualification of the Bidder's proposal and the proposal will be considered non-responsive. The Litigation Waiver form would need to be completed and submitted with the proposal in place of a litigation bond. The Bidder would completely waive and forgo any and all legal right or ability the Bidder may now have, or in the future, to initiate any sort of challenge to or against the selection of a Bidder and/or the ultimate award of a contract pursuant to the RFP. Additional details are within the Litigation Waiver Form (Exhibit K).

K. MISCELLANEOUS PROVISIONS

The following provisions will be incorporated into any agreement entered into between WV PEIA and the successful Bidder. The successful Bidder will be asked to sign a form accepting the provisions described below.

L. DISPUTE RESOLUTION

If a dispute arises out of this Agreement, or any modifications made to the Agreement, the parties agree to meet and attempt to resolve the dispute by negotiations. If negotiations are not successful, the parties shall attempt to resolve the dispute and may consider non-binding mediation using the American Arbitration Association as the mediator, or such other firm or association as agreed upon by the parties. The parties agree to make a good faith attempt to resolve the dispute prior to litigation.

M. ARBITRATION

Any references to arbitration contained in the agreement are hereby deleted. Claims against WV PEIA or the State of West Virginia arising out of the agreement shall be presented to the West Virginia Court of Claims.

N. HOLD HARMLESS

Any clause requiring the Agency to indemnify or hold harmless any party is hereby deleted in its entirety. The successful Bidder must indemnify and hold harmless the State of West Virginia and WV PEIA for its acts or omissions arising out of the contract.

O. GOVERNING LAW

The agreement shall be governed by the laws of the State of West Virginia. This provision replaces any references to any other State's governing law.

P. TAXES

Provisions in the agreement requiring the Agency to pay taxes are deleted. As a State entity, the Agency is exempt from Federal, State, and local taxes and will not pay taxes for any Vendor including individuals, nor will the Agency file any tax returns or reports on behalf of Vendor or any other party.

Q. PAYMENT

Any references to prepayment are deleted. Payment will be in arrears. As per West Virginia State Law, WV PEIA will pay all uncontested invoices within sixty (60) days of receipt at WV PEIA offices.

R. INTEREST

Should the agreement include a provision for interest on late payments, the Agency agrees to pay the maximum legal rate under West Virginia law. All other references to interest or late charges are deleted.

S. RECOUPMENT

Any language in the agreement waiving the Agency's right to set-off, counterclaim, recoupment, or other defense is hereby deleted.

T. FISCAL YEAR FUNDING

Services performed under the agreement may be continued in succeeding fiscal years for the term of the agreement, contingent upon funds being appropriated by the Legislature or otherwise being available for this service. In the event funds are not appropriated or otherwise available for this service, the agreement shall terminate without penalty on June 30. After that date, the agreement becomes of no effect and is null and void. However, the Agency agrees to use its best efforts to have the amounts contemplated under the agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default.

U. STATUTE OF LIMITATION

Any clauses limiting the time in which the Agency may bring suit against the Vendor, lessor, individual, or any other party are deleted.

V. SIMILAR SERVICES

Any provisions limiting the Agency's right to obtain similar services or equipment in the event of default or non-funding during the term of the agreement are hereby deleted.

W. ATTORNEY FEES

The Agency recognizes an obligation to pay attorney's fees or costs only when assessed by a court of competent jurisdiction. Any other provision is invalid and considered null and void.

X. ASSIGNMENT

Notwithstanding any clause to the contrary, the Agency reserves the right to assign the agreement to another State of West Virginia agency, board or commission upon thirty (30) days written notice to the Vendor and Vendor shall obtain the written consent of Agency prior to assigning the agreement.

Y. LIMITATION OF LIABILITY

The Agency, as a State entity, cannot agree to assume the potential liability of a Vendor. Accordingly, any provision limiting the Vendor's liability for direct damages or limiting the Vendor's liability under a warranty to a certain dollar amount or to the amount of the agreement is hereby deleted. In addition, any limitation is null and void to the extent that it precludes any action for injury to persons or for damages to personal property.

Z. RIGHT TO TERMINATE

Per West Virginia standard, Agency shall have the right to terminate the agreement upon thirty (30) days written notice to Vendor. WV PEIA will make every effort to provide longer notice.

AA. TERMINATION CHARGES

Any provision requiring the Agency to pay a fixed amount or liquidated damages upon termination of the agreement is hereby deleted. The Agency may only agree to reimburse a Vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the Agency prior to the end of any current agreement term. Upon termination of this agreement,

or any extension thereto, the Bidder has the duty to continue to provide any reports required by the agreement or any law or regulation.

BB. COOPERATION UPON TERMINATION

In the event the agency elects to terminate the agreement, the vendor will cooperate in the transition to the new vendor, will process all claims in run-off, and will provide to agency in a timely manner a transfer of all necessary claim data in a format agreeable to agency.

CC. RENEWAL

Following the initial thirty-six (36) month contract, the agreement may be renewed annually at the option of the Agency.

DD. INSURANCE

Any provision requiring the Agency to insure equipment or property of any kind and name the Vendor as beneficiary or as an additional insured is hereby deleted.

EE. RIGHT TO NOTICE

Any provision for repossession of equipment without notice is hereby deleted. However, the Agency does recognize a right of repossession with notice.

FF. ACCELERATION

Any reference to acceleration of payments in the event of default or non-funding is hereby deleted.

GG. AMENDMENTS

All amendments, modifications, alterations or changes to the agreement shall be in writing and signed by both parties.

SECTION V: REQUIRED PLAN DESIGNS, SERVICES AND PROGRAMS

A. PLAN DESIGN

WV PEIA requires Bidders to duplicate the active and retiree plan designs.

Please review the hyperlinked Summary Plan Descriptions (SPD) in Exhibit A and complete the “Plan Deviations Form” located in Exhibit D. If no deviations are provided on this form, it will be assumed that your organization can administer the current plan designs exactly as written in the following attached SPDs.

Please see Section C below for requested clinical and cost management programs.

B. GENERAL SERVICES

To be eligible to receive a score for the Technical Questionnaire in Section X, Bidders are required to offer comprehensive PBM services with a full range of customer (client and member) service including, but not limited to:

Indicate the name and address of the legal entity providing any of the services below, if different than the bidding entity.

- Claims Adjudication
- Member Enrollment and Eligibility Maintenance
- Integration of PBM services with WV PEIA other vendors/programs (*e.g.*, medical, wellness, data warehouse vendor)
- Patient and Provider Education
- Systematic Prospective, Concurrent and Retroactive Drug Utilization Review
- Network Pharmacy Management
- Mail Service Pharmacy
- Specialty Pharmacy Program
- Clinical and Cost Management Programs (including, but not limited to Prior Authorization, Step Therapy, Traditional Generic Step Therapy, Drug Quantity Limits, and Mandatory Generic Substitution with DAW2)
- Formulary Management
- Rebate Contracting
- Data Sharing* and Reporting (standard and ad-hoc reporting)
- Distribution of ID Cards
- Member Services (including website, portal, and network pharmacy, formulary, and cost look-up, mobile app)
- Online systems for WV PEIA, and its designee(s)

- Per Title 2 of HIPAA, the Vendor shall have robust controls for detecting fraud, waste, and abuse. Vendor shall detail said controls.

* **NOTE:** For the purpose of this analysis, “Data Sharing” is referenced in relation to requests for data and reports from either party (WV PEIA or the selected PBM). WV PEIA currently shares data between the PBM, medical administrator, and data warehousing vendor and may, over the course of the contract term, add other vendors.

The requirements set forth below shall be minimum service requirements to be provided by the successful Bidder:

1. WV PEIA requires that the Bidder administer run-out claims for 12 months following termination of the contract with access to your claims system through the run-out period. The cost of run-out administration must be included in your proposed administration fees.
2. WV PEIA requires that Bidder agree to accept payment of claims and administrative expense invoices via Electronic Funds Transfer.
3. WV PEIA requires a minimum of four group breakouts for purposes of reporting. CHIP and COBRA also require separate reporting.
4. WV PEIA requires that the Bidder work with WV PEIA’s eligibility systems. It is important to note that WV PEIA, COBRA, and WV CHIP enrollment come from separate eligibility systems.
5. WV PEIA requires that the Bidder provide WV PEIA monthly and quarterly reports detailing plan performance and address account and member service issues, relevant federal and state legislation and legislative trends and developments in the market place. WV PEIA requires that the Bidder attend quarterly and annual plan performance review for each plan year. Additionally, WV PEIA requires an annual performance or “stewardship” meeting within 90 days after contract year-end at which time the Contractor will, as directed by WV PEIA, summarize activities and performance for the year ended.
6. WV PEIA requires the assignment of a dedicated Account Executive, Account Manager, and Clinical Manager. Each shall be accountable to WV PEIA for proactive management of all aspects of the Bidder’s performance to WV PEIA and its members. The Account Executive, Account Manager, and Clinical Manager shall be involved from the finalist interview through implementation, and ongoing management of the program. The Bidder shall not change assignment of the Account Executive, Account Manager and Clinical Manager without written notice provided to WV PEIA with a minimum of fourteen (14)

days prior to such change. WV PEIA reserves the right to request assignment of a new Account Executive, Account Manager, and/or Clinical Manager and the Bidder shall make such change within 30 days of receipt of written notice from WV PEIA.

7. WV PEIA requires a dedicated client services team to field member questions and issues.
8. WV PEIA requires the Bidder to attend annual open enrollment meetings as needed. The Bidder shall attend other meetings as required by WV PEIA.
9. WV PEIA expects the Bidder to have the ability to produce combined medical and prescription ID cards and/or temporary proof of benefit letters in “real time”. However, currently the combined medical and prescription ID cards are produced by the TPA.
10. WV PEIA requires that the Bidder provide a designated 24/7 customer service toll-free phone number in the United States.
11. WV PEIA requires that the Bidder provide automated services, which are available 24/7.
12. WV PEIA requires the Bidder provide members access to EOB statements at no cost to WV PEIA or the member.
13. WV PEIA requires you provide dedicated staff in the following specialties:
 - a. Implementation Manager
 - b. Account Executive
 - c. Pharmacist Account Executive
 - d. Account Manager
 - e. Financial Analyst
 - f. Customer Service Manager

C. CLINICAL AND OTHER PROGRAMS

WV PEIA requires that the Bidder administer the following programs. Any additional fees associated with these programs must be provided in your response to the Financial Section of this document.

Confirm that you are proposing to administer WV PEIA’s clinical and other programs as outlined in the following charts. Please specify if any additional fees apply in your response below and in your response to the Financial Section (Section VII) of this document.

DIRECTED GENERIC	BIDDER RESPONSE
When a generic equivalent is available but the pharmacy dispenses the brand-name medication the member pays the Tier 3 copayment for DAW 1 and DAW 2.	

CLINICAL PROGRAMS	BIDDER RESPONSE
<p>1. Prior Authorization</p> <p>See prior authorization lists included in files provided in Exhibit B.</p>	
<p>2. Traditional Generic Step Therapy</p> <ul style="list-style-type: none"> • Applies edits to drugs in specific therapeutic classes at the point of sale. • Coverage for back-up therapies (second/third step) is determined at the patient level based on the presence or absence of front-line drugs or other automated factors in the patient’s claims history. • Systems support automatic concurrent review of patients’ claims profile for use of front-line alternatives • Only claims for patients whose histories do not show use of first-step products are rejected for payment at the point of sale. 	

CLINICAL PROGRAMS	BIDDER RESPONSE
<p>3. Drug Quantity Management/Limits Program</p> <ul style="list-style-type: none"> • Manages prescription costs by ensuring that the quantity of units supplied for each copayment are consistent with clinical dosing guidelines. • Designed to support safe, effective, and economic use of drugs while giving patients access to quality care. • Clinicians maintain a list of quantity limit drugs, which is based upon manufacturer-recommended guidelines and medical literature. • Online edits help make sure optimal quantities of medication are dispensed per copayment and per days' supply. 	
<p>4. Compound Management Solution</p>	
<p>5. Per Title 2 of HIPAA, the Vendor shall have robust controls for detecting fraud, waste, and abuse. Vendor shall detail said controls.</p>	
<p>6. Provide other clinical utilization management programs that you offer that could assist WV PEIA with managing drug trend.</p>	

DRUG UTILIZATION REVIEW (DUR) PROGRAMS	BIDDER RESPONSE
<p>1. Alerts to physicians and pharmacists:</p> <ul style="list-style-type: none"> • Severe drug interactions • Drug interaction • Drug allergy • Drug disease 	

DRUG UTILIZATION REVIEW (DUR) PROGRAMS	BIDDER RESPONSE									
<ul style="list-style-type: none"> • Therapy duplication • Excessive daily dosing • Excessive duration of therapy • Sub-therapeutic dosing • General contraindications • Refill-too-soon • Refill-too-late • Potential drug name confusion 	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> </table>									
<p>2. Alerts for special populations</p> <ul style="list-style-type: none"> • Seniors (Excessive daily dosing, Drug age contraindications, Drug disease, Drug interactions) • Pediatrics (Drug age contraindications, Excessive daily dosing) • Women’s health (Drug pregnancy, Oral contraceptives, Fertility agents) • Cancer patients (Lethal course of chemotherapy) • Based on patient sex (OCs, other) 	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> </table>									

D. IMPLEMENTATION

Implementation activities shall commence on November 1, 2021.

The Bidder shall provide a preliminary implementation plan and timeline in its bid and identify its implementation team members, as well as WV PEIA resources required for the implementation. The timeline shall include a pre-implementation readiness audit to be performed by WV PEIA or WV PEIA's designee. No later than 30 days from selection, the Bidder shall submit a more detailed implementation plan and timeline for plan to meet WV PEIA's needs and subject to WV PEIA's approval that will include but not be limited to the following:

- Key implementation team member(s), including their contact information
- Development of eligibility and enrollment interface between Bidder and WV PEIA, including all special campaigns per the collective bargaining agreements
- Import and testing of existing enrollment data from WV PEIA current Medical TPA, as needed
- Successful test of claims adjudication. Expectation is for the Bidder to review with the PEIA team test claim scenarios during the month before the effective date.
- Receive and load at least 12 months of claims history, including open refill file for mail claims, open PA file and current plan overrides including clinical plan overrides
- Testing of Rx data transfer from WV PEIA's current PBM
- Development of process for ongoing data transfer between WV PEIA's data warehouse and the Bidder
- Establish process for data and reporting access by WV PEIA
- Development of a Comprehensive Communication plan with defined targeted audiences to include but not be limited to employees, retirees, state agencies, providers and other plan participants
- Support of WV PEIA's Open Enrollment for 2023 Plan Year
- Include examples of proposed employee communications newsletters, posters, etc.
- Delivery of prescription drug benefit program information and ID cards to plan participants prior to the effective date,
- Access to the Bidder's online client and member portals as directed by WV PEIA
 - Access to all Paid, Rejected, and Reversed claims, as well as approved/denied Prior Authorizations, etc. Please refer to Exhibit E for the detail of reporting that is needed.

The project plan shall be updated thereafter as WV PEIA and Bidder mutually agree.

SECTION VI: REQUESTED CONTRACTUAL TERMS

WV PEIA requests the following contractual terms. You are required to respond to each contractual term and indicate your organization’s willingness to comply by having an authorized representative of your organization provide his/her initials next to each contractual term. Electronic initials shall be accepted. Any requests for changes to the Requested Contractual Terms shall be part of this proposal and the basis for contract discussions. Your response to this Section is mandatory. Any requested contractual term left unanswered shall be considered a no response.

If a Bidder does not agree to provide the contractual terms, it may be adversely reflected in their score.

GENERAL TERMS	YES	NO
1. PBM agrees to a three-year contract term that may be renewed for additional years upon terms and conditions as the parties may mutually agree upon.		
2. PBM agrees to annual market checks, that may start as soon as to be effective the first contract year, conducted by an independent third party (of WV PEIA’s choosing) or by WV PEIA to ensure WV PEIA is receiving appropriate current pricing terms competitive within the industry based on its volume and membership, and will improve pricing in the event that WV PEIA’s contract terms are less than current.		
3. PBM agrees to implement new pricing within 90 days of completion of the market check or signature of contract. Acceptance of the new pricing will apply for the remainder of the Initial Term and will NOT result in extension of the contract, unless requested by WV PEIA. The financial guarantees for any partial contractual year that results from the implementation of new pricing will still be guaranteed, reconciled and the PBM will still make payments for any shortfalls for those partial contractual years with less than 12 months and those contractual years with over 12 months.		

