

The State of West Virginia Bureau for Medical Services



Request for Proposal
MED11003

Retrospective Drug Utilization Review Services

Receipt Location:

WV Department of Health and Human Resources
Office of Purchasing
One Davis Square, Suite 100
Charleston, WV 25301

WARNING: Prospective Offerors who have received this document from a source other than the Issuing Office should immediately contact the Issuing Office and provide their name and mailing address so that amendments to the RFP or other communications can be sent to them. A prospective Offeror who fails to notify the Issuing Office with this information assumes complete responsibility in the event that they do not receive communications from the Issuing Office prior to the closing date.

Proposals shall be addressed to:

WV Department of Health and Human Resources
Office of Purchasing
ATTN: Donna D. Smith
One Davis Square, Suite 100
Charleston, WV 25301
Telephone (304) 957-0218 Fax (304) 558-2892



REQUEST FOR PROPOSAL

Bureau for Medical Services RFP

PART 1 GENERAL INFORMATION, TERMS AND CONDITIONS

1.1 Purpose

The Bureau for Medical Services, hereinafter referred to as “Bureau” or “BMS”, is soliciting proposals to provide retrospective drug utilization review services. This solicitation serves as notice of the service being sought by BMS and is the template to which interested vendors should respond with a proposal for such services.

1.2 Project:

The mission or purpose of the project is to obtain the services of a qualified vendor that has Medicaid experience in providing retrospective drug utilization review (RetroDUR) services to improve pharmaceutical care delivered to Medicaid members. The result of retrospective drug utilization review and accompanying programs should be the reduction of suboptimal drug utilization, thereby leading to better therapeutic outcomes for members and a reduction in unnecessary Medicaid expenditures. RetroDUR is designed to identify members at high risk for drug induced illness, communicate these risk factors to physicians and pharmacists, and modify drug therapies to reduce or eliminate these risks. Specifically, this is done through retrospective review of claims data to assure that drug prescribing is therapeutically appropriate. It is designed to prevent over or under utilization of medications, duplication of agents, clinical abuse and misuse of medications, and drug therapy that is contraindicated by combinations of medications or by diagnosis. Included in this request are services for a pharmacy lock-in program for members and for identification of opportunities for claims editing to prevent errant billing and promote accuracy in claims submission.

1.3 Legal Basis

The procurement process for this RFP will be conducted in accordance with the procurement policies and procedures established by the Secretary of the Department of Health and Human Resources as provided for in West Virginia State Code 9-2-9b.

1.4 RFP Format

This RFP has four parts. “Part 1” contains general information, terms and conditions; “Part 2” describes the background and working environment of the project; “Part 3” is a statement of the specifications for the services requested pursuant to this RFP, contractual requirements, and special terms and conditions; and “Part 4” explains the required format of the Bidder’s response to the RFP, the evaluation criteria the Bureau will use in evaluating the proposals received, how the evaluation will be conducted and how the award will be made.

1.5 Inquiries

Additional information inquiries regarding specifications of this RFP must be submitted in writing to DHHR Office of Purchasing. The deadline for written inquiries is identified in the Schedule of Events, Section 1.17. All inquiries of specification clarification must clearly identify the RFP MED11003 and be addressed to:

WV Department of Health and Human Resources
Office of Purchasing
ATTN: Donna D. Smith



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Charleston, WV 25301
donna.d.smith@wv.gov
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The vendor, or anyone on the vendor's behalf, is not permitted to make any contact whatsoever with any member of the evaluation committee. Violation may result in rejection of the bid. The person named above is the sole contact for any and all inquiries after this RFP has been released.

1.6 Vendor Registration

Vendors participating in this process should complete and file a **Vendor Registration and Disclosure Statement** (Form WV-1) with the West Virginia Department of Administration (DOA) Purchasing Division and remit the registration fee. Vendor is not required to be a registered vendor in order to submit a proposal, but the **successful bidder must** register and pay the fee prior to the award of an actual purchase order or contract.

1.7 Oral Statements and Commitments

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 Request for Proposal specifications file by an official written addendum are binding.

1.8 Economy of Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of Vendor's abilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

1.9 Labeling of RFP Sections

The sections within this RFP contain instructions governing how the vendor's proposal is to be arranged, submitted and to identify the material to be included therein.

1.9.1 *Mandatory Requirements*

Any specification or statement containing the word "must", "shall", or "will" are mandatory. Section 3 contains mandatory deliverables required upon contract execution. By signing and submitting a response to this RFP, the vendor agrees to all mandatory deliverables described herein. Section 4 describes RFP response requirements, which may be mandatory. The vendor is required to meet all mandatory requirements in order to be eligible for consideration and to continue in the evaluation process. Failure to meet or agree to mandatory items shall result in disqualification of the vendor's proposal and the evaluation process will be terminated for that vendor. Decisions regarding compliance with any mandatory requirement shall be at the sole discretion of the Bureau.

1.9.2 *Contract Terms and Conditions*

This Request for Proposals contains all the contractual terms and conditions under which the BMS will enter into a contract.

1.9.3 *Informational Sections*

Informational specifications do not require a response from the vendor. They are



intended to aid the vendor in structuring an effective proposal capable of meeting the needs of the issuing agency.

