

The State of West Virginia

Bureau for Medical Services



Request for Quotation MED12007

Preferred Drug List Maintenance and Related Professional 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 RFQ 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.

Quotations 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



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SECTION ONE: GENERAL INFORMATION

1.1 Purpose: The Bureau for Medical Services, hereinafter referred to as the “Bureau” or “BMS,” is soliciting bids pursuant to **West Virginia Code** §9-2-9b and the Medicaid Services Contracts Purchasing Methodology and Manual to provide clinical and contracting services to support the BMS Preferred Drug List (PDL) and State Maximum Allowable Cost (SMAC) programs. The Vendor reviews new and/or modified National Drug Codes (NDC) for possible inclusion in the PDL for the Medicaid program. The Vendor is also responsible for multiple source and specialty drug pricing.

1.2 Definition: A Request for Quotation (RFQ) is generally used for the procurement of services in situations where conformity to specifications and price are the only factors used in the evaluation process.

1.2.1 Compliance with Laws and Regulations: The Vendor shall procure all necessary permits and licenses to comply with all applicable Federal, State, or municipal laws, 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 shall be borne by the Vendor. It is clearly understood that the Bureau and State of West Virginia are exempt from any taxes regarding performance of the scope of work of this contract.

1.3 Schedule of Events:

Vendor's Written Questions Submission Deadline.....07/29/11
Addendum Issued.....08/12/11
Bid Opening Date.....08/26/11

1.4 Inquiries: No contact between the Vendor and the Bureau is permitted without the express written consent of the Office of Purchasing. Violation may result in rejection of the bid. The Buyer named below is the sole contact for any and all inquiries after this RFQ has been released.

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

1.5 Verbal Communication: Any verbal communication between the Vendor and any Bureau personnel is **not** binding. Only information issued in writing and added to the RFQ specifications by an official written addendum by the DHHR Office of Purchasing is binding.



- 1.6 **Addenda:** If it becomes necessary to revise any part of this RFQ, an official written addendum will be issued by the DHHR Office of Purchasing.

SECTION TWO: PROJECT SPECIFICATIONS

- 2.1 **Location:** Bureau is located at 350 Capitol Street, Room 251, Charleston, WV 25301.

- 2.2 **Background and Current Operating Environment:** The West Virginia Medicaid program is managed by BMS, a bureau within the Department of Health and Human Resources (DHHR). The total Medicaid expenditures for SFY2010 were approximately \$2.5 billion. The Medicaid program provides health care benefits to just over 411,000 people annually in 55 counties, using a network of approximately 24,000 active providers. The approximate number of pharmacies enrolled with WV Medicaid is 700, with approximately 1,700 prescribers. The Medicaid Management Information System (MMIS) processes about 17.7 million claims per year: 9.5 million medical/dental claims and 8.2 million pharmacy claims. Approximately 99% of pharmacy claims are received electronically.

Approximately 165,000 Medicaid members (families with dependent children, low-income children, and pregnant women) are enrolled in three (3) managed care organizations (MCOs). The Medicaid program has historically paid for certain carved-out services for these MCO members, such as pharmacy, children's dental services, long-term care, non-emergency transportation, and behavioral health services. Regardless of eligibility category, all Medicaid eligible members have fee-for-service (FFS) pharmacy benefits.

Preferred Drug List: During the 2002 Legislative session, West Virginia Code §9-5-15 was passed into law which authorizes the Secretary of the West Virginia Department of DHHR to create a preferred drug list (PDL) and seek supplemental rebates for drugs covered under the Medicaid program. It states that:

"...The Secretary of the department of health and human resources has the authority to develop a preferred drug list, in accordance with federal law, which shall consist of federally approved drugs. The department, through administration of the Medicaid program, may reimburse, where applicable and in accordance with federal law, entities providing and dispensing prescription drugs from the preferred drug list.

The Secretary of the department is hereby authorized to negotiate and enter into agreements with pharmaceutical manufacturers for supplemental rebates for Medicaid reimbursable drugs."

A Pharmaceutical and Therapeutics (P & T) Committee was appointed by the Secretary of the West Virginia DHHR. The services of a vendor, Provider Synergies, LLC, were procured pursuant to a sole-source contract. The first Committee meeting was held in September 2002. A State Plan Amendment was filed with the Centers for Medicare and Medicaid Services (CMS) to implement a preferred drug list and seek supplemental rebates. The Amendment was approved on January 6, 2003.



In May 2005, West Virginia joined the states of Maryland and Louisiana to form a multi-state purchasing pool named TOP\$ (The Optimal PDL \$olution) administered by Provider Synergies, LLC. CMS approved the State Plan Amendment to allow the State's participation in TOP\$ on May 27, 2005.

In October 2007, the Bureau for Medical Services contracted with Goold Health Systems (GHS) pursuant to RFP# BMS70643 for PDL and SMAC services. With the issuance of this new contract BMS was required to withdraw from the TOP\$ pool, acting in a single-state capacity. In 2008, BMS joined the Sovereign States Drug Consortium (SSDC), with CMS' approval.

The SSDC is a state-administered Medicaid supplemental rebate program that allows participating states to pool their prescription utilization numbers to obtain supplemental rebates from pharmaceutical manufacturers. SSDC member states are Iowa, Maine, Oregon, Utah, Vermont, West Virginia, and Wyoming, with Vermont acting as the lead state. Member states participate through a Memorandum of Understanding (MOU). GHS is currently the SSDC's rebate negotiating vendor.

The WV Medicaid P & T Committee currently meets three (3) times per year and, as needed, to address PDL issues. One (1) annual meeting includes a comprehensive review of all therapeutic classes contained within the PDL. Two (2) subsequent meetings are used to review new drugs, additional therapeutic classes, or major changes in therapeutic classes. Additional meetings are held if significant changes occur that require review by the P & T Committee.

The current PDL contains approximately seventy (70) therapeutic classes. The most recent copy of the PDL and other information regarding the pharmacy program may be found on the BMS website,

<http://www.dhhr.wv.gov/bms/Pharmacy/Pages/NewPreferredDrugList.aspx>.

Prior authorization is required for non-preferred drugs and selected preferred drugs. Criteria for coverage are developed with the advice of the Drug Utilization Review (DUR) Board, the PDL Vendor, and BMS clinical staff. The Medicaid program currently utilizes the services of the West Virginia University School of Pharmacy's Rational Drug Therapy Program (RDTP) for prior authorization operations.

BMS intends to manage diabetic supplies using rebates negotiated through the SSDC during the 2012 State Fiscal Year.