GENERAL TERMS	YES	NO
4. PBM contract will provide 120-days advance notice of renewal pricing terms, which shall then be subject to negotiation and written agreement between the parties.		
5. PBM agrees to quarterly and annual meetings with WV PEIA to discuss plan performance, present utilization and financial results, etc. at PBM’s expense and provide quarterly reports electronically. At a minimum, WV PEIA expects that the Account Executive and the Clinical Account Manager attend these meetings.		
6. PBM agrees to implement eligibility updates within 24 hours of receipt.		
7. PBM agrees to provide weekly transmissions (may include feeds to data warehouses) to our chosen vendors at no charge, and quarterly electronic claims files in accordance with WV legislature, in industry standard format, at NO charge. PBM will also interact/exchange data with all vendors as needed at no additional charge.		
8. WV PEIA will have the ability to adjust “refill-too-soon” limits at both retail and mail without any modifications to the guaranteed pricing. Please note: WV PEIA currently wishes to maintain the current refill limits of 75% for all medications and 80% for opioids.		
9. PBM agrees that all future edits required as a result of plan design changes implemented by WV PEIA or its designee, and uploads therefore, shall be completed, after testing, by the PBM within 60 days of request/advisory by WV PEIA or its designee.		
10.PBM agrees to provide detailed test claim samples/testing reports to ensure accurate claims processing when plan changes are implemented.		
11.PBM agrees to not utilize any offshoring for any services.		

CONTRACT DEFINITIONS	YES	NO
12.Contract Definitions		
<p>a. Rebates – Compensation or remuneration of any kind received or recovered from a pharmaceutical manufacturer attributable to the purchase or utilization of generic, brand, and specialty covered drugs by eligible persons, including, but not limited to, market share incentives; promotional allowances; commissions; educational grants; market share of utilization; drug pull-through programs; implementation allowances; clinical detailing; rebate submission fees; and administrative or management fees. Rebates also include any fees that the PBM receives from a pharmaceutical manufacturer for administrative costs, formulary placement, and/or access. PEIA requires an NDC level quarterly rebate report by drug and will sign an NDA.</p>		
<p>b. 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, mail order, and specialty adjudicated claims.</p>		
<p>c. Member Copay – Members will pay the lowest of the following: plan copay, plan-negotiated discounted price, usual and customary (U&C), or MAC (maximum allowable cost). Excess copayment retention is not permitted.</p>		
<p>d. Paid Claims – Defined as all transactions made on eligible members that result in a payment to pharmacies or members from WV PEIA or WV PEIA member copays. (Does not include reversals and adjustments.) Each unique prescription that results in payment shall be calculated separately as a paid claim.</p>		
<p>e. Member –All eligible employees, retirees, and their eligible dependents enrolled under WV PEIA prescription benefit program.</p>		

CONTRACT DEFINITIONS	YES	NO
f. WV PEIA eligibility and claim data –All eligibility and claim records are sole property of WV PEIA. The use or sale of such data, whether de-identified or not, for any purpose outside of providing service to PEIA is prohibited without the express consent of PEIA.		
g. GCN – A five-character numeric figure that represents the clinical formulation; it is specific to active ingredient list, route of administration, dosage form, and drug strength.		
h. Generic Drug means a single source or multi-source prescription drug, which is classified as a generic drug by Medi-Span’s National Drug Data File or another nationally recognized source denoted in the Multi-source Code field as “Y.”		
i. “House Generics” or DAW 3, 5, 6 or 9 claims will be included in the generic guarantee financial reconciliation calculations and GDR guarantee calculations.		
j. Brand drug – the multisource code field in Medi-Span contains an “M” (co-branded product), “O” (originator brand) or an “N” (single source brand). When a drug is identified as a brand drug, it shall be considered a brand drug for all purposes under this agreement.		
k. PBM agrees that any multi-source generic drug will be adjudicated and reconciled at the generic guarantee regardless of the relative manufacturer market share. In the event of a product shortage PBM agrees to provide notice of at least 5 business days of the shortage.		
13. Minimum Brand and Minimum Generic Discount Guarantees for both mail and retail shall be defined as follows: $(1 - \text{Aggregate Ingredient Cost} / \text{Aggregate AWP})$		
a. Aggregate Discounted Ingredient Cost prior to application of plan specific copayments will be the basis of the calculation.		

CONTRACT DEFINITIONS	YES	NO
b. Aggregate AWP will be from a single, nationally recognized price source for all claims. (Please indicate source.)		
c. Dispensing Fees are not included in the Aggregate Ingredient Cost.		
d. Any rebates derived from “House Generics” or DAW 3, 5, 6, 9 claims will be passed through at 100% to WV PEIA.		
e. Zero balance due claims or zero amount claims will be included in the guaranteed measurement for AWP, ingredient cost, achieved discounts or dispensing fee calculations at the discounted cost before copay.		
f. All guarantee measurements shall be calculated prior to the copayment being applied. Entire dollar-for-dollar shortfalls, prior to the application of copayments, will be reimbursed to WV PEIA without any adjustments to remove zero balance due or excess copayment claims.		
g. Both the Aggregate Ingredient Cost and Aggregate AWP from the actual date of claim adjudication will be used.		
h. Aggregate AWP will be the date sensitive, 11-digit NDC of the actual product dispensed at both retail and mail and specialty.		
i. Non-MAC, MAC, 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.		
j. Compounds, OTC claims, and claims with ancillary charges will be excluded from the guarantee measurements for retail and mail order components.		

CONTRACT DEFINITIONS	YES	NO
k. The guarantee measurement must exclude the savings impact from DUR programs, formulary programs, utilization management programs, and/or other therapeutic interventions.		
l. Measurement will be performed annually utilizing date-sensitive AWP derived from a single, nationally recognized price source for all claims.		
14.PBM agrees to provide upon request any proprietary algorithms, hierarchy or other logic employed to define a prescription drug as generic or brand.		

FINANCIAL – GENERAL	YES	NO
15.PBM will invoice WV PEIA weekly for claims and once monthly for the administrative services.		
16. 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.		
17. 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).		
18.PBM agrees to adjudicate prescription claims for compound medications with the same dispensing fees and logic associated with traditional claims.		
19. All pricing will be effective and guaranteed for the term of the agreement and will not include adjustments for claims volume shifts amongst the various provider channels (<i>e.g.</i> , mail utilization rates decline or 90-day retail utilization increases).		
20. All fees will be based on approved paid claims as defined in 12.d. definitions (above in this section).		

FINANCIAL – GENERAL	YES	NO
21.The applicable all-inclusive administrative fee proposed in Section VII (Administrative Services) will be on a per member per month basis as defined in 12.e. definitions.		
22.Each distinct pricing guarantee will be measured and reconciled on a component (e.g. retail brand, retail generic, mail order brand, mail order generic, specialty drugs at participating retail pharmacies, and specialty drugs at the PBM’s Specialty Pharmacy) basis only and guaranteed on a dollar-for-dollar basis with 100% of any shortfalls recouped by WV PEIA. Surpluses in one component will not be utilized to offset deficits in another component. Rebate guarantees may be reconciled in the aggregate on a standalone basis.		
23.PBM will provide a financial reconciliation report within 60 days after the end of each measurement period, and the report will include the contractual and actual discounts and dispensing fees for each component (e.g., retail brands, retail generics, mail brands, mail generics, specialty drugs via Participating Retail Pharmacies, specialty drugs via the PBM’s Specialty Pharmacy).		
24.PBM agrees that any shortfall between the actual result and the minimum guarantee will be paid, dollar-for-dollar, to WV PEIA within 90 days of the end of the measurement period.		
25.PBM’s financial reconciliation that occurs after the end of the measurement period will use the lower of the AWP pricing at the point of adjudication or the retroactive AWP pricing, if the pricing source the PBM uses issues retroactive AWP pricing for that annual reconciliation time period.		
26.Pricing shall not be contingent on participation in any program or plan rule beyond those that currently exist under the PEIA plan benefit by WV PEIA.		

FINANCIAL – GENERAL	YES	NO
27.The pricing guaranteed in the Financial Section of this RFP reflects a) the PBM’s broadest national network and b) the PBM’s broadest national formulary (with drug exclusions).		
28.No pricing will be contingent on specific utilization patterns. For instance, pricing terms contingent on limited utilization in a specific geographic location (<i>e.g.</i> West Virginia) is unacceptable.		
29.PBM 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 WV PEIA or its designee. WV PEIA would expect any programs, formulary, etc. to yield the lowest net cost to WV PEIA and be determined and able to prove lowest net cost by the PBM to WV PEIA.		
30.Mail order pricing and rebates will apply to <u>all</u> claims that adjudicate at mail regardless of days’ supply.		
31.PBM agrees 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.		
32.PBM will guarantee Retail/Mail Order unit cost equalization, meaning that Mail Order unit costs prior to member cost sharing, dispensing fees, and sales taxes charged to WV PEIA will be no greater than the unit cost for the same NDC-11 at Retail. PBM agrees to produce a date-sensitive comparison report showing unit costs charged to WV PEIA at a GCN-level, and reimburse WV PEIA 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.		
33.PBM must accept COB flag and pay secondary only on those members.		

FINANCIAL – GENERAL	YES	NO
34.PBM will be responsible for collecting any outstanding member cost shares for prescriptions dispensed through the mail order facility. The PBM will not invoice WV PEIA for any uncollected member cost shares.		
35.Transparent Pricing – PBM agrees to pass-through 100% of negotiated discounts with network pharmacies at the point-of-service and to provide auditing protocol, enabling tracking of individual claims back to original pharmacy network contract documents. The PBM agrees to disclose details of all programs and services generating financial remuneration from outside entities.		
36.Priced Based on current plan design – PBM's proposal is to be based upon the current plan designs as outlined in the attachments and exclusive of any additional requirements to participate in step therapy, prior authorization, and/or therapeutic switch programs.		
37.Single Pricing Source – PBM agrees to utilize one consistent pricing source for determining average wholesale price (AWP) information for use in claims pricing and to disclose its source in the contract with WV PEIA. If the PBM decides to change its pricing source, it agrees to (1) provide WV PEIA with at least 180 days' notice of the change and (2) provide WV PEIA with written validation that the change in pricing source is economically neutral or beneficial to WV PEIA. PBM will provide validation noted above to WV PEIA at least 90 days prior to the change.		
38.MAC Pricing – List – PBM agrees Mail order MAC pricing should be no greater than retail.		
39.U&C Pricing – PBM must agree to adjudicate and report all claims priced at U&C with the ingredient cost equal to the submitted U&C price.		

FINANCIAL – GENERAL	YES	NO
40. Compound Drugs – PBM agrees that all compound drugs dispensed at retail and specialty will be priced using the proposed guaranteed retail and specialty pricing formulas, respectively; compound drugs will not be subject to a mark-up. If you disagree, PBM must outline how compound costs will be calculated.		
41. Therapeutic Interchange – PBM shall not mandate financial offer contingent upon WV PEIA’s participation in therapeutic interchange (i.e., "switch") programs, step therapy or days’ supply requirements, upon WV PEIA approval. PBM agrees that brand-to-brand prescription substitutions will be permitted only to promote clinical outcomes, with prescribing physician approval and only in circumstances where substituted product results in lower net plan cost and does not increase member cost.		
42. Carve-Out – Carving out specialty medications to a different vendor during the contract period will not affect non-specialty discounts, dispensing fees, rebates, or administrative fees.		
43. PBM agrees to provide an overall specialty discount guarantee for those drugs dispensed through the exclusive specialty drug program.		
44. PBM agrees during the life of the contract no new therapeutic classes will be added to the specialty drug list without written consent of WV PEIA.		
45. PBM must adjudicate all specialty claims at the lesser of: (a) the contracted discount plus dispensing fee or (b) MAC plus dispensing fee.		

FINANCIAL – REBATES	YES	NO
<p>46.PBM agrees that “total rebates” will include all compensation or remuneration the PBM receives from a pharmaceutical manufacturer (branded and generic), attributable to the purchase or utilization of covered drugs (including specialty drugs) by an eligible participant. Compensation includes, but is not limited to, discounts; credits; rebates, regardless of how categorized; fees; educational grants received from manufacturers in relation to the provision of utilization data to manufacturers for rebating, marketing and related purposes; market share incentives; commissions; and specialty purchase discounts and administrative management fees.</p>		
<p>47.Guaranteed rebates per brand will be based on <u>all</u> brand prescriptions dispensed, not only on formulary prescriptions dispensed.</p>		
<p>48.Rebates will be the greater of the minimum guarantees and 100% of the rebates earned.</p>		
<p>49.Confirm limited distribution drugs will be included in the minimum rebate guarantee and overall effective discount.</p>		
<p>50.Confirm New to Market Specialty Drugs will be included in the above overall and rebate guarantee.</p>		
<p>51.Confirm your organization can offer price or inflation protection guarantees and please define the inflation protection guarantee and dollars at risk your organization will commit to in this guarantee.</p>		
<p>52.Confirm that all price protection and inflation protection you receive from manufacturers will be passed through in your rebates WV PEIA.</p>		
<p>53.Over-performance of minimum rebate guarantees will not be used to offset performance guarantee shortfalls in other non-rebate areas.</p>		
<p>54.Rebates will not be withheld for execution of any contract amendments.</p>		

FINANCIAL – REBATES	YES	NO
55.PBM will reconcile rebate guarantees to verify that WV PEIA is receiving the guaranteed rebates and provide rebate payments and reports listing detailed rebate utilization and calculations to WV PEIA quarterly, within sixty (60) days of the quarter’s close, without a request being made by WV PEIA. Reporting must be broken out by WV PEIA and RHBT.		
56.PBM will provide the annual rebate report within 180 days of the end of each contract year. Any shortfall between the actual result and the minimum rebate guarantees will be paid, dollar-for-dollar, to WV PEIA within 180 days of the end of the contract year.		
57.All rebate revenue earned by WV PEIA will be paid to WV PEIA regardless of its termination status as a client. Lag rebates will continue to be paid to WV PEIA after termination until 100% of earned rebates are paid.		
58.Confirm PBM will provide a report on earned rebate dollars and all ancillary fees received by your organization from pharmaceutical manufacturers for medications dispensed for WV PEIA in addition to the monthly and annual reconciliation reports.		
59.Confirm you will provide reporting by drug on an NDC level and rebate reporting by therapeutic category and by manufacturer on a quarterly basis. These reports should be provided in a spreadsheet (google sheets).		
60.PBM agrees to produce an auditable quarterly report demonstrating pass-through rebates. PBM will attach a sample of the report they intend to use as part of their response.		
61.Confirm manufacturer agreements contain provisions that limit the amount the manufacturer can raise the AWP price of prescription drugs each year.		

FINANCIAL – REBATES	YES	NO
62.PBM will charge one all-inclusive overall administrative fee for all pharmacy services shown in Section VII (Administrative Services) which shall include, but not be limited to, fees for rebate management, retail management, formulary management, network management and any other clinical program.		
63. Minimum Rebate per Script Guarantee – PBM agrees that rebates will be quoted, guaranteed and paid on a per brand prescription basis only and applicable to 100% of the prescriptions filled under the plan, including covered prescriptions where the member paid the full cost of the drug and the plan paid zero without minimum or average days’ supply requirements.		
64. Rebate Reconciliation – At each contract year end, PBM agrees to reconcile the guaranteed percent pass-through of total rebates against the quarterly rebate payments made in accordance with the "minimum per script rebate guarantees" minimum requirement above. WV PEIA will retain 100% of any additional savings achieved. The PBM agrees to pay any amount due to WV PEIA within 180 days after the end of each contract year.		

FORMULARY MANAGEMENT	YES	NO
65.If requested by WV PEIA, the PBM agrees to grandfather the current formulary and respective copayments for up to 90 days following the contract effective date with no impact on the minimum rebate guarantees.		
66.With the exception of FDA recalls or other safety issues, the PBM agrees not to remove any drug products, brand or generic, from WV PEIA’s formulary or preferred drug listing without notification and prior approval from WV PEIA.		

<p>67.WV CHIP requires the PBM to grandfather children that are currently taking a drug that is used to treat, or is sensitive to, mental conditions can continue to have their current prescription(s) covered even if their current medication is not on the WVCHIP PDL when it is in one of the following seven drug classes: Antipsychotics; Serotonin Selective Response Inhibitors (SSRI); Central Nervous System Stimulants; Anticonvulsants; Sedative Hypnotics; Aliphatic Phenothiazines; and Attention Deficit Disorder Drugs. Confirm the PBM is able to administer this exception.</p>		
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PHARMACY NETWORK MANAGEMENT	YES	NO
<p>68.PBM must agree to propose pricing based on its broad national retail network that includes all major national and regional pharmacy chains.</p>		
<p>69.PBM will be required to adjudicate all retail claims including point-of-sale and paper claims at the lowest of: (a) the contracted discount plus dispensing fee; (b) MAC plus dispensing fee; or (c) the usual and customary (U&C) price (including the pharmacy’s sales price, if any). PBM agrees that if selected as the winning PBM, the contract language will specify that claims adjudicate at the point of sale using the guaranteed methodology proposed.</p>		
<p>70.PBM must adjudicate all retail claims according to the “lowest of” logic such that members always pay the lowest of the applicable copayment, the contracted price and/or the pharmacy’s U&C amount (including the pharmacy’s sale price, if any).</p>		
<p>71.PBM will not withhold any financial recoveries from audits performed on the contracted pharmacy network including mail order and specialty pharmacies. Any recoveries will be disclosed/reported quarterly and credited to WV PEIA.</p>		

72.PBM agrees that it will not remove any participating network pharmacies that impact WV PEIA's members without communicating to WV PEIA at least sixty (60) days in advance of the scheduled change. If the change is not agreeable to WV PEIA, WV PEIA will have the right to terminate the agreement without penalty.		
73.PBM must offer fixed per claim dispensing fee guarantees for retail brand and generic drugs priced at the discounted ingredient cost or MAC rate.		
74.Confirm that any pharmaceutical provider tax is not passed to a WV PEIA member or the WV PEIA plan.		