1.10 **Proposal Format and Submission**

1.10.1 Each proposal should be formatted as per the outline in Part 4 of this RFP. No other arrangement or distribution of the proposal information may be made by the bidder. Failure on the part of the bidder to respond to specific requirements detailed in the RFP may be the basis for disqualification of the proposal. The BMS reserves the right to waive any informality in the proposal format and minor irregularities.

1.10.2 Bureau procurement policies require that the original technical and the original cost proposal be submitted to DHHR Office of Purchasing. All proposals must be submitted to the DHHR Office of Purchasing **prior** to the date and time stipulated in the RFP as the opening date. All bids will be dated and time stamped to verify official time and date of receipt.

1.10.3 Vendors mailing proposals should allow sufficient time for mail delivery to ensure timely arrival. The Bureau cannot waive or excuse late receipt of a proposal which is delayed and late for any reason. Any proposal received after the bid opening date and time will be immediately disqualified in accordance with Bureau procurement policies.

Vendors responding to this RFP shall submit:

One (1) original technical and one original cost proposal plus (6) convenience copies, including one copy on CD, to:

WV Department of Health and Human Resources
Office of Purchasing
ATTN: Donna D. Smith
One Davis Square, Suite 100
Charleston, WV 25301
Telephone (304) 957-0218 Fax (304) 558-2892

The outside of the envelope or package(s) should be clearly marked:

RFP # MED11003

All proposals must be received prior to 1:30 pm on July 29, 2010

1.10.4. **Standard Format**

1.10.4.1 *Proposal Format and Content.* Proposals shall be requested and received in two distinct parts: Technical and Cost. The cost portion shall be sealed in a separate envelope.

1.10.4.2 *Bid Opening.* The DHHR Office of Purchasing will open the proposals based on the Schedule of events.

1.10.4.4 *Evaluation Committee.* The evaluation committee will be made up of no less than 3 and no more than 7 Subject Matter Experts (SMEs). The number and backgrounds of the SMEs will depend on the complexity and size of the project. These SMEs will be drawn from the BMS and other agencies, as appropriate, and will be approved by the BMS Commissioner. The evaluation



committee then will review and evaluate all technical proposals received in response to this RFP.

1.10.4.5 *Evaluation Criteria:* Each proposal shall be evaluated, measured and ranked using the evaluation criteria described here. The Bureau hereby reserves the right to evaluate, at its sole discretion, the extent to which each proposal received compares to the said criteria. The recommendation of the evaluation committee shall be based on the evaluations using the criteria described here.

The following table depicts the scoring methodology that will be used to evaluate proposals.

Area	Description	Maximum Score
Vendor Experience	Vendors should provide credible, detailed evidence of their related experience and capabilities in providing retrospective drug utilization review services. At least three vendor references from work within the last five years should be provided.	20
Understanding of the Project Objectives and Timeline	Vendor should provide a narrative of their understanding of the task requested for providing RetroDUR services. Vendor should provide a timeline showing how they will provide the services outlined in this RFP to insure continuous Retrospective DUR services for the Bureau.	30
Project Work Plan	Vendor should provide a proposed work plan to demonstrate a clear grasp of the overall project and services to be provided.	20
Cost	This criterion will be used to assess the price of the services solicited by this Request for Proposals. Offerors will be evaluated on their pricing scheme and their price in comparison to other offerors.	30
	Maximum Total Points Awarded:	100

The Bureau may, if necessary, ask vendors for additional information to clarify their proposals. The Bureau reserves the right to accept or reject any or all of the proposals, in whole or in part, without prejudice, if to do so is felt to be in the best interests of the Bureau. Vendor's failure to provide complete and accurate information at any point in the evaluation process may be considered grounds for disqualification.



1.10.4.6 *Evaluation Committee Recommendation:* After the cost proposals have been opened, the evaluation committee completes its review and prepares the final vendor evaluation. The evaluation committee's final recommendation to the DHHR Office of Purchasing is based on best value. Cost is considered, but is not the sole determining factor for award.

1.10.4.7 *Minimum Acceptable Score:* Vendors must score a minimum of **70%** of the total technical points possible. The minimum qualifying score on the technical portion is 49 points. All vendors not attaining the minimum acceptable score (MAS) shall be disqualified and removed from further consideration.

Vendor's failure to provide complete and accurate information may be considered grounds for disqualification.

1.10.4.8 *Resident Vendor Preference:* DHHR Purchasing Division will make the determination of the Resident Vendor Preference, if applicable. Resident Vendor Preference provides an opportunity for qualifying vendors to request at the time of bid preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the West Virginia Code. A certificate of application is used to request this preference. A West Virginia vendor may be eligible for two 2.5% preferences in the evaluation process.

1.10.4.9 *Oral Presentation:* If included in the Schedule of Events, at the option of the BMS, oral presentations may be required. Vendors will be notified if any oral presentation is required. Any cost incidental to an oral presentation shall be borne entirely by the vendor and the BMS shall not compensate the vendor.

The vendors should present complete, comprehensive proposals without relying on oral presentations, because the BMS reserves the right to award a contract without further discussions or an oral presentation. Presentations will be recorded and any representations made during the oral presentation will become part of the vendor's proposal and are binding if a contract is awarded.

1.10.4.10 *Site Visits:* The BMS may request to review the vendor's facilities, other vendor clients 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 or contract.

Any cost incidental to the site visit by the vendor shall be borne by the vendor. The BMS will be responsible for its own travel and accommodations.