State Maximum Allowable Cost (SMAC): The Bureau for Medical Services reimburses pharmacies for Medicaid-covered drugs, in general, based on the lowest possible price using the following pricing methodologies:

- the provider's usual and customary charge to the general public; or
- the Federal Upper Limit (FUL) as established by CMS, plus a professional dispensing fee of \$5.30; or
- the Estimated Acquisition Cost (EAC) defined as the average wholesale price minus 15 percent, plus a dispensing fee of \$2.50 for brand name drugs and



average wholesale price minus 30 percent, plus a dispensing fee of \$5.30 for multiple source drugs; or

- the State Maximum Allowable Cost (SMAC) as established by BMS, plus a dispensing fee of \$5.30 for multiple source drugs or \$2.50 for specialty drugs (State Plan Amendment pending).

The first SMAC list was implemented in 2005 upon CMS approving the methodology for determining SMAC pricing. The current SMAC list can be found on the BMS website at <http://www.dhhr.wv.gov/bms/Pharmacy/Pages/NewPreferredDrugList.aspx>. The SMAC pricing file is updated at least quarterly and as needed in response to pricing dispute resolution.

2.3 Mandatory Requirements: The following mandatory requirements must be met by the Vendor as a part of the submitted quotation. Failure on the part of the Vendor to meet any of the mandatory specifications shall result in the disqualification of the quotation. The terms “must,” “will,” “shall,” “minimum,” “maximum,” or “is/are required” identify a mandatory item or factor. Decisions regarding compliance with any mandatory requirements shall be at the sole discretion of the Bureau.

2.3.1 Must comply with requirements listed in Attachment B.

2.3.2.1 Deliverable: PDL and SMAC Program Management Services

The Vendor with Medicaid experience will provide a package of Preferred Drug List (PDL) and State Maximum Allowable Costs (SMAC) services.

Requirements:

2.3.2.1.1 The Vendor shall have a minimum of five (5) years experience implementing and managing Medicaid PDL and SMAC programs.

2.3.2.1.2 The Vendor shall provide program management and coordination of PDL and SMAC activities with BMS, the State’s Medicaid Fiscal Agent, the P & T Committee, the prior authorization vendor, the SSDC and its vendor.

2.3.2.1.3 The Vendor shall comply with all federal regulations, including confidentiality of all rebate-related data, and the State Plan filed and approved by CMS.

2.3.2.1.4 The Vendor shall be available for appearances before the West Virginia Legislature or other interested parties as requested by BMS at a minimum of four (4) and maximum of six (6) times per calendar year.

2.3.2.1.5 The Vendor shall facilitate status meetings with BMS including providing meeting agendas and minutes. Status meetings will be held on an agreed upon schedule by BMS and the Vendor, at a minimum of weekly via conference call.

2.3.2.2 Deliverable: Implementation Plan

Vendor shall submit with their quotation an Implementation Plan that demonstrates the Vendor’s ability to assume the responsibilities of the Bureau’s PDL and SMAC programs upon award of this contract.



Requirements:

2.3.2.2.1 The Implementation Plan must describe major task assignments considered to meet PDL and SMAC program requirements including the resources assigned to the major tasks.

2.3.2.2.2 The Implementation Plan shall include timeframes for which major tasks will be completed.

2.3.2.2.3 The Implementation Plan shall include the Vendor's strategies for communication and outreach to the Bureau and the Bureau's PDL and SMAC partners regarding PDL and SMAC program services, including but not limited to, project start-up, project status, project updates, and project reassignments.

2.3.3 Staffing: The Vendor will provide staff with Medicaid experience to work cooperatively with BMS and its partner vendors to assist in managing the State's Preferred Drug List (PDL) and State Maximum Allowable Costs (SMAC) services.

2.3.3.1 Deliverable: Vendor Staffing Plan

Vendor shall submit with their quotation the names and resumes for key staff assigned to, at a minimum, the following roles: account manager, clinical pharmacist, physician, rebate manager and SMAC pricing manager.

Requirements:

2.3.3.1.1 For all key staff, the Vendor must demonstrate past experience specifically related to implementing and managing PDL and SMAC services, with a minimum of three (3) years Medicaid experience.

2.3.3.1.2 Both Vendor and its proposed staff must have direct experience with Medicaid programs implementing and managing PDL and SMAC programs in other states, demonstrated by providing a minimum of two (2) state references, other than West Virginia, that validate the scope of work performed.

2.3.3.1.3 Vendor shall provide an account manager that will be available by telephone and email at a minimum during business hours of 8AM to 5PM Eastern Time, Monday through Friday. This person is responsible for the overall operations of the contract deliverables.

2.3.3.1.4. Vendor shall provide a clinical pharmacist with a Doctor of Pharmacy level degree, actively licensed with the Board of Pharmacy for the state in which they are employed, with a minimum of three (3) years Medicaid PDL experience. This clinical pharmacist shall attend P & T Committee meetings in person, offer advice to BMS on clinical issues relating to the PDL, attend in person quarterly Drug Utilization Review Board meetings, and be available by telephone and/or email to BMS during business hours of 8AM to 5PM Eastern Time, Monday through Friday.

2.3.3.1.5 Vendor shall provide for the services of a physician, actively licensed with the Board of Medicine or Osteopathic Medicine for the state in which they are employed with a minimum of three (3) years Medicaid PDL experience. This physician shall attend P & T Committee meetings in person, offer advice to BMS on



clinical issues relating to the PDL, and be available by telephone and/or email to BMS during business hours of 8AM to 5PM Eastern Time, Monday through Friday.

2.3.3.1.6 Vendor shall provide for the services of a rebate manager with a minimum of three (3) years Medicaid PDL contracting services. This individual shall be available to BMS by telephone and email at a minimum during business hours of 8AM to 5PM Eastern Time, Monday through Friday. This individual is responsible for, at a minimum, completion and management of all supplemental rebate contracts, contract tracking, contract status, contract disputes, and data files and reports for rebate invoicing.

2.3.3.1.7 Vendor shall provide support staff to the rebate manager for BMS supplemental rebate contracting services.

2.3.3.1.8 Vendor shall provide for the services of a SMAC pricing manager with a minimum of three (3) years Medicaid generic pricing. This individual shall be available to BMS by telephone and email at a minimum during business hours of 8AM to 5PM Eastern Time, Monday through Friday. This individual is responsible, at a minimum, for management of the SMAC program, oversight of the selection of generic and specialty drugs to which SMAC prices will be applied, calculation and tracking SMAC pricing, providing documentation for price posting, and advising BMS when pricing disputes occur.

2.3.3.1.9 Vendor attendants shall be consistent at meetings. Attendant changes for any given meeting shall be approved by the Bureau five (5) business days prior to the P & T Committee meeting.