AUDITING & AUDIT RIGHTS	YES	NO
75.PBM agrees that <u>all</u> 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).		
76.WV PEIA or its designee will have the right to audit annually , with an auditor of its choice, (for both claims and rebate audits), with full cooperation of the selected PBM, the claims, benefits, services and pricing and/or rebates, including the manufacturer rebate contracts held by the PBM, to verify compliance with all program requirements and contractual guarantees with no additional charge from the PBM.		
77.WV PEIA or its designee will have the right to audit up to 36 months of claims data at no additional charge from the PBM.		
78.PBM will provide complete claim files and documentation (<i>i.e.</i> , full claim files, financial reconciliation reports, inclusion files, and plan documentation) to the auditor within 30 days of receipt of the audit data request as long as a non-disclosure agreement is in place between the auditor and the PBM.		

AUDITING & AUDIT RIGHTS	YES	NO
79.PBM agrees to a 30-day turnaround time to provide the full responses to all of the sample claims and claims audit findings.		
80.PBM agrees to financial guarantees for turnaround times for each stage of the audit process.		
81.PBM will correct any errors that WV PEIA, or its representative, brings to the PBM's attention whether identified by an audit or otherwise.		
82.WV PEIA or its designee will have the right to audit up to 12 pharmaceutical manufacturer contracts during an on-site rebate audit.		
83.WV PEIA's right to audit shall survive the termination of the agreement between the parties for a period of 3 years.		
84.WV PEIA will not be held responsible for time or miscellaneous costs incurred by the PBM in association with any audit process including, all costs associated with provision of data, audit finding response reports, or systems access, provided to WV PEIA or its designee by the PBM during the life of the contract. Note: This includes any data required to transfer the business to another vendor and money collected from lawsuits and internal audits.		

LEGAL RESPONSIBILITIES	YES	NO
85.PBM shall indemnify, defend and hold harmless WV PEIA, its officers and employees, from and against any and all claims, actions, demands, costs, and expenses, including reasonable attorney fees and disbursements, as a result of a breach by the PBM of any of its obligations under the Agreement or arising out of the negligent act or omission or willful misconduct of the PBM or its employees or agents.		

86.PBM agrees to hold WV PEIA harmless for any HIPAA Violations made by the PBM or its Network Pharmacies.		
87.PBM will agree to defend claims litigation based on its decisions to deny coverage for clinical reasons.		
88.PBM acknowledges that it is compliant with the electronic Data Interchange (“EDI”), Privacy and Security Rules of the Health Insurance Portability and Accountability Act (“HIPAA”), and will execute the appropriate Business Associate Agreement (“BAA”) as provided WV PEIA (copy attached in Exhibit G). PBM also agrees that in the event of a privacy violation or data breach, that the PBM will notify WV PEIA and the impacted members to a breach and provide any required remedies.		
89.PBM agrees 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.		
90.PBM agrees that in the event of a dispute between the parties, about the payment or entitlement to receive payment, or any administrative fees hereunder, the PBM and WV PEIA shall endeavor to meet and negotiate a reasonable outcome of said dispute. In NO event shall PBM undertake unilateral offset against any monies due and owed to WV PEIA, whether from manufacturer rebates, credit adjustment or otherwise.		
91.PBM will respond to and incorporate future Health Care Reform changes in full compliance with the law and at no additional cost to WV PEIA.		

IMPLEMENTATION / TRANSITION	YES	NO
<p>92.PBM agrees to load all current Prior Authorizations, open mail order refills, open specialty refills, claim history files, and accumulator files that exist for current members from the existing PBM at NO charge to WV PEIA no later than the date of implementation of management by the selected PBM. (NO charge includes no charges being deducted from the implementation allowance for file loading or IT.)</p>		
<p>93.PBM agrees to send at least 12 months of claims history data, all current prior authorizations, open mail order refills, specialty transfer files, and accumulator files that exist for WV PEIA participants to the next/successor PBM at NO charge if WV PEIA terminates the contract with or without cause.</p>		
<p>94.PBM agrees to waive any charges to WV PEIA or WV PEIA’s medical plan claims administrators such as a set-up fee, a programming fee or a monthly fee, for establishing a connection with a Third Party Administrator/Claims processor and data warehouse vendor for real-time, bidirectional data integration, including non-standard data integration formats. Currently WV PEIA utilizes a flat file for the TPA and data warehouse and an Access file database for PEIA and expects to be able to utilize similar formats.</p>		
<p>95.PBM agrees to absorb any programming or other administrative costs to meet any existing or future requirements of the Affordable Care Act.</p>		
<p>96.PBM will provide draft SPD language for any clinical programs that are to be implemented and annual updates.</p>		
<p>97.PBM agrees to provide online, real time, claim system access to WV PEIA or its designee, including access to historical claims data for up to three years following termination of the agreement. Access needs to include, but not be limited to paid/rejected/denied claims at POS and member submitted, AWP, Pharmacy, Doctor’s information, eligibility update/view access, Prior Authorization details, etc.</p>		

IMPLEMENTATION / TRANSITION	YES	NO
98.PBM agrees to include a clause to the effect that, upon contract termination, the cost of any work required by a new administrator to bring records in unsatisfactory condition up to date shall be the obligation of your firm and your firm shall reimburse such expenses.		

MEMBER SERVICES	YES	NO
99.PBM agrees to obtain WV PEIA's approval for all member communication materials before distribution to members.		
100. WV PEIA reserves the right to review, edit, or customize any communication from the PBM to its membership.		
101. PBM mail order service must notify individual participating members prior to substituting products that will result in a higher member copayment.		
102. PBM agrees to duplicate the plan features and level of coverage presently offered to WV PEIA's covered member population.		

SECTION VII: FINANCIAL

This RFP requires pricing on a transparent pass-through basis and with 100% of all rebate revenue being sent to WV PEIA and other West Virginia agencies including, but not limited to, West Virginia Children's Health Insurance Program (CHIP). Rebates will be measured based on the minimum rebate guarantees.

Pricing shall be based on your Broadest Network.

Bidders are required to complete all financial exhibits as instructed. All administrative fees, program fees, and dispensing fees are required as an all-inclusive per-member-per-month basis.

All services covered under the fee should be listed.

WV PEIA is requesting the administrative fee be quoted two ways. Currently, Prior authorization of non-specialty medications are performed by the West Virginia University School of Pharmacy's Rational Drug Therapy Program (RDTP). WV PEIA requests the Bidders to quote the administrative fee based on current (carve-out Prior Authorization) and a second proposal based on a carve-in Prior Authorization.

ALL FEES ARE BINDING UNTIL THE IMPLEMENTATION DATE SPECIFIED IN THIS PROPOSAL AND MUST REMAIN GUARANTEED FOR THE FULL 3-YEAR CONTRACT TERM.

ADMINISTRATIVE FEES

WV PEIA requests the Administrative Fee be inclusive of all programs and not have additional fees for individual programs. WV PEIA requires the completion of the following Administrative Fee table and questions:

1. Complete the following Administrative Fee Table (Non-Specialty Prior Authorization and Independent Review Organization Carve-out). Please provide separate PMPM administration fees: One PMPM admin fee for Actives and Non-Medicare Retirees and One PMPM admin fee for Medicare Retirees (RDS members).

TRANSPARENT PROPOSAL ADMINISTRATIVE SERVICES (Non-Specialty Prior Authorization and Independent Review Organization Carve-out)	Year 1	Year 2	Year 3
PBM Core Services <i>(Actives and Non-Medicare Retirees)</i>	\$ _____ PMPM	\$ _____ PMPM	\$ _____ PMPM
PBM Core Services and CMS Retiree Drug Subsidy Services <i>(Medicare Retirees)</i>	\$ _____ PMPM	\$ _____ PMPM	\$ _____ PMPM
Indicate which of these services are included for no additional cost:			
<i>Account Services and Account Management</i>	Y or N	Y or N	Y or N
<i>Implementation/Transition Assistance, if necessary</i>	Y or N	Y or N	Y or N
<i>Customer Satisfaction Survey</i>	Y or N	Y or N	Y or N
<i>Member Services and Call Center</i>	Y or N	Y or N	Y or N
<i>Plan specific internet website</i>	Y or N	Y or N	Y or N
<i>Member Enrollment Packages ("packet")</i>	Y or N	Y or N	Y or N
<i>Network Management</i>	Y or N	Y or N	Y or N
<i>Eligibility Administration</i>	Y or N	Y or N	Y or N
<i>Electronic Claims Processing</i>	Y or N	Y or N	Y or N
<i>Mail Service Claims Integration</i>	Y or N	Y or N	Y or N

TRANSPARENT PROPOSAL ADMINISTRATIVE SERVICES (Non-Specialty Prior Authorization and Independent Review Organization Carve-out)	Year 1	Year 2	Year 3
<i>Specialty Pharmacy Claims Integration</i>	Y or N	Y or N	Y or N
<i>Claim Forms</i>	Y or N	Y or N	Y or N
<i>Vaccine Services</i>	Y or N	Y or N	Y or N
<i>Paper Claims</i>	Y or N	Y or N	Y or N
<i>E-Prescribing</i>	Y or N	Y or N	Y or N
<i>Electronic Prior Authorizations</i>	Y or N	Y or N	Y or N
<i>Toll Free Phone Lines for Participants, Pharmacies, and Providers</i>	Y or N	Y or N	Y or N
<i>Electronic data transfer to data warehouse/TPA</i>	Y or N	Y or N	Y or N
<i>Data integration with health plan administrator</i>	Y or N	Y or N	Y or N
<i>Data integration with WV University School of Pharmacy Rational Drug Therapy Program</i>	Y or N	Y or N	Y or N
<i>Prospective /Concurrent/Retro DUR</i>	Y or N	Y or N	Y or N
<i>Standard Reports and Data Management</i>	Y or N	Y or N	Y or N
<i>Access to Web-based Reporting</i>	Y or N	Y or N	Y or N
<i>Ad Hoc Reports</i>	Y or N	Y or N	Y or N
<i>COB Program</i>	Y or N	Y or N	Y or N
<i>Medicaid Subrogation</i>	Y or N	Y or N	Y or N
<i>Dose Optimization Program</i>	Y or N	Y or N	Y or N
<i>Prior Authorization Program</i>	Y or N	Y or N	Y or N
<i>Step Therapy Program</i>	Y or N	Y or N	Y or N
<i>Quantity Limitations</i>	Y or N	Y or N	Y or N
<i>Custom System Overrides</i>	Y or N	Y or N	Y or N

TRANSPARENT PROPOSAL ADMINISTRATIVE SERVICES (Non-Specialty Prior Authorization and Independent Review Organization Carve-out)	Year 1	Year 2	Year 3
<i>Annual EOB Statements</i>	Y or N	Y or N	Y or N
<i>Retro Termination Letters</i>	Y or N	Y or N	Y or N
<i>Drug Notification Letters to Member and Provider</i>	Y or N	Y or N	Y or N
<i>Formulary Administration/Management</i>	Y or N	Y or N	Y or N
<i>ID Cards</i>	Y or N	Y or N	Y or N
<i>Access to Pharmacy Directories and other member materials</i>	Y or N	Y or N	Y or N
<i>Online Formulary/Preferred Drug Listings</i>	Y or N	Y or N	Y or N
<i>Participant online access</i>	Y or N	Y or N	Y or N
<i>Dedicated Clinical Service Team</i>	Y or N	Y or N	Y or N
<i>Disease Management Program Support</i>	Y or N	Y or N	Y or N
<i>Abuse/Fraud Program Development and Management</i>	Y or N	Y or N	Y or N
<i>Rebate Management/Administration</i>	Y or N	Y or N	Y or N
<i>Data Processing</i>	Y or N	Y or N	Y or N
<i>Systems Maintenance</i>	Y or N	Y or N	Y or N
<i>HIPAA Compliance</i>	Y or N	Y or N	Y or N
<i>Actuarial, underwriting, and consulting services</i>	Y or N	Y or N	Y or N
<i>Printing and Mailing costs related to Pharmacy Benefits</i>	Y or N	Y or N	Y or N
<i>Standard 1st level appeals processing and determination</i>	Y or N	Y or N	Y or N
<i>Standard 2nd level appeals processing</i>	Y or N	Y or N	Y or N

TRANSPARENT PROPOSAL ADMINISTRATIVE SERVICES (Non-Specialty Prior Authorization and Independent Review Organization Carve-out)	Year 1	Year 2	Year 3
<i>Urgent appeals processing</i>	Y or N	Y or N	Y or N
<i>Overrides</i>	Y or N	Y or N	Y or N
<i>Audit Recovery Fees</i>	Y or N	Y or N	Y or N
<i>Contracting</i>	Y or N	Y or N	Y or N
<i>Compound Drug Management</i>	Y or N	Y or N	Y or N
<i>Corporate and Other Overhead</i>	Y or N	Y or N	Y or N
<i>Taxes</i>	Y or N	Y or N	Y or N
Services <u>not</u> included in fees above (i.e., services marked “N” above) (show fees separately):			
•			
•			
Other Services (show fees separately):			
•			
•			

2. If WV PEIA decided to carve-in the following, provide the additional PMPM fee for each individual option.

	Year 1	Year 2	Year 3
Non-Specialty Prior Authorization Carve-In	\$ _____ PMPM	\$ _____ PMPM	\$ _____ PMPM
Independent Review Organization Carve-In	\$ _____ per occurrence	\$ _____ per occurrence	\$ _____ per occurrence

ADMINISTRATIVE FEE QUESTIONS	BIDDER RESPONSE
3. Detail all services and supplies to be provided under your basic fees that are not included in your response to the chart in question 1 & 2.	
4. Confirm you agree to guarantee your quoted fees until the assumed implementation date.	
5. Confirm fees quoted are <u>not</u> contingent upon any of the following: <ul style="list-style-type: none"> • Minimum enrollment or utilization requirements. • Participation in any supplemental programs. • Direct communication with patient population. 	
6. Confirm postage is included in all mail order prescriptions, all member/provider letters, and any mailings.	
7. Confirm quoted fees include postage paid mail order envelopes for member prescription submission.	
8. Confirm your organization agrees that all costs for audits, recoveries, collections, and data feeds submitted to WV PEIA or their designee will be absorbed by the PBM during the life of the contract. This includes any data required to transfer the business to another vendor and money collected from lawsuits and internal audits.	
9. Confirm that multi-language communication phone line support be included in the base administrative fee.	

ADMINISTRATIVE FEE QUESTIONS	BIDDER RESPONSE
10. Confirm disabled (e.g., hearing-impaired) member calls will be facilitated through your member services area.	
11. Detail all data related services included under the base administrative fees including ad hoc reporting, electronic claims files, manual eligibility updates, Prior Authorization entry, plan design options, custom mailings, etc.	
12. Detail any data related service fees <u>not</u> included in the base administrative fees.	
13. Do you have a contractual relationship with third party administrators/ organizations in which you pay service fees? If so, identify the outside organizations that receive these service fees and explain the nature of the relationship.	
14. Pricing shall be based on your Broadest Network	
15. PBM must allow formulary customization as part of base administrative fee. (i.e. no separate administrative fee must be applied for formulary customization.)	

PRESCRIPTION DRUG PRICING

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 and post September 26, 2009 AWP rollback.

TRANSPARENT RETAIL PRICING WITH 100% PASS THROUGH REBATES PROPOSAL

1. Year 1 (July 1, 2022 – June 30, 2023)

Broad Retail Network	AWP Discount Retail Supply 1-83 days	AWP Discount Retail Supply 84- 90 days [Use if applicable]	AWP Discount Mail Supply 1-90 days
Commercial Plans			
Brand Drugs¹			
Discount from AWP for all brands	%	%	%
Dispensing Fee Per Rx	\$ ____ per Rx	\$ ____ per Rx	\$ ____ per Rx
Generic Drugs²			
Discount from AWP for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price)	%	%	%
Dispensing Fee Per Rx	\$ ____ per Rx	\$ ____ per Rx	\$ ____ per Rx
Rebates			
Minimum Guarantee Per Brand ¹	\$ ____ per brand	\$ ____ per brand	\$ ____ per brand

¹ Including both single source and multi-source brands.

² Including single-source generics.

2. Year 2 (July 1, 2023 – June 30, 2024)

Broad Retail Network	AWP Discount Retail Supply 1-83 days	AWP Discount Retail Supply 84-90 days [Use if applicable]	AWP Discount Mail Supply 1-90 days
Commercial Plans			
Brand Drugs³			
Discount from AWP for all brands	%	%	%
Dispensing Fee Per Rx	\$ ____ per Rx	\$ ____ per Rx	\$ ____ per Rx
Generic Drugs⁴			
Discount from AWP for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price)	%	%	%
Dispensing Fee Per Rx	\$ ____ per Rx	\$ ____ per Rx	\$ ____ per Rx
Rebates			
Minimum Guarantee Per Brand ¹	\$ ____ per brand	\$ ____ per brand	\$ ____ per brand

3. Year 3 (July 1, 2024 – June 30, 2025)

Broad Retail Network	AWP Discount Retail Supply 1-83 days	AWP Discount Retail Supply 84-90 days [Use if applicable]	AWP Discount Mail Supply 1-90 days
Commercial Plans			
Brand Drugs⁵			

³ Including both single source and multi-source brands.

