**Request for Proposal (RFP) ETG0013**

**Administrative Services for the State of Wisconsin**

**Pharmacy Benefit Program**

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**Issued by the**

**State of Wisconsin**

**Department of Employee Trust Funds**

**On behalf of the Group Insurance Board**

Release Date: November 18, 2016

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# General Information

## Introduction

The purpose of this Request for Proposal (RFP) is to provide interested and qualified vendors with information to enable them to prepare and submit competitive Proposals to administer pharmacy benefits as the Pharmacy Benefit Manager (PBM) for the State of Wisconsin Group Health Insurance Program (GHIP) and the Wisconsin Public Employer (WPE) program for local government employees, managed by the Wisconsin Department of Employee Trust Funds (Department). The Wisconsin Department of Employee Trust Funds, referred to herein as ETF or the Department, intends to use the results of this solicitation to award a Contract for such services.

The Contract will be administered and managed by the Department, with oversight by the State of Wisconsin Group Insurance Board (Board). This RFP document and the awarded Proposer’s Proposal response shall be incorporated into the Contract.

## Current State and Background

The Department is a Wisconsin State agency that administers retirement, health, life, income continuation, long-term disability, and long term care insurance programs for 570,000 state and local government employees and Annuitants.

### Pharmacy Benefit Program

The Board contracts with a PBM to provide administrative services to GHIP and WPE program participants. All participants will have their pharmacy benefits administered by the current PBM through 2017.

Medicare eligible retirees and their dependents enrolled in the GHIP and WPE programs receive their Medicare Part D prescription drug benefits from a self-funded, employer group waiver plan (EGWP), provided by the PBM and underwritten by an entity that contracts directly with Medicare. Supplemental Wrap benefits are also provided to pay claims when the Medicare Part D plan does not pay (e.g. in the Deductible phase and when participants reach the Medicare Part D coverage gap).

Pharmacy benefits are subject to the terms and conditions of Uniform Benefits under the fully-insured “It’s Your Choice (IYC) Health Plan”, as well as benefits under the self-insured “IYC Access Plan” and the High-Deductible Health Plan (HDHP).

Pharmacy benefits for the GHIP and the WPE programs have been self-funded since 2004. Total drug spend, which includes both plan and member costs, are in excess of $400 million annually, associated with more than 4.2 million claims.

The pharmacy benefit program covers the following GHIP and WPE members:

* Actively employed members and their dependents: 204,815.
* Approximately 242 members and their dependents on continuation coverage (COBRA).
* Retirees and their dependents: 41,924. More than 27,000 of these members are covered by a fully insured Medicare Part D prescription drug plan (PDP) provided by the GHIP and WPE programs.

As shown in Table 1, pharmacy benefits are based on a five-tier design with various cost-sharing levels and applicable Out-of-Pocket Limits (OOPL). In addition, members who select a HDHP are also subject to a combined medical and pharmacy Deductible.

***Table 1. 2017 Plan Year Pharmacy Benefit Plan Design***

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| All IYC Health Plans | | | | | | | |
| Copayments/Coinsurance | | | | | | | |
| Level 1 | $5 Copayment | | Preferred Generic Drugs and certain lower-cost Preferred Brand Name Drugs. | | | | |
| Level 2 | 20% Coinsurance ($50 max) | | Preferred Brand Name Drugs and certain higher-cost Preferred Generic Drugs. | | | | |
| Level 3 | 40% Coinsurance ($150 max) | | Non-covered, Non-Preferred Drugs for which alternative/equivalent Preferred Generic & Brand Name Drugs are covered. | | | | |
| Level 4 (Preferred) | $50 Copayment | | Includes **only** Preferred Specialty Drugs filled at a Preferred Specialty Pharmacy. | | | | |
| Level 4  (Non-Preferred) | 40% Coinsurance ($200 max) | | Non-Preferred Specialty Drugs filled at a Preferred Specialty Pharmacy **and** all Specialty Drugs filled at a pharmacy **other than** a Preferred Specialty Pharmacy. | | | | |
|  | **IYC Health Plan\*** | **IYC Access Plan** | | | **IYC HDHP\*\*** | **IYC Access HDHP\*\*** | |
|  | In-Network | | Out-of-Network | In-Network | Out-of-Network |
| Deductible | | | | | | | |
| All Levels | None | None | | None | $1,500 individual /  $3,000 family | $1,700 individual / $3,400 family | $2,000 individual /  $4,000 family |
| Out-of-Pocket Limits | | | | | | | |
| Level 1 & 2 | $600 individual /  $1,200 family | $1,000 individual /  $2,000 family | | $1,000 individual /  $2,000 family | $2,500 individual /  $5,000 family | $3,500 individual /  $6,550 family | $3,800 individual /  $7,600 family |
| Level 3 | $6,850 individual /  $13,700 family | $6,850 individual /  $13,700 family | | No Limit |
| Level 4 (Preferred) | $1,200 individual /  $2,400 family | $1,200 individual /  $2,400 family | | $1,200 individual /  $2,400 family |
| Level 4 (Non-Preferred) | Federal Maximum Out of Pocket ($6,850 individual / $13,700 family) | | | | | | |

\*IYC Health Plan includes all Medicare plans.

\*\*HDHP Deductibles and Out-of-Pocket Limits are a combination of medical and prescription drug costs.

All prescription drug Copayments/Coinsurance apply toward the federal Affordable Care Act (ACA) annual combined medical and prescription drug maximum out-of-pocket (MOOP) amounts.

The Coinsurance cost-share design currently in place was first implemented for the 2016 plan year. This design replaced flat Copayments that had been in effect since 2004. While out-of-pocket limits were gradually adjusted upward from 2004 through 2015, the Copayments remained unchanged at $5, $15 and $35 for Levels 1, 2 and 3 respectively.

The Level 4 cost-share was first implemented in the 2013 plan year, along with the inclusion of a preferred specialty pharmacy in the network. Prior to 2013, specialty medications, self-injectable medications, and certain “lifestyle” drugs (Viagra and Caverject) were available at the Level 3 cost share of $35. With the introduction of the Level 4 cost share the Copayment for these drugs was raised to $50. However, GHIP and WPE Members who were prescribed preferred specialty medications, and who elected to utilize the preferred specialty pharmacy received a reduced Copayment of $15. This incentive to use the preferred specialty pharmacy still exists in the current plan design.

### Health Insurance Program

The GHIP and WPE programs provide health insurance benefits for employees of 58 State agencies, the State of Wisconsin Legislature, the University of Wisconsin (UW) System, the University of Wisconsin Hospital and Clinics, 368 local government employer groups, retirees and dependents. The GHIP/WPE programs make up one of the largest health plan groups in Wisconsin, with annual premium expenditures totaling $1.4 billion.

Currently, most health insurance benefits (98%) are administered through 17 competing, fully insured health plans that offer a prescribed, “uniform benefit” package called the “It’s Your Choice (IYC) Health Plan”, as well as a HDHP option, called the IYC HDHP. Most health plans are health maintenance organizations (HMOs) and one is a preferred provider organization (PPO). The Department also administers a small self-insured offering through both the “IYC Access Health Plan” and “State Maintenance Plan” that are administered through a single administrator.

Table 2 lists the number of individuals enrolled in the GHIP/WPE programs for 2016.

Table 2. 2016 Enrollment Data (as of January 2016)



The uniform dental benefit program is self-insured as of 2016. Participants of the GHIP may opt out of dental coverage during the annual open enrollment period. Local employers that participate in the WPE program can choose whether or not to offer the uniform dental benefit program to their specific group.

Dates for the annual open enrollment period, known as “It’s Your Choice” (IYC), are set by the Board each year. The 2016 open enrollment period for the 2017 plan year began October 17 and ended November 11.

**Benefit Consultant**: In November of 2015, the Board’s benefit consultant, Segal Consulting (Segal), presented a report containing analysis of the current GHIP/WPE programs and recommended strategies for program design that would contain future cost increases and improve health outcomes while increasing the efficient delivery of quality health care to Participants. A significant component of the report is a recommendation for a Total Health Management model that includes driving engagement in wellness and disease management programming. As a result of this recommendation, the Board approved 2016 solicitations for a third party administrator of wellness and disease management programs, the development of a data warehouse, and proposals to evaluate self-insurance and regionalizing the health insurance program. A link to Segal’s report and a link to the implementation memo can be found in Table 3 Background Information.

**Evaluation of Self-insurance and Regionalizing the Health Insurance Program**: As stated above, the Board approved the procurement of proposals to provide administrative services for the GHIP and WPE programs in order to evaluate options available for self-insuring and regionalizing the health insurance programs. The RFP for these proposals was issued in July 2016, with a proposed contract start date of July 1, 2017.

**Data Warehousing / Visual Business Intelligence Vendor**: As stated above, the Board approved the procurement for a Data Warehousing / Visual Business Intelligence (DW/VBI) vendor. The RFP for these services was issued in August 2016, with a contract start date target of early 2017. See Appendix 10 for a diagram of the anticipated data flow.

**Wellness & Disease Management Vendor**: As stated above, the Board approved the procurement for a Wellness and Disease Management vendor, and a contract with the Board’s selected vendor began in August 2016. The Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement (in Exhibit 1) details requirements associated with the new Wellness vendor.

**Employer Groups**: There are 58 different State agencies in the GHIP program, which operate under eight (8) different payroll processing centers. There are currently 368 local government employers offering health benefits to employees through the WPE program. This participation varies slightly, each year, due to an annual opt-in and opt-out provision for any local government employer in Wisconsin. The UW System Administration manages payroll functions for the 13 four-year campuses and the 13 two-year campuses with locations throughout the State. In addition, the majority of State agencies are administered through one central payroll processing center, State Transforming Agency Resources (STAR). See Appendix 6 - State Employer Group Roster (ET-1404) for the State employer group roster and Appendix 7 - Local Employer Group Roster (ET-1407) for the WPE employer group roster.

### Additional Background Information

Table 3 (below) provides links to additional background information. This information is provided to assist the Proposer in completing an RFP response.