2.3.3.1.10 Vendor shall provide access by telephone and/or email to a Board certified psychiatrist physician for clinical advice to BMS during business hours of 8AM to 5PM Eastern Time, Monday through Friday.

2.3.3.1.11 Vendor will supply and staff a toll-free phone line for pharmacy providers regarding SMAC and other drug pricing issues from 9AM to 5PM Eastern Time Monday through Friday.

2.3.3.1.12 Changes in staff regarding the account manager, clinical pharmacist, physician, rebate manager and SMAC pricing manager shall be approved by the Bureau.

2.3.4 Pharmaceutical and Therapeutics Committee: Vendor will provide support for and develop clinically sound and cost-effective recommendations to the Medicaid Pharmaceutical and Therapeutics (P & T) Committee to refine and manage the Preferred Drug List (PDL) as follows.

2.3.4.1 Deliverable: Meeting Materials and Facilitation for the West Virginia Medicaid Pharmaceutical and Therapeutics (P & T) Committee

Vendor will facilitate, present clinical and cost information, and develop, print, copy, collate and distribute meeting materials such as, but not limited to agendas, minutes,



reports and handouts for all P & T Committee meetings throughout the year as approved by BMS.

Requirements:

2.3.4.1.1 The Vendor will develop and provide P & T Committee meeting agendas for each P & T Committee meeting at a minimum of thirty-five (35) calendar days prior to meetings. Content shall be approved by BMS for release.

2.3.4.1.2 Vendor physician(s) and clinical pharmacist(s) shall review therapeutic classes including new medications or indications as approved by the Food and Drug Administration (FDA) and present in person recommendations to the P & T Committee and BMS for appropriate revisions to the PDL.

2.3.4.1.3 Meeting documents shall be provided to BMS and Committee members fourteen (14) calendar days prior to meetings.

2.3.4.1.4 The Vendor will provide meeting minutes for all P & T Committee meetings. Meeting minutes will follow the current format as found on BMS' website, <http://www.dhhr.wv.gov/bms/Pharmacy/PharmaceuticalandTherapeuticsCommittee/Pages/default.aspx>.

2.3.4.1.5 Meeting minutes will be due no later than ten (10) business days after each P & T Committee meeting.

2.3.4.2 Deliverable: Therapeutic Class Reviews/Monographs

All medications available in a therapeutic class will be reviewed, at a minimum, for comparative efficacy, safety, side effects, dosing, prescribing trends and indications, and cost efficiencies of each drug within the therapeutic class. These reviews will be delivered as monographs. Vendor shall submit a monograph example with their quotation.

Requirements:

2.3.4.2.1 No later than fourteen (14) calendar days prior to each P & T Committee meeting, Vendor will provide to BMS and all P & T Committee members concise and systematic reviews of each therapeutic class or specific drugs to be presented for review by the P & T Committee. Vendor will supply therapeutic class monographs for the P & T Committee and BMS. The Vendor will be responsible for delivering the monographs and any other information needed for the P & T Committee meeting to each P & T Committee member and BMS. The Vendor shall be responsible for delivery costs for P & T Committee meeting materials.

2.3.4.2.2 The monograph shall provide recommendations as to preferred/non-preferred status for each drug on the PDL within each class based on current clinical and cost data.

2.3.4.2.3 The Vendor shall update and keep current all therapeutic class monographs using peer reviewed reference materials and must grade the strength of evidence used. Monographs shall be updated no less than annually.



2.3.4.2.4 The Vendor shall review new drugs or drug formulations using a schedule agreed to by the Vendor and BMS, at a minimum quarterly.

2.3.4.2.5 If a new drug or drug formulation fits in a category already established, the Vendor shall advise the P & T Committee as to how it compares to other drugs in its class.

2.3.4.2.6 Vendor must incorporate generic drugs into the PDL maximizing the use of the most cost-effective drugs for inclusion on the PDL.

2.3.4.3 Deliverable: SSDC-Negotiated Supplemental Rebates and Financial Analyses

At each P & T Committee meeting, Vendor will provide to all members of the P & T Committee and BMS staff, as appropriate, SSDC-negotiated supplemental rebates and financial analysis information for each therapeutic class or specific drugs under review by the P & T Committee. Drug rebate information shall be kept confidential as required by 42 USC 1396r-8(b)(3)(D).

Requirements:

2.3.4.3.1 Vendor will provide financial information for the P & T Committee for each therapeutic class at least annually, and new drugs as they are reviewed by the P & T Committee at least quarterly, in a format that contains at a minimum, drug class, drug name, brand/generic status, current PDL status, average quantity dispensed per prescription, net cost (after all rebates) per prescription.

2.3.4.3.2 Vendor must incorporate SSDC negotiated pricing into its PDL business model, analyze SSDC pricing, and produce recommendations for a PDL using SSDC negotiated pricing.

2.3.5 Preferred Drug List: Vendor will manage the Bureau's PDL, including but not limited to, the production of documents and data needed for claims processing, and PDL updates as recommended by the P & T Committee, that are approved by the Bureau and the Secretary of DHHR.

2.3.5.1 Deliverable: Preferred Drug List

Vendor will work cooperatively with BMS and SSDC partners to refine and manage a Preferred Drug List (PDL) that is clinically sound, cost-effective, and minimally disruptive to WV Medicaid members and their providers.

Requirements:

2.3.5.1.1 The Vendor must assure that the PDL is in compliance with all applicable Federal and State statutes and regulations and the State Plan approved by CMS.

2.3.5.1.2 Vendor will prepare the PDL documents in a file format that is compatible with the WV Office of Technology currently supported versions of Microsoft™ Office Suite to be displayed on the BMS website for interested parties.

2.3.5.1.4 Vendor will apply an effective date and a unique version number for each PDL.



2.3.5.1.5 At a minimum, the Vendor shall update the PDL after each P & T Committee meeting and when major changes are made to the PDL, at a minimum of monthly.

2.3.5.1.6 Vendor will assist in development of step-care therapy and prior authorization (PA) criteria to promote appropriate drug utilization and to enhance PDL compliance and achieve optimal savings. Vendor will update the PDL document when PA criteria is changed or updated by the DUR Board and issue an updated version for web posting, at a minimum of monthly.

2.3.5.1.7 Vendor will provide written evaluations of Value Added Programs offered in lieu of supplemental rebates, such as disease management programs.

2.3.5.2 Deliverable: PDL Data Files

Vendor will provide the PDL data files for exportation to external sources, including but not limited to the Bureau's Fiscal Agent.

Requirements:

2.3.5.2.1 Vendor will provide the PDL data files in a file format that is compatible with the WV Office of Technology currently supported versions of Microsoft Office™ Suite.