⁴ Including single-source generics.

⁵ Including both single source and multi-source brands.

Discount from AWP for all brands	%	%	%
Dispensing Fee Per Rx	\$ ____ per Rx	\$ ____ per Rx	\$ ____ per Rx
Generic Drugs⁶			
Discount from AWP for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price)	%	%	%
Dispensing Fee Per Rx	\$ ____ per Rx	\$ ____ per Rx	\$ ____ per Rx
Rebates			
Minimum Guarantee Per Brand ¹	\$ ____ per brand	\$ ____ per brand	\$ ____ per brand

⁶ Including single-source generics.

4. Confirm the pricing listed in the tables 1 to 3 above reflects:

PROPOSED PRICING	BIDDER RESPONSE
All guarantees are calculated using the date sensitive AWP based on the 11-digit NDC of the actual product dispensed	
All-in generic guarantee inclusive of single-source generics	
Drugs with an “Insufficient Supply” are included in the guarantees	
Select, sole source or authorized generics from at least one FDA-approved generic manufacturer with exclusivity or limited availability, supply or competition will be included in the generic pricing guarantees and excluded from the brand pricing guarantees.	
No single-source generic or generic drug will be included in the brand drug component for the annual discount guarantee reconciliation.	
Member Cost Share at the point-of-sale (for retail and mail) is based on the lowest of the plan copay/coinsurance, usual and customary charges, negotiated discounted ingredient cost plus dispensing fee	
All guarantees are calculated before the application of member cost share	
All guarantees (including Rebates) are stand-alone with no offsetting (within or across channels)	
Any guarantee shortfalls are paid on a dollar-for-dollar basis	
Confirm that WV PEIA’s current plan designs qualify for the proposed rebate guarantees. Please give the name of the qualifying rebate guarantee class (if applicable).	

5. Provide your proposed source for AWP (average wholesale price) data.
6. How often are AWP prices updated in your adjudication system?
7. Provide your proposed drug type designation or classification (e.g. brand, generic) source (i.e. First DataBank, Medi-Span, Redbook, Other). If other, please specify.
8. PBM will measure and report to WV PEIA its actual performance for all guarantees and pay/credit WV PEIA 100% of any shortfall within 90 days of each annual period.

9. Provide an aggregate savings dollar amount if WV PEIA would implement a narrow network option. Please detail what the narrow network would be and then what the impacted members and savings dollars would be in the aggregate.

SPECIALTY PHARMACY PROGRAM PRICING

WV PEIA currently has an exclusive specialty arrangement and is willing to continue this arrangement into its next PBM contract if it is advantageous for the Plan and its members.

1. Please provide your organization's definition and qualification criteria of a "specialty drug product."
2. PBM must submit the proposed exclusive specialty drug price list(s) in Excel by NDC-11, with drug name and associated AWP discounts and dispensing fees.
3. Provide an AWP-based pricing list in Excel of all specialty pharmaceuticals, including Limited Distribution Drugs that your company dispenses and distributes to providers and patients for your proposed specialty pharmacy program. WV PEIA will not reimburse for ancillary supplies, therefore your pricing must include adequate supplies of ancillaries such as needles, swabs, syringes, and containers. The following items must be included in your list:
 - a. Product Name
 - b. Therapeutic Group/Therapeutic Category
 - c. NDC
 - d. Guaranteed Minimum AWP discount for all specialty pharmacy program prescriptions for the exclusive specialty arrangement.
 - e. Limited Drug Distribution
4. Confirm you provided the most recent Limited Distribution Drug Indicator in the attachment for the previous question. If not, please provide your proposed Limited Distribution Drug List with NDC in an Excel File.
5. Provide a list of Limited Distribution Drugs (LDD) that your company does NOT dispense and the negotiated discounts associated with each LDD.
6. PBM must price all specialty drugs dispensed at retail according to the same generic/brand financial component guarantees as non-specialty drugs dispensed at retail (i.e., discounts, dispensing and administration fees).
7. PBM's proposed discounts must apply to specialty drugs dispensed through retail.
8. AWP Reimbursement Basis – Complete the following table using the drug reimbursement that your organization is willing to guarantee on a dollar-for-dollar basis for each year of a contract. Please complete "AWP Discount" using discount from 100% AWP and dispensing fee logic.

a. Complete the following table under the proposed exclusive specialty arrangement:

Specialty Drugs Dispensed at Participating Retail Pharmacies	Year 1	Year 2	Year 3
Overall Brand Discount Guarantee from AWP	%	%	%
Overall Generic Discount Guarantee from AWP	%	%	%
Confirm New to Market Specialty Drugs and New to Market Limited Distribution Specialty Drugs will be included in the above guarantees			
If you answered “No” to the prior question, indicate what discount guarantee applies, if any.			
Confirm Limited Distribution Drugs will be included in the above guarantees.			
If you answered “No” to the prior question, indicate what discount guarantee applies, if any.			
Dispensing Fee Per Rx	\$__ per Rx	\$__ per Rx	\$__ per Rx
Rebate – Minimum Guaranteed Per Brand	\$__ per brand	\$__ per brand	\$__ per brand
Confirm New to Market Specialty Drugs and New to Market Limited Distribution Specialty Drugs will be included in the above Rebate – Minimum Guaranteed Per Brand			
If you answered “No” to the prior question, indicate what rebate guarantee applies, if any.			
Confirm Limited Distribution Drugs will be included in the above Rebate – Minimum Guaranteed Per Brand			

If you answered “No” to the prior question, indicate what rebate guarantee applies, if any.			
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b. Complete the following table:

Specialty Drugs Dispensed at the PBM’s Specialty Pharmacy	Year 1	Year 2	Year 3
Overall Brand Discount Guarantee from AWP	%	%	%
Overall Generic Discount Guarantee from AWP	%	%	%
Confirm New to Market Specialty Drugs and New to Market Limited Distribution Specialty Drugs will be included in the above guarantees.			
If you answered “No” to the prior question, indicate what discount guarantee applies, if any.			
Confirm Limited Distribution Drugs will be included in the above guarantees.			
If you answered “No” to the prior question, indicate what discount guarantee applies, if any.			
Dispensing Fee Per Rx	\$___ per Rx	\$___ per Rx	\$___ per Rx
Rebate –Minimum Guaranteed Per Brand	\$___ per brand	\$___ per brand	\$___ per brand
Confirm New to Market Specialty Drugs and New to Market Limited Distribution Specialty Drugs will be included in the above Rebate – Minimum Guaranteed Per Brand.			
If you answered “No” to the prior question, indicate what per brand rebate guarantee applies, if any.			

Confirm Limited Distribution Drugs will be included in the above Rebate – Minimum Guaranteed Per Brand.			
If you answered “No” to the prior question, indicate what per brand rebate guarantee applies, if any.			

9. Provide a list of any specialty drug products that are excluded from your specialty drug pricing guarantees (Discount, Dispensing Fee, and/or Rebate).
10. Using WV PEIA’s detailed claim-by-claim prescription drug data, provide an exhibit identifying WV PEIA’s applicable claims that are excluded from your specialty drug pricing guarantees. Provide separately for Specialty Drugs Dispensed at Participating Retail Pharmacies and Specialty Drugs Dispensed at the PBM’s Specialty Pharmacy.
11. PBM must adjudicate all specialty claims according to the “lower of” logic such that WV PEIA members always pay the lower of the applicable copayment or the contracted price. PBMs will not be allowed to adjudicate based on a minimum specialty copayment.
12. Please describe any price inflation guarantee you are putting forth for specialty drugs.
13. Are your proposed guarantees for your retail/mail program contingent upon WV PEIA’s purchase of your specialty drug program?
14. Confirm that your specialty program will limit specialty claims to a 30-day supply. If not, please explain and if applicable, provide a list of all specialty drugs requiring a day’s supply limit other than 30 days and indicate the days’ supply limit.
15. What aspects of the Specialty pharmacy program pricing will the PBM “lock-in” regardless if WV PEIA chooses to carve-out specific aspects of the program as they please?
16. While PEIA does not anticipate carving out their specialty program, market conditions may shift during the contract where it may be necessary to do so. Please confirm no pricing penalties will be applied to the non-specialty program.
17. If PEIA carved-out their specialty program, clearly identify the cost impact to PEIA. Identify the reduction in discount, rebates, dispensing fees.
18. Please provide a savings projection your organization feels would result from carving-out the specialty benefit.

TREND GUARANTEE (Inflation and Drug Mix)

1. Confirm the PBM will provide WV PEIA a guarantee that the annual percentage increase in the Ingredient Cost compared on a Contract Year basis with the immediately prior Contract Year will be no greater than 3% throughout the term of the contract. If Bidder disagrees, Bidder must specify a percentage guarantee amount. The ingredient cost trend guarantee shall include drug inflation and drug mix, incorporate rebates, inflation protection, pricing protection, and hold utilization constant. If PBM does not agree to a 3% guarantee, specify a percentage guarantee amount.

ALLOWANCES

Please complete the following table:

ALLOWANCE	DESCRIPTION	BIDDER RESPONSE
Implementation Allowance	Place the dollar (\$) per member amount or the flat dollar amount you are offering WV PEIA	\$_____
General Pharmacy Program Management	Place the dollar (\$) per member amount or the flat dollar amount you are offering WV PEIA for general expenses related to the management of the pharmacy benefits program such as pharmacy claim and rebate audits, communication expenses, clinical programs, consulting fees or be used as a credit against claim invoices.	\$_____

MARKET CHECK

1. WV PEIA shall have the annual right to evaluate key pricing terms (e.g. AWP discounts, dispensing fees, administrative and clinical program fees, rebates) and all other terms with a financial impact (e.g., generic dispensing rate guarantees, service performance guarantees, trend management guarantees) to ensure that pricing remains competitive in the PBM marketplace throughout the contract term (the “Market Check”).
2. During the term of this contract, Market Checks may be conducted annually.
3. The Market Check analysis prepared by WV PEIA or its designee (the “Report”) will be submitted to the PBM and the PBM will provide its comments on the Report to WV PEIA and its designee within ten (10) business days of receipt. If the Market Check results in a finding that current market conditions can yield a one percent (1%) or more savings of gross plan costs (defined as eligible charges plus base administrative fees minus rebates), the parties will discuss in good faith the Market Check report and a revision to the program pricing terms and other applicable provisions under the Agreement, to be effective no later than July 1 of the following Contract Year.
4. If the parties are unable to reach agreement on revised pricing terms and other applicable provisions within 30 days from the date of the final Market Check report, they may terminate the Agreement without penalty or fees upon 90 days written notice.

MANUFACTURER COUPONS AND TRUE ACCUMULATION PROGRAMS

1. The PBM agrees to have programs in place to counter the use of manufacturer's coupons that promote the dispensing of higher cost brand name drugs when a lower cost generic or alternative is available. Describe the PBMs strategy to combat the use of manufacturer's coupons.
2. Confirm you can administer a variable copay plan design to leverage available specialty drug manufacturer patient assistance programs.
3. For the variable copay plan design currently administered, confirm you will be able to exclude the portion of cost funded by the manufacturer from a member's out-of-pocket maximum.
4. Confirm the variable copay plan design will be in place for the life of the contract if so elected by State. If not, PBM agrees to pay WV PEIA an amount equal to the annual savings attributed to the variable copay design.
5. Provide a list of drugs included in your variable copay plan design.
6. Describe the member enrollment process in the patient assistance program and describe the claims adjudication process under the variable copay plan, including the role of the member, PBM, and pharmacy.
7. Do any of these programs access foundation funding and describe the process.
8. Are you willing to put these programs in place at retail, please explain?
9. Explain your True Accumulation program that you currently have in place.

SECTION VIII: PERFORMANCE GUARANTEES

WV PEIA requires Bidders to agree to place a minimum amount of \$750,000 per contract year at risk for performance guarantees.

The exhibit below identifies the specific performance guarantees that are the basis of performance responsibilities for any resulting contract.

Bidders are encouraged to place at risk a greater amount than the minimum of \$750,000 per contract year; a bidder’s willingness to offer meaningful guarantees (greater than the minimum) will be reflected in their score.

Performance guarantee metrics may be self-reported, but are subject to independent audit by WV PEIA. All guarantees shall be set and measured annually.

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.

Performance Guarantee		Total Amount at Risk
Implementation	Indicate the Total Implementation Performance Guarantees Amount you are proposing to WV PEIA.	\$ _____
Ongoing (annual)	Indicate the Total Ongoing Annual Performance Guarantees Amount you are proposing to WV PEIA (at least of \$750,000).	\$ _____
Ongoing (annual)	PBM agrees WV PEIA may allocate its preferred weighting (<i>e.g.</i> , 0% to 30%) for the Performance Guarantees below prior to the start of each Contractual Year.	Yes / No

You are required to respond to each performance guarantee by indicating your organization’s willingness to agree to each performance guarantee and the requested measurement basis (WV PEIA account specific performance or the Bidder’s book-of-business performance). Bidders are strongly encouraged to agree to provide guarantees on WV PEIA account specific performance for the majority of the measurements. Using a book-of-business measurement for many of the guarantees diminishes or eliminates their value to WV PEIA and this will be reflected in the bidder’s score.

	Standard	Requested Measurement Basis	Confirm Your Willingness to Guarantee [Yes/No]
Implementation Performance Guarantees			
Clean Implementation	No systems errors and WV PEIA online access to all tools prior to effective date	WV PEIA account specific	
Implementation Timeline	Implementation team will be assigned and introduced to WV PEIA within 5 business days of WV PEIA Director approval	WV PEIA account specific	
Implementation Team	Implementation team members will not change and will be responsible for the accurate installation of all administrative, clinical and financial parameters for WV PEIA's program	WV PEIA account specific	
Account Team starts with Implementation Team	The assigned Account Team will start with the Implementation Team during the implementation process in order to gain the knowledge on WV PEIA for a smooth transition after the effective date.	WV PEIA account specific	
Implementation Satisfaction Scorecard	Assigned Account Executive will work with WV PEIA prior to the start of implementation to agree on terms of a satisfaction scorecard to be issued to WV PEIA after effective date for completion	WV PEIA account specific	
Ongoing (Annual) Performance Guarantees			

	Standard	Requested Measurement Basis	Confirm Your Willingness to Guarantee [Yes/No]
Payment Accuracy & System Performance			
Protected Health Information (PHI)	PBM guarantees no incidents in violation of HIPAA Security Rules which results in a transmission of electronic PHI for WV PEIA's covered members.	WV PEIA account specific	
Plan Design Change Administration Accuracy	Implementation of all plan design changes will be 100% accurate.	WV PEIA account specific	
Pricing Change Accuracy	Implementation of all pricing changes will be 100% accurate.	WV PEIA account specific	
Financial accuracy	Percentage of claim payments made without error relative to the total dollars paid will be at least 99%	WV PEIA account specific	
Mail Service Non-Financial Accuracy	The mail service pharmacy shall guarantee dispensing accuracy of at least 99.996% (correct participant name, correct participant address, correct drug, correct dosage form, and correct strength)	WV PEIA account specific	
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	WV PEIA account specific	
Claims Eligibility Data	Eligibility loads not to exceed 24-hours after receipt	WV PEIA account specific	

	Standard	Requested Measurement Basis	Confirm Your Willingness to Guarantee [Yes/No]
Eligibility Data Error Reporting	Eligibility file error reporting on all eligibility file updates will be provided to WV PEIA within 24 hours	WV PEIA account specific	
Eligibility Error Rate Audits	Error rate identified through quarterly audits shall not exceed, on an average basis, 2%. This is measured and reported on a quarterly basis.	WV PEIA account specific	
Invoicing Errors	All invoicing errors will be credits back to WV PEIA by next billing cycle or PBM will pay interest	WV PEIA account specific	
Account Management			
Contract Drafting Cooperation	Response to recommended contract language changes within 10 business days.	WV PEIA account specific	
State Approval of Member Communications	100% of all member communications will be approved by WV PEIA – exceptions for drug recalls and urgent patient safety communications	WV PEIA account specific	
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 plans administration the Bidder shall pay a penalty per erroneous document.	WV PEIA account specific	