Table 3. Additional Background Information

|  |  |
| --- | --- |
| Title | Web Address |
| Employee Trust Funds Website | <http://etf.wi.gov> |
| Information about the GHIP/WPE programs | <http://etf.wi.gov/publications/et8902.pdf> |
| Comparison of Pharmacy Benefits for Active Employees | <http://etf.wi.gov/members/IYC2017/et-2107phae.asp> |
| Comparison of Pharmacy Benefits for Retirees Without Medicare | <http://etf.wi.gov/members/IYC2017/et-2107pha.asp> |
| Comparison of Pharmacy Benefits for Retirees With Medicare | <http://etf.wi.gov/members/IYC2017/et-2107phrm.asp> |
| It’s Your Choice Open Enrollment Material | <http://etf.wi.gov/members/IYC2017/IYC_home.asp> |
| Benefit Consultant November 10, 2015 Report to the Board (Second Report) | <http://etf.wi.gov/boards/agenda-items-2015/gib1117/item3ar.pdf> |
| Office of Strategic Health Policy February 9, 2016 Memo to the Board for Implementation of Benefit Consultant Recommendations | <http://etf.wi.gov/boards/agenda-items-2016/gib0217/item5c.pdf> |
| Wisconsin Administrative Code: Chapter ETF 11 Appeals | <http://docs.legis.wisconsin.gov/code/admin_code/etf/11> |
| Wisconsin State Statutes Chapter 40 | <http://www.legis.state.wi.us/statutes/Stat0040.pdf> |
| ETF Insurance Complaint Information | <http://etf.wi.gov/publications/et2405.pdf> |

## Future State: Project Scope and Objectives

Proposals are being requested for a PBM to administer self-insured pharmacy benefit programs for all Members of the GHIP and the WPE programs. Services are to include commercial coverage and benefits for the employed Members and their dependents; early retirees and their dependents; as well as Members and their dependents who are eligible for continuation of coverage (COBRA). In addition, services are to include coverage for retirees and their dependents who are eligible for or already enrolled in Medicare through a Medicare Part D prescription drug plan.

Proposers must be able to provide all services and meet all of the requirements requested in this RFP and shall remain responsible for Contract performance regardless of any subcontractor’s work.

The selected Proposal will become part of the Contract. All offerings described in the Proposal response regarding programming and capabilities must be available to all eligible Participants unless otherwise noted in the Proposal. For example, a small pilot program shall be clearly described as such.

The objective of this RFP is to acquire a PBM that will be a collaborative and strategic partner in providing Services that will accommodate the current benefit plan design and enhance the value of the pharmacy benefit programs through the following:

* Consistent administration of pharmacy benefits;
* Full Transparency including but not limited to operational, legal, contractual and financial transparency;
* Focus on innovative plan design while bringing the best value to Members and the GHIP and WPE programs and achieving the lowest net cost to the programs; and,
* Data sharing and strategic coordination with other contractors and/or third party administrators, such as the Department’s data warehouse, participating health insurers, the Board’s consulting actuary, and the wellness and disease management contractor.

The Proposer must administer the Uniform Benefits, as written in Section 400 Part III D of the Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement (in Exhibit 1), or as approved by the Board prior to January 1, 2018 and subsequent plan years.

The Board will only consider Proposals that demonstrate a fully Transparent financial arrangement. No other arrangements will be considered. For the purposes of this RFP, full Transparency is defined as a 100% pass-through of all discounts and other pricing components to the GHIP and WPE programs provided by retail, internet and mail-order pharmacies. It also includes 100% pass-through of all drug manufacturer revenue such as, but not limited to, the following: discounts and rebates, administration fees, data fees, clinical program fees, education and research grants, invoice charge-back fees, future rebates on newly rebate-eligible products such as Specialty Drugs, and product selection switching incentives. In addition, all related contracts must be readily available and completely auditable by the Department or its designee. Business practices, processes and clinical methodologies must also be fully disclosed.

The basis of payment for services provided by the PBM will be a flat, per Member per month (PMPM) administrative fee. Proposers who do not guarantee this fee structure may be eliminated from consideration. Proposers may propose an additional fee structure that may include performance incentives; however, this fee structure will be dependent on negotiations between the Department and the winning Proposer.

With an eye toward value-based purchasing and cost-effective service provisions, the Board’s benefit consultant has made several recommendations that ETF seeks to further investigate and potentially implement with the Contractor. These recommendations include:

* considering narrow or tiered pharmacy networks;
* moving to exclusive contracting for specialty drugs;
* custom contracting or bidding for better retail supply pricing;
* increased focus on medication management services and strategies;
* evaluating Medicare Part D drug coverage options;
* concentrating on member adherence through enhanced member and prescribing healthcare provider communication; and,
* adding performance guarantees related to clinical outcomes, rebates, discounts and adherence.

For the future, it will be imperative to ensure a balance between cost savings to the pharmacy benefit plan and providing the highest value to the Members through innovation and an emphasis on the lowest net cost including both claims and administrative costs, without simply shifting costs to the Member.

Facilitating this movement toward more intelligent purchasing, ETF is developing a data warehouse where the Contractor will be able to access medical, dental and wellness data. Additionally, ETF will be conducting vendor summits whereby vendors participating in the GHIP and WPE programs can collaborate to provide comprehensive total health management programming.

## Procuring and Contracting Agency

This RFP is issued for the State of Wisconsin by the Department of Employee Trust Funds on behalf of the State of Wisconsin Group Insurance Board. The Department is the sole point of contact for the State of Wisconsin in the selection process. The terms “State,” “ETF,” and “Department” may be used interchangeably in this RFP and its attachments.

Prospective Proposers/Proposers are prohibited from contacting any person other than the individual listed here regarding this RFP. Violation of this requirement may result in the Proposer being disqualified from further consideration.

Express delivery: USPS Mail delivery:

Beth Bucaida Beth Bucaida

**RFP ETG0013** **RFP ETG0013**

Dept. of Employee Trust Funds Dept. of Employee Trust Funds

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**NOTE:** No deliveries may be made to ETF on Saturdays, Sundays, and State holidays as the office is closed on those days. ETF is not responsible for picking up Proposals at the post office or any courier office.

## Definitions and Acronyms

Words and terms shall be given their ordinary and usual meanings. Words and terms not defined below shall have the meanings provided by Wis. Stat. § 40.02 and Wis. Admin. Code § ETF 10.01 unless otherwise clearly and unambiguously defined by the context of their usage in this RFP. Where capitalized in this RFP, the following definitions and acronyms shall have the meanings indicated unless otherwise noted. The meanings shall be applicable to the singular, plural, masculine, feminine, and neuter forms of the words and terms.

**Annuitant** see “Retiree or Annuitant” below.

**Board** means State of Wisconsin Group Insurance Board.

**Business Day** means each Calendar Day except Saturday, Sunday, and official State of Wisconsin holidays (see also: Calendar Day, Day).

**Calendar Day** refers to a period of twenty-four hours starting at midnight.

**Calendar of Events** means the schedule of events in Section 1.9.

**Calendar Year** means the time period from January 1 to December 31.

**Coinsurance** means that portion of the charge for Covered Products, calculated as a percentage of the charge for such Covered Products that is to be paid by Covered Individuals pursuant to the Pharmacy Benefit Plan.

**Confidential Information** means all tangible and intangible information and materials being disclosed in connection with the Contract, in any form or medium without regard to whether the information is owned by the State of Wisconsin or by a third party, which satisfies at least one of the following criteria: (i) Personally Identifiable Information as defined under Wis. Stat. § 19.62(5); (ii) Protected Health Information under HIPAA, 45 CFR 160.103; (iii) Proprietary Information; (iv) non-public information related to the State of Wisconsin’s employees, customers, technology (including data bases, data processing and communications networking systems), schematics, specifications, and all information or materials derived therefrom or based thereon; (v) information expressly designated as confidential in writing by the State of Wisconsin; (vi) all information that is restricted or prohibited from disclosure by state or federal law, including Individual Personal Information and Medical Records as governed by Wis. Stats. § 40.07, Wis. Admin. Code ETF 10.70(1) and 10.01(3m); (vii) any material submitted by the Proposer in response to this request that the Proposer designates confidential and proprietary information and which qualifies as a trade secret, as provided in Wis. Stat. § 19.36 (5) or material which can be kept confidential under the Wisconsin public records law, and identified on a Designation of Confidential and Proprietary Information form (DOA-3027). Pricing information cannot be held confidential.

**Cost Proposal** means the document submitted by Proposer that includes Proposer’s costs to provide the Services. The Microsoft Excel file included in Attachment F – RFP ETG0013 Cost Proposal is the required Cost Proposal document all Proposers must submit. The Cost Proposal is described in Section 8 and elsewhere in this RFP.

**Contract** means the written agreement resulting from the successful Proposal and subsequent negotiations that shall incorporate, among other things, this RFP, the Pro Forma Contract By Authorized Board (see Exhibit 1), the Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement (see Exhibit 1), and the successful Proposer’s Proposal, and all modifications to this agreement, and in addition shall contain such other terms and conditions as may be required by the State of Wisconsin.

**Contractor** means the Proposer who is awarded the Contract.

**Copayment** means a fixed dollar portion of the charge for Covered Products, which is to be paid by Covered Individuals pursuant to the Pharmacy Benefit Plan.

**Covered Individual** means each person who is eligible for prescription drug benefits under the Pharmacy Benefit Plan, including Subscribers and their Dependents.

**Covered Products** means those Products that are covered under the Pharmacy Benefit Plan. Covered Products may include, but are not limited to, brand or generic prescription medications, medications not requiring a prescription, and/or medical supplies and equipment.

**CDT** means Central Daylight Time covering a time period of mid-March to early November each Calendar Year.

**CST** means Central Standard Time.

**DAW** means Dispense as Written.

**Day** means Calendar Day unless otherwise indicated.

**Deductible** means a predetermined amount of money that a Covered Individual must pay before benefits are eligible for payment.