2.3.5.2.2 Vendor will provide the PDL data files in accordance with a schedule agreed upon by the Bureau and Vendor, at a minimum of weekly.

2.3.5.3 Deliverable: PDL Communication and Documentation

Vendor will assist the Bureau in developing documents and responding to inquiries regarding the PDL.

Requirements:

2.3.5.3.1 Vendor will draft letters and/or make telephone calls that respond to inquiries from providers and other interested parties concerning the PDL within five (5) business days of the receipt of the inquiry.

2.3.5.3.2 The Vendor shall assist the Bureau with State Plan Amendments related to the PDL.

2.3.5.3.3 The Vendor must develop, create, and mail to prescribers and pharmacies quarterly newsletters regarding changes to the PDL and other pharmacy program updates in a file format that is compatible with the WV Office of Technology currently supported versions of Microsoft Office™ Suite. Content and schedule must be approved by BMS, at a minimum of quarterly.

2.3.6 Supplemental Rebate Administration:

2.3.6.1 Deliverable: Supplemental Rebate Contract Administration

Vendor will work cooperatively with BMS, the SSDC's partners and the Bureau's Fiscal Agent to assist the State in supplemental rebate contract administration.



Requirements:

2.3.6.1.1 All supplemental rebate agreements/contracts will be made between the West Virginia Department of Health and Human Resources, Bureau for Medical Services, and the pharmaceutical manufacturers using the CMS approved template. These documents must be in a file format that is compatible with the WV Office of Technology currently supported versions of Microsoft Office™ Suite.

2.3.6.1.2 Vendor will work with SSDC partners to accurately determine supplemental rebate contract data.

2.3.6.1.3 Vendor will produce and facilitate the signing of supplemental rebate contracts with pharmaceutical manufacturers, the Bureau, and the Secretary of DHHR.

2.3.6.1.4 Vendor will track contracts and documents at all points from origin to completion.

2.3.6.1.5 The Vendor will assume administration of existing supplemental rebate agreements/contracts.

2.3.6.1.6 Vendor will maintain the Bureau's supplemental rebate agreements/contracts separately from its other clients, while assuring strict confidentiality and controls that meet State and Federal requirements.

2.3.6.1.7 Vendor will assure that both BMS and manufacturers receive an original signed agreement/contact.

2.3.6.2 Deliverable: Supplemental Unit Rebate Amounts (SURA) File

Vendor will provide an electronic file containing calculated supplemental unit rebate amounts (SURA) to BMS and its Fiscal Agent.

Requirements:

2.3.6.2.1 Vendor will provide SURA files to the Bureau and its Fiscal Agent within sixty (60) calendar days of the end of a quarter, in a file format that is compatible with the WV Office of Technology currently supported versions of Microsoft Office™ Suite.

2.3.6.2.2 Vendor will provide data, including but not limited to current and prior quarter adjustment data necessary for BMS to invoice manufacturers on a quarterly basis for supplemental rebates in a file format that is compatible with the WV Office of Technology currently supported versions of Microsoft Office™ Suite.

2.3.6.2.3 Vendor must coordinate supplemental rebate submission with submission of traditional Federal rebates.

2.3.6.2.4 Vendor will provide necessary documentation to the Bureau and/or its designee to support supplemental rebate invoicing at the NDC level in a file format that is compatible with the WV Office of Technology currently supported versions of Microsoft Office™ Suite.



2.3.6.3 Deliverable: Dispute Resolution Services

Vendor will assist the Bureau and/or its designee in dispute resolution activities with pharmaceutical manufacturers as they pertain to supplemental rebate calculations and contracts.

Requirements:

2.3.6.3.1 Vendor will communicate directly with manufacturers to resolve disputes arising from supplemental rebate calculations or contract issues within five (5) business days of receipt of the dispute.

2.3.6.3.2 Vendor will communicate directly with manufacturers regarding unpaid supplemental rebates upon request by BMS.

2.3.6.3.3 Vendor will communicate the resolution of disputes in a written document to BMS, within one (1) business day of resolution.

2.3.7 State Maximum Allowable Cost Program: Vendor will assume administration of the current State Maximum Allowable Cost (SMAC) program. Vendor will create, refine and maintain the SMAC program for multiple source drug products, specialty drugs, and supplies tailored to the marketplace in West Virginia.

2.3.7.1 Deliverable: State Maximum Allowable Cost (SMAC) List

Vendor will provide a SMAC list with updates as to SMAC costs associated with multiple source drug products, specialty drugs, and supplies for the West Virginia Medicaid program.

Requirements:

2.3.7.1.1 Vendor will submit the SMAC list in a file format that is compatible with the WV Office of Technology currently supported versions of Microsoft Office™ Suite.

2.3.7.1.2 Vendor will ensure that each SMAC list submitted has an effective date and a unique version number.

2.3.7.1.3 Vendor will update the SMAC list no less than quarterly, and as modifications occur.

2.3.7.1.4 Vendor will update the Fiscal Agent with SMAC changes approved by the Bureau.

2.3.7.1.5 Vendor will coordinate activities with the Fiscal Agent to support the implementation and updates of the SMAC list.

2.3.7.1.6 Vendor will actively pursue opportunities for expansion of the SMAC pricing list and regularly report the Vendor's SMAC activities in a schedule to be determined by BMS, at a minimum of monthly.

2.3.7.1.7 Vendor will collect acquisition cost data and other required source information to support SMAC pricing.



2.3.7.1.8 Vendor will prepare for, attend in person and facilitate the meetings with the provider industry, interested parties, and internal work groups in regard to the SMAC program, at a minimum of quarterly.

2.3.7.1.9 Vendor will develop alternative SMAC reimbursement models for the Bureau's consideration when requested by BMS, at a minimum annually.

2.3.7.1.10 Vendor will coordinate the addition of drugs for SMAC pricing with drugs in the same therapeutic category on the PDL to ensure that the PDL and SMAC activities result in the most cost effective results.

2.3.7.2 Deliverable: WV Provider Pricing Support and Dispute Resolution

The Vendor must provide outreach services to WV Medicaid providers regarding Medicaid pharmacy pricing issues and the SMAC program. The Vendor will answer, log and respond to calls from pharmacy providers and resolve disputes related to pricing. The Vendor will summarize provider support activities including open pricing disputes.

Requirements:

2.3.7.2.1 Vendor will establish a toll-free phone line and will be responsible for logging and responding to calls from providers regarding pharmacy pricing issues. The toll free phone line must be available Monday through Friday from 9AM to 5PM Eastern Time.