	Standard	Requested Measurement Basis	Confirm Your Willingness to Guarantee [Yes/No]
Delivery of Standard Reports	Within 30 days of end of reporting quarter.	WV PEIA account specific	
Accuracy of Standard Reports	All standard reports provided will be 100% accurate.	WV PEIA account specific	
Pharmacy Audit Resolution	Within 6 months of identification and notification to PBM by WV PEIA or its designee.	WV PEIA account specific	
Member Services			
Mail Turnaround – Prescriptions not requiring intervention	95% of prescriptions dispensed within average of 2 business days and 100% within average of 3 business days.	WV PEIA account specific	
Mail Turnaround – Prescriptions requiring intervention	95% of prescriptions dispensed within average of 4 business days and 100% within average of 5 business days.	WV PEIA account specific	
Paper Claims including MSP (Medicare Secondary Payor) Turnaround	95% of prescriptions reimbursed within average of 10 business days and 100% within average of 14 business days.	WV PEIA account specific	
ID Cards Mailing	98% of all ID cards are sent within 5 business days of receipt of eligibility. 100% mailed within 10 business days, if applicable.	WV PEIA account specific	
Replacement ID Card Mailing	Standard replacement ID cards will be produced within an annual average of five (5)	WV PEIA account specific	

	Standard	Requested Measurement Basis	Confirm Your Willingness to Guarantee [Yes/No]
	business days of the request, if applicable.		
Mailing Member Materials	All applicable member materials (for example, mail order forms) will be mailed at least 10 days prior to the effective date and will be 100% accurate (provided that eligibility file was received at least 30 days prior to the effective date).	WV PEIA account specific	
Phone Average Speed of Answer	100% of calls to WV PEIA - specific toll free line shall be answered within 20 seconds (excluding IVR).	WV PEIA account specific	
Phone Abandonment Rate	100% of calls to the WV PEIA -specific toll free line shall be answered with an abandonment rate of 3% or less.	WV PEIA account specific	
Written Inquiry Answer Time	95% of inquiries responded to in 5 business days – 100% in 20 business days.	WV PEIA account specific	

	Standard	Requested Measurement Basis	Confirm Your Willingness to Guarantee [Yes/No]
Member Satisfaction Survey	The PBM agrees to conduct a Member Satisfaction Survey for each contract year and that 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; a minimum of 20% of surveys must be returned for the Performance standard to be applicable.	WV PEIA account specific	
Issue Resolution: Verbal Inquiries	PBM will resolve 99% of all telephone issues at the first point of contact (the number of telephone inquiries completely resolved at the time of initial contact divided by the total number of calls).	WV PEIA account specific	
Issue Resolution: Written Inquiries	PBM will resolve 98% of all written inquiries within 10 business days of receipt of inquiry.	WV PEIA account specific	

	Standard	Requested Measurement Basis	Confirm Your Willingness to Guarantee [Yes/No]
Issue Resolution: WV PEIA Staff Involvement / Escalation	PBM will resolve member issues within 48 business hours for any case that required the involvement of WV PEIA's staff due to incorrect or incomplete information being provided by the PBM. If not resolved within 48 hours, a penalty will be applied per case, up to an annual maximum.	WV PEIA account specific	
Retail Pharmacy			
Retail Pharmacy Audit	100% of participating retail pharmacies will be subject to automated review audits and 20% of participating pharmacies will be subject to further investigation (e.g., desk audits, on-site audits, etc.) as a result of the automated review audits.	Book of business	
Retail Pharmacy Turnover	Less than 5% of retail pharmacies will leave the retail network.	Book of business	

	Standard	Requested Measurement Basis	Confirm Your Willingness to Guarantee [Yes/No]
Reports			
Ad-hoc Reports	A minimum of 90% of Ad-hoc reports will be delivered to WV PEIA within 7 business days of the request. Ad-hoc reports are defined as reports that are not part of the Bidder's standard reporting package.	WV PEIA account specific	
Standard Reports	A minimum of 95% of standard reports will be delivered to WV PEIA within 15 business days following the end of the month without request of WV PEIA.	WV PEIA account specific	
Online Reporting Data Availability	Online reporting data will be available within an annual average of fifteen (15) business days after the billing cycle that contains the last day of the month.	WV PEIA account specific	
Claims Detail File	All claims detail files and invoices will be sent to WV PEIA, TPA, and data warehouse and external vendors weekly.	WV PEIA account specific	
Audits			
Provide Data Extract requested	Within 30 days of request date or within 10 business days of executed confidentiality agreement (whichever occurs first).	WV PEIA account specific	
Provide Complete Response to Data Request	Within 30 days of request.	WV PEIA account specific	

	Standard	Requested Measurement Basis	Confirm Your Willingness to Guarantee [Yes/No]
Responding to Data Reconciliation Requests	Within 10 business days of request.	WV PEIA account specific	
Providing Initial Response to Audit Findings	Within 30 days of receipt of findings.	WV PEIA account specific	
Compliance with the State of West Virginia Executive Branch Business Associate Agreement	Adherence to incident reporting requirements.	WV PEIA account specific	

SECTION IX: REQUIRED PROTECTION OF CONFIDENTIAL INFORMATION AND DATA SECURITY

This section includes expectations on how WV PEIA’s confidential information will be protected by its Business Associate(s) as well as required contract language and required insurance coverage levels.

Confidential Information. In performing its obligations under the Agreement, and applicable Business Associate Agreement (“BAA”), the Business Associate, inclusive of any subsidiaries and any related entities (“BA”) shall gain access to information of WV PEIA , including personal health information (PHI) personally identifiable information (PII), and other personal, private, and/or sensitive information, hereinafter collectively referred to as “Confidential Information.” The BA shall not use WV PEIA’s Confidential Information developed or obtained during the performance of, or acquired, or developed by reason set forth within the Agreement and applicable BAA, except as is directly connected to, and necessary for, the BA’s performance under the Agreement, or unless otherwise permitted under the Agreement and/or applicable BAA.

Data Protection. Protection of Confidential Information which may be provided to the BA as part of the Agreement and applicable BAA shall be an integral part of the business activities of the BA. The BA shall ensure that there is no inappropriate or unauthorized use of WV PEIA’s information at any time. To this end, the BA shall develop and implement policies and procedures to safeguard the confidentiality, integrity and availability of WV PEIA’s information. The BA also will comply with the following terms and conditions:

- a) Confidential Information obtained by the BA shall become and remain property of WV PEIA and shall at no time become the property of the BA unless otherwise explicitly permitted under the Agreement and applicable BAA;
- b) At no time shall any data, information, or processes which either belong to, or are intended for the use of, WV PEIA be copied, disclosed, or retained by the BA, or any party related to the BA by business (subcontractor) for subsequent use in any transaction that does not relate to the delivery of Services to WV PEIA (See the applicable BAA);
- c) The BA shall not provide any information collected in the connection with the provision of Services under the Agreement and applicable BAA for any purpose other than performing its obligations to provide the contracted Services, unless otherwise explicitly permitted under the Agreement;

- d) In the event that the BA stores Confidential Information, including but not limited to PHI, and PII, this data shall be encrypted by the BA while both at Rest or in Motion.
- e) At no time shall any WV PEIA member personally identifiable information (PII) and/or protected health information (PHI) be transmitted, sent, stored, shared, viewed, accessed, and/or otherwise used outside the 48 contiguous States of the United States.

The BA shall have proper security measures in place for the protection of WV PEIA's data. The BA shall also ensure that any BA subcontractor(s) has proper security measure in place for protection of WV PEIA's data. Such security measures shall comply with the HIPAA Privacy Rule, *Standards for Privacy of Individually Identifiable Health Information*, HIPAA Security Rule, *Security Standards for the Protection of Electronic Protected Health Information*, the Health Information Technology for Economic and Clinical Health Act ("HITECH), and all other applicable data protection and privacy laws, including privacy laws of the State of West Virginia and any other applicable state, which may apply now or in the future.

Controls. The BA shall, and shall ensure that any subcontractor(s) used by the BA shall, have, maintain, and use at all times proper administrative, physical, and technical safeguards and/or controls for secured storage of, limited access to, and rendering unreadable prior to discarding, all records containing WV PEIA's Confidential Information, including but not limited to PHI, and PII. The BA shall not store or transfer Confidential Information collected in connection with the services rendered under this Agreement outside of the North America. This includes backup data and disaster recovery locations.

Data Breach Notification. The BA shall, and shall ensure that any and/or all subcontractors used by the BA on any part of the Scope of Work of the Agreement shall, inform WV PEIA of any security incident or breach, or potential breach, that jeopardizes, or may jeopardize WV PEIA's data or processes (i.e. any "Security Incident"). For purposes of reporting under this Section, the definition of a Security Incident shall be limited to the successful unauthorized access, use, disclosure, modification, or destruction of information, or the interference with system operations in an information system, and/or the potentially successful unauthorized access, use, disclosure, modification or destruction of information, or the potential interference with systems operations in an information system.

Notification of a data breach, or potential data breach, shall be given to WV PEIA within 24 hours of its discovery by the BA or the BA's subcontractor(s). Full disclosure of the Security Incident shall be made and include all available information. The BA shall cooperate fully with WV PEIA, including but not limited to: make efforts to investigate the causes of the breach or potential breach; promptly take measures to prevent any future

breach; and minimize any damage or loss resulting from the breach, or potential breach. In addition, the BA shall inform WV PEIA of the actions it is taking, or will take, to reduce the risk of further loss to WV PEIA. HIPAA Breach Notification Rule, 45 CFR §§ 164.400-414, the Federal Trade Commission's Health Breach Notification Rule 16 CFR Part 318, and RSA 359-C:20 require public breach notification to individuals whose information has been or may be misused. All legal notifications required as a result of a breach of information, or potential breach, collected pursuant to this Contract shall be coordinated with WV PEIA. The BA shall ensure that any subcontractors used by the BA shall similarly notify WV PEIA of a data breach, or potential data breach within 24 hours of discovery, shall make a full disclosure, including providing WV PEIA with all available information, and shall cooperate fully with WV PEIA , as defined above.

Data Security Breach Liability. In addition to the BA's obligations as set forth in the form contract WV 96 (attached hereto as Exhibit M) and the Business Associate Agreement (attached hereto as Exhibit G) if the BA , or any subcontractor(s) used by the BA, is determined by any forensic analysis or report, to be the likely source of any loss, disclosure, theft or compromise of WV PEIA's data or information, and regardless of the BA's belief that the BA, or subcontractor used by the BA, has complied with all data Security and Breach rules, or any other security precautions and is not responsible for the assessments, fines, losses, costs, and penalties and reimbursements resulting from said loss, WV PEIA shall recover from the BA all costs of response and recovery resulting from the Breach or potential Breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services that are necessary due to the Breach or potential Breach.

Data Breach Insurance. In addition to the BA's insurance obligations as set forth in the form contract WV 96 (attached hereto as Exhibit M), the BA shall carry Data Security & Cyber Insurance coverage for unauthorized access, use, acquisition, disclosure, failure of security, breach of confidential information, of privacy perils, in an amount not less than \$10 million per annual aggregate, covering all acts, errors, omissions, at minimum, during the full term of this Agreement and the applicable BAA. Such coverage shall be maintained in force at all times during the term of the Agreement and applicable BAA and for a period of two years thereafter for services completed during the term of the Agreement and consistent with the governing BAA. WV PEIA shall be given at least thirty (30) calendar days' notice of the cancellation or expiration of the aforementioned insurance for any reason, at the address provided in the WV 96.

Data Recovery. The BA shall be responsible for ensuring backup and redundancy of WV PEIA's data, including but not limited to Confidential Information for recovery in the event of a system failure or disaster event within the BA's data storage system(s) and/or a BA subcontractor(s)' data storage system(s).

Process upon Conclusion/Termination of Services. Within 90 days of the conclusion of the Agreement, either through completion or termination, the BA shall implement an orderly return of State's data in a format defined by WV PEIA at no additional cost to WV PEIA. This process shall include any and/or all WV PEIA data held, stored, and/or maintained by any and/or all subcontractors employed by the Vendor. At WV PEIA's request, the BA shall destroy all data in all forms. Data shall be permanently deleted and not recoverable so that it is rendered unreadable, unusable, and indecipherable according to National Institute of Standards and Technology approved methods. The BA shall provide WV PEIA with certificates of destruction and/or certificates verifying that all information has been returned and none retained. Vendor shall use NIST SP-800-88 *Guidelines for Media Sanitization* as a reference. The Vendor shall, upon completion of the data disposal, provide WV PEIA with a certification of said disposal.

Destruction /Disposal of State's Data. Upon termination of the Agreement and applicable BAA for any reason, the BA, with respect to any Confidential Information, including but not limited to PHI, or PII, either received from WV PEIA, or created, maintained, or received by the BA on WV PEIA's behalf, shall:

- a) Where feasible, return or destroy the Confidential Information the BA still maintains in any form, at the sole discretion of WV PEIA, except where certain types of information must be retained for WV PEIA's benefit, such as records of actuarial determinations, which will be maintained as agreed upon by WV PEIA;
- b) Continue to use appropriate safeguards as identified in the Data Protection provisions above with respect to any Confidential Information that is retained as agreed upon by the BA and WV PEIA ;
- c) Not use or disclose Confidential Information retained other than for purposes for which such information has been retained, and subject to the same terms and conditions as set forth in the original Agreement and/or BAA, as amended in writing, by both parties, if applicable.

Access to System Logs. The BA shall allow WV PEIA access to system security logs, latency statistics, etc., that affect the Agreement and applicable BAA, WV PEIA's data and/or processes. This includes the ability of WV PEIA to request a report of the records that a specified user accessed over a specified period of time.

Import/Export Data. WV PEIA shall have the ability to import or export data in piecemeal manner or in its entirety at its discretion without interference from the BA and with the BA's assistance, at no additional cost to WV PEIA.

Notification of Governmental Authorities. With respect to instances in which the BA, or BA subcontractor(s) consider notifying Governmental Authorities concerning

civil acts, the BA or BA subcontractors shall notify WV PEIA in writing and consult with WV PEIA prior to making any such notification; and immediately endeavor in good faith to reach agreement on the need and nature of such notification. If such agreement cannot be reached within seventy-two (72) hours after the BA, or BA subcontractor(s) has provided WV PEIA with written notice, the BA or BA subcontractor(s) shall have the right to inform Government Authorities solely to the extent required by applicable law.

Damages in the event of a breach or potential breach: A Security Incident, including a potential breach, or potential privacy-related compliance issue, may cause WV PEIA irreparable harm for which monetary damages would not be adequate compensation. In the event of such a Security Incident, WV PEIA is entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be available from any court, in addition to any other remedy to which WV PEIA may be entitled at law or in equity. Such remedies shall not be deemed exclusive, but shall be in addition to all other remedies available at law or in equity, subject to any express exclusion or limitations in the Agreement to the contrary.

This Section IX *Required Protection of Confidential Information and Data Security* shall survive termination or conclusion of the Agreement and applicable BAA.

SECTION X: TECHNICAL QUESTIONNAIRE

A. ORGANIZATIONAL STABILITY & EXPERIENCE

Respond to the following questions:

ORGANIZATIONAL STABILITY & EXPERIENCE	BIDDER RESPONSE
<p>1. Provide the latest annual report, financial statement, SSAE 16 or SAS 70 type II, and other financial reports that indicate the financial position of your organization. From these documents, please provide the following:</p> <p>a. Current ratio</p> <p>b. Debt to equity ratio</p>	
<p>2. Complete the following table:</p> <p>a. Parent Company</p> <p>b. Year PBM Established</p> <p>c. Total Number of Covered Lives (CY 2020)</p> <p> % from top 10 clients (CY 2020)</p> <p> Total Number of Covered Lives (CY 2019)</p> <p>d. Total Number of Scripts Dispensed (CY 2020)</p> <p>e. Total AWP Dollars Processed (CY 2020)</p> <p>f. Total Number of Clients (CY 2020)</p> <p>g. Number of Group Plans Terminated in Past 12 Months</p>	
<p>3. Provide the total number of years of direct PBM experience for the lead Account Director and Manager, Financial Services, and Clinical staff assigned to this account. Provide a resume for each.</p>	
<p>4. Indicate the number of any outstanding legal actions pending against your organization.</p>	

ORGANIZATIONAL STABILITY & EXPERIENCE	BIDDER RESPONSE
Can you assure WV PEIA these actions will not disrupt business operations?	
<p>5. What general and professional liability coverage do you currently have in place for the entity that is bidding to protect WV PEIA from losses or negligence? WV PEIA requires a minimum of \$5 million/occurrence and \$10 million in the aggregate.</p> <p>Describe the type and amount of the fidelity bond insuring your employees that would protect WV PEIA in the event of a loss.</p>	

ADMINISTRATIVE, MEMBER & CLAIM PAYING SERVICES

Confirm you agree to the following service specifications:

ADMINISTRATIVE, MEMBER & CLAIM PAYING SERVICES	BIDDER CONFIRMATION
1. WV PEIA chooses to be invoiced on a weekly basis for the prior week of claims to be paid via electronic wire with WV PEIA as the originator of the transaction. WV PEIA would agree to make payment within five business days of receipt of the invoice. Confirm you agree to this arrangement.	
2. WV PEIA chooses to be invoiced on a monthly basis for administrative costs for the prior month to be paid via electronic wire with WV PEIA as the originator of the transaction. WV PEIA would agree to make payment within five business days of receipt of the invoice. Confirm you agree to this arrangement.	
3. Confirm you agree to send two separate invoices, one for WV PEIA and one for CHIP.	
4. Confirm you agree to send monthly and quarterly reports electronically as well as present mid-year and annual meetings with WV PEIA to discuss plan performance, present financial results, etc.	
5. Confirm you agree to send separate monthly and quarterly reporting for WV PEIA and WV CHIP.	
6. Confirm you provide automated services that are available 24/7.	
7. Confirm you agree to attend open enrollment meetings and other meetings upon request.	
8. Confirm you will provide dedicated clinical, account management, and customer service staffing to WV PEIA. WV PEIA requires that the bidder assign individuals to the WV PEIA Plan for account management and clinical support, CSR, and eligibility staff on a regular and ongoing basis. WV PEIA requires that the bidder's customer service team also be assigned to the WV PEIA Plan and have the appropriate knowledge of WV PEIA's plans of	

benefits. It is understood that these individuals may be assigned to other plans.	
9. Confirm that you provide a live person to answer the customer service phone lines 24 hours per day, seven days per week. An option to speak to a representative as part of an interactive voice response system is acceptable.	
10. Confirm you will offer WV PEIA's staff and potentially external vendor's online access to information and services via the Internet or through CRT interface.	
11. Confirm you have the ability to produce temporary ID cards and/or proof of benefits in "real time," if necessary.	
12. Confirm your organization will send recovery letters to members who continue to use their drug card after their termination.	
13. Confirm you provide member support services for selecting and/or locating network pharmacies.	