**Department** or **ETF** means the Wisconsin Department of Employee Trust Funds.

**Drug Spend** means the discounted Ingredient Cost of all drugs adjudicated under the Pharmacy Benefit Plan for a given year, plus dispensing fees, net of manufacturers’ rebates, determined on an accrual basis. Drug Spend does not include Contractor’s administrative fees or other administrative expenses of the Pharmacy Benefit Plan, and shall not take into account Deductibles, Copayments, and Coinsurance payments made by the insured Members under the Pharmacy Benefit Plan.

**DUR** means Drug Utilization Review.

**EGWP** means Employer Group Waiver Plan; associated with Medicare Part D.

**Eligible Product** means the brand name or generic Product that is included in the Contractor-recommended and Board-approved formulary and for which a Product manufacturer and Contractor have entered into a contractual pricing agreement.

**GHIP** means the State of Wisconsin Group Health Insurance Program.

**HDHP** means High Deductible Health Plan.

**HIPAA** means the Health Insurance Portability and Accountability Act of 1996.

**Identification Cards** means cards indicating eligibility of Covered Individuals, printed in the most current NCPDP (National Council for Prescription Drug Processing) version. These cards will be distributed by the Contractor to Members upon initial enrollment, upon a change in the Pharmacy Benefit Plan, or upon request of the Covered Individual.

**Individual Personal Information** or **IPI** is defined in Wisconsin Administrative Code § ETF 10.70(1), and means all information in any individual record of the Department, including the date of birth, earnings, contributions, interest credits, beneficiary designations, creditable service, marital or domestic partnership status, address, and social security number, but does not include information in any statistical report, other report or summary in which individual identification is not possible.

**Ingredient Cost** means the amount Contractor pays to the pharmacy on behalf of the Board, less any and all income streams, to reflect complete financial Transparency as defined below.

**MAC** means Maximum Allowable Cost.

**Mandatory** means the least possible threshold, functionality, degree, performance, etc. needed to meet a compulsory requirement.

**Member** or **Participant** means the subscriber or any of the subscriber’s dependents who have been specified by the Department for enrollment and are entitled to benefits.

**NABP** means National Association of Boards of Pharmacy. NABP assists member boards in developing, implementing, and enforcing public health standards.

**National Drug Code** or **NDC** is a unique 10-digit, 3-segment numeric identifier assigned to each medication listed under Section 510 of the US Federal Food, Drug, and Cosmetic Act. The segments identify the labeler or vendor, product (within the scope of the labeler), and trade package (of the product).

**NCQA** means National Committee for Quality Assurance. NCQA accredits health care providers and plans based upon quality improvement and value criteria.

**Online Transaction Processing** means the process of settling claims, from submission through final disposition, between two or more parties.

**Participating Pharmacy** means a pharmacy or a company that is authorized to represent one or more subsidiary, affiliated, or franchised pharmacies, that has entered into an agreement with the Contractor to provide Covered Products to Covered Individuals.

**Participating Prescribers** means those prescribers who are authorized to prescribe medication to Covered Individuals under the Pharmacy Benefit Plan.

**PBM** means the Pharmacy Benefit Manager.

**PDP** means a Medicare Part D prescription drug plan.

**Pharmacy Benefit Plan** means the portion of the Board’s group health plan that provides for the coverage of certain pharmacological and related Covered Products subject to certain Copayments, Deductibles, or Coinsurance requirements, limitations and exclusions as described in the Uniform Benefits.

**PMPM** means Per Member Per Month.

**Prior Authorization** means a prospective review to verify that certain criteria approved by the Department are satisfied for specific Products prior to processing the claim for such Products.

**Products** means brand or generic prescription medications, medications not requiring a prescription, and/or medical supplies and equipment.

**Proposal** means the complete response of a Proposer submitted in approved manner, on the approved forms and setting forth the Proposer’s pricing for providing the services described in this RFP, which includes all attachments, exhibits, appendices and all other documents referenced herein.

**Proposer** means any individual, company, corporation, or other entity that responds to this RFP. Used interchangeably with “Vendor” or “Supplier” in attachments to this RFP, means a firm, company or individual submitting a Proposal in response to this RFP.

**Protected Health Information** or **PHI** is health information protected under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Title 45 of the Code of Federal Regulations, section 160.103.

**RDS** means Retiree Drug Subsidy.

**Rebate** means the total dollar amount paid by a Product manufacturer to the Contractor for Eligible Product utilization. This includes any revenue offered by a Product manufacturer for administrative services.

**Retiree** or **Annuitant** means a State or WPE Member who is retired and receives an annuity or lump sum benefit from the Wisconsin Retirement System.

**RFP** means Request for Proposal.

**Services** means all work performed, and labor, actions, recommendations, plans, research, and documentation provided by the Contractor necessary to fulfill that which the Contractor is obligated to provide under the Contract.

**Specialty Drugs** means high-cost, large-molecule prescription medications used to treat complex and/or chronic conditions (e.g. cancer, Hepatitis C, rheumatoid arthritis, multiple sclerosis, etc.). These drugs often require special handling and administration.

**State** means the State of Wisconsin.

**State Statutes** or **ss** or **Wisconsin Statutes** or **Wis. Stats.** means Wisconsin State Statutes referenced in this RFP, viewable at: <http://www.legis.state.wi.us/rsb/stats.html>.

**Subcontractor** means a person or company hired by the Contractor to perform a specific task or provide program content as part of the Contract.

**Subscriber** means the same as “subscriber” as defined in the Uniform Benefits.

**Supplemental Wrap or Wrap Plan** is an additional drug coverage program for retired plan Members who are enrolled in the Department’s EGWP drug plan. The Supplemental Wrap or Wrap Plan provides coverage similar to the coverage the retiree had during employment, including coverage during the Medicare Part D coverage gap or “donut hole.”

**Transparent** or **Transparency** means all operational, contractual, legal and financial aspects of the PBM’s administration of the Pharmacy Benefit Plan and PBM must be fully disclosed, readily available, and completely auditable, including but not limited to pharmacy contracts, business practices, processes and clinical methodologies. Transparency will be reflected in a financial business model that provides a 100% pass-through of prices to the GHIP/WPE programs paid to retail, internet and mail-order pharmacies. It also includes 100% pass-through of all drug manufacturer revenue such as, but not limited to, discounts and rebates; administrative fees; data fees; clinical programs fees; education and research grants; invoice charge-back fees; future rebates on new, rebate-eligible products such as Specialty Drugs and product selection switching incentives.

**Uniform Benefits** means Section 400 of the Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement (see Exhibit 1).

**URAC** means the Utilization Review Accreditation Commission. URAC accredits a variety of healthcare organizations, including pharmacies, health plans, and provider organizations.

**USPS** means United States Postal Service.

**UW** means the University of Wisconsin System with 13 four-year campuses and 13 two-year campuses with locations throughout the State.

**Vendor** or **Bidder** means a person or company that sells goods or provides services. Used interchangeably with “Proposer” in attachments to this RFP, means a firm or individual submitting a Proposal in response to this RFP.

**WAC** means Wholesale Acquisition Cost.

**WPE** means Wisconsin Public Employer as defined under Wis. Stat. § 40.02 (28), other than the State, which has acted under Wis. Stat. § 40.51 (7), to make health care coverage available to its employees. In the past, WPE has been referred to as “local employer,” an employer that participates in the GHIP.

**WRS** means Wisconsin Retirement System.

Please see ETF’s glossary at: <http://etf.wi.gov/glossary.htm> for additional definitions.

## Clarification of the Specifications and Requirements

Proposers must submit all questions concerning this RFP via e-mail (no phone calls) to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov). The subject of the e-mail must state “**ETG0013 RFP**” and the e-mail must be received on or before the date identified in Section 1.9 Calendar of Events, Proposer Questions and Letter of Intent Due Date. Proposers are expected to raise any questions they have concerning this RFP at this point in the process. Proposers are encouraged to submit any assumptions or exceptions during this process. All assumptions and exceptions listed must contain a rationale as to the basis. The Department will inform the Proposers what assumptions or exceptions would be acceptable.

Questions must be submitted as a Microsoft Word document (not a .pdf or scanned image) using the format specified below:

Table 4. Format for Submission of Clarification Questions

|  |  |  |  |
| --- | --- | --- | --- |
| No. | RFP Section | RFP Page | Question/Rationale |
| Q1 |  |  |  |
| A1 |  |  |  |
| Q2 |  |  |  |
| A2 |  |  |  |

All questions must include the name of the Proposer’s company and the person submitting the question(s). A compilation of all questions and answers, along with any RFP updates, will be posted to the **ETF Extranet** (<http://etfextranet.it.state.wi.us/etf/internet/RFP/rfp.html>) on or about the date indicated in Section 1.9.

If a Proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the Proposer should immediately notify the individual identified in Section 1.4 of such error and request modification or clarification of this RFP document.

If it becomes necessary to update any part of this RFP, updates will be published on ETF’s Extranet listed above, which is part of ETF’s website, and will not be mailed. Electronic versions of this RFP and all appendices and exhibits are available on ETF’s Extranet.

## Proposer Conference

There is no scheduled Proposer conference.

A Proposer conference is an opportunity for Proposers to ask questions. If ETF decides to hold a Proposer conference, a notice will be posted on ETFs Extranet at <http://etfextranet.it.state.wi.us/etf/internet/RFP/rfp.html>. Note that unless this notice is posted, no conference will be held.

## Reasonable Accommodations

ETF will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities, upon request.

## Calendar of Events

Listed below are the important dates by which actions related to this RFP must be completed. If the Department finds it necessary to change any of the specific dates and times in the Calendar of Events listed below, it will do so by issuing a supplement to this RFP via the ETF Extranet listed in Section 1.6. No other formal notification will be issued for changes in the estimated dates.