2.3.7.2.2 Responses to providers acknowledging disputes must occur within one (1) business day of receipt.

2.3.7.2.3 Resolution of pricing disputes must be submitted to BMS within fourteen (14) calendar days of the date of the complaint.

2.3.8 Reports: The Vendor will provide a suite of reports for BMS which reflect the components necessary to manage the PDL and SMAC programs.

2.3.8.1 Deliverables: Standard Reports

The Vendor shall develop standard reports desired by the Bureau. Reports requested under this contract shall include but not be limited to those listed below. For purposes of cost estimation, vendors may assume a maximum of eighteen (18) standard reports. All reports shall be in a format that is compatible with the WV Office of Technology currently supported versions of Microsoft Office™ Suite.

Requirements:

2.3.8.1.1 The Vendor shall work with the Bureau using a standardized process to define and develop standard reports including initial release notes with calculation methodologies, and prototype.

2.3.8.1.2 The Vendor must deliver standard reports desired by the Bureau. Additional reports required by BMS will be delivered based on an approved schedule. The Vendor shall bid an all inclusive per report cost for additional standard reports desired by BMS.



Standard Reports:

2.3.8.1.3 **BMS Pharmacy Utilization:** At a minimum, these reports will include eight (8) statistical graphs as listed below. At a minimum, these reports shall be provided monthly and annually. These reports will reflect a rolling twenty-four (24) month display of pharmacy pre-rebate expenditures.

- a) **Average Dollars Paid Amount per Member User**
- b) **Total Dollars Paid**
- c) **Total Dollars Paid by Brand and by Generic**
- d) **Average Generic Drug Prescription Cost**
- e) **Average Brand Drug Prescription Cost**
- f) **Percent of Generic Drugs by Number of Prescriptions**
- g) **Average Number of Prescriptions per Member User**
- h) **Average Paid Amount per Prescription**

2.3.8.1.4 **BMS Summary Monthly and Annual Reports:** These reports are comprised of six (6) data series listed below. At a minimum, these reports shall be provided monthly and annually.

- a) **WV Monthly and State Fiscal Year Statistics:** This report shall compare the current month to the same month for the previous year; summarize the calendar year-to-date for the current month and the previous calendar year-to-date; shall contain the total amount paid, number of users, total number of prescriptions, average prescriptions per member user, average cost per prescription; number of generic prescriptions, percentage of generic prescriptions paid compared to the overall amount paid for all prescriptions, total amount paid for generic prescriptions, average generic prescription cost, average days supply for generic prescriptions, number of brand prescriptions, percentage of brand prescriptions paid compared to the overall amount paid for all prescriptions, total amount paid for brand prescriptions, average brand prescription cost, average days supply for brand prescriptions.
- b) **Top 20 Therapeutic Classes by Dollars:** This report shall list the therapeutic class description, ranking based on amount paid, comparison from the previous year for the same period, and the percentage change from the previous year period, the percent of the overall pharmacy expenditures for the period and the percent of the overall pharmacy expenditures for the previous year period.
- c) **Top 20 Drugs by Dollars:** This report shall list the drug description, ranking based on amount paid, comparison from the previous year for the same period, and the percentage change from the previous year period, the percent of the overall pharmacy expenditures for the period and the percent of the overall pharmacy expenditures for the previous year period.



- d) **Top 20 Therapeutic Classes by Utilization:** This report shall list the therapeutic class description, ranking based on number of prescriptions, comparison from the previous year for the same period, and the percentage change from the previous year period, the percent of the overall number of prescriptions for the period and the percent of the overall number of prescriptions for the previous year period.
- e) **Top 20 Drugs by Utilization:** This report shall list the drug description, ranking based on number of prescriptions, comparison from the previous year for the same period, and the percentage change from the previous year period, the percent of the overall number of prescriptions for the period and the percent of the overall number of prescriptions for the previous year period.
- f) **Top 20 Prescribing Providers:** This report shall list for both numbers of prescriptions prescribed and by amount paid for prescriptions prescribed: the prescriber NPI, prescriber name, total amount of prescription costs for prescribed drugs, total number of paid prescriptions prescribed, number of members for which prescriptions were prescribed, average price of paid prescriptions prescribed.

2.3.8.1.5 **Marketshare Summary Report:** This report shall list the PDL therapeutic classes individually and unmanaged products collectively. The reports shall provide the number of prescriptions for managed drugs within a therapeutic class, marketshare percentage for managed drugs within a therapeutic class, number of prescriptions for unmanaged drugs within a therapeutic class, and marketshare percentage for unmanaged drugs within a therapeutic class. At a minimum, this report must be provided quarterly.

2.3.8.1.6 **Therapeutic Class Marketshare Report:** This report shall display within each therapeutic class, the drug name, brand or generic status, PDL status, number of units dispensed, number of paid prescriptions for the period, percentage of prescription marketshare within the therapeutic class, average units per prescription, pre-rebate paid amount, and average expenditure per prescription. At a minimum, this report must be provided quarterly.

2.3.8.1.7 **Generic Compliance Report:** This report will show the total number of prescriptions of brand versus generic drugs for a specific timeframe. This reports shall display the PDL managed therapeutic classes and report the number of prescriptions, number of units paid, total paid amount, generic percentage for the therapeutic class, and the generic percentage for the previous quarter. In addition, this report shall report the overall generic percentage of managed and unmanaged products. At a minimum, this report must be provided quarterly.



- 2.3.8.1.8 **PDL Compliance Report:** This report will show the percent compliance with the Preferred Drug List. This report shall display the PDL managed therapeutic classes and report the number of prescriptions, number of units paid, total paid amount, percentage of preferred products paid for the therapeutic class, and the percentage of preferred products paid for the previous quarter. In addition, this report shall report the overall preferred percentage of managed and unmanaged products collectively. At a minimum, this report must be provided quarterly.
- 2.3.8.1.9 **Rebate Dispute Status Report:** No later than fourteen (14) calendar days after the end of each month, the Vendor will submit a written report detailing the status of any disputes that the Pharmacy Program has requested the Vendor to assist in resolving. At a minimum, this report must be provided monthly.
- 2.3.8.1.10 **SMAC Savings Report:** This report will document savings generated from the SMAC pricing program. At a minimum, this report must be provided quarterly.
- 2.3.8.1.11 **PDL Savings Report:** This report will document savings generated from the PDL. At a minimum, this report must be provided quarterly.
- 2.3.8.1.12 **SMAC Savings Beyond Aggregate FUL Cap:** This report will document assurances that generic pricing is in compliance with 42 CFR 447.332. At a minimum, this report shall be provided quarterly.
- 2.3.8.1.13 **WV Provider Pricing Support and Dispute Resolution Report:** This report will track all pricing issues from providers and resolutions reached. At a minimum, this report must be provided monthly and more often if requested.
- 2.3.8.1.14 **PDL Changes Report:** This report will highlight changes to the PDL approved by the P & T Committee, and must be provided no later than fourteen (14) calendar days after every P & T Committee meeting.
- 2.3.8.1.15 **Supplemental Rebate Contract Tracking Report:** This report will track all supplemental rebate contracts between the Bureau and manufacturers in the process of being finalized. This report must include the status of each contract at all points toward completion, and must be provided monthly and more often if requested. The reports shall contain, at a minimum: labeler identifier, manufacturer name, labeler number, date contract mailed, date returned from the manufacturer, date sent to state, date sent to manufacturer, contract term, contract end date, contract year.
- 2.3.8.1.16 **Supplemental Rebate Contract Details Report:** This report will