Respond to the following questions:

ADMINISTRATIVE, MEMBER & CLAIM PAYING SERVICES	BIDDER RESPONSE
1. Confirm that no penalties or interest will be charged to WV PEIA for late funding/payment.	
2. For the customer/member service center proposed for WV PEIA provide the following: a. Location of the call center b. Days of Operation c. Hours of Operation	
3. For the customer/member service center proposed for WV PEIA provide the following for CY 2020: a. Percent of calls abandoned b. Percent of calls handled by live representative c. Number of seconds to reach a live customer service representative	
4. How do you track member complaints? List the top 5 member complaints related to each retail, mail order, and the specialty pharmacy program. What processes/ remedies have been put into effect to resolve these complaints?	
5. All member service call recordings and notes between the PBM and WV PEIA's members will be WV PEIA's property.	
6. PBM agrees to document 100% of WV PEIA's member service calls through call recordings and call notes. PBM will forward call recordings, written transcripts, and call notes at WV	

ADMINISTRATIVE, MEMBER & CLAIM PAYING SERVICES	BIDDER RESPONSE
PEIA's request within two business days of the request being made.	
7. PBM agrees to provide WV PEIA with a dummy login to access the PBM's member website prior to the go-live date.	
8. PBM will provide WV PEIA with a virtual tour of its CSR system and any custom messaging system.	
9. PBM will not automatically enroll WV PEIA in any programs that involve any type of communications with members or alterations of members' medications, without express written consent from WV PEIA.	

ADMINISTRATIVE, MEMBER & CLAIM PAYING SERVICES	BIDDER RESPONSE
10. The PBM agrees to weekly calls to review member service/plan issues. The PBM agrees to allow WV PEIA to review member service quality issues to the resolution endpoint.	
11. The PBM agrees to a minimum of one annual meeting with call center executives to discuss services regarding enrollment and member issues.	
12. Can you produce replacement ID cards within 24 hours, if necessary?	
13. PBM agrees to provide a dedicated client services team.	
14. Do you currently perform membership satisfaction surveys? Provide a copy of the latest results of the survey. What percent of members indicated that they were “satisfied or very satisfied” with the overall program?	
15. How do you remind members regarding refills and compliance? Indicate methods and frequency of interventions.	
16. How often is the Internet directory updated?	
17. What services are available to members via the Internet? Provide detail regarding current Internet capabilities.	
18. Describe security systems and protocols in place to protect confidential patient records.	
Is the site VIPPS certified and licensed in every state?	

19. Please provide the following information regarding the proposed account team:

	Name of Team Member	Years of PBM Experience	Number of Assigned Accounts	Location
Strategic Account Executive				
Account Manager				
Implementation Manager				
Clinical Pharmacists				

20. Please provide the PBM’s Book-of-Business Turnover Rate for the following divisions:

	CY 2020
Overall Book-of-Business	
Strategic Account Executives	
Account Managers	
Client-Facing Clinical Pharmacists	

REPORTING, IT & DATA INTEGRATION

Respond to the following questions:

REPORTING, IT & DATA INTEGRATION	BIDDER RESPONSE		
1. Indicate for each report noted below whether you can provide such a report. If you can provide the requested report, indicate the price or if the cost is included in the basic fee.	Yes/No	Cost	Frequency
a. Eligibility Report which shows accuracy of updates and changes			
b. Paid Claims Summary (Ingredient cost, days supply, dispensing fees, taxes, copay totals by month)			
c. Detail Claim Listing (Utilization and Ingredient cost by individual claimant, listing the Drug name and dosage, submitted charge, allowable charge, paid)			
d. Cost Sharing Report (Amounts determined to be ineligible, amounts applied to copays and coinsurance, and amounts adjusted for COB)			
e. Detailed Utilization Report (# of prescriptions submitted by single source brand, multi-source brand and generic drugs, including average AWP, Ingredient cost per Rx, Dispensing fee, and average days supply)			
f. Top Drug Report (detail of cost and utilization by top drug products)			
g. High Amount Claimant report			
h. Therapeutic Interchange Report detailing success rates and cost impacts of PBM initiated interchanges			
i. Drug Utilization Review activity and Savings Report by type of edit			
j. Member compliance and adherence to therapy			
k. Formulary Savings and Rebate report (by NDC)			

REPORTING, IT & DATA INTEGRATION	BIDDER RESPONSE		
1. Paid Claims Summary (see b.) showing total number of claims, eligible charges and claim payments for each category			
m. Prior Authorization and other clinical program reporting			
n. Specialty Rx reporting			
o. Pharmacy cost and utilization reporting			
2. Currently WV PEIA's Rx data is transferred daily from the PBM to the medical administrator for all four Plans. Please confirm you are able to continue this practice.			
3. Do you agree to provide at no cost to WV PEIA annual member electronic EOB statements?			
4. Confirm the Bidder is able to provide all reports and invoices separated by State employees, Non-state employees, Non-Medicare Retirees, and Medicare Retirees, as well as separate reporting for CHIP. Please see Exhibit E for detail reporting breakouts needed.			

FEDERAL LAW AND REGULATIONS

Respond to the following questions:

GENERAL FEDERAL LAW AND REGULATION	BIDDER RESPONSE
1. Describe how your company will assure that WV PEIA will be in compliance with federal law and regulations concerning surprise billing and transparency with respect to the services provided by your company.	
2. List any subcontractors or third-parties who are providing assistance to you in complying with the law and regulations, or who will be involved in work you may perform on behalf of WV PEIA.	
3. List any technical specifications that WV PEIA will need to meet in order to use any solution you intend to offer to comply with the law and regulations, including software, hardware, or other information technology.	
4. Do you expect to be fully compliant with the law and regulations by the statutory and regulatory due dates? If not please explain.	
5. Are the fees you propose inclusive of all services related to the law and regulations? If not, please explain what additional costs WV PEIA may incur.	

TRANSPARENCY RULES	BIDDER RESPONSE
6. Will you prepare an internet-based self-service tool that makes available to WV PEIA participants real time cost-sharing information in accordance with the rule?	
a) Do you currently offer an internet-based self-service tool? If so, please describe	

how it differs from the regulations and how you will revise it.	
b) How will you make the tool available to WV PEIA participants, through your website, by providing information to plans, or through another option?	
c) Please provide screenshots of the web portal to be used for the participant cost-sharing disclosure.	
d) How will the required participant notice of disclosure be provided?	
e) How will you respond to individuals who request the information on paper instead of through the website?	
7. Will you provide WV PEIA with a machine-readable file on a monthly basis including prescription drug negotiated rates? If so, describe which files will be provided and state whether you send information to WV PEIA or provide another service to WV PEIA that allows WV PEIA to link you to another secure transfer website?	

GAG CLAUSE	BIDDER RESPONSE
8. Do any contracts you are a party to contain a claim prohibiting disclosure of pricing terms (“gag clause”) which will be prohibited under the No Surprises Act?	
a) If yes, please describe and state how you will assure they are removed. Indicate your timeline for removing gag clauses from contracts.	

NO SURPRISES ACT	BIDDER RESPONSE
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<p>9. The Act requires ID cards to contain information about deductibles and out-of-pocket maximums. Describe what changes are needed to ID cards and how you will provide the new cards.</p>	
<p>10. How will you assist WV PEIA in reporting prescription drug costs and other information to the federal government effective July 1, 2022?</p>	
<p>a) Describe your process for reporting prescription drug cost information to the federal government.</p>	
<p>b) Describe whether you will accept responsibility for fulfilling all cost reporting obligations and if not which ones you will not fulfill.</p>	
<p>c) State any additional costs for this reporting service.</p>	

FORMULARY MANAGEMENT & REBATES

Confirm you agree to the following formulary management and rebate(s) specifications:

FORMULARY MANAGEMENT & REBATES	BIDDER CONFIRMATION
1. Confirm that you will pass through 100% of formulary rebates from manufacturers of generic drugs in addition to brand and specialty drugs.	
2. Confirm that you included the formulary management fee within the PMPM admin fee, in the financial section of this RFP. Confirm that you guarantee that 100% of all rebates collected will be passed through to WV PEIA.	

Respond to the following questions:

FORMULARY MANAGEMENT & REBATES	BIDDER RESPONSE
11. Provide the name of the Formulary you are proposing to WV PEIA. If applicable, provide the number of drug exclusions as well as a list of the excluded drugs and the therapeutic alternatives	
12. Does the PBM use an external organization for rebate aggregation? If so, which one?	
13. Confirm a member is able to obtain an excluded prescription through a Prior Authorization without impact to the guaranteed rebates	
14. Confirm WV PEIA reserves the right to carve-out Prior Authorization and that the financial guarantees would remain the same.	

FORMULARY MANAGEMENT & REBATES	BIDDER RESPONSE
<p>15. Are any P&T committee members employed by or under contract with any drug manufacturers?</p> <p>Are any P&T members directly employed by your organization?</p>	
<p>16. Are any generic drugs considered “non-preferred” or excluded on your proposed formulary (<i>i.e.</i>, subject to the “non-preferred” copay)? If yes, please describe in detail and provide examples. (If no, then your response to question #22 and #25 below should be 100% for generics at both retail and mail. Please confirm.)</p>	
<p>17. Do you have a Formulary Grievance Process in place to address member concerns regarding formulary alternatives?</p> <p>If yes, explain this process in detail.</p>	
<p>18. Based on your review of WV PEIA’s historical claims data; provide one or two recommendations to better manage utilization and/or cost of prescriptions.</p>	
<p>Recommendation #1</p>	
<p>Recommendation #2</p>	
<p>19. Please provide your strategies related to management of medical devices (<i>i.e.</i> blood glucose monitors, insulin pumps both traditional and disposable).</p>	

20. **WV PEIA:** Please complete and attach a version of Formulary Disruption Exhibit (provided in Exhibit B) for your proposed formulary in the format below. In addition

please provide an excel file with the detail of the formulary disruption for each drug by NDC 11 code for your formulary with exclusions and without exclusions.

Type of Change	Member Impact	% of Total Members	Number of Scripts Impacted	% of Total Scripts (including all brands and generics)
No Change				
Positive (higher-cost tier to lower tier)				
Negative (lower tier to higher-cost tier)				
Moving from covered to not covered/Excluded				
Total				
Name of #1 Drug that is Moving from Covered to Not Covered/Excluded based on impacted Members: [Indicate Member and Script Impact.]				
Name of #2 Drug that is Moving from Covered to Not Covered/Excluded based on impacted Members: [Indicate Member and Script Impact.]				

Name of #3 Drug that is Moving from Covered to Not Covered/Excluded based on impacted Members: [Indicate Member and Script Impact.]				
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21. Based on WV PEIA’s detailed claim-by-claim prescription drug data during 2020 (Exhibit B), please indicate what percent of retail and mail generic and brand prescriptions are currently considered “preferred” on your proposed formulary:

	Retail	Mail
Preferred Generics as a Percent of all Generics:	%	%
Preferred Brands as a Percent of all Brands:	%	%

22. Based on WV PEIA’s detailed claim-by-claim prescription drug data during 2020 (Exhibit B), how many drugs are there where you, the Bidder, prefer Brand over Generics.

23. **WV CHIP:** Please complete and attach a version of Formulary Disruption Exhibit (provided in Exhibit B) for your proposed formulary in the format below. In addition please provide an excel file with the detail of the formulary disruption for each drug by NDC 11 code for your formulary with exclusions and without exclusions.

Type of Change	Member Impact	% of Total Members	Number of Scripts Impacted	% of Total Scripts (including all brands and generics)
No Change				

Positive (higher-cost tier to lower tier)				
Negative (lower tier to higher-cost tier)				
Moving from covered to not covered/Excluded				
Total				
Name of #1 Drug that is Moving from Covered to Not Covered/Excluded based on impacted Members: [Indicate Member and Script Impact.]				
Name of #2 Drug that is Moving from Covered to Not Covered/Excluded based on impacted Members: [Indicate Member and Script Impact.]				
Name of #3 Drug that is Moving from Covered to Not Covered/Excluded based on impacted Members: [Indicate Member and Script Impact.]				

24. Based on WV CHIP's detailed claim-by-claim prescription drug data during 2020 (Exhibit B), please indicate what percent of retail and mail generic and brand prescriptions are currently considered "preferred" on your proposed formulary:

	Retail	Mail
Preferred Generics as a Percent of all Generics:	%	%
Preferred Brands as a Percent of all Brands:	%	%

25. Based on WV CHIP's detailed claim-by-claim prescription drug data during 2020 (Exhibit B), how many drugs are there where you, the Bidder, prefer Brand over Generics.

DRUG UTILIZATION REVIEW

Confirm you agree to the following drug utilization review specification:

DRUG UTILIZATION REVIEW	BIDDER CONFIRMATION
1. Confirm that reported savings from drug utilization review will be based on a WV PEIA-specific claim-by-claim analysis.	

Respond to the following questions:

DRUG UTILIZATION REVIEW	BIDDER RESPONSE				
<p>1. It is expected that all pharmacies will have real-time online edits. If this is not the case, indicate the variation. Complete the following table separately for pharmacy network and mail order:</p> <p>Eligible Employee/Dependent</p> <p>Eligible Drug</p> <p>Contract Price of Drug</p> <p>Drug Interactions</p> <p>Duplicate Prescription</p> <p>Refill too Soon</p> <p>Proper Dosage</p> <p>Proper Days Supply</p> <p>Generic Availability</p> <p>Patient Copayments</p> <p>Other (List)</p>	<p>Indicate if edit may be overridden at point of sale (Y) (N)</p>	<p>Real Time Edit Criterion (yes/no)</p>	<p>% of Pharmacies that Satisfy Criterion</p>	<p>% of Pharmacies with real time, Online edits</p>	<p>Percent of Total Rx's Denied (In CY 2020)</p>
2. Provide most recent quarterly book of business savings for the following programs:					

DRUG UTILIZATION REVIEW	BIDDER RESPONSE
<p>a. Concurrent DUR % of Total Ingredient Costs</p> <p>b. Retrospective DUR % of Total Ingredient Costs</p> <p>c. Prior Authorization % of Total Ingredient Costs</p>	
<p>3. Do you have edits or programs in place designed to detect and address potential drug fraud, waste, and/or abuse?</p> <p>If yes, explain and include a listing of the specific drugs targeted by these programs.</p>	
<p>4. What criteria and methodologies are used to identify and monitor high cost claimants?</p>	
<p>5. How do you guard against the filling of separate prescriptions for the same or similar drugs at different pharmacies on the same day?</p> <p>Within five days after the initial fill?</p>	
<p>6. Does the PBM have the ability to manage refill-to-soon edit on a cumulative basis beyond the current prescription? (e.g. limit 90 day prescriptions to 4 times per year and limit 30 day prescriptions to 13 times per year)</p>	

DRUG UTILIZATION REVIEW	BIDDER RESPONSE
7. Identify which of the following edits are performed at the point-of-sale:	Performed at the Point of Sale (Yes or No)
Ineligible participant	
Pre-existing condition	
Coordination of Benefits (COB)	
Benefit maximums for certain drug types	
Drug is inappropriate for the patient due to age	
Drug is inappropriate for the patient due to sex	
Quantity versus Time	
Allergy	
Incorrect AWP or formula price	
Usual Customary Reasonable (UCR) input	
Duplicate Rx	
Refill too soon	
Incorrect dosage	
Rx splitting	
Drug interactions	
Over utilization	
Under utilization	
Aggregate Benefit Maximums	
Possible Narcotic Abuse	

DRUG UTILIZATION REVIEW	BIDDER RESPONSE
Other Point of Sale (POS) Edits (provide list)	

NETWORK MANAGEMENT & QUALITY ASSESSMENT

Confirm you agree to the following network management and quality assessment specifications:

NETWORK MANAGEMENT & QUALITY ASSESSMENT	BIDDER CONFIRMATION
1. Confirm that safeguards exist for preventing one group's experience from being charged to another.	
2. Confirm that you guarantee that WV PEIA will be charged the generic price and the member charged the generic copay if a generic is out of stock.	
3. Confirm that your organization will comply with all HIPAA regulations and that you provide, upon request, supporting documentation outlining your organizations HIPAA policies and procedures as they relate to management of the prescription benefit plan for WV PEIA.	
4. Confirm that WV PEIA has the ability to pend or block payments to pharmacies currently identified by WV PEIA and reported to PBM as engaging in suspicious dispensing practices.	
5. Confirm that you will set a maximum reimbursement dollar limit on all compounded and non-compounded claims for the PBM help desk to review and approve and notify WV PEIA when the limit is exceeded.	
6. Confirm that WV PEIA will receive a 90-day notice, when possible, of any event or negotiation that may cause a disruption in the retail pharmacy network access.	
7. Do you monitor and block OIG sanctioned providers and pharmacies?	