Table 5. Calendar of Events

|  |  |
| --- | --- |
| Date | Event |
| November 14, 2016 | ETF Issues RFP |
| December 9, 2016 | Proposer Questions, Letter of Intent, and FORM F – Non-Disclosure Agreement (NDA) Due Date |
| January 4, 2017 | ETF Posts Addendum #1 (Responses to Proposer Questions) |
| January 25, 2017 by 2:00PM CST | Proposal Due Date |
| March 27, 2017 to March 31, 2017 | Proposer Presentations to RFP Evaluation Team |
| May 16, 2017 | Group Insurance Board meeting  including Finalist Proposer Presentations to the Board |
| July 1, 2017 | Contract Start Date |

**NOTE: All dates are estimated with the exception of the due dates for Proposer Questions, FORM F – Non-Disclosure Agreement (NDA), and the Proposal Due Date.**

## Contract Term

The Contract term for Administrative Services for the State of Wisconsin Pharmacy Benefit Program will commence on January 1, 2018 and shall extend through December 31, 2020. The Board retains the option by mutual agreement of the Board and the successful Proposer, to renew the Contract for two (2) additional two (2) year renewal periods extending the Contract through December 31, 2024.

Cost increases for any Contract renewals shall be negotiated in good faith and mutually agreed upon by both parties.

## Letter of Intent

A letter of intent indicating that a Proposer intends to submit a response to this RFP is requested (see Section 1.9 Calendar of Events). In the letter, identify the Proposer's organization and give the name, location, telephone number, and e-mail address of one or more persons authorized to act on the Proposer's behalf. Submit the letter of intent via email to the address in Section 1.4. The RFP number and title must be referenced in the subject line of Proposer’s email. The letter of intent does not obligate the Proposer to submit a Proposal.

**NOTE:** The Department will not approve release of the Segal data referenced in Section 8 without receipt of Proposer’s FORM F – Non-Disclosure Agreement (NDA).

## No Obligation to Contract

The Board reserves the right to cancel this RFP for any reason prior to the issuance of a notice of intent to award. The Board does not guarantee to purchase any specific dollar amount. Proposals that stipulate that the Board shall guarantee a specific quantity or dollar amount will be disqualified.

## VendorNet Registration

Only vendors registered with the State of Wisconsin’s VendorNet will receive automatic future official notice for bid opportunities for services. VendorNet, the State of Wisconsin’s purchasing information and vendor notification service, is available to all businesses and organizations that want to sell to the State. Anyone may access VendorNet on the Internet at <http://vendornet.state.wi.us> to get information on State purchasing practices and policies, goods and services that the State buys, and tips on selling to the State.

## Retention of Rights

All Proposals become the property of ETF upon receipt. All rights, title and interest in all materials and ideas prepared by the Proposer for the Proposal to ETF shall be the exclusive property of ETF and may be used by the State at its discretion.

# Preparing and Submitting a Proposal

## General Instructions

The evaluation and selection of a Contractor will be based on the information submitted in the Proposal plus references, any presentations (if requested), interviews, demonstrations, responses to requests for additional information or clarification, any on-site visits or best and final offers (BAFOs), where requested.

Failure to respond to each of the requirements in this RFP may be the basis for rejecting a Proposal. Failure to provide a complete response to Section 8 in this RFP will result in rejection of a Proposal.

Elaborate Proposals (e.g., expensive artwork), beyond that sufficient to present a complete and effective Proposal, are neither necessary nor desired.

## Incurring Costs

Neither the State nor ETF is liable for any costs incurred by Proposers in replying to this RFP, making requested oral presentations, or demonstrations.

## Submitting the Proposal

**Proposers must submit the following, including all materials required for acceptance of their Proposal:**

* **One (1) original hard copy Proposal, clearly labeled “ORIGINAL”;**
* **Six (6) identical hard copy paper copies of the original paper Proposal, marked as “COPY.” Indicate the copy number (for example: 1 of 6, 2 of 6, etc.); and**
* **One (1) USB flash drive, which includes the following:**
  + **One (1) file folder** of **all electronic Proposal files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 format. The Department requires that all files have optical character recognition (OCR) capability (not a scanned image). OCR is the conversion of all images typed, handwritten or printed text into machine-encoded text. The file folder must be labeled “[Proposer Name] PROPOSAL”. Exclude all Section 8 attachments from this file folder.**
  + **One (1) file folder** of **all electronic Proposal files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 format** **EXCLUDING or REDACTING all confidential and proprietary information/documents. This file folder must be labeled “[Proposer Name] REDACTED PROPOSAL.” This is the file that will be submitted to requestors for open records requests. Note that no matter what the method the Proposer uses to redact, ETF is not responsible for checking that the redactions match the Proposer’s FORM E – ETG0013 Designation of Confidential and Proprietary Information. Proposer should be aware that ETF may need to electronically send the redacted materials to members of the public and other Proposers when responding appropriately to open records requests. ETF is not responsible for checking that redactions, when viewed on-screen via electronic file, cannot be thwarted. ETF is not responsible for responding to open records requests via printed hard copy, even if redactions are only effective on printed hard copy. ETF may post redacted Proposals on ETF’s public website in exactly the same file format the Proposer provides, and ETF is not responsible if the redacted file is copied and pasted, uploaded, e-mailed, or transferred via any electronic means, and somehow loses its redactions in that process. Exclude all submissions required in Section 8 from this file folder.**
  + **The exterior of the USB flash drive shall clearly be marked with Proposer’s name and the RFP number.**

**Proposers must submit the Proposal to the address listed in Section 1.4 Procuring and Contracting Agency by the due date and time listed in Section 1.9 Calendar of Events. The Cost Proposal as listed in Section 8 shall be removed from the submission of the original and identical hard copies.**

**Upon receipt of Proposals, ETF stamps all boxes/envelopes containing Proposals with the date and time received. All Proposals must be time-stamped by ETF by the stated date and time specified in Section 1.9 Calendar of Events. Proposals received after the date and time specified in Section 1.9 Calendar of Events will not be accepted and shall be disqualified. Receipt of a Proposal by the State** ofWisconsin **mail system does not constitute receipt of a Proposal by ETF for the purposes of this RFP. Proposers may request, via an email to the address listed in Section 1.4, the time and date their Proposal was received by ETF.**

**Proposals submitted via fax or e-mail will not be accepted.**

The Proposal must be packaged, sealed and show the following information on the outside of the package:

* **“[Proposer's name and address]”**
* **Title: ETG0013 RFP Pharmacy Benefit Manager**
* **Proposal Date: “[Date on which the Proposal is submitted** to ETF]”

## Proposal Organization and Format

Proposers responding to this RFP must comply with the following format requirements. ETF reserves the right to exclude any Proposals from consideration that do not follow the required format as instructed below.

Proposals must be typed and submitted on 8.5 by 11-inch paper and bound securely.

Only provide promotional materials if they are relevant to a specific requirement of this RFP. If provided, all materials must be included with the response to the relevant requirement and clearly identified as “promotional materials.” Electronic access to such materials is preferred, which includes flash drives and web links.

**Proposers responding to this RFP must comply with the following format requirements:**

|  |  |
| --- | --- |
| **Front Cover** | Include at a minimum the following information:   * **Proposer's company name;** * **Title of the following: *Proposal Response for the Wisconsin Department of Employee Trust Funds RFP ETG0013;* and,** * **Proposal submission** date. |
| **TABLE OF CONTENTS** | Include at a minimum the following information:   * Listing of each TAB number; * Listing of each TAB description; and, * Listing of each TAB page number. |
| **TAB 1** | **General Information and Forms**  Provide the following in the following order:   * TRANSMITTAL LETTER: A signed transmittal letter must accompany the Proposal. The transmittal letter must be written on the Proposer’s official business stationery and signed by an official that is authorized to legally bind the Proposer. Include in the letter:  1. Name, signature and title of Proposer’s authorized representative; 2. Name and address of company; 3. Telephone number, fax number, and e-mail address of representatives who will be providing Services under this RFP; 4. RFP number and title: ETG0013 Pharmacy Benefit Manager; and, 5. Executive Summary  * FORM A – Proposal Checklist * FORM B – Mandatory Proposer Qualifications * FORM C – Subcontractor Information * FORM E – Designation of Confidential and Proprietary Information * FORM G – Request for Proposal (DOA-3261) * FORM H – Vendor Information (DOA-3477) * FORM I – Vendor References (DOA-3478) * Current Form W-9 Request for Taxpayer Identification Number and Certification (from the Department of the Treasury, Internal Revenue Service: <https://www.irs.gov/pub/irs-pdf/fw9.pdf>)   **Note:**  FORM D – Proposer Verification of Data Submission to Board Actuary must be submitted to ETF via e-mail to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov) upon submission of the Section 8 Attachments.  FORM F – Non-disclosure Agreement (NDA) must be submitted to ETF via e-mail to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov) in order to gain access to Section 8 attachments and data files. |
| **TAB 2** | **Response to Sections 6 (GENERAL QUESTIONNARE) and 7 (TECHNICAL QUESTIONNAIRE)**  Provide a point-by-point response to each and every statement in Section 6 and Section 7. The response must follow the same numbering system, use the same headings, and address each point or sub-point.  After the responses to Sections 6 and 7, provide the following in the following order:   * Two (2) Audited Financial Statements (see Section 6.1.9) * Account Manager Resume (see Section 6.2.1) * Key Staff Organizational Chart (see Section 6.2.2) * Detailed Implementation Plan (see Section 6.4.1) * Sample Formulary Change Notification/Educational Materials (see Section 7.1.5) * Sample of Participating Pharmacy Contract (see Section 7.2.3) Credentialing Worksheet (see Section 7.2.3) * Sample Mail Order Marketing/Communications Plan (see Section 7.2.4) * Sample Provider Communications Documents (see Section 7.2.5) * Trend Reports (see Section 7.5.2) * Medicare Part D EGWP Member Materials (see Section 7.7.1) |
| **TAB 3** | **Assumptions and Exceptions**  If the Proposer has no assumptions or exceptions to any RFP term, condition, exhibit, appendix, form or attachment, provide a statement in Tab 3 to that effect.  If the Proposer has assumptions and/or exceptions to any RFP term, condition, exhibit, or appendix, form or attachment, follow the following instructions: Instructions:  * Regardless of any proposed assumption or exception, the Proposal as presented must reflect all Services under the Contract. * If the Proposer cannot agree to a term or condition as written, the Proposer must make its specific required revision to the language of the provision by striking out words or inserting required language to the text of the provision. Any new text and deletions of the original text must be clearly color coded or highlighted, which requires the Proposer’s response be printed in color. Proposers shall avoid complete deletion and substitution of entire provisions, unless the deleted provision is rejected in its entirety and substituted with substantively changed provisions. Wholesale substitutions of provisions shall not be made in lieu of strategic edits required to reflect Proposer-required modifications. * Immediately after a proposed revision, the Proposer shall add a concise explanation concerning the reason or rationale for the required revision. Such explanations shall be separate and distinct from the marked-up text and shall be bracketed, formatted in italics and preceded with the term “[*Explanation:*].” * All provisions on which no changes are noted shall be assumed accepted by the Proposer as written and shall not be subject to further negotiation or change of any kind unless otherwise proposed by the Department. * Submission of any standard Proposer contracts as a substitute for language in the RFP terms and conditions is not a sufficient response to this requirement and may result in rejection of the Proposal. An objection to RFP terms or conditions without including proposed alternative language will be deemed to be an acceptance of the language as applicable. * The Department reserves the right to negotiate contractual terms and conditions when it is in the best interest of the State of Wisconsin to do so. * Exceptions to any RFP terms and conditions may be considered during Contract negotiations if it is beneficial to the Department. * The Department may or may not consider any of the Proposer’s suggested revisions. The Department reserves the right to reject any proposed assumptions or exceptions. * Clearly label each assumption and exception with one of the following labels: * Terms and Conditions Assumptions and Exceptions * RFP (Excluding Section 8) Assumptions and Exceptions * Section 8 Assumptions and Exceptions  Supplemental Information – IMPORTANT The Department will not allow any assumptions or exceptions by the Proposer to any of the items listed in Table 6 below. Any Proposal with an assumption or exception to any of the items listed in Table 6 will be rejected.  Table 6. No Assumptions or Exceptions Allowed   |  |  |  |  | | --- | --- | --- | --- | | No. | Document | Item/Section | Page(s) | | 1 | Exhibit 1 | 130C Recovery of Excess Payments | 26 – 27 | | 2 | Exhibit 1 | 150B and 315 Performance Standards and Penalties | 37 | | 3 | Exhibit 1 | 150D Audit and Other Services | 37 - 38 | | 4 | Exhibit 1 | 150F Privacy Breach Notification | 40 - 41 | | 5 | Exhibit 1 | 150H Contract Termination | 41 | | 6 | Exhibit 1 | 215 Benefits | 48 - 50 | | 7 | Exhibit 1 | 235 Grievances | 53 - 56 | | 8 | Exhibit 1 | 400 Uniform Benefits | 87 - 153 | | 9 | Exhibit 2 | 15.0 Applicable Law and Compliance | 2 | | 10 | Exhibit 2 | 17.0 Assignment | 2 | | 11 | Exhibit 2 | 32.0 Hold Harmless | 3 | | 12 | Exhibit 4 | 6.0 Audit Provision | 2 | | 13 | Exhibit 4 | 13.0 Contract Dispute Resolution | 3 - 4 | | 14 | Exhibit 4 | 14.0 Controlling Law | 4 | | 15 | Exhibit 4 | 16.0 Termination of this Contract | 4 | | 16 | Exhibit 4 | 17.0 Termination for Cause | 4 | | 17 | Exhibit 4 | 18.0 Remedies of the State | 5 | | 18 | Exhibit 4 | 22.0 Confidential Information and HIPAA Business Associate Agreement | 5 – 8 | | 19 | Exhibit 4 | 23.0 Indemnification | 8 - 9 | |