document all contracts finalized between the Bureau and manufacturers, and must include contract details such as, but not limited to: product description, NDC, labeler, contracted GNP, contract type. This report shall be provided monthly.

2.3.8.1.17 Supplemental Rebate Pricing File Quality Assurance Checklist:

This report will track the steps that are taken by the Vendor to assure the supplemental rebate pricing file is correct and that it accurately contains the supplemental rebate contract data. At a minimum, this report must be provided to BMS quarterly.

2.3.8.1.18 Supplemental Rebate Pricing File Additions and Corrections Report:

This report will track adjustments that are included on the supplemental rebate pricing file and the reasons for the adjustments. At a minimum, this report must be provided to BMS quarterly.

2.3.8.1.19 Supplemental Rebate Pricing File Spreadsheet:

This report will contain all of the data for each NDC included on the supplemental rebate pricing file, along with any other pertinent supplemental rebate contract information. At a minimum, this report must be provided to the Bureau quarterly.

2.3.8.1.20 SMAC Dispute Report:

This report will log Vendor's provider support and dispute resolution activities for the quarter period. This report must detail the dispute, and track both approved and resolved issues during the fiscal year 7/1/XX – 6/30/XX) as well as open disputes still being considered. At a minimum, this report shall be provide monthly.

2.3.8.2 Deliverables: Ad Hoc Reports

The Vendor agrees to provide timely responses to ad hoc report requests desired by the Bureau throughout the duration of the contract at no additional cost to the State. For cost estimation purposes assume twenty-five (25) ad hoc reports per year.

Requirements:

2.3.8.2.1 The Vendor shall provide to the Bureau ad hoc reports when requested and shall include the report methodology and parameters used in developing the report.

2.3.8.2.2 The Vendor must deliver the ad hoc reports desired by the Bureau in accordance with the schedule and delivery method approved by the Bureau.

2.3.9 Turnover and Contract Closeout Services: Vendor will assist and fully cooperate with the Bureau when transitioning to a new vendor at the end of the contract.

2.3.9.1 Deliverable: Training Handbook

Vendor will develop a Training Handbook that describes all major processes being conducted by the Vendor to meet the needs of each requirement and deliverable of



this contract. This handbook will be used for purposes of training new BMS staff on what is currently being accomplished by the Vendor, as well as to help guide the transition of knowledge at the end of the contract.

Requirements:

2.3.9.1.1 The Training Handbook will include a step-by-step procedure describing each contractual process.

2.3.9.1.2 The Training Handbook shall be developed upon contract initiation and maintained throughout the life of the contract.

2.3.9.2 Deliverable: Close-Out and Turnover Plan

The Close-Out and Turnover Plan identifies the Vendor's approach, tasks, staffing, and schedule for turnover of contract responsibilities.

Requirements:

2.3.9.2.1 Vendor will provide the Close-Out and Turnover Plan within thirty (30) calendar days of receiving BMS notification to initiate the Close-out and Turnover Phase.

2.3.9.2.2 Vendor will dedicate appropriate resources consistent with the approved Close-Out and Turnover Plan.

2.3.9.3 Deliverable: Data, Deliverables and Reports

Upon request, the Vendor will transfer to the Bureau any and all data collected, created, summarized, and/or aggregated, and any deliverables and reports created during the contract period.

Requirements:

2.3.9.3.1 Data, deliverables, and reports will be transferred in a file format that is compatible with the WV Office of Technology currently supported versions of Microsoft Office™ Suite.

2.3.9.3.2 Data, deliverables, and reports will be transferred in accordance with a schedule approved by the Bureau, no later than thirty (30) days prior to the end of the contract.

2.3.9.4 Deliverable: Turnover Results Report

The Turnover Results Report serves as the capstone deliverable for the contract. It documents the completion and results of each task identified in the Turnover Plan.

Requirements:

2.3.9.4.1 The Turnover Results Report will be submitted in a file format that is compatible with the WV Office of Technology currently supported versions of Microsoft Office™ Suite.

2.3.9.4.2 The Turnover Results Report will be submitted in accordance with a schedule approved by the Bureau, no later than thirty (30) days prior to the end of the contract.



2.3.10 Additional Services: The Vendor shall provide a pool of 100 hours annually that can be used by BMS for assistance, advice and consultation for Medicaid pharmacy activities, such as:

- Additional clinical consultation
- Reports related to the PDL or pricing of a complex nature (e.g., drugs not currently managed through the PDL)
- Direct contact by phone, or by other agreed-upon means to prescribers regarding appropriate drug utilization

Vendor shall provide an all inclusive hourly rate for additional services requested by BMS.

SECTION THREE: VENDOR QUOTATION

3.1 Economy of Preparation: Quotations should be prepared simply and economically providing a straightforward, concise description of the Vendor's abilities to satisfy the requirements of the RFQ. Emphasis should be placed on completeness and clarity of the content.

3.2 Incurring Cost: Neither the Bureau nor any of its employees or officers shall be held liable for any expense incurred by any Vendor responding to this RFQ, including but not limited to preparation, delivery, or travel.

3.3 Quotation Format: Vendors shall provide responses in the format listed below:

Title Page: State the RFQ subject, number, Vendor's name, business address, telephone number, fax number, name of contact person, e-mail address, and Vendor signature and date.

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

Attachment A: Complete **Attachment A: Cost Sheet** included in this RFQ.

Attachment B: Complete **Attachment B: Special Terms and Conditions** included in this RFQ. By signing and dating this attachment, the Vendor acknowledges that they agree to meet or exceed each of the specifications as outlined in this Attachment.

3.4 Quotation Submission:

Bureau procurement policies require that all Quotations must be submitted to the DHHR Office of Purchasing **prior** to the date and time stipulated in the RFQ as the opening date. All bids will be time and date stamped to verify official time and date of receipt.