A readiness review may also be conducted on-site at the selected vendor's facilities following execution of the contract and before implementation of any project work.

1.10.4.11 *Contract Approval and Award:* After the cost proposals have been opened, the evaluation committee completes its review and prepares the final evaluation making its recommendation for contract award based on the highest



scoring vendor. The final evaluation must be reviewed and approved by the DHHR Office of Purchasing Director.

1.10.4.12 *Vendor Debrief*: As the evaluation and award process has been described and documented, unsuccessful vendors have the opportunity to request a Debrief. That Debrief will be conducted at BMS facilities, privately, with the requesting vendor, the buyer and appropriate members of the evaluation committee. The vendor's proposal will be discussed, and the evaluation committee scoring and contract award will be explained. This will help vendors understand the process, be more competitive by improving their proposals, and will increase their potential for winning bids.

1.11 **Rejection of Proposals**

The Bureau shall select the best value solution according to the evaluation criteria described in this document. However, the Bureau reserves the right to accept or reject any or all proposals, in part or in whole at its discretion. The Bureau reserves the right to withdraw this RFP at any time and for any reason. Submission of, or receipt by the Bureau of proposals confers no rights upon the bidder nor obligates the Bureau in any manner.

A contract based on this RFP and the vendor's proposal, may or may not be awarded. Any contract resulting in an award from this RFP is not valid until properly approved and executed by the Bureau for Medical Services.

Unsuccessful vendors, who have requested and participated in a debrief, can protest an award within 5 business days of the date of the notification of an unsuccessful proposal. Protests will be submitted, in writing, to the DHHR Office of Purchasing Director. Protests will contain appropriate information, including grounds for the protest, supporting documentation, if necessary, and resolution or relief sought. The DHHR Secretary (or his/her designee) will review the protest; conduct a hearing (at the Secretary's discretion); and issue a written decision. Any delay of the procurement will be up to, and at the discretion of the DHHR Secretary.

1.12 **Incurring Costs**

The BMS and any of its employees or officers shall not be held liable for any expenses incurred by any bidder responding to this RFP for expenses to prepare, deliver the proposal, or to attend any mandatory pre-bid meeting or oral presentations.

1.13 **Addenda**

If it becomes necessary to revise any part of this RFP, an official written addendum will be issued by DHHR Office of Purchasing to all bidders of record.

1.14 **Independent Price Determination**

A proposal will not be considered for award if the price in the proposal was not arrived at independently without collusion, consultation, communication or agreement as to any matter relating to prices with any competitor unless the proposal is submitted as a joint venture.

1.15 **Price Quotations**

The price(s) quoted in the bidder's proposal will not be subject to any increase and will be considered firm for the life of the contract unless specific provisions have been provided for adjustment in the original contract.



1.16 Public Record

1.16.1 *Submissions are Public Record.*

All documents submitted to the Bureau related to purchase orders or contracts are considered public records. All bids, proposals or offers submitted by bidders shall become public information and are available for inspection during normal official business hours at the DHHR Office of Purchasing after the bid opening.

1.16.2 *Written Release of Information.*

All public information may be released with or without a Freedom of Information request, however, only a written request will be acted upon with duplications fees paid in advance. Duplication fees shall apply to all requests for copies of any document. The fees are determined in accordance with DHHR Policy 2510.

1.16.3 *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 vendor must clearly identify which data are considered proprietary. If the BMS receives a FOIA request for data, labeled by the vendor as proprietary, the BMS will notify the vendor (in writing) of the request to allow the vendor time to obtain the appropriate court order to prevent the release of the information. Otherwise, the BMS will be compelled by State law to release such information.

1.16.4 *HIPAA Compliance*

BMS contracts require that vendors agree to become a business associate of the BMS, and therefore the vendor must have policies and procedures in place consistent with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) standards for privacy 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 Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is hereby made part of the agreement.

1.17 Schedule of Events

The Bureau intends to complete the selection process using the following schedule. However, the BMS reserves the right to modify or reschedule procurement milestones as necessary.

Event	Anticipated Dates
Release RFP to Vendors	06/14/2010
Vendor Pre-Bid Conference	06/22/2010
Vendor's Written Questions Submission Deadline	07/05/2010
Questions Addendum Issued	07/15/2010
Vendor Proposal Opening Date	07/29/2010
Cost Bid opening	08/20/2010

1.18 Pre-Bid Conference

A mandatory pre-bid conference shall be conducted on the date specified above at: 350 Capitol



Street, Room 251, Charleston, WV 25301 at 1:30 pm on the date listed above. All interested bidders are required to be present at this meeting. Any vendor failing to attend the mandatory pre-bid conference will not be considered for award. No one person can represent more than one vendor.

1.19 Purchasing Affidavit

All bidders must submit an affidavit regarding any debt owed to the State. The affidavit must be signed and submitted prior to award. It is preferred that the affidavit be submitted with the proposal.

1.20 Proposal Withdrawal

Prior to 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 must be directed to the DHHR Office of Purchasing at the address listed.

1.21 General Terms and Conditions

By signing and submitting its proposal, the successful vendor agrees to be bound by all the terms contained in this RFP.