## Multiple Proposals

Multiple Proposals from a Proposer will not be accepted.

## Withdrawal of Proposals

Proposals shall be irrevocable until the Contract is awarded unless the Proposal is withdrawn. Proposers may withdraw a Proposal in writing at any time up to the date and time listed in Section 1.9 Calendar of Events on the Proposal closing date or upon expiration of three (3) Calendar Days after the Proposal Due Date and time, if received by ETF. To accomplish this, the written request must be signed by an authorized representative of the Proposer and submitted to the contact listed in Section 1.4 Procuring and Contracting Agency. If a previously submitted Proposal is withdrawn before the Proposal Due Date, the Proposer may submit another Proposal at any time up to the Proposal Due Date and time.

# Proposal Selection and Award Process

## Preliminary Evaluation

Proposals will initially be reviewed to determine if Mandatory requirements are met. Failure to meet Mandatory requirements as stated in FORM B – Mandatory Proposer Qualifications, or failure to follow the required instructions for completing the Proposal as specifically outlined in this RFP may result in rejection of the Proposal. Failure to provide a complete response to Section 8 in this RFP will result in rejection of a Proposal.

## Clarification Process

Clarifications from Proposers may be requested by ETF for the purpose of clarifying ambiguities or questioning information presented in the Proposal. Clarifications may occur throughout the Proposal evaluation process. Clarification requests will include appropriate references to this RFP or the Proposal. Clarification responses shall be in writing and shall address only the information requested. Responses shall be submitted to ETF within the time required. Failure to provide responses as instructed may result in rejection of a Proposal.

## Proposal Scoring

Proposals that pass the preliminary evaluation may be reviewed by an evaluation committee and scored against predetermined criteria. The committee may review written Proposals, references, additional clarifications, oral presentations, site visits and other information to score Proposals. ETF may request reports on a Proposer’s financial stability, and if financial stability is not substantiated, may reject a Proposer’s Proposal. This includes ETF’s request for Proposers to furnish audited financial statements. ETF may request demonstrations of the Proposer’s proposed products(s) and/or service(s), and review results of past awards to the Proposer by the State of Wisconsin.

A Proposer may not contact any member of the RFP evaluation committee.

The evaluation committee's scoring will be tabulated and Proposals will be ranked based on the numerical scores received.

The evaluation committee reserves the right to stop scoring a Proposal at any point during the evaluation. If the committee chooses to do this, the committee would compare each Proposer’s score to the highest score. If a Proposer’s score is not reasonably apt to exceed the highest score during the rest of the scoring process, no matter how well the Proposer scores, either via that Proposer moving up in the ranking, or the highest scorer moving down in the ranking, the committee may remove the Proposal from further consideration.

## Evaluation Criteria

Proposals will be evaluated based upon the proven ability of the Proposer to satisfy the requirements specified in this RFP in an efficient, cost-effective manner, taking into account quality of service. Proposals will be scored using the following criteria:

Table 7. Evaluation Criteria

| **RFP Section** | **Description** | **Total Points** | **%** |
| --- | --- | --- | --- |
| 6 | General Questionnaire | 300 | 30% |
| 7 | Technical Questionnaire | 500 | 50% |
| 8 | Cost Proposal | 200 | 20% |
|  | **Total** | **1,000** | **100%** |
| **top proposers only** | **Description** | **Total Points** | **%** |
|  | Proposer Demonstrations | 500 | - |

Results of reference checks may be used to clarify and substantiate information in the written Proposals. The reference checks may be considered when scoring the responses to the general and technical questionnaires in this RFP.

The points stated above are the maximum amount awarded for each RFP section listed above.

## Oral Presentations, Demonstrations, and/or Site Visits

The top scoring Proposers, based on the evaluation of their written Proposal in the general and technical questions of the RFP only, may be required to participate in oral presentations, interviews and/or site visits to supplement the Proposals, if requested by ETF. This may include demonstrations of Proposer’s key tools, reporting capabilities and interviews with key staff who may interact with ETF program staff, Board members, and Members.

Not all Proposers may be invited for oral presentations, demonstrations, and/or site visits. ETF will make every reasonable attempt to schedule each oral presentation or demonstration at a time and location that is agreeable to the Proposer. Failure of a Proposer to interview or permit a site visit on the date scheduled may result in rejection of the Proposer's Proposal.

By submitting a Proposal in response to this RFP, the Proposer grants rights to ETF to contact or arrange a visit with any or all of the Proposer’s clients and/or references.

## Method to Score the Cost

The lowest Cost Proposal will receive the maximum number of points available for the cost category. Other Cost Proposals will receive prorated scores based on the proportion that the costs of the Proposals vary from the lowest Cost Proposal. The scores for the cost category will be calculated with a mathematical formula.

The method to score Section 8 was developed by and will be performed by the Board’s consulting actuary.

## Contract Award

Based on the results of the evaluation and taking into account all of the evaluation factors, the evaluation committee will recommend the highest scoring Proposal to the Board for award. The Proposal determined to be most advantageous to the Board will be selected by the Board for further action, which may not be the highest scoring Proposal. The Board reserves the right not to award a Contract. If contract negotiations cannot be concluded successfully with the awarded Proposer, the Board may negotiate a Contract with the next highest scoring Proposer.

## Best and Final Offer (BAFO)

ETF reserves the right to solicit a BAFO and conduct Proposer discussions, request more competitive pricing, clarify Proposals, and contact references with the finalists, should it be in the State of Wisconsin’s best interest to do so. ETF is the sole determinant of its best interests.

If a BAFO is solicited, it will contain the specific information on what is being requested, as well as submission requirements, evaluation criteria as determined by the evaluation committee, and a timeline with due date for submission. Any BAFO responses received by ETF after the stated due date will not be accepted. Proposers that are asked to submit a BAFO may refuse to do so by submitting a written response, indicating their response remains as originally submitted. Refusing to submit a BAFO will not disqualify the Proposer from further consideration.

## Right to Reject Proposals and Negotiate Contract Terms

This RFP does not commit the Board to awarding a Contract, or paying any cost incurred in the preparation of a Proposal in response to the RFP. The Board retains the right to accept or reject any or all Proposals, or accept or reject any part of a Proposal deemed to be in the best interest of the Board. The Board shall be the sole judge as to compliance with the instructions contained in this RFP.

The Board may negotiate the terms of the Contract, including the award amount and the Contract length, with the selected Proposer prior to entering into a Contract. The Board reserves the right to add contract terms and conditions to the Contract during contract negotiations and subsequent renewals.

## Notification of Intent to Award

All Proposers who respond to this RFP will be notified in writing of the Board’s intent to award the Contract as a result of this RFP. All decisions and actions under this RFP are solely under the authority of the Board.