3.4.1 Vendors should allow sufficient time for delivery. In accordance with ***the Medicaid Services Contracts Purchasing Methodology and Manual***, the Bureau cannot waive or excuse receipt of a Quotation, which is delayed or late for any reason. Any Quotation



received after the bid opening date and time will be immediately disqualified.

Vendors responding to this RFQ shall submit:

One (1) original Quotation plus six (6) convenience copies, including one (1) copy on cd to:

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

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

Vendor: _____
Buyer: _____
Req#: _____
Opening Date: _____
Opening Time: 1:30 p.m.

- 3.5 Purchasing Affidavit:** In accordance with Medicaid Services Contracts Purchasing Methodology and Manual, all bidders must submit an affidavit regarding any debt owed to the State of West Virginia. The affidavit must be signed and submitted prior to award. It is preferred that the affidavit be submitted with the quotation.
http://www.dhhr.wv.gov/bms/ProcurementNotices/Documents/RFPs/MED_PURCHASIN_G_AFFIDAVIT.pdf
- 3.6 Resident Vendor Preference:** DHHR Office of Purchasing 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 in accordance with Medicaid Services Contracts Purchasing Methodology and Manual. A certificate of application is used to request this preference. A West Virginia Vendor may be eligible for two (2) 2.5% preferences in the evaluation process.
http://www.dhhr.wv.gov/bms/ProcurementNotices/Documents/RFPs/MS_Venpref.pdf

SECTION FOUR: EVALUATION AND AWARD

- 4.1 Independent Price Determination:** A quotation will not be considered for award if the price in the quotation was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to prices with any competitor unless the quotation is submitted as a joint venture.
- 4.2 Rejection of Quotations:** The Bureau reserves the right to accept or reject any or all quotations, in part or in whole at its discretion. The Bureau further reserves the right to withdraw this RFQ at any time and for any reason. Submission of or receipt of quotations by the Bureau confers no rights upon the bidder nor obligates the Bureau or



State of West Virginia in any manner.

- 4.3 Vendor Registration:** Vendors participating in this process should complete and file a Vendor Registration and Disclosure Statement (Form WV-1) and remit the registration fee. Vendor is not required to be a registered Vendor in order to submit a quotation, but the **successful bidder must** register and pay the fee prior to the award of an actual purchase order or contract.

SECTION FIVE: CONTRACT TERMS AND CONDITIONS

- 5.1 Contract Provisions:** The RFQ and the Vendor's response will be incorporated into the contract by reference. The order of precedence shall be the contract, the RFQ and any addendum, and the Vendor's Quotation in response to the RFQ.

- 5.2 Public Record:** All documents submitted to the DHHR Office of Purchasing related to purchase orders or contracts are considered public records. All bids, quotations, or offers submitted by Vendors shall become public information and are available for inspection during normal official business hours in the DHHR Office of Purchasing after the bid opening.

5.2.1 Risk of Disclosure: The only exemptions to disclosure of information are listed in **West Virginia Code** §29B-1-4. Any information considered a trade secret must be separated from the Vendor submission and clearly labeled as such. Primarily, only trade secrets, as submitted by a bidder, are exempt from public disclosure. The submission of any information to the Bureau by a Vendor puts the risk of disclosure on the Vendor. The Bureau does not guarantee non-disclosure of any information to the public.

5.2.2 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 duplication 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.

- 5.3 Conflict of Interest:** Vendor affirms that neither it nor its representatives have any interest nor shall acquire any interest, direct or indirect, which would compromise the performance of its services hereunder. Any such interests shall be promptly presented in detail to the Bureau.
- 5.4 Vendor Relationship:** The relationship of the Vendor to the Bureau and State of West Virginia shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by 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 RFQ and resulting contract. Neither the Vendor, nor any employees or subcontractors of the Vendor, shall be deemed to be employees of the Bureau or State of West Virginia for any purpose 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, licensing fees, *et cetera* and the filing of all necessary documents, forms, and returns pertinent to all of the foregoing.

Vendor shall hold harmless the Bureau and State of West Virginia, and shall provide the Bureau and State of West Virginia 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.

5.4.1 Subcontracts/Joint Ventures: The Vendor may, with the prior written consent of the Bureau, enter into subcontracts for performance of work under this contract.

5.4.2 Indemnification: The Vendor agrees to indemnify, defend, and hold harmless the Bureau and State of West Virginia, 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 Federal or State laws including, but not limited to, labor and wage laws.

5.4.3 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 as provided by Federal, State, and local governments.

5.5 Term of Contract and Renewals: This contract will be effective 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 (12) months. During the "reasonable time" period, Vendor may terminate the contract for any reason upon giving the Bureau ninety (90) days written notice. Notice by Vendor of intent to terminate will not relieve Vendor of the obligation to continue providing services pursuant to the terms of the contract.

5.6 Non-Appropriation of Funds: If funds are not appropriated for the Bureau in any succeeding fiscal year for the continued use of the services covered by this contract, 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-appropriation of funds as soon as possible after the Bureau receives notice. No penalty shall accrue to the Bureau or State of West Virginia in the event this provision is exercised.

- 5.7 Changes:** If changes to the contract become necessary, a formal contract change order will be negotiated by the Bureau and the Vendor.

As soon as possible, but not to surpass thirty (30) days after receipt of a written change request from the Bureau, the Vendor shall determine if there is an impact on price with the change requested and provide the Bureau a written statement identifying any price impact on the contract. The Vendor shall provide a description of any price change associated with the implementation.

NO CHANGE SHALL BE IMPLEMENTED BY THE VENDOR UNTIL SUCH TIME AS THE VENDOR RECEIVES AN APPROVED WRITTEN CHANGE ORDER FROM THE DHHR Office of PURCHASING.

- 5.8 Price Quotations:** The price(s) quoted in the Vendor's Quotation will not be subject to any increase and will be considered firm for the life of the contract unless specific provisions have been provided in the original specifications.

- 5.9 Invoices and Progress Payments:** The Vendor shall submit invoices, in arrears, to the Bureau at the address on the face of the purchase order labeled "Invoice To." 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.

- 5.10 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 Bureau or State of West Virginia's right to pursue any other additional remedy which the Bureau or State of West Virginia may have legal cause for action.

- 5.11 Contract Termination:** The Bureau may terminate any contract resulting from this RFQ immediately at any time the Vendor fails to carry out its responsibilities or to make substantial progress under the terms of this RFQ and resulting contract. The Bureau shall provide the Vendor with advance notice of performance conditions which may endanger the contract's continuation. If after such notice the Vendor fails to remedy the conditions within the established timeframe, the Bureau shall order the Vendor to cease and desist any and all work immediately. The Bureau shall be obligated only for services rendered and accepted prior to the date of the notice of termination.