1.21.1 Conflict of Interest

Vendor affirms that it, its officers or members or employees presently have no interest and shall not acquire any interest, direct or indirect, which would conflict or compromise in any manner or degree with the performance or its services hereunder. The vendor further covenants that in the performance of the contract, the vendor shall periodically inquire of its officers, members and employees concerning such interests. Any such interests discovered shall be promptly presented in detail to the Bureau.

1.21.2 Prohibition against Gratuities

Vendor warrants that it has not employed any company or person other than a bona fide employee working solely for the vendor or a company regularly employed as its marketing agent to solicit or secure the contract and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of the contract.

For breach or violation of this warranty, the Bureau shall have the right to annul this contract without liability at its discretion or to pursue any other remedies available under this contract or by law.

1.21.3 Certifications Related to Lobbying

Vendor certifies that no federal appropriated funds have been paid or will be paid, by or on behalf of the company or an employee thereof, to any person for purposes of influencing or attempting to influence an officer or employee of any Federal entity, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of



Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the Vendor shall complete and submit a disclosure form to report the lobbying.

Vendor agrees that this language of certification shall be included in the award documents for all sub-awards at all tiers, including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements, and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this contract was made and entered into.

1.21.4 Vendor Relationship

The relationship of the vendor to the Bureau shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this contract. The vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents.

Vendor shall be responsible for selecting, supervising and compensating any and all individuals employed pursuant to the terms of this RFP and resulting contract. Neither the Vendor, nor any employees or contractors of the vendor, shall be deemed to be employees of the Bureau or the State for any purposes whatsoever.

Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, and licensing fees, etc. and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

Vendor shall hold harmless the Bureau and the State, and shall provide the Bureau and the State with a defense against any and all claims including but not limited to the foregoing payments, withholdings, contributions, taxes, social security taxes and employer income tax returns.

The vendor shall not assign, convey, transfer or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association or entity without expressed written consent of the Bureau.

1.21.5 Indemnification

The vendor agrees to indemnify, defend and hold harmless the State and the Bureau, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person or firm performing or supplying services, materials or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statutes or regulations; and (3) Any failure of the Vendor, its officers, employees or subcontractors to observe State and Federal laws, including but not limited to labor and wage laws.

1.21.6 Contract Provisions



After the successful vendor is selected, a formal contract document will be executed between the Bureau and the Vendor. In addition, the RFP and the vendor's response will be included as part of the contract by reference. The order of precedence is the contract, the RFP, and the vendor's proposal in response to the RFP.

1.21.7 Governing Law

This contract shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable laws and regulations, Federal, State and Local Government.

1.21.8 Compliance with Laws and Regulations

The vendor shall procure all necessary permits and licenses to comply with all applicable laws, Federal, State or municipal, along with all regulations, and ordinances of any regulating body.

The vendor shall pay any applicable sales, use or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract, the transaction, or the equipment, or services delivered pursuant here to shall be borne by the contractor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract.

1.21.9 Subcontracts/Joint Ventures

The vendor is solely responsible for all work performed under the contract and shall assume prime contractor responsibility for all services offered and products to be delivered under the terms of this contract. The Bureau will consider the vendor to be the sole point of contact with regard to all contractual matters. The vendor may, with the prior written consent of the BMS, enter into written subcontracts for performance of work under this contract; however, the vendor is totally responsible for payment of all subcontractors.

1.21.10 Term of Contract & Renewals

This contract will be effective (date set upon award) and shall extend for the period of one (1) year, at which time the contract may, upon mutual consent, be renewed. Such renewals are for a period of up to one (1) year, with a maximum of two (2) one year renewals, or until such reasonable time thereafter as is necessary to obtain a new contract. The "reasonable time" period shall not exceed twelve (12) months. During the "reasonable time" period vendor may terminate the contract for any reason upon giving the Agency ninety (90) days written notice. Notice by vendor of intent to terminate will not relieve vendor of the obligation to continue to provide services pursuant to the terms of the contract.

Unless specific provisions are stipulated in the contract document, the terms, conditions and pricing established are firm for the life of the contract.

Contracts that contain renewal provisions may be renewed upon the mutual written consent of the Medicaid Program and vendor. The renewal(s) will be enacted through the Change Order process, as identified in 1.21.13.

Any change in Federal or State law, or court actions which constitute binding precedent in West Virginia, and which significantly alters the vendor's required activities or any



change in the availability of funds, shall be viewed as binding and shall warrant good faith renegotiation of the compensation paid to the vendor by the Bureau and of such other provisions of the contract that are affected. If such renegotiation proves unsuccessful, the contract may be terminated by the State upon written notice to the Vendor at least thirty (30) days prior to termination of this contract.

1.21.11 *Non-Appropriation of Funds*

If the Bureau is not allotted funds in any succeeding fiscal year for the continued use of the service covered by this contract by the West Virginia Legislature, the Bureau may terminate the contract at the end of the affected current fiscal period without further charge or penalty. The Bureau shall give the vendor written notice of such non-allocation of funds as soon as possible after the Bureau receives notice. No penalty shall accrue to the Bureau in the event this provision is exercised.

1.21.12 *Contract Termination*

The Bureau may terminate any contract resulting from this RFP immediately at any time the Vendor fails to carry out its responsibilities or to make substantial progress under the terms of this RFP and resulting contract. The BMS shall provide the vendor with advance notice of performance conditions which are endangering the contract's continuation. If after such notice the Vendor fails to remedy the conditions contained in the notice, within the time period contained in the notice, the Bureau shall issue the vendor an order to cease and desist any and all work immediately. The BMS shall be obligated only for services rendered and accepted prior to the date of the notice of termination.