## Appeals Process

The appeals procedure applies to only those requests for bids/proposals for services that are over $50,000. Notices of intent to protest and protests must be made in writing. The appeal must state the RFP number, detailed factual grounds for the objection to the Contract award, and must identify any Wisconsin Statutes and Wisconsin Administrative Codes that are alleged to have been violated. Protestors can only submit an appeal once per award.

The written notice of intent to protest the Notice of Intent to Award a Contract must be filed with:

|  |  |
| --- | --- |
| **Express/Common Carrier Delivery:** | **USPS Delivery** |
| Group Insurance Board | Group Insurance Board |
| c/o Robert J. Conlin, Secretary | c/o Robert J. Conlin, Secretary |
| Wisconsin Department of Employee Trust Funds | Wisconsin Department of Employee Trust Funds |
| 801 West Badger Road | PO Box 7931 |
| Madison, WI 53713-2526 | Madison WI 53707-7931 |

This notice must be received in that office no later than five (5) Business Days after the Notice of Intent to Award is issued. Fax and e-mail documents will not be accepted. The written protest must be received within ten (10) Business Days after the Notice of Intent to Award is issued.

The decision of the Group Insurance Board is final and subjective judgment of evaluators is not appealable.

# Mandatory Proposer Qualifications

**This section is pass/fail. (0 points)**

**Use FORM B – Mandatory Proposer Qualifications to respond.**

The following requirements are Mandatory for any Proposer who submits a Proposal. Failure to comply with one or more of the Mandatory qualifications may disqualify the Proposer. A response to each item in FORM B – Mandatory Proposer Qualifications is a Mandatory qualification.

Conditions of the Proposal that have the word “must” or “shall” describe a Mandatory qualification.

**If the Proposer cannot agree to each item listed, the Proposer must so specify and provide the reason for the disagreement in Tab 3 – Assumptions and Exceptions – of the Proposer’s response.**

| **Sect.** | **Qualification** |
| --- | --- |
| **4.1** | Pursuant to Wis. Stat. § 16.705(1r), services must be performed within the United States. |
| **4.2** | Proposer agrees that any work products developed by Proposer as part of the project described in this RFP (e.g. all written reports, drafts, presentations and meeting materials, etc.) shall become the property of ETF. |
| **4.3** | The Proposer shall have no conflict of interest with regard to any other work performed by the Proposer for the State of Wisconsin. |
| **4.4** | The Proposer shall not be suspended or debarred from performing federal or State government work. |
| **4.5** | During the past five (5) years, the Proposer must not have been in bankruptcy or receivership or been involved with any litigation alleging breach of contract, fraud, breach of fiduciary duty or other willful or negligent misconduct. If the Proposer provides a response of “DISAGREE,” provide details of any pertinent judgment, criminal conviction, investigation or litigation pending against the Proposer. |

# Program Specifications

**This section is NOT scored. (0 points)**

The Department will execute the State of Wisconsin Contract by Authorized Board located in Exhibit 1 with the awarded Contractor.

All terms, standards, specifications and conditions listed in the Contract are **Mandatory** requirements.

Failure to comply with any term, standard, specification or condition within the Contract may disqualify the Proposer.

**If the Proposer cannot agree to each item listed, the Proposer must so specify and provide the reason for the disagreement in Tab 3 – Assumptions and Exceptions – of the Proposer’s response.**

# General Questionnaire

**This section is scored. (300 total points)**

The purpose of this section is to provide ETF and the Board with a basis for determining the Proposer’s capability to undertake the Contract.

All Proposers must respond to the following by restating each question or statement and providing a detailed written response. Instructions for formatting the written response to this section are found in Section 2.4 Proposal Organization and Format.

The Proposer must be able to perform Services according to the requirements contained in this RFP.

Information described in the Proposal response regarding programming capabilities must be available to all eligible Members unless otherwise noted in the Proposal.

The Proposer must provide sufficient detail for the evaluation committee, the Board and ETF to understand how the Proposer will comply with each requirement. If the Proposer believes that the Proposer’s qualifications go beyond the minimum requirements or add value, the Proposer should indicate those capabilities in each section. **Fees related to any services in the Proposal should not be noted in this section but must be included in the Cost Proposal.**

## Experience

The Proposer’s Proposal package, at a minimum, must address the following items, organized in the order indicated below:

|  |  |
| --- | --- |
| 6.1.1 | Provide a general description of your organization/company, including:   * Primary line of business; * Description of experience in primary line(s) of business; * Number of employees; and, * City and state locations of the following: headquarters, account manager, customer service, claims processing, IT support, implementation team, and other key staff. |
| 6.1.2 | Describe your experience with public and private large group accounts (≥50,000 covered lives), including administering and implementing PBM services, based on the number of covered lives. |
| 6.1.3 | Complete the table below, illustrating your organization’s enrollment and clients as of July 1, 2016. For clients that are comprised of multiple employer groups, count them as one employer in your response. Also provide the names of your two largest public and two largest private employer groups.  **Book of Business:**   |  |  |  | | --- | --- | --- | | **Total # of Covered Lives** | **# of Public Sector Employers** | **# of Private Sector Employers** | | Less than 500 |  |  | | > 500, < 2000 |  |  | | > 2000, < 10,000 |  |  | | > 10,000 |  |  | |
| 6.1.4 | Describe your experience serving clients that have complex groups and/or groups with multiple employers, locations or subgroups. Include a list of clients for whom your company administers similar pharmacy benefit programs. |
| 6.1.5 | Describe your experience serving clients with multiple health insurance plan providers. Include a list of clients for whom your company administers similar pharmacy benefit programs. |
| 6.1.6 | Describe your experience collaborating with a client’s multiple vendors such as health plans, dental benefit administrators and a third party data warehouse/business intelligence vendor to provide comprehensive total health management programming. |
| 6.1.7 | Provide information about any accreditations, certifications or industry designations your company currently holds, and/or has been awarded in the past five (5) years (e.g. accreditation or certification by URAC, NABP, NCQA, etc.). Include only credentials or designations given by nationally-recognized accreditors. |
| 6.1.8 | Describe any acquisitions and/or mergers or other material developments (e.g., changes in ownership, personnel, business, etc.) pending now or that occurred in the past five (5) years with your organization/company. Disclose any potential mergers or acquisitions that have been recently discussed by senior officials, and could potentially take place within the next three (3) years after the Contract start date. |
| 6.1.9 | Submit your company’s audited financial statements for the two (2) most recent fiscal years including the audit opinion, balance sheet, statement of operations, and notes to the financial statements. Provide in format described in Section 2.4 Proposal Organization and Format, as a part of Tab 2. |
| 6.1.10 | Please describe the nature of any business relationships, partnerships, or co-ownership partnerships currently in place with pharmaceutical manufacturers or retail pharmacies beyond what is typically necessary to conduct benefits administration. Include any ongoing responsibilities, financial, strategic or otherwise, that are in place or that are a result of these relationships, and describe these responsibilities in detail. |

## Staff Qualifications

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| **6.2.1** | Identify the Account Manager who will be responsible for day-to-day contacts with the Department and provide his/her resume. In your description, please include:   1. The skills and attributes that will ensure that the requirements of this Contract are met. 2. Information about his/her professional qualifications. 3. A detailed description of the types of large (≥10,000 covered lives) and/or complex employer groups that the Account Manager has been, or currently is, managing. Include the total number of large/complex employer groups along with the number of years of experience in managing these types of accounts. 4. Number of other accounts and their size which the dedicated Account Manager will be overseeing when also assigned to managing the GHIP/WPE programs. 5. A specific example of how the dedicated Account Manager has resolved a general administrative problem identified by a client.   Include a copy of the Account Manager’s resume in Tab 2, per the formatting requirements described in Section 2.4 Proposal Organization and Format. |
| **6.2.2** | Provide a list of key, qualified staff who will assist in fulfilling the requirements of the Contract. At a minimum, include the back-up to the Account Manager and at least one staff person in enrollment and eligibility, customer service, claims, and other key areas. For each staff person, list the following:   * 1. Name, job title, and location (city, state);   2. Primary responsibilities;   3. Years of related experience; and,   4. Top two (2) strengths.   Include an organizational chart that shows the reporting structure for the key staff in Tab 2, according to the formatting requirements described in Section 2.4 Proposal Organization and Format. |
| **6.2.3** | Describe whether your organization can provide onsite staff to the Department. Describe which staff will be available onsite, how much time staff would be onsite, and what onsite staff would be able to contribute to the Department’s Program. |

## Customer Service

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| **6.3.1** | Explain how your company plans to meet the customer service requirements as specified in Sections 260C and 315D of the Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement (see Exhibit 1). Also include any additional performance standards or service level agreements that you are willing to provide and what penalties you would associate with such agreements. Provide examples of reports or materials related to meeting these requirements. |
| **6.3.2** | Describe your organization’s policies and procedures for handling member contacts (e.g. calls, emails, etc.) during times of peak volume (e.g. open enrollment, new plan year). |
| **6.3.3** | Patients demonstrate a wide range of ability with regard to understanding prescription drug coverage, adherence recommendations, and treatment effects of their medications. Describe your organization’s efforts to address health literacy issues specific to prescription drugs and drug coverage, and to promote informed decision‐making skills and active patient participation in their health care. Responses should address the following topics:   1. Health literacy policies and practices; 2. Evaluation of effectiveness of oral, printed, and web communications (including billing statements, benefit and enrollment materials, and information on provider network); and, 3. Initiatives to increase patient engagement. Provide at least one (1) example. |
| **6.3.4** | Describe how your organization handles direct member reimbursement. Include the process for Members to receive reimbursement, your standard turnaround time for both clean claims and claims that require intervention, and any customer-focused features you have added to streamline the process. |

## Implementation

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| **6.4.1** | Submit a detailed implementation plan under Tab 2 according to the formatting requirements specified in Section 2.4 Proposal Organization and Format identifying the tasks necessary to fulfill the requirements of the Contract, such as staff roles, programming changes, subcontractors involved, timeline, etc. Refer to Sections 260 and 315A of the Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement (see Exhibit 1). |
| **6.4.2** | Describe whether hiring additional staff will be necessary to accommodate the GHIP and WPE programs. If so, estimate how many new staff will be required and to what program areas and locations they will be assigned. Provide detailed information on how you would scale up to meet ETF program demands, and examples of how you have scaled up to meet demands of prior clients. |

## Data Security

Please answer the following questions for both your organization’s processing systems (e.g. claims, eligibility, etc.) as well as any client- or member-facing applications and other technological solutions that you are proposing as a part of this Proposal. Please note to which system or solution you are referring throughout your answers.

