Request for Quotation

State of West Virginia  
Department of Health & Human Resources  
Office of Purchasing  
One Davis Square, Suite 100  
Charleston, WV 25301

<table>
<thead>
<tr>
<th>VENDOR</th>
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Addendum No. 1

1. To answer vendors questions (attached).

2. Addendum acknowledgement is attached. This document should be signed and returned with your bid. Failure to sign and return may result in disqualification of your proposal.

Addendum Acknowledgement

I hereby acknowledge receipt of the following checked addendum(s) and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum No.'s:

NO. 1
NO. 2
NO. 3
NO. 4
NO. 5

I understand that failure to confirm the receipt of the addendum(s) may be cause for rejection of proposal.

SEE REVERSE FOR TERMS AND CONDITIONS

<table>
<thead>
<tr>
<th>SIGNATURE</th>
<th>TELEPHONE</th>
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| TITLE | FEIN | ADDRESS CHANGES TO BE NOTED ABOVE |

WHEN RESPONDING TO RFP, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED "VENDOR"
GENERAL TERMS & CONDITIONS
PURCHASE ORDER/CONTRACT

1. ACCEPTANCE: Seller shall be bound by this order and its terms and conditions upon receipt of this order.

2. APPLICABLE LAW: The laws of the State of West Virginia and the BMS Purchasing Manual shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.

3. NON-FUNDING: All services performed or goods delivered under BMS Purchase Orders/Contracts are to be continued for the terms of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, the Purchase Order/Contract becomes void and of no effect after June 30.

4. COMPLIANCE: Seller shall comply with all federal, state and local laws, regulations and ordinance including, but not limited to, the prevailing wage rates of the WV Division of Labor.

5. MODIFICATIONS: This writing is the parties' final expression of intent. No modification of this order shall be binding unless agreed to in writing by the Buyer.

6. ASSIGNMENT: Neither this Order or any monies due, or to become due hereunder may be assigned by the Seller without the Buyer's consent.

7. WARRANTY: The Seller expressly warrants that the goods and/or services covered by this order will: (a) conform to the specifications, drawings, samples or other description furnished or specified by the BUYER; (b) be merchantable and fit for the purpose intended; and/or (c) be free from defect in material and workmanship.

8. CANCELLATION: The director of the DHHR Office of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.

9. SHIPPING, BILLING & PRICES: Prices are those stated in this order. No price increase will be accepted without written authority from the Buyer. All goods or services shall be shipped on or before the date specified in the Order.

10. LATE PAYMENTS: Payment may only be made after the delivery of goods or services. Interest may be paid on late payments in accordance with the West Virginia Code.

11. TAXES: The State of West Virginia is exempt from the federal and state taxes and will not pay or reimburse such taxes.

12. RENEWAL: Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon contract null and void, and terminate such contract without further order.

13. BANKRUPTCY: In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.

14. HIPAA BUSINESS ASSOCIATE ADDENDUM: The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.htm and is hereby made part of the agreement provided that the Agency meets the definition of a Cover Entity (45 CFR § 160.103) and will be disclosing Protected Health Information (45 CFR § 160.103) to the vendor.

15. CONFIDENTIALITY: The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure in writing or the disclosure is made pursuant to the agency’s policies, procedure, and rules.

16. LICENSING: Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirement by any state or local agency of West Virginia, including but not limited to, the West Virginia Secretary of State’s Office, the West Virginia Insurance Commission, or any other state agency or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
# Request for Quotation

State of West Virginia  
Department of Health & Human Resources  
Office of Purchasing  
One Davis Square, Suite 100  
Charleston, WV 25301

**RFQ NUMBER**

| MED12003 |

**PAGE**

| 2 |

**ADDRESS CORRESPONDENCE TO ATTENTION OF**

| DONNA D. SMITH |
| 304-957-0218 |

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**VENDOR**

| S |
| BUREAU FOR MEDICAL SERVICES |
| H |
| 350 CAPITOL STREET, ROOM 251 |
| I |
| CHARLESTON, WV 25301-3706 |
| P |
| T |
| O |

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**DATE PRINTED**

| 11/04/11 |

**TERMS OF SALE**

|  |

**SHIP VIA**

|  |

**F.O.B.**

|  |

**FUND**

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**BID OPENING DATE:** 11/04/11  
**BID OPENING TIME:** 1:30 PM

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### BID OPENING TIME: 1:30 PM

### END OF ADDENDUM NO. 1

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**VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.**

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**SIGNATURE**

**COMPANY**

**DATE**

---

**SEE REVERSE FOR TERMS AND CONDITIONS**

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**SIGNATURE**

**TELEPHONE**

**DATE**

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**TITLE**

**FEIN**

**ADDRESS CHANGES TO BE NOTED ABOVE**

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1. Page 4 (Section 2.3.3) What is the expected time frame of implementing criteria changes?

   Changes must be implemented within five (5) business days, per 2.3.3.4.

2. What connectivity requirements are anticipated for the future with the Health Insurance Exchange and the All Claims Payor Database?

   None.

3. What connectivity, information exchange, and reporting requirements are there for interfacing with the WVHIN?

   None.

4. 2.3.2.5 Have the ability to hold once-in-a-lifetime medical procedure codes (hysterectomy, organ transplants, etc.) for criteria searches.