The contract may also be terminated by the Bureau with thirty (30) days prior notice.

1.21.13 *Changes*

If changes to the original contract become necessary, a formal contract amendment will be negotiated by the Bureau and the vendor to address changes to the terms and conditions, and/or costs of work included under the contract. An approved contract amendment is defined as one approved by DHHR Office of Purchasing, encumbered and placed in the U.S. Mail prior to the effective date of such amendment. An approved contract amendment is required whenever the change affects the payment provision or the scope of the work. Such changes may be necessitated by new and amended Federal and State regulations and requirements.

As soon as possible after receipt of a written change request from the Bureau, but in no event more than thirty (30) days thereafter, the vendor shall determine if there is an impact on price with the change requested and provide the Bureau a written statement to identify any price impact on the contract or to state that there is no impact. In the event that price will be impacted by the change, the vendor shall provide a description of the price increase or decrease involved in implementing the requested change.

NO CHANGE SHALL BE IMPLEMENTED BY THE VENDOR UNTIL SUCH TIME AS THE VENDOR RECEIVES AN APPROVED WRITTEN CONTRACT AMENDMENT.

1.21.14 *Invoices, Progress Payments, & Retainage*

The vendor shall submit invoices, in arrears, to the Bureau at the address on the face of the purchase order labeled "Invoice To" pursuant to the terms of the contract. Progress



payments may be made at the option of the Bureau on the basis of percentage of work completed if so defined in the final contract. Any provision for progress payments must also include language for a minimum 10% retainage until the final deliverable is accepted.

If progress payments are permitted, vendor is required to identify points in the work plan at which compensation would be appropriate. Progress reports must be submitted to BMS with the invoice detailing progress completed or any deliverables identified. Payment will be made only upon approval of acceptable progress or deliverables as documented in the vendor's report. Invoices may not be submitted more than once monthly and State law forbids payment of invoices prior to receipt of services.

1.21.15 *Liquidated Damages*

The Vendor agrees that liquidated damages shall be imposed at the rate of \$1,000.00 per day for failure to provide deliverables, meet milestones identified to keep the project on target, or failure to meet specified deadlines. This clause shall in no way be considered exclusive and shall not limit the State or Bureau's right to pursue to any other additional remedy to which the State or Bureau may have legal cause for action including further damages against the vendor.

1.21.16 *Record Retention (Access & Confidentiality)*

Vendor shall comply with all applicable Federal and State of West Virginia rules and regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by vendor. The vendor shall maintain such records a minimum of five (5) years and make available all records to Bureau personnel at vendor's location during normal business hours upon written request by Bureau within 10 days after receipt of the request.

Vendor shall have access to private and confidential data maintained by the Bureau to the extent required for vendor to carry out the duties and responsibilities defined in this contract. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State and Bureau against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractors, or individuals permitted access by Vendor.

The vendor must comply with the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and must comply with any other applicable (current and future) Federal and State laws regarding privacy and confidentiality.

1.22 **Right of Inspection**

The vendor shall provide right of access to its facilities to the Bureau or any of its officers at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract on behalf of the Bureau.

All inspections and evaluations shall be performed in such a manner that will not unduly interfere with the Vendor's business or work hereunder.

1.23 **Safeguarding of Information**

The vendor shall not use or disclose any:

Personal Information gained by reason of this contract, or



Information that may be classified as confidential for any purpose not directly connected with the administration of this contract except (1) with prior written consent of the Bureau or (2) as may be required by law. The vendor shall safeguard such information and shall return or certify destruction of the information upon contract expiration or termination.

1.24 Business Continuity and Disaster Recovery

As part of the vendor's proposed services, the vendor shall supply, maintain and test disaster recovery and/or a business continuity solution. This will include periodic testing of the proposed solution at intervals as agreed upon by BMS during contract negotiation.

1.25 Contract Administrator

Upon approval of a contract, and following execution of said contract, the BMS shall direct the vendor to administer the contract on a day-to-day basis during the term of the contract. However, administration of any contract resulting from this RFP 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 the DHHR Office of Purchasing and other authorized representatives and these appointees are subject to change.

PART 2 CURRENT ENVIRONMENT

2.1 Location

The Bureau is located at 350 Capitol Street, Room 251, Charleston, West Virginia 25301-3709.