MAIL ORDER

Confirm you agree to the following mail order specifications:

MAIL ORDER	BIDDER CONFIRMATION
1. Confirm that you will set the threshold for the uncollected member cost share at mail at \$100.	
2. Confirm that you will be responsible for collection of member cost share and will be at risk for uncollected monies.	

Respond to the following questions:

MAIL ORDER	BIDDER RESPONSE
1. Complete the following for your proposed mail order facility for WV PEIA: a. Mail-order facility location b. Days of Operation c. Hours of Operation	
2. Complete the following for your proposed mail order facility for WV PEIA for <u>CY 2020</u> a. Total Scripts Filled b. Utilization as Percent of Capacity c. Average Turnaround with No Intervention Required d. Average Turnaround Intervention Required	
3. Complete the following for your proposed mail order facility for WV PEIA: a. Number of full-time Clinicians/ Pharmacists on staff at facility b. Number of part-time Clinicians/ Pharmacists on staff at facility c. Number of Registered Pharmacists	

MAIL ORDER	BIDDER RESPONSE
d. Number of Pharmacy Technicians	
e. Number of Other clinical staff (specify)	
f. Which organizations are used for delivery services?	
4. Does your mail order facility have auto refill?	
If so, please confirm members will have the ability to turn auto refill ON <u>and</u> OFF via the website and via phone.	
5. What is your standard refill-too-soon limits at both retail and mail (all prescriptions and opioids)?	

SPECIALTY PHARMACY PROGRAM

Confirm you agree to the following specialty pharmacy program specification:

SPECIALTY PHARMACY PROGRAM	BIDDER CONFIRMATION
1. Confirm that members will not incur any additional costs for the delivery of specialty drugs.	
2. Confirm the PBM agrees to notify WV PEIA and its members at least 60 days prior to the addition of a drug to specialty drug list and at least 90 days prior to a deletion of a drug from the specialty drug list.	
3. Confirm WV PEIA reserves the right to approve any addition to the specialty drug list.	
4. Confirm WV PEIA reserves the right to carve-out the Specialty Pharmacy program and that the financial guarantees would remain the same.	

Respond to the following questions:

SPECIALTY PHARMACY PROGRAM	BIDDER RESPONSE
1. Can your organization implement a separate plan design for specialty drugs?	
2. Are your proposed guarantees for your retail/mail program contingent upon WV PEIA’s purchase of your specialty drug program?	
3. Provide details on your copay assistance program and TrOOP.	

4. Based on **WV PEIA’s** prescription drug claims experience for 2020 (Exhibit B), indicate (in the table below) the percent retail and mail prescriptions/AWP that will be considered Specialty Drugs under your proposal and covered under your proposed specialty financial terms in Section VII.

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	%

5. Based on **WV CHIP's** prescription drug claims experience for 2020 (Exhibit B), indicate (in the table below) the percent retail and mail prescriptions/AWP that will be considered Specialty Drugs under your proposal and covered under your proposed specialty financial terms in Section VII.

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	%

VALUE OPPORTUNITY ASSESSMENT

The purpose of the Value Opportunity Assessment is to provide Bidders with an opportunity to identify any value-added options or ideas that may benefit the WV PEIA, the project, or the service based on the WV PEIA claims and enrollment data provided in Exhibit B and C. If the Bidder can include more scope or service within the constraints of the WV PEIA plan, the Bidder should provide an outline of potential value-added options. This may include ideas or suggestions on alternatives in implementation timelines, project scope, project cost, goals, deliverables, methodologies, etc. Value-added ideas must not be included in the Bidder's base cost proposal.

Please use the following format when completing the below:

- Idea = Title of the idea/opportunity
- Description = A brief description of why the idea adds value to the client or service (what benefits or impacts the idea will bring in the short/long term). Do not make any reference to the proposed cost, but you may refer to the potential impact to the cost and schedule in terms of estimated percentages.

Idea #1	
Description #1	

Idea #2	
Description #2	

Idea #3	
Description #3	

CASE STUDIES

Provide three case studies from similar sized clients and at least one Public Sector client on how you provided value to the client.

Case Study #1:

Case Study #2:

Case Study #3:

NETWORK DISRUPTION

Respond to the following questions:

1. Confirm that your proposal is based on your broadest network.
2. What is the current number of retail pharmacies in your network in total and in WV?
3. List any pharmacy chains with over 50 stores that are excluded from your quoted network.
4. Based on all **WV PEIA's** retail prescriptions during 2020 (Exhibit B), please prepare a “disruption” analysis and complete the following tables. As indicated, provide the requested information for all pharmacies located within the State of West Virginia and all pharmacies located outside of West Virginia.

Commercial*

Retail Pharmacies	Located in the State of WV	<u>NOT</u> in the State of WV	All Retail Pharmacies
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:			

**** Your disruption analysis should only include positive retail prescriptions. These claims are indicated:***

(1) with an “R” in the “MailRetailInd” field; and

(2) by a positive “1” in the “ClaimCounter” field.

5. Based on all **WV CHIP's** retail prescriptions during 2020 (Exhibit B), please prepare a “disruption” analysis and complete the following tables. As indicated, provide the requested information for all pharmacies located within the State of West Virginia and all pharmacies located outside of West Virginia.

Commercial*

Retail Pharmacies	Located in the State of WV	<u>NOT</u> in the State of WV	All Retail Pharmacies
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:			

** Your disruption analysis should only include positive retail prescriptions. These claims are indicated:*

- (1) with an “R” in the “MailRetailInd” field; and*
- (2) by a positive “1” in the “ClaimCounter” field.*

GEO-ACCESS

1. Complete geo-access based on the **WV PEIA** census received in Exhibit C. This Geo-Access analysis should be prepared on the PBMs proposed broad, national network and on the parameters shown below:

Standard for Definition of Access to a Network Pharmacy:

Urban/Suburban Areas (1,000 or greater people per square mile) - 1 within 5 miles

Rural Areas (Less than 1,000 people per square mile) – 1 within 10 miles

The bidder should provide the following:

- a. The geo-mapping method used in the analysis
- b. A summary of the geo-access study results for pharmacies by WV County

For each county, input the total number of network pharmacies and the total number of participants included in the analysis based on the confidential data provided. The number of participants meeting/not meeting the access standard and the average distance to a participating pharmacy shall be provided for Urban/Suburban and Rural areas separately.

2. Complete geo-access based on the **WV CHIP** census received in Exhibit C. This Geo-Access analysis should be prepared on the PBMs proposed broad, national network and on the parameters shown below:

Standard for Definition of Access to a Network Pharmacy:

Urban/Suburban Areas (1,000 or greater people per square mile) - 1 within 5 miles

Rural Areas (Less than 1,000 people per square mile) – 1 within 10 miles

The bidder should provide the following:

- a. The geo-mapping method used in the analysis
- b. A summary of the geo-access study results for pharmacies by WV county

For each county, input the total number of network pharmacies and the total number of participants included in the analysis based on the confidential data provided. The number of participants meeting/not meeting the access standard and the average distance to a participating pharmacy shall be provided for Urban/Suburban and Rural areas separately.

CLIENT REFERENCES

Provide the name of your five (5) similar sized public sector (states, municipalities, etc.) clients for which you provide comparable services as requested in this RFP. Provide the name of five (5) **recently terminated** similar sized public sector (states, municipalities, etc.) clients for which you provided comparable services as requested in this RFP.

For these ten clients, provide:

- Key contact's name, including phone number and email address
- Address
- Number of active members (*i.e.*, employees and dependents)
- Number of non-Medicare retiree members
- Number of Medicare retiree members
- A summary of the services provided by the Bidder to the client

WV PEIA reserves the right to contact any or all of these clients for references and consider the references' experiences with the Bidder in the Client References score.

Additionally, WV PEIA also reserves the right to use itself as a reference and consider its own experiences with the Bidder in the Client References score.

APPENDICES: GROUP INFORMATION

EXHIBIT A REQUESTED PLAN DESIGNS

EXHIBIT B DETAILED CLAIMS EXPERIENCE

EXHIBIT C CENSUS

EXHIBIT D PLAN DEVIATIONS FORM

EXHIBIT E WV PEIA FILE AND REPORTING REQUIREMENTS

EXHIBIT F WV PEIA SERVICE AGREEMENT

EXHIBIT G BUSINESS ASSOCIATE ADDENDUM

EXHIBIT H DATA REQUEST FORM

EXHIBIT I LIMITED DATA USE AGREEMENT

EXHIBIT J PURCHASING AFFIDAVIT

EXHIBIT K BIDDER'S LITIGATION WAIVER FORM

EXHIBIT L DATA MANAGEMENT ADDENDUM

EXHIBIT M WV-96

EXHIBIT N NOTIFICATION OF INTEREST FORM

EXHIBIT A

REQUESTED PLAN DESIGNS, SERVICES & PROGRAMS

Please see plan design information in the following hyperlinks:

[WV PEIA – Plans A, B, and D](#)

[WV PEIA – Plan C](#)

[WV CHIP SPD](#)

EXHIBIT B

INFORMATION BELOW NEEDS TO BE REQUESTED

Please see Exhibit H: Data Request form, Exhibit I Limited Data Use Agreement and contact Kyra Poplaski at kpoplaski@segalco.com. Access to this data shall be provided via SFT to Bidders who manifest a reasonable likelihood of meeting the mandatory minimum qualifications of this RFP. Such likelihood shall be evidenced by the apparent provider network of the Bidder.

DETAILED CLAIMS EXPERIENCE FOR PRICING AND DISRUPTION

- Excel files containing WV PEIA and CHIP detailed prescription drug claims experience for each prescription dispensed is available upon request. These files contain the information for all prescriptions dispensed in 2020.

EXHIBIT C

INFORMATION BELOW NEEDS TO BE REQUESTED

Please see Exhibit H: Data Request form and Exhibit I: Limited Data Use Agreement. Contact Kyra Poplaski at kpoplaski@segalco.com to request this information. Access to this data shall be provided to Bidders who manifest a reasonable likelihood of meeting the mandatory minimum qualifications of this RFP. Such likelihood shall be evidenced by the apparent provider network of the Bidder.

- WV PEIA and CHIP Census File

EXHIBIT D

PLAN DEVIATIONS FORM

This form needs to be completed and returned with your proposal in order to be considered in the carrier selection process.

Active Plan Design

- This is to certify that the submitted proposal includes no deviations to the Active Plan design as outlined in the benefit summaries.

Non-Medicare Retiree Plan Design

- This is to certify that the submitted proposal includes no deviations to the Non-Medicare Retiree Plan design as outlined in the benefit summaries.

Medicare Retiree Plan Design

- This is to certify that the submitted proposal includes no deviations to the Medicare Retiree Plan design as outlined in the benefit summaries.

All Other Requirements outlined in the RFP

Important: Note that any deviations determined to be material may result in the rejection of the bid.

- This is to certify that the submitted proposal adheres to all the requirements outlined in the RFP **with the following exceptions:**

- This is to certify that the submitted proposal adheres to all the requirements outlined in the RFP with no deviations.

Signature:_____

Print Name: _____

Title: _____

EXHIBIT E – WV PEIA PORTAL AND REPORTING REQUIREMENTS

Notes: WV PEIA needs access to the same level of detail of member claims as the call center representatives receive. All reporting must be broken out by WV PEIA and RHBT as well as State, non-State, Medicare, and non-Medicare Retirees. CHIP and COBRA require separate reporting. The following portal and reporting requirements include, but not limited to:

Online Portal features for WV PEIA Administrators must include:

- AWP (real time)
- Pharmacy
- Doctor
- Eligibility Update/View
- Prior Authorizations (Approved, Denied, and Pended and notes) Update/View
- Paid Claims (POS and member submitted)
- Rejected Claims (POS and member submitted)
- Reversed Claims (POS and member submitted)
- Test Claim
- Ability to run member profile(s)

Daily Reporting Needed for ALL plans with the TPA:

- Daily Deductible and Accumulation files exchanged with the TPA to track combined medical and pharmacy accumulators for HDHP and all Plans for ACA limits.

Monthly Reporting Needed for ALL plans:

- Monthly Plan Performance (see attached sample – Attachment 1)
- Top Drugs (see attached sample – Attachment 2)
- Top Therapeutic Classes (see attached sample – Attachment 3)
- Tobacco cessation report (see attached sample – Attachment 4)
- Specialty medication report (see attached sample – Attachment 5)

Quarterly Reporting Needed for ALL plans:

- Legislative report of 100% claims including but not limited to amount PBM paid pharmacy and amount WV PEIA paid PBM
- Formulary, tier, new to market, FDA unapproved products exception reports
- Any additional legislative reporting requirements

Annual Reporting Needed for ALL plans:

- Top drug report for actuaries (see attached sample – Attachment 6)
- Tobacco cessation reporting
- Deductible and maximum out of pocket reporting

Reporting needed as the PBM updates:

- Up-to-date Limited Distribution Drug List
- Up-to-date discounts
- Network and MAC rates
- New to Market Block List

[] This is to certify that the submitted proposal adheres to all the requirements outlined above.

Signature: _____

Print Name: _____

Title: _____

EXHIBIT F

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY

SERVICE AGREEMENT

General Terms and conditions

1. This Agreement shall be governed by the laws of the State of West Virginia regardless of the sites or locations of the Vendor and its contractors or subcontractors.
2. Vendor is organized and in good standing under the laws of the State of West Virginia, and is duly licensed, registered, authorized and empowered to do business in the State of West Virginia as contemplated by this Agreement. Vendor shall maintain such authorization at its own cost. Vendor's failure to maintain such authorization shall be sufficient cause for termination of this Agreement. This includes being registered as a vendor with the State of West Virginia Procurement system of record.
3. The Vendor agrees and understands that it is a contractor to PEIA and that no employer/employee relationship is created, either expressed or implied, by this Agreement.
4. Except as otherwise provided herein, no amendment to this Agreement shall be valid unless it is in writing and signed by both parties.
5. The waiver by either party of any breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.
6. The following documents and their respective terms and conditions are hereby incorporated by reference into this Agreement:
 - a. State of West Virginia WV96 Purchasing Agreement Addendum
 - b. State of West Virginia Purchasing Affidavit
 - c. State of West Virginia Executive Branch Business Associate Agreement and corresponding Exhibit A
 - d. State of West Virginia Data Exchange – Data Management Addendum

7. The language of these documents shall supersede all terms and conditions to the contrary, either expressed or implied, in this Agreement.

Confidentiality

The parties shall maintain this Agreement and the compensation arrangements agreed to herein in the strictest confidence and shall not disclose them to any person except as required by law and to further the purposes of this Agreement. Notwithstanding the foregoing, this Agreement may be subject to release or disclosure under applicable provisions of the West Virginia Freedom of Information Act under West Virginia Code §29B-1, et. seq. should such a request be filed with PEIA.

PEIA shall have no obligation nor liability to defend the Vendor, or any subcontractors of the Vendor, in any legal action instituted based on or under applicable provisions of the West Virginia Freedom of Information Act under West Virginia Code §29B-1, et. seq. should such a request be filed with PEIA. It shall be the sole responsibility of the Vendor to defend the release of any content, material(s), pricing, terms and conditions, or other information that it feels is exempt from disclosure under provisions of West Virginia Code.

Work Product – Ownership of Data

For all services provided by the Vendor, the concept of work product shall apply. Such concept shall mean and intend that all data provided, shared, gathered, garnered or obtained, and the results of all work performed with said data, shall be the sole property of PEIA with no rights of ownership, expressed or implied, conveyed to the Vendor. PEIA data may not be used, either in identified or de-identified format, for any purpose other than for the performance of the scope of work outlined in this Agreement.

Data Exchange

For purposes of the Scope of Work on this Agreement, only the minimum necessary PEIA covered persons' data will be disclosed to the Vendor for the meaningful use of performing the tasks, duties, or services outlined in this Agreement. The data may be provided in an identified or de-identified format, depending on the services outlined in the Scope of Work section of this Agreement. PEIA reserves the right to limit the data elements in keeping with accepted minimum necessary guidance. PEIA shall transmit the data to the Vendor in a secure and encrypted format in compliance with all applicable provisions of the HIPAA Security Rules.