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| **6.5.1** | **Hosting Environment**  Provide a detailed description of the hardware, software, communication mediums, and other infrastructure necessary to support the information technology requirements for the Contract, excluding any features not included in the Cost Proposal.  Provide a description of the physical security controls, such as, but not limited to, cameras, guards, doors, locks, authentication types, procedures, etc., that are enforced at the privately hosted datacenter(s) or the datacenter(s) hosted by a third party cloud provider.  Describe in detail how your network is architected to secure the data and thwart unwanted/unknown access to your applications or systems. At a minimum, cover:  Overview of network access controls such as Virtual Local Area Networks (VLANs), subnets, and firewall controls;  Security devices used to protect the infrastructure;  Change control processes for all systems;  Security updates and patch management for all systems;  Explanation of how much of the infrastructure/systems is owned and managed by the Proposer and if it is hosted, how much control the Proposer has or does not have to change the configuration on each system (servers, switches, routers, firewalls, Security Information Event Management (SIEM), Intrusion Protection Systems (IPS), Intrusion Detection Systems (IDS), etc.); and,  Encryption between systems and any Public Key Infrastructure (PKI). |
| **6.5.2** | **Application Architecture**  Provide a description of the high level architecture for the solution, supported with diagrams depicting the interactions among the system components. The purpose of these diagrams is to ensure that ETF understands the essential design of the proposed solution and can determine that the design is generally consistent with the budget, scope, and capabilities represented in this RFP. Diagrams should include architectural views that reflect the application architecture, information architecture and related data models, and corresponding software and hardware architectures.  Include a discussion of the particular industry standards that are incorporated in the application architecture. If proprietary standards or interfaces are used, please include the rationale and describe the advantage over current industry standards.  Include a discussion of the standard web technologies, frameworks and software platforms adopted in the development of the web user interface (e.g. JQuery, JavaScript, Hypertext Preprocessor (PHP), Ajax, Python, C#, Java, .Net).  Include a discussion of the Software Development Life Cycle (SDLC) process for the system. Identify methodologies that you employ and tools you use for operations in your software development processes, including, but not limited to, the following:  Unit testing;  Code coverage;  Static code analysis;  Code reviews;  Development standards;  Continuous integration;  Build and deployment strategies;  Integration testing;  Stress testing; and,  Performance testing.  Include a discussion of how the SDLC incorporates the application security principles outlined by Open Web Application Security Project (OWASP) (<http://www.owasp.org>) to protect against common web application vulnerabilities which include, but are not limited to:  Cross-Site Scripting (XSS);  Cross-Site Request Forgery (CSRF);  Remote Code Execution; and,  Structured Query Language (SQL) Injection.  6) Describe the technical solution and the authentication standards that will be implemented to integrate with other third party providers, including those parties subcontracted by your organization to provide contract services and parties subcontracted by the Department for other aspects of program administration. |
| **6.5.3** | **User Cyber Security Awareness Training**  Provide details to explain your policies and procedures for user cyber security awareness training for all your staff. This is a separate question from HIPAA training policies and procedures. At a minimum, cover:  Programs used to train employees and content of the programs;  How often trainings occur; and,  Any processes used to validate that employees are retaining what they learned. |
| **6.5.4** | **Account/Identity Management**  Describe how the solution will provide for secure access for Participants in the system. Describe the user registration process, the association of user accounts to Participant information provided by ETF. Describe how you would prevent users from intentionally or unintentionally accessing other Participants’ information. Describe how the solution is designed to prevent accidental or incidental access.  Describe the account management and account recovery process.  Provide details to explain how passwords and user accounts are managed to protect against unauthorized access to any systems or applications. At a minimum, cover:  Password complexity requirements for all accounts (web-portal administrator accounts, Proposer employee accounts, administrator accounts and service/shared accounts);  Onboarding process for employees and Contractors; and,  Off boarding process for employees and Contractors. |
| **6.5.5** | **Auditing and Logging**  Describe in detail your logging and auditing policies and procedures. At a minimum, cover:  What fields are recorded;  Log retention;  Logging practices;  Syslog or SIEM;  Auditing practices and procedures in each area of technology (web, application, operating system, database);  User and administrator auditing;  Service or shared account auditing;  Audit history reporting practices to clients, such as ETF; and,  Cooperation practices with clients to do forensics for security incident response situations. |
| **6.5.6** | **Vulnerability Management and Penetration Testing**  Provide details on your vulnerability management program and penetration testing practices and procedures. At a minimum, cover:  Vulnerability scanning practices;  Vulnerability scanner tools;  Remediation practices;  Vulnerability reporting policy and practices to clients, such as ETF;  Penetration testing practices;  Depth of the penetrating tests, such as, how much is done (social engineering, password cracking, Denial of Service (DOS), etc.); and,  Penetration testing reporting policy and practices to clients, such as ETF. |
| **6.5.7** | **Backup and Recovery Routines**  Describe your organization’s approach to backup and recovery that preserves all transactional data processed while allowing for stored procedure code in the database to be reverted to a former state. Also show how your approach both minimizes downtime and use impact, while preserving data integrity. Address your answer in terms of the following scenario:   1. An update to the stored procedures in the production database is applied January 1; 2. A load of data is applied to the system on January 2. The data is highly visible to customers; 3. A critical defect in stored procedures is observed and diagnosed midday on January 3; and, 4. Stored procedures must be reverted to their pre-January 1 state. The code must be reverted and data in system must be retained. |
| **6.5.8** | **HIPAA Security**   1. Describe how your company will maintain confidentiality and comply with HIPAA security, privacy, and electronic data interchange requirements. Address the data security of data centers, networks, the web-portal, vendor to vendor transfers, and at onsite events. 2. Describe any incidents of a breach of personally identifiable and/or health information in the past three (3) years that impacted at least twenty-five (25) Participants. For each incident, list a summary of the incident, the root cause, action taken to rectify, and steps taken to prevent future occurrences. Describe the applicable communication policies and procedures and to what degree they were followed. |
| **6.5.9** | **Corporate and Remote Networks**   1. It is as important to secure the corporate networks or remote networks that have direct access to the datacenter infrastructure as it is the datacenter(s) itself. Describe how the Proposer has implemented security practices for its corporate or remote networks that have direct access to the datacenter(s). At a minimum, cover:    1. Network segregation controls (VLANs, subnets, firewalls) for all users (business, administrators, contractors, and guests);    2. Host-based firewall protection for employee workstations;    3. Anti-malware protection for employee workstations;    4. Bring your own device (BYOD) or any non-Proposer owned and managed devices;    5. Email security protecting PHI/IPI;    6. Type of wireless networks (Line of Business (LOB), administrators, guests, etc.) and wireless security; and,    7. Network access controls (NAC), 802.1x authentication, etc. |

# Technical Questionnaire

**This section is scored. (500 total points)**

The purpose of this section is to provide ETF and the Board with a basis for determining the Proposer’s third party administrative service qualifications to undertake this Contract.

All Proposers must respond to the following by restating each question or statement and providing a detailed written response. Instructions for formatting the written response to this section are found in Section 2.4 Proposal Organization and Format.

The Proposer must be able to perform Services according to the requirements contained in this RFP. Information described in the Proposal response regarding programming and capabilities must be available to all eligible Participants unless otherwise noted in the Proposal.

The Proposer must provide sufficient detail for the Board and ETF to understand how the Proposer will comply with each requirement. If the Proposer believes that the Proposer’s qualifications go beyond the minimum requirements or add value, the Proposer should indicate those capabilities in each section.

**Fees related to any Services in your Proposal should not be noted in this section but must be included in the Cost Proposal**.

## 7.1 Formulary Design & Management

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| **7.1.1** | Describe if and how your organization assesses the cost-effectiveness of drugs prior to review by the Pharmacy and Therapeutics (P&T) committee. Include the research sources your organization consults and the methodology used to determine inclusion in the formulary. List the individuals involved in this review and their respective roles, and include their research and clinical qualifications. |
| **7.1.2** | Provide details on members of your P&T committee. Expressly call out those members’ backgrounds and associations, including any funding received from drug manufacturers, and your methods for monitoring such potential conflicts. Detail the committee’s process in reviewing and approving drugs for addition to the formulary. Also address whether your organization is able to comply with mandatory Department membership requirements as stated in Section 210A of the Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement (see Exhibit 1). |
| **7.1.3** | Provide details on any experience your organization has in drug tiering by clinical use of the drug within drug class. Specifically address your organization’s approach to diabetes, hypercholesterolemia, and asthma, as well as any other clinical conditions of focus for your organization. |
| **7.1.4** | Describe what changes you would recommend for our current benefit design (provided in Table 1) to encourage member adherence to medications and improve overall plan value. |
| **7.1.5** | Describe your communication policy regarding formulary changes and your procedures for notifying and educating members and prescribers. Include the frequency of formulary changes and the minimum amount of notification time provided to affected individuals. Provide a sample of notification/educational communication materials in Tab 2 according to the formatting requirements specified in Section 2.4 Proposal Organization and Format. |
| **7.1.6** | Describe the prescriber engagement strategies your organization employs to encourage adherence to formulary design. Include your methods and means of outreach to prescribers, frequency of contact, and any direct opportunities for engagement given to prescribers and/or responsible prescriber team members (e.g. meetings, conferences, direct outreach, etc.). Please describe the impact on prescribing adherence trends and quantify impact on program costs. |
| **7.1.7** | Describe the member engagement strategies your organization employs to encourage members to utilize medications in the lowest possible cost sharing tier and to take non-covered medications as little as possible. Include means of contact, timing, level of detail provided, and any other information communications strategies that your organization has found successful. Please include an example of such member communication for smoking cessation, diabetes, rheumatoid arthritis, multiple sclerosis, and any other conditions for which you have programs, and describe the impact on member engagement, outcomes, and cost savings for members and the plan administrator. |
| **7.1.8** | Describe how your organization will manage and administer the following programs, including incentive programs and each program’s expected impact on overall costs and member health:   * Generic utilization and substitution; * Therapeutic Interchange; * Dispense as Written (DAW); * Prior Authorization; * Quantity Limit/Limited Supply; * Extended Supply; * Step Therapy; and, * 90-Day-At-Retail.   Describe any additional programs that assist in managing costs. Please see Section 210 Pharmacy Management of the Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement (Exhibit 1) for additional program requirements. |
| **7.1.9** | Describe what cost sharing structures you have found to be most effective in managing costs without compromising adherence based on your experience with your book of business at large. Include specific group examples that detail size of groups, proportion of members affected, length of time in formulary structure, drug classifications/categories and/or disease states of focus in the formulary restructuring. Describe the adherence trends and impact on cost for members and the plan administrator. |
| **7.1.10** | Please provide detail on any innovative formulary or benefit design strategies that your organization has implemented that were not described above. Describe how this improved quality of care and/or reduced costs for the employer and/or member. |