2.2 Background

The Bureau for Medical Services (BMS) is responsible for development of policy and procedures for statewide implementation of the Medicaid Program under the federally approved state plan. BMS also interacts with other divisions within the Department of Health and Human Resources (DHHR) and with other purchasers and providers of health care within state government, as well as with all medical service practitioners, providers, and provider organizations. The West Virginia Medicaid Program services approximately 300,000 individuals, of whom 85 percent will utilize one or more service(s) within any given year. Financial and program eligibility are determined by the Office of Income Maintenance, Bureau for Children and Families, and in each of the 55 county offices. This information is entered into a central computer system where eligibility files are maintained. Medicaid covered services which require professional review or medical eligibility determinations are evaluated by the professional staff in BMS and in other organizations under contract with the Bureau for Medical Services. The Bureau paid 5.6 million pharmacy claims in the State Fiscal Year (SFY) 2009. Approximately 99 percent of the claims were processed through a point-of-sale (POS) prospective DUR system, operated by the State's Medical Management Information System (MMIS) contractor, Molina Medicaid Solutions. All West Virginia Medicaid members, whether enrolled in fee-for-service or a managed care organization, have the same pharmacy benefit. As specified in the Omnibus Budget Reconciliation Act of 1990 (OBRA '90) and detailed in Title 42, Section 456.7 of the Code of Federal Regulations, a state must have in place a Drug Utilization Review (DUR) program, consisting of prospective drug utilization review, retrospective drug utilization review, and an educational program for pharmacists and physicians to correct inappropriate or medically unnecessary care. The DUR Board, an advisory group of primarily physicians and pharmacists, oversees all elements of this program. Their goal is to ensure appropriate drug therapy, while permitting sufficient professional prerogatives to allow for individualized care. The current claims processing system incorporates a Drug Utilization Review (DUR) system which enables pharmacies to conduct prospective drug utilization review of patients' current drug therapies, determine the appropriateness of



pharmaceutical regimens, and respond accordingly. The Retrospective DUR component enables BMS to analyze pharmacy and medical claims data in order to identify problematic patterns and trends to detect treatment that could be improved. At this time, the RetroDUR program provides monthly monitoring of both medical and pharmacy claims data to identify patterns of fraud and abuse, gross overuse, or inappropriate or unnecessary care among physicians, pharmacists and members. A pharmacy lock-in program is also in place to encourage the appropriate utilization of controlled substances by Medicaid members. Each of these elements is intended to promote appropriate drug utilization and improve Medicaid member drug therapy outcomes. Educational outreach programs are mandated by OBRA '90 to instruct practitioners on common drug therapy programs with the aim of improving prescribing and dispensing practices. The RetroDUR program fulfills this requirement with a quarterly newsletter, population-based interventions with prescribers and pharmacists, targeted prescriber and pharmacy interventions (based on retrospective member profile review) and other programs as deemed appropriate. It is necessary for the West Virginia Drug Utilization Review program to continue in order to receive Federal matching funds for outpatient prescription medications.

PART 3 PROCUREMENT SPECIFICATIONS AND DELIVERABLES

3.1. General Requirements:

The overall objective of a Retrospective Drug Utilization Review program is to improve the quality of pharmaceutical care delivered to patients with the resultant benefit of reducing sub-optimal drug utilization, improve member outcomes, and reduce unnecessary Medicaid program expenditures.

The vendor will provide Retrospective Drug Utilization Review Services for the Bureau. The services listed in Section 3.1 below shall be in accordance with security and privacy regulations of the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and state security and privacy regulations.

Mandatory Requirements

The vendor will:

3.1.1 Maintain a database of Medicaid members' medical and drug history claims which can be used to construct a medical and pharmacy profile of each Medicaid member. This database must be updated on a regular basis at a frequency requested by the Bureau. The vendor must collaborate with the Bureau's contract administrator of their Medical Management Information System (MMIS) to coordinate receipt of MMIS specifications, file layouts, etc. to enable access to each Medicaid member's claims based medical and drug history. The medical and drug history must identify the medical providers, prescribers and pharmacy providers for each service the member received.

3.1.2 Update the database with the most recent claims file received prior to each interrogation for member profile generation. The file must contain drug and diagnosis history data, including a summary of all diagnoses for which each member has received medical services

3.1.3 Supply a desktop application which provides access to the vendor's RetroDUR



database for designated Medicaid staff members. The application shall provide, at a minimum, access to Medicaid member medical and pharmacy profiles, prescriber profiling data, pharmacy provider data, the vendor's RetroDUR standard reports, and the capability for the Bureau to query the system and generate ad hoc reports. The vendor shall provide training for Medicaid staff members to enable them to utilize the database reporting tools.

3.1.4 Employ the most recent HIPPA requirements and standards for protection of Medicaid members' protected health information (PHI) in transferring information from the MMIS vendor to the RetroDUR database, in communicating information regarding Medicaid members to the Bureau, and for the desktop application provided for Medicaid staff members.

3.1.5 Utilize a retrospective drug utilization review system, capable of scanning member medical and drug profiles and identifying members at risk due to inappropriate drug therapy. The system must employ therapeutic criteria which is updated at least monthly, is based on current evidence based guidelines and is substantiated by references provided to the Bureau. The criteria must be consistent with the BMS Pharmacy Program policies, including the Preferred Drug List, prior authorized products and other specified guidelines for approval of selected drugs.

3.1.6 Propose a program for monthly member profile review and targeted prescriber and pharmacy provider interventions, based on the review of Medicaid member data compared with the therapeutic criteria exceptions detailed in 3.1.5. The vendor must also propose an effective method of communicating the results of those reviews with the prescriber and pharmacy communities.

3.1.7 Provide a reporting system which can generate monthly reports for the Bureau on the number of RetroDUR targeted interventions for prescribers and pharmacies performed, responses received, and the nature of the therapeutic criteria triggering the interventions. The system must also generate reports of responses to population-based educational interventions, cost savings from both targeted and population-based interventions, and ad hoc reports when requested.

3.1.8 Provide at least six population-based educational interventions and monthly targeted prescriber/pharmacy provider interventions based on utilization patterns reflected in the RetroDUR database or at the request of the Bureau.