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

- 5.12 Special Terms and Conditions:**

5.12.1 Bid and Performance Bonds: Not applicable.



5.12.2 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 of the part of the Vendor, its agents, employees in the following amounts:

For bodily injury (including death): Minimum of \$500,000.00 per person, and \$1,000,000.00 per occurrence.

For property damage and professional liability: Minimum of \$1,000,000.00 per occurrence.

5.12.3 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 the Offices of the Insurance Commissioner as to Worker's Compensation coverage or exempt from such coverage. Additional evidence of licensure may be required based on the scope of services solicited.

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

5.14 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 Federal and/or State law relating 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.

http://www.dhhr.wv.gov/bms/ProcurementNotices/Documents/HIPAA%20BAA_20100802.pdf



Attachment A: Cost Sheet

Cost information below as detailed in the RFQ and submitted.

The Annual Not-to-Exceed Cost is to contain all direct and indirect costs including administrative, travel, training and out-of-pocket expenses necessary to perform all services within this RFQ.

Item	Cost
Annual Not-to-Exceed Cost	
Ad hoc reports \$_____ (all inclusive hourly rate) X 25 Hours (Estimated) =	
Additional Services \$_____ (all inclusive hourly rate) X 100 Hours (Estimated) =	
Grand Total Estimated Annual Cost	

Annual Not-to-Exceed Cost will be invoiced in arrears in twelve (12) equal monthly installments.

Ad hoc reports and additional services will be invoiced in arrears upon receipt of services by BMS.

Basis for award will be Grand Total Estimated Annual Cost.

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Attachment B: Special Terms and Conditions

If a vendor's Quotation includes proprietary language, an electronic copy omitting any proprietary language for publishing to the DHHR web-site should be submitted.

Agree that BMS retains ownership of all data, procedures, programs, work papers and all materials gathered or developed under the contract with West Virginia

Protest Bond: Any bidder that files a protest of an award shall at the time of filing the protest submit a protest bond in the amount equal to one percent of the lowest bid submitted or \$5,000.00 whichever is greater.

The entire amount of the bond shall be forfeited if the hearing officer determines that the protest was filed for frivolous or improper purpose, including but not limited to the purpose of harassing, causing unnecessary delay, or needless expense for the Agency. All protest bonds shall be made payable to the Purchasing Division and shall be signed by the protester and the surety. In lieu of a bond, the protester may submit a cashier's check or bank money order payable to the Purchasing Division. The money will be held in trust in the State Treasurer's office.

If it is determined that the protest has not been filed for frivolous or improper purpose, the bond shall be returned in its entirety.

Ownership: The Vendor agrees that any and all data provided to it by the State and/or collected, created, summarized, and/or aggregated for the State, deliverables submitted to the State, and reports created under this contract, are the sole property of the State of West Virginia, intended for purposes of supporting the Medicaid and Pharmacy programs in any manner deemed appropriate by the State. None of these materials may be used by the Vendor at any time or in any manner without the express approval of the State.

I certify that I have acknowledged the additional contract provisions contained in Attachment B and that the Quotation meets or exceeds all additional requirements as listed.

(Company)

(Representative Name, Title)

(Contact Phone/Fax Number)

(Date)



Appendix I: Summary of RFQ Terms and Acronyms

Bureau for Medical Services (BMS and sometimes referred to as “Bureau”)	The single state agency within the West Virginia Department of Health and Human Resources (DHHR) that administers the Medicaid Program mandated under Chapter 9 of the West Virginia Code and Title XIX of the Social Security Act.
CMS	Centers for Medicare and Medicaid Services of the US Department of Health and Human Services or any successor or renamed agency carrying out the functions and duties heretofore carried out by said office.
DHHR	Department of Health and Human Resources
Federal Rebate	Any discount provided by a manufacturer pursuant to 42 U.S.C. 1396r-8.
FFS	Fee-for-service refers to payment of providers for individual services rendered, as opposed to payment with salaries or under capitation.
FUL	Federal Upper Limits are the upper limits for drug payment amounts maintained by CMS.
Goold Health Systems (GHS)	The current West Virginia Medicaid PDL/SMAC vendor and current Sovereign States Drug Consortium (SSDC) rebate negotiator.
MCO	A Managed Care Organization is an entity that serves Medicare or Medicaid members on a risk basis through a network of employed or affiliated providers.
MMIS	The Medicaid Management Information System is an electronic information system designed and mandated by the Federal government to administer the West Virginia Medicaid Program in a manner that is consistent with all Federal requirements.
National Drug Code (NDC)	Number which identifies a drug product including the labeler, product, and trade package size. The first segment, the labeler code, is assigned by the FDA. A labeler is any firm that manufactures (including repackers or relabelers), or distributes (under its own name) the drug. The second segment, the product code, identifies a specific strength, dosage form, and formulation for a particular firm. The third segment, the package code, identifies package sizes and types. Both the product and package codes are assigned



	by the firm.
Pharmaceutical and Therapeutics (P & T) Committee	An advisory body that recommends drugs to Medicaid for inclusion or exclusion relating to the Preferred Drug List.
Preferred Drug List (PDL)	The PDL is a medication list recommended to the Bureau for Medical Services by the Medicaid Pharmaceutical and Therapeutics (P & T) Committee and approved by the Secretary of the Department of Health and Human Resources, as authorized by West Virginia Code §9-5-15. The drugs which are indicated as "preferred" have been selected for their clinical significance and overall efficiencies.
Quarter	One (1) of the four (4) three (3) month periods.
RDTP	The WV University School of Pharmacy's Rational Drug Therapy Program
Request for Proposal (RFP)	A document issued by a government agency that solicits proposals for work by external entities.
SFY	State Fiscal Year runs July 1 through June 30.
SMAC	State Maximum Allowable Cost established for multiple source drugs, specialty drugs, and products.
State Supplemental Rebate	Any cash rebate that offsets a West Virginia Medicaid expenditure and that supplements the CMS Federal Rebate.
SURA	Supplemental Unit Rebate Amount.
The Sovereign States Drug Consortium (SSDC)	A state-administered Medicaid supplemental rebate program that allows participating states to pool their prescription utilization numbers to obtain Supplemental Rebates from pharmaceutical manufacturers. Currently, Iowa, Maine, Oregon, Utah, Vermont, West Virginia and Wyoming participate in the SSDC.
Therapeutic Class	A grouping of medications sharing the same Specific Therapeutic Class Code (GC3) within the Federal Drug Data File published by First Data Bank, Inc.
WV	West Virginia