Compliance

Vendor agrees to be compliant with all applicable provisions of the following:

1. The Genetic Information Non-discrimination Act of 2008 (GINA) - (Pub.L. 110–233, 122 Stat. 881, enacted May 21, 2008)
2. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) (PUBLIC LAW 104-191)
3. The Health Information Technology for Economic and Clinical Health (HITECH) Act, enacted as part of the American Recovery and Reinvestment Act of 2009
4. The Privacy Act of 1974, as amended, 5 U.S.C. § 552a
5. NIST Guidance referenced in and as applicable to compliance with the above referenced law, e.g. NIST SP 800-53; NIST SP 800-66; NIST 800-88

Further, Vendor agrees to full compliance with the State of West Virginia Executive Branch Business Associate Agreement (WV BAA) and corresponding Exhibit A as incorporated by reference into this Agreement. Vendor shall be responsible for ensuring that all subcontractors performing any of the scope of work related to this Agreement are informed of the terms and conditions of the WV BAA and agree to compliance thereto.

Subcontractors

The Vendor agrees to provide PEIA with the names of any subcontractors who may perform any portion of the scope of work on this Agreement. Further, the Vendor agrees to accept responsibility and liability for the actions, errors, and performance of any subcontractors who perform any portion of the scope of work on this Agreement.

Legal Defense

PEIA shall have no obligation to defend the Vendor, or any subcontractors of the Vendor, in any legal action instituted on a claim of malpractice relating to Vendor services provided through this Agreement.

Data Disposition

Within sixty (60) days of the termination of this Agreement the Vendor shall provide to PEIA a detailed data disposition plan compliant with the applicable provisions of the HIPAA Security Rules that renders any and all PEIA data received, created, transmitted, stored, or otherwise maintained by Vendor unreadable, indecipherable, and/or otherwise unusable. Such plan shall outline

the means and modes of data disposition and the means and modes of verifying or validating the proper disposition of the data.

Data Security Requirements

Vendor shall implement reasonable restrictions regarding physical and electronic access to PEIA Data, including but not limited to the following:

Vendor Information Security Program

- a. Physical access controls, secure user authentication protocols, secure access control methods, firewall protection, malware protection, and use of encryption for laptops, mobile devices and PEIA Data being transmitted across the public Internet or wirelessly, and as otherwise required by Applicable Law.
- b. To the extent it does not already employ one, Vendor shall develop and maintain a reasonable and appropriate written data security policy that includes technological, physical, administrative and procedural controls to protect the confidentiality, integrity and availability of PEIA Data that encompasses access, retention and transport of PEIA Data, and that provides for disciplinary action in the event of its violation;
- c. Vendor shall prevent terminated employees from accessing PEIA Data by immediately terminating their physical and electronic access to such PEIA Data;
- d. Vendor shall employ assessment, monitoring and auditing procedures to ensure internal compliance with these safeguards;
- e. Vendor shall conduct a complete assessment of these safeguards at least annually and, upon written request, provide a report on the results of the assessment, including but not limited to any discrepancies, to PEIA.
- f. Vendor Program must have system hardening standards such that default configurations and deployments are appropriately modified to protect PEIA Data.

Access Management and Authentication

- g. The addition, deletion, and modification of user access must be formally defined processes, restricted to appropriate personnel, and must generate and retain an audit trail of applied changes.
- h. Vendor must remove access for any terminated employees and any third parties that no longer require access.
- i. Vendor must employ least privilege user access.
- j. User identity must be verified before performing any password reset.

- k. Vendor must employ enhanced protections for privileged administration accounts
- l. Industry best practices and security controls must be used throughout any Single Sign On and federated identity connections.
- m. Passwords, including temporary passwords, must be systematically required to be strong and complex.
- n. Passwords must be restricted from reuse.
- o. Login and password change mechanisms must be protected against attack including account lockouts, throttling, activity logging and alerting or other effective protections.
- p. Passwords should be stored using a strong password hashing function.
- q. Vendor users with remote access to PEIA Data are required to use two-factor authentication.

Data Management

- r. Vendor shall store PEIA Data in a manner allowing its identification, access, and destruction without inadvertently affecting or including another customer's data.
- s. At termination of contract, Vendor must provide a certificate of destruction of PEIA Data.

Logging and Monitoring

- t. Event logging must be in place for network, system, and application access. Logging must also be in place for access to secured physical location.
- u. Logging should collect sufficient information to monitor an event including event type, timestamp, user origin, destination resource, and activity
- v. Logs must be retained for a minimum of 270 days and must be backed up in case of accidental deletion or corruption
- w. Access to logs must be restricted to select administrators who have a business need to access.

Anti-virus Protection

- x. Anti-malware software standards such that any equipment that transmits, receives, stores or processes PEIA Data has current anti-virus software and signatures installed

Security Patching Management

- y. Patch management standards must be in place to ensure that all infrastructure devices, operating systems and software are updated regularly and updates are expedited when deemed critical. All new systems and devices must be configured with current security updates/patches and hardened before being put into production.

Application Development

- z. Industry best practices and security controls must be used throughout the software development life cycle (SDLC) for any development necessary to work with PEIA Data. Vendor must have a formal and documented SDLC policy that outlines release/development methodology as well as appropriate segregation of duties.
 - aa. The SDLC must consider sufficient security testing of code at the unit, integrated, and production phases.
 - bb. Vendor must maintain a formal change management process that includes segregation of duties between roles implementing and approving changes.
 - cc. For internally developed applications (including web or mobile applications), there must be processes in place to control, monitor, and log developers' access and changes to the production environment.
 - dd. Vendor must not use software with known high-risk vulnerabilities in any Vendor applications or services. All software components used in the application must be versions currently supported by the respective software vendors.
 - ee. There should be separate development, test, and production environments.
 - ff. Applications are to be scanned for vulnerabilities using effective tools or competent third parties.
 - gg. Production data is not to be used for development, sales, marketing, and/or any other purposes not specifically outlined in this Agreement.

Physical Security

- hh. Physical security standards shall be in place to protect information from unauthorized physical and electronic access.

Personnel Security

- ii. Background verification checks on all candidates for employment shall be carried out in accordance with relevant laws, regulations, and ethics and should be proportional to the business requirements, the classification of the information to be accessed, and the perceived risks.

Business Continuity

- jj. Vendor must have Business Continuation, Disaster Recovery, and Data Restoration plans in place that are updated and tested on at least an annual basis.

Security Training

- kk. Vendor must have a program in place to ensure employees and subcontractors are periodically trained on information security principles and failure to comply will be addressed through appropriate discipline imposed by Vendor or its subcontractors, as applicable.

Security Incident Response Procedures.

If Vendor (or Vendor's Personnel, including contractors and/or subcontractors) discovers or suspects that an unauthorized access, use, copying, alteration, transfer, or other violation, compromise, breach or attempted breach of security (electronic or physical) involving or related to PEIA Data within its (or its Personnel's) possession or control has occurred, whether the incident originates within Vendor's organization or externally ("**Security Incident**"), Vendor shall:

- (a) immediately conduct a reasonable investigation of the reasons for and circumstances surrounding such Security Incident or reasonably suspected Security Incident;
- (b) use best efforts and take all necessary actions to prevent, contain, and mitigate the impact of such Security Incident or reasonably suspected Security Incident;
- (c) provide notice to PEIA at PEIAPrivacy@wv.gov within 12 hours after the Vendor discovers or reasonably suspects a Security Incident;
- (d) promptly, and in no event more than two business days after the date Vendor discovers or reasonably suspects a Security Incident, provide a written report to PEIA concerning such Security Incident or reasonably suspected Security Incident;
- (e) collect and preserve all evidence concerning the discovery, cause, vulnerability, remedial actions, and impact related to such Security Incident or reasonably suspected a Security Incident, which shall meet reasonable expectations of forensic admissibility;
- (f) document the incident response and remedial actions taken in detail, which shall meet reasonable expectations of forensic admissibility;

- (g) retain a qualified contractor to conduct a security assessment to determine whether Vendor was compliant with Applicable Law at the time of the Security Incident; and
- (i) if requested by PEIA, provide notice to individuals or entities whose PEIA Data was or may have been affected, in a manner and format specified by PEIA.

(ii) **Security Incident Status Reports.** If PEIA is notified of any Security Incident or reasonably suspected Security Incident, or otherwise discovers or suspects that Vendor has suffered a Security Incident, upon PEIA's request Vendor shall provide PEIA with: (a) a written status report concerning such Security Incident or reasonably suspected Security Incident; and (b) any documents requested by PEIA related to such Security Incident or reasonably suspected Security Incident, including without limitation, any security assessment and security control audit reports, logs, and any forensic analysis of such Security Incident or reasonably suspected Security Incident.

(iii) **Security Incident Information.** In addition to any other information requested by PEIA, such written report as required in sub-sections _____ and _____ shall include the following:

- (a) the amount or number of records and type of PEIA Data reasonably suspected as having been accessed, compromised or misused;
- (b) a list identifying the individuals or entities whose PEIA Data is at issue, including with respect to individuals, the name, address, phone number, and e-mail address of such individuals;
- (c) a description of any wrongdoing or harm caused by the actual or reasonably suspected Security Incident, including without limitation, identity theft;
- (d) a description of the Security Incident or reasonably suspected Security Incident, including without limitation, the findings of Vendor's investigation, the cause and timeframe of such Security Incident, the source of such Security Incident, and the vulnerability that led to the Security Incident;
- (e) the remedial actions taken to date by Vendor and the results of such remedial actions; and
- (f) the remedial actions planned by Vendor going forward and the timeframe for completing such remedial actions.

(iv) **Preservation, Return, and Destruction of Documents.** Vendor shall preserve information in accordance with PEIA's instructions and requests, including without limitation any retention schedules and litigation hold instructions provided by PEIA to Vendor, independent of where the information

is stored (specifically, and without limitation, even where such information resides with or is held, processed or stored by a sub-contractor, vendor, or other third party). Vendor shall take reasonable steps to ensure proper destruction (such that information is rendered unusable and unreadable) and return of information to PEIA in a format requested by PEIA and at Vendor's expense when it is no longer needed to perform services pursuant to the Agreement or 30 days following termination of the Agreement. Vendor shall provide written certification that all such information has been returned and deleted.

(v) **Control and Access.** Vendor shall cooperate with PEIA in responding to any party, non-party, or government request for information. In the event that such requests are served on PEIA, Vendor shall provide PEIA with access to such information in the format in which it is maintained in the ordinary course of business (or, on PEIA's request, with copies) within 12 hours of receipt of any request by PEIA for such access or copies. In the event that such a request (in the form of a subpoena, order or otherwise) is provided to or served on Vendor, Vendor shall notify PEIA in writing by electronic mail to PEIAPrivacy@wv.gov immediately and in no event more than 24 hours after receiving the request, subpoena, or order. Such notification must include a copy of the request, subpoena, or court order. Vendor also shall immediately inform in writing the third party who caused the request, subpoena, or order to issue or be provided or served on Vendor that some or all the material covered by the request, subpoena, or order is the subject of a nondisclosure agreement. Vendor shall cooperate with PEIA in seeking any protection from disclosure for such information that PEIA shall deem appropriate.

(vi) **Document Authentication.** In the event that PEIA is required to authenticate any document or information, Vendor shall cooperate with PEIA in providing any requested assistance with such authentication, including without limitation testifying (by affidavit, declaration, deposition, in court, or otherwise) as a custodian of records to authenticate the information, establish chain of custody, and provide any other requested information or assistance.

(vii) **Indemnification.**

(a) In addition to any indemnification obligations contained in other parts of the Agreement, Vendor agrees to indemnify, defend, and hold harmless PEIA and its affiliates, subsidiaries, successors, and assigns (and the officers, directors, employees, sublicensees, clients, and agents of PEIA, and its affiliates, subsidiaries, successors, and assigns) from and against any and all claims, losses, demands, liabilities, damages, settlements, expenses, and costs (including without limitation attorneys' fees and costs), and any and all threatened claims, losses, demands, liabilities,

damages, settlements, expenses, and costs, arising from, in connection with, or based on allegations of, any Security Incident or reasonably suspected Security Incident, any breach of Section _____ of the Agreement by Vendor, any failure of Vendor to comply with Applicable Law, including without limitation:

- (i) expenses incurred to provide warning or notice to PEIA's clients and employees, law-enforcement agencies, regulatory bodies, or other third parties;
 - (ii) expenses incurred to investigate, assess, or remediate a Security Incident, reasonably suspected Security Incident, or failure to comply with any Applicable Law;
 - (iii) expenses incurred to hire any public relations consultants to respond to a Security Incident or reasonably suspected Security Incident;
 - (iv) expenses incurred to provide credit monitoring services to individuals affected by a Security Incident or reasonably suspected Security Incident;
 - (v) expenses incurred to retain a call center to respond to inquiries regarding a Security Incident or reasonably suspected Security Incident;
 - (vi) fines, penalties, or recovery amounts; and
 - (vii) expenses incurred to respond or address any investigation by law-enforcement agencies, regulatory bodies, or other third parties.
- (b) PEIA shall notify Vendor promptly of any claims or demands made against, or losses, demands, liabilities, damages, settlements, expenses, and costs incurred by, PEIA for which indemnification is sought; provided, however, that the failure to give such notice shall not relieve Vendor of its obligations under this Agreement except to the extent that Vendor was actually and materially prejudiced by such failure. PEIA may, at its option and expense, participate and appear on an equal footing with Vendor in the defense of any claim that is conducted by Vendor as set forth in in this Agreement. Vendor may not settle any claim without the prior written approval of PEIA. From the date of written notice from PEIA to Vendor of any such claim, PEIA shall have the right to withhold from any payments due Vendor under this Agreement the

amount of any defense costs, plus additional reasonable amounts as security for Vendor's obligations under Sections ___(a) and ___(b).

(viii) **Cooperation and Coordination.** Vendor agrees to reasonably cooperate and coordinate with PEIA concerning: (a) PEIA's investigation, enforcement, monitoring, document preparation, notification requirements, and reporting concerning Security Incidents, reasonably suspected Security Incidents, and Vendor's and PEIA's compliance with Applicable Law; and (b) any other activities or duties set forth under this Agreement for which cooperation between PEIA and Vendor may be reasonably required.

(ix) **Vendor's Expense.** Vendor's compliance with Section ___ of the Agreement and any actions required of Vendor by Section ___ of the Agreement shall be at Vendor's sole and exclusive expense and shall be included as part of the price of the services provided by Vendor for no additional fee, including without limitation, any PEIA requests authorized by Section ___ of the Agreement.

(x) **Vendor Assurances.** Nothing in this Agreement shall prohibit PEIA from performing or conducting additional vendor assurance reviews and/or audits designed and intended to ensure vendor compliance with applicable provisions of the HIPAA Security Rule(s).

EXHIBIT G

NOTE: THE TERMS OF THE BUSINESS ASSOCIATE AGREEMENT (BAA) ARE NON-NEGOTIABLE AND MUST BE EXECUTED AS-IS IN ANY EVENTUAL CONTRACT RESULTING FROM THIS RFP. Below is WV PEIA current Business Associate Agreement (BAA). The Selected Bidder will be required to sign WV PEIA's BAA when executing the contract.

EXHIBIT H

DATA REQUEST FORM

- **Data**
 - **Detailed Claims Experience**
 - **Census**

To obtain the RFP data, please complete this Data Request Form and send to Kyra Poplaski @ kpoplaski@segalco.com.

Data Request Form

We confirm that we are requesting this information for the sole purpose of responding to the West Virginia PEIA's Administration of Pharmacy Benefit Manager RFP. As a recipient of this information, we will not use or disclose this information for any other purpose than to respond to the WV PEIA's RFP. We will destroy this information upon the completion of the RFP process.

We confirm that our bid will meet the Mandatory Minimum Qualifications identified in Section III. Step #1 of this RFP document.

We confirm:

- We are requesting this information for the sole purpose of responding to WV PEIA's RFP;
- We have a Global Non-Disclosure Agreement in place with Segal. If not, we will sign a Non-Disclosure Agreement and submit with this data request form.
- Our bid will meet the Mandatory Minimum Qualifications and are prepared to provide documentation supporting this claim, if requested by WV PEIA, in order to receive the RFP data file; and
- Our bid will include complete response to all sections of this RFP.

Signed: _____

Print Name: _____

Title: _____

Phone
Number:

EXHIBIT I – LIMITED DATA USE AGREEMENT

EXHIBIT J – PURCHASING AFFIDAVIT

EXHIBIT K- BIDDER'S LITIGATION WAIVER FORM

EXHIBIT L – DATA MANAGEMENT ADDENDUM

NOTE: THE TERMS OF THE DATA MANAGEMENT ADDENDUM ARE NON-NEGOTIABLE AND MUST BE EXECUTED AS-IS IN ANY EVENTUAL CONTRACT RESULTING FROM THIS RFP

EXHIBIT M – WV-96

NOTE: THE TERMS OF THE WV-96 ARE NON-NEGOTIABLE AND MUST BE EXECUTED AS-IS IN ANY EVENTUAL CONTRACT RESULTING FROM THIS RFP

EXHIBIT N – NOTIFICATION OF INTEREST FORM