3.1.9 Maintain a member lock-in program, based on member utilization of controlled substances. The program will include reviews of members identified in the RetroDUR database for potential overutilization of controlled substances, referrals of members to the Bureau for review, prescriber and member notification of lock-in consideration, prescriber and member notification of lock-in status, coordination with pharmacy providers for member lock-in, and method of periodic review of lock-in status for members. Members with prescriptions for Suboxone or Subutex must be included in the lock-in program if requested by the Bureau (approximately 1100 members).

3.1.10 Maintain a help desk for Medicaid prescribers, pharmacy providers and members to answer inquiries about the RetroDUR program and any communications that may be received by them regarding the program.



3.1.11 Provide quarterly newsletters, detailing BMS pharmacy policies, drug information and other relevant information for prescribers and pharmacy providers, Drug Utilization Review Board actions and other pertinent information regarding the Bureau's pharmacy services program. These newsletters must be mailed to Medicaid prescribers and pharmacy providers and also be available electronically on the BMS website.

3.1.12 Provide qualified staffing with experience in the administration of a RetroDUR program including a Medical Director, one or more pharmacists assigned to the Bureau's account, a database analyst, and any other staffing, agreed upon by the vendor and the Bureau, necessary to maintain an effective RetroDUR program.

3.1.13 Provide support for and attend quarterly Drug Utilization Review Board meetings, including submission of the meeting minutes to the Bureau within 10 days of the meeting.

3.1.14 Provide Retrospective DUR elements required for the annual CMS Report.

3.2 Scope of Work

The vendor should propose:

3.2.1 A RetroDUR system which is flexible, contains evidence based therapeutic criteria, reflects the most current standards of care, and allows for targeting multiple chronic disease states for appropriate drug therapy. The system should also have the capacity to review for appropriate laboratory tests or procedures required for monitoring drug therapy. This information should be used to evaluate the medical and pharmacy profiles of Medicaid members and identify exceptions to the therapeutic criteria.

3.2.2 A detailed program, including personnel to provide the clinical expertise to educate prescribers in writing and/or by personal contact, about the appropriate utilization and the potential for adverse outcomes that may occur when mental health agents are prescribed off-label, outside recommended dosage ranges, in therapeutic duplication with other agents, and outside recommended age ranges.

3.2.3 A detailed program, including personnel to provide the clinical expertise to educate prescribers in writing and/or by personal contact, about the appropriate utilization of opioid narcotic analgesics and the potential for adverse outcomes when prescribed off-label, above recommended dosages, and for extended durations of therapy.

3.2.4 A RetroDUR system which is updated at least monthly, taking newly marketed drugs, new indications for existing drugs, and new utilization protocols into account. The criteria provided with these updates should be used to scan the RetroDUR database member history and to identify Medicaid members with drug therapy that falls outside accepted therapeutic standards of treatment and has the potential to cause adverse outcomes for Medicaid members.

3.2.5 A method for regularly reviewing member history and communicating with prescribers and pharmacy providers when it is determined that a member's drug



treatment falls outside of accepted therapeutic standards and to assure that all communications by the vendor with prescribers and pharmacy providers are reviewed and approved by the Bureau.

3.2.6 Support for a RetroDUR Committee, if the vendor proposes profile review by a RetroDUR Committee as the most effective method for targeted provider intervention. The Committee, made up of healthcare professionals selected by the Bureau, should consist of no more than eight nor less than five members. This support should include training for Committee members and reimbursement of at least \$275.00 per member per month.

3.2.7 A monthly quality analysis of the member profile data for review to assure that it is current.

3.2.8 Member profiles which include, at a minimum, the therapeutic exception criteria triggering the review, references supporting the therapeutic criteria, the member's medical and pharmacy history including diagnoses, prescribers, pharmacy providers, prescription costs, the member's age, gender, and history of previous communications sent to their prescriber and/or pharmacy provider and the outcome of the communication. A sample of a profile currently produced by the vendor is suggested.

3.2.9 A detailed plan to effectively communicate the results of their patients' profile reviews to prescribers and pharmacy providers and to incorporate the costs of providing these communications in the vendor's RetroDUR program.

3.2.10 A detailed plan for tracking provider responses to communications, to monitor subsequent treatment of the members whose prescribers and/or pharmacy providers are targeted and to estimate the savings produced by the treatment changes.

3.2.11 Monthly reports to the Bureau summarizing the results of member profile data reviews, including prescribers and pharmacy providers targeted, responses to communications by the prescribers and pharmacy providers, and details regarding the nature of the therapeutic criteria exceptions triggering the communication. Samples of monthly and quarterly reports currently produced by the Vendor should be included with the proposal.

3.2.12 A reporting system capable of aggregating data regarding member diagnoses and treatment patterns, individual prescriber profiling, pharmacy provider profiling and aggregate utilization reports that could be used for development of population-based educational interventions with prescribers.

3.2.13 Recommendations to the Bureau and the DUR Board for clinical edits and prior authorization criteria for certain drugs based on findings from retrospective reviews of member history.

3.2.14 Recommendations to the Bureau for edits on drugs which cause errant billing and outlier claims, based on utilization data

3.2.15 Population-based educational interventions targeted at prescribers and pharmacy providers identified in monthly reviews of member pharmacy and medical history based



on therapeutic criteria exceptions, requests from the Bureau, or requests from the DUR Board. Samples of currently utilized population-based interventions are suggested as part of the proposal.