   Will the State please confirm that the RFQ is for Pharmacy Prior Authorization only and does not include medical prior authorizations?

   This RFQ is only for pharmacy prior authorization requests; however, some medical procedure codes may have a bearing on approval of the pharmacy PA.

5. 2.3.5.4 Monthly savings report generated by reduced administrative costs for routine prior authorizations each month.

   Will the State please confirm that the monthly cost savings report will provide information based upon data from the automated PA system and not from the PA helpdesk (as it is a separate function)?

   Data should be based only on the automated prior authorization system.

6. 3.3 Quotation Format

   Is the vendor to provide any other information than the items listed in Section 3.3?

   The respondent must address all items listed in Section 3.3 and each mandatory requirement at the line item level.

7. RFP Ref 1.1 Page 1

   “The automated prior authorization process will eliminate the need for calls to the help desk for routine prior authorizations, allow help desk staff to devote more time and clinical expertise to prior authorization requests requiring clinical judgment…”

   How many pharmacy prior authorizations are currently processed per month? What percent are automated under the current automated PA system and what percent are manually processed in the call center?

   For the month of September 2011, 19,402 automated PA requests were processed with an approval of 4.87%. Requests for drugs in sixty-eight (68) therapeutic classes are processed in the Auto PA system.

   All automated denials are accompanied by a message to call the prior authorization help desk for manual review.

   Information is not available regarding the number of PA’s manually processed.
<table>
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<tr>
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<th>RFP Ref 2.3.3.5 Page 4</th>
<th>No, the Vendor will not be responsible for generating denial letters.</th>
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<tbody>
<tr>
<td>8</td>
<td>Provide all necessary hardware, software, and dedicated clinical and technical staff, to support the day-to-day operation of the system. Is the vendor responsible for generating and mailing prior authorization denial letters? If yes, please provide the current monthly average of denial letters issued and mailed.</td>
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<td>The average response time is under 500 milliseconds per transaction. The maximum response time allowed is 500 milliseconds per transaction. If the transaction cannot be processed within that time, a message should be sent to the pharmacy that the automatic prior authorization process failed and a call to the Help Desk is required.</td>
<td>The average response time is under 500 milliseconds per transaction. The maximum response time allowed is 500 milliseconds per transaction. If the transaction cannot be processed within that time, a message should be sent to the pharmacy that the automatic prior authorization process failed and a call to the Help Desk is required.</td>
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<td>This requirement mandates vendors to have the capability of working with the MMIS system, directly or with file extracts, without significantly affecting its performance by increasing the time required for claims adjudication or causing timeouts. At a minimum, all respondents must maintain or improve current performance levels. To ensure compliance with this requirement, please provide the current average response time, as well as the maximum amount of time allowed before a time out.</td>
<td>Yes, this requirement does refer to additional services that may be required because of changes in Federal or State requirements regarding the provision of pharmacy services. It also refers to the provision of assistance to the Bureau in identification of drugs suitable for automated prior authorization, provision of PA criteria and implementation of PA criteria that has been identified through the Vendor’s experience in working with other states or organizations. BMS is looking for acknowledgement from the Vendor that they are willing to provide additional services as necessary.</td>
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<td>Optional Services – The vendor shall provide additional services to comply with externally driven changes to BMS programs and requirements, including any state of federal laws, rules and regulations. Services provided by the vendor could include, but not be limited to assistance with policy development, impact analysis, requirements definition and testing activities that require substantial subject matter expertise derived from experience in other states, other healthcare organizations or participation in federal activities. Provide implementation support as requested. Please clarify the intent of this requirement. Does this requirement refer to additional services that will occur during the contract to support changes in state and federal law? Is BMS looking for a response for how the vendor is positioned to support the changes?</td>
<td>Yes, this requirement does refer to additional services that may be required because of changes in Federal or State requirements regarding the provision of pharmacy services. It also refers to the provision of assistance to the Bureau in identification of drugs suitable for automated prior authorization, provision of PA criteria and implementation of PA criteria that has been identified through the Vendor’s experience in working with other states or organizations. BMS is looking for acknowledgement from the Vendor that they are willing to provide additional services as necessary.</td>
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11. Attachment A Cost Sheet Page 13  
Optional Services – Optional Services as specified in section 2.3.7 shall be bid as an all-inclusive hourly rate and shall require Bureau approval of a Statement of Work and submission of a related Cost Estimate.  
Please clarify the instructions for submitting a cost proposal that contains optional services. As referenced in requirement 2.3.7, BMS expects the need for optional services beyond the scope outlined in the RFQ. When required, will BMS use the contract change process noted in RFQ requirement 5.7, as well as the hourly rate submitted on the vendor’s cost sheet to determine the total charge for the optional services? If not, please clarify how vendors should cost optional services in their cost proposal. 

Yes, BMS will use the contract change process noted in the RFQ and, the Vendor’s quoted hourly rate for determining the total charge for optional services.

12. Attachment A Cost Sheet Page 13  
“Optional Services as specified in Section 2.3.7 shall be bid as an all-inclusive hourly rate and shall require Bureau approval of a Statement of Work and submission of a related Cost Estimate”  
Please confirm that travel costs should be excluded from the hourly rates.

The hourly rate will need to be inclusive of all anticipated training, travel and related expenses, including supplies.