3.2.16 A method of tracking the outcomes of interventions and savings generated as a result.

3.2.17 A detailed description of a lock-in program currently provided by the Vendor and samples of communications currently utilized in the program.

3.2.18 Samples of articles developed for a quarterly newsletter based on findings from Medicaid member data review, current literature regarding new drugs or new indications, treatment guidelines, pharmacy program policies. A sample of a newsletter produced for a current account is desired.

3.3 Special Terms and Conditions

3.3.1 *Bid and Performance Bonds*: Non-applicable.

3.3.2 *Insurance Requirements*:

The vendor, as an independent contractor, is solely liable for the acts and omissions of its employees and agents. Proof of insurance shall be provided by the vendor at the time the contract is awarded. The vendor shall maintain and furnish proof of coverage of liability insurance for loss, damage, or injury (including death) of third parties arising from acts and omissions on the part of the vendor, its agents and employees in the following amounts:

- a) For bodily injury (including death): \$500,000.00 per person, up to \$1,000,000.00 per occurrence.
- b) For property damage and professional liability: Up to \$1,000,000.00 per occurrence.

3.3.3 *License Requirements*:

Provide certification that vendor is registered with the Secretary of State's Office to do business in West Virginia; provide evidence that vendor is in good standing with the State Agency of Employment Programs as to Unemployment Compensation coverage and Worker's Compensation coverage or exempt from such coverage.

3.3.4 *Litigation Bond*: Non-applicable.

3.3.5 *Debarment and Suspension*:

Vendor will not be considered in proposal process if debarred or suspended. Vendor must certify that are not debarred or suspended. Successful vendor must certify that no entity, agency or person associated with the Vendor is debarred or suspended.

PART 4 PROPOSAL FORMAT AND RESPONSE REQUIREMENTS

Technical Proposal Format.



Only proposals meeting the Mandatory Proposal Requirements will have their Technical Proposals reviewed. This review includes:

- Vendor Capacity, Qualifications and Experience
- Qualified Personnel and Location
- Approach and Methodology
- Scope of Work Specifications and Deliverables

The proposal should be formatted in the order shown here, providing the information specified as follows:

Title page. Should state the RFP Subject and number, the name of the vendor, vendor's business address, telephone number, name of authorized contact person to speak on behalf of the vendor, dated and signed by a person authorized to commit the vendor. Such authorization to commit will be included in writing, such as Board of Directors minutes, Delegation of Authority, etc.

Transmittal Letter. A transmittal letter signed in blue ink by an official authorized to bind the vendor to proposal provisions must accompany the proposal. The transmittal letter must be placed immediately behind the Title Page of the General Technical section. The letter must include a statement that the RFP terms are accepted. Vendors must also include a statement in the letter certifying that the price was arrived at without any conflict of interest.

Table of Contents. Clearly identify the material by section and page number.

Executive Summary. Provide a brief summary of the proposal's contents, emphasizing any unique aspects or strengths of the proposal. The executive summary should not exceed three pages.

Location. Indicate the site or sites from which the vendor and subcontractors, if any, will perform the relevant tasks listed in the proposal.

Relevant Experience. Proposals shall include at least three (3) business references that demonstrate the vendor's prior experience in areas for which services are being offered. Each reference shall include the contact name, address and telephone number of the client, organization, and the responsible project administrator familiar with the firm's performance. Include a description of the services the vendor is providing to these clients. The Bureau reserves the right to request additional references.

Project Approach and Solution. Provide a detailed proposal for providing the services as described in Section 3 (Scope of Work). The purpose of this summary information is to provide the Bureau with a high-level understanding of the vendor's proposed solution. This narrative should be written for the end user community.

Vendor Staffing. The vendor is responsible for providing all resources necessary to fulfill the mandatory requirements as specified in this RFP.

Special Terms and Conditions. Describe any special terms and conditions required to fulfill this contract. The Bureau must be informed of any terms, conditions, and/or limitations of the vendor prior to entering into contract negotiations.



Signed Forms. Complete and sign all necessary forms, such as the affidavit and the cost summary

Cost Summary

The vendor must complete the attached Cost Summary Form. Vendors should not alter the Cost Summary Form in any way without explicit acceptance by the Bureau. This section of the RFP response should be no more than one page in length. The Cost Summary must be submitted in a sealed envelope, separate from the Technical Proposal.

FIRM PRICING ONLY WILL BE ACCEPTED

Each cost summary will be evaluated by use of the following formula for all vendors who attained the Minimum acceptable score only:

$$\frac{\text{Lowest price of all proposals}}{\text{Price of Proposal being evaluated}} \times 30 = \text{Price Score}$$



COST SUMMARY

Data Collection	
Retrospective Drug Utilization Review (includes claims based data review, member profiling and review, review committee reimbursement, communications with prescribers and pharmacy providers, and desktop RetroDUR database application for the Bureau)	
Educational Programs for Prescribers and Pharmacy Providers, including Population-Based Interventions)	
Quarterly Newsletter	
Lock-In Program	
Reports (Monthly, Quarterly and Annually, including required elements of the CMS annual report	
Total Annual Costs	

Bidder

Signature

Date

Title