## 7.2 Pharmacy Network Design & Management

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| **7.2.1** | Provide details about any distribution channels your organization owns or partners with, such as mail service, retail and specialty pharmacies. Describe whether your ownership/partnership relationship impacts cost, customer service, and access. Identify the advantages to using these channels. Specifically state whether these relationships are ownerships or partnerships. |
| **7.2.2** | Describe your organization’s experience tiering pharmacy networks. State if you are able to tier by pharmacy performance metrics such as fill rates, safety, quality, and availability of medications, etc., and explain your methodology. Include what impact your network tiering strategy has had on member access and/or employer costs, and provide specific examples of tiering with existing clients. |
| **7.2.3** | Submit a copy of your pharmacy credentialing worksheet or other documentation showing your credentialing process and a sample pharmacy contract in Tab 2 according to the formatting requirements specified in Section 2.4 Proposal Organization and Format. See Section 225 Pharmacy Network Administration of Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement (Exhibit 1) for specific credentialing requirements. |
| **7.2.4** | Describe your mail order pharmacy partner(s) and/or subsidiaries and the services they offer, particularly expedited delivery of mail order prescriptions.   * Describe your policy on handling expedited shipping to members due to service issues or errors. * Describe how you promote your mail-order service, including population segmentation and methods of outreach. Include a sample marketing/communications plan in Tab 2 according to the formatting requirements specified in Section 2.4 Proposal Organization and Format. * Describe whether members are able to order online, and which strategies your organization or your partner organization has gleaned from the wider digital marketplace and applied to mail order pharmacy in order to promote its use. |
| **7.2.5** | Describe whether your organization has a pharmacy provider relations committee or group. Such groups provide troubleshooting and other support to maintain positive relationships with participating pharmacies. Describe the specific services and support your group or committee provides to pharmacies. Provide a manual or other supporting documentation on the work done by the committee, and detail the impact that your provider relations committee has had on member experience, access, and provider relationships in Tab 2 according to the formatting requirements specified in Section 2.4 Proposal Organization and Format. |
| **7.2.6** | Describe whether your organization is able to push messaging to pharmacies at point of sale to prompt member-pharmacist discussions regarding generic drug availability, drug cost changes, or other relevant program information. Include information on impact to member education or plan awareness, utilization of generic drugs, and cost to employers. |
| **7.2.7** | Provide information on the frequency of network audits and your actions taken based on the results. Provide specific examples of audit outcomes and remediation efforts undertaken for other clients. Specifically highlight measures that your organization takes to combat fraud and ensure contract compliance. |
| **7.2.8** | Describe how your organization uses network incentives to reward quality, safety, patient satisfaction, and achieving established clinical measures, such as improved generic utilization or consultation provided for specific drug classes. Provide specific program examples and program outcomes. |
| **7.2.9** | Detail any provider network strategies or approaches that your organization is currently using that were not covered in the above questions. Describe how this improved access and/or reduced costs for members and/or employers, and include any additional performance guarantees and the percentage of fees you are willing to offer ETF, tied to improved access, cost reduction, or other recommended outcomes measures. |

## Specialty Drug Utilization Management

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| **7.3.1** | Describe your organization’s approach to managing member use of specialty drugs, including formulary and plan design approaches. Please highlight any specific disease states you have addressed using separate formulary or plan design and outcomes of your approach. Describe the impact on cost and adherence. |
| **7.3.2** | Describe what specialty drug contracting strategies you are using with manufacturers to reduce costs for employers. Highlight how your contracts focus on value, risk, indications, and clinical efficacy and include the results of your contracting strategies. |
| **7.3.3** | Describe the specialty pharmacy network that will be available to ETF Members. Explain the organizational structure of these pharmacies, including ownership, and detail how these pharmacies handle first fill of specialty drugs and/or immediate access needs. Include whether access to these pharmacies is exclusive, or if not how access to other, non-preferred specialty pharmacies is provided. |
| **7.3.4** | Describe any limitations on access to compound medications. If your organization limits access, describe the impact on cost and the access and outreach strategy to members regarding those limitations. If there is a path to coverage of compound medications, specify what pricing methodology is used to determine member cost sharing and plan cost. |
| **7.3.5** | Describe how your organization responds to manufacturer-sponsored rebate programs that nullify member cost sharing. Describe whether your organization is able to monitor the use of coupons for specialty drugs, and any strategies your organization uses to discourage the use of coupons without negatively impacting rebates, discounts, cost guarantees, etc. |
| **7.3.6** | Describe any risk-sharing or warranty-like arrangements that your organization has in place with manufacturers for high-cost therapies if those therapies fail to be effective. Include the terms/thresholds to be met in these arrangements and how manufacturers meet these terms. |
| **7.3.7** | Provide your clinical prior authorization criteria for specialty drugs in the following categories:   * Anti-TNF Inhibitors; * Hepatitis C; * Cystic Fibrosis (including Orkambi); and, * PCSK9s. |
| **7.3.8** | Describe what your organization does to promote member adherence to specialty medications once approved for use. Include examples of specific drugs and/or disease states addressed, length of programming, nature of member outreach, and participation and success rates by population. |
| **7.3.9** | Describe any other programs or strategies not mentioned above that your organization is using to manage specialty drug utilization and the impact that this has had on member utilization and overall health, and on program costs. Include any additional performance guarantees and the percentage of fees at risk you are prepared to offer ETF, tied to engagement and health outcomes, as well as details on the metrics you would use for such guarantees. |

## Revenue & Cost Models

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| **7.4.1** | Describe your organization’s experience working under a fully-Transparent revenue and cost model with respect to financial, operational, and contracting aspects of PBM services. Include the following:   * Whether you offer both Transparent retail pharmacy discounts as well as pass-through rebates; * What proportion of your business currently operates under a Transparent pricing model; and, * What access to financial information your organization provides to demonstrate Transparency to clients. |
| **7.4.2** | Provide details on your organization’s ability to apply prospective Maximum Acquisition Cost (MAC) price list for generics. Provide examples of the impact that implementing prospective MAC has had on overall program costs and member access. |
| **7.4.3** | Describe your experience working under generic dispensing rate targets for specific disease states with pay for performance incentives. Include examples of successful program structures, how you achieved targets, and what best practices your organization has gleaned from such arrangements. |
| **7.4.4** | Describe your experience applying reference-based pricing to brand drugs, and how this strategy impacted costs for both employers and members. Include examples of effective program structures and best practices and/or lessons learned. |
| **7.4.5** | Describe whether your organization has experience offering per member per year cost trend guarantees based on drug classification, the recommended guarantee structure, and overall impact this strategy has had on costs to employers. Include specific examples of contracts where you have provided trend guarantees and the impact on program costs and outcomes. |
| **7.4.6** | Describe your experience working under performance guarantees specifically for clinical outcomes, the structure of those guarantee programs, and the impact on employer cost, member cost, and member adherence. Include specific examples from other clients. |
| **7.4.7** | Describe any other pricing or cost model strategies that were not mentioned above with which your organization has had success. Include specific examples and the impact those strategies have had on overall program cost. |

## Data Integration & Analyses

In 2017, the Department will develop and implement a data warehouse. The data warehouse will consist of claims data from all participating health plans, health assessment and screening data from the Department’s new wellness vendor, dental data, and pharmacy data from the Department’s pharmacy benefits manager. The Department’s contracted vendors will be expected to submit a standard file to the data warehouse on a regular basis, and will also have access to the data submitted for the purposes of program coordination.

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| **7.5.1** | Describe your organization’s ability to integrate pharmacy and medical data; specifically include any experience your organization has synthesizing data from databases that include medical, wellness, and other member-centric data. Include what your organization has done with this data, and how it has impacted member health outcomes and program costs. |
| **7.5.2** | Describe your organization’s trend analysis reporting capabilities. Provide sample reports that reflect your organization’s ability to provide thorough trend analysis for the Department, the Board, and the Board’s actuary.  At minimum, the reports must:   * Contain extensive utilization and drug spend data that present future trend drivers, both industry wide and specific to our programs; * Provide information on the generic pipeline, drug indication changes that may affect drug utilization, specialty drug utilization trends, new drug introductions and other similar trend drivers; and, * Show the impacts of, and provide recommendations for, addressing price inflation, rebate performance and other pricing-related drivers, in addition to pharmacy network trends and opportunities.   Include whether you can offer ad hoc reporting capability to ETF staff, and to what level of granularity data is available in order to provide specific group or cohort detail. Reports should be included in Tab 2 according to the formatting requirements specified in Section 2.4 Proposal Organization and Format. |
| **7.5.3** | Describe any experience your organization has integrating with provider Electronic Medical Records/Electronic Health Records (EMR/EHR) data to coordinate care. Demonstrate any impact that this integration has on quality of care for members and/or cost impact for employers. |
| **7.5.4** | Describe any other strategies your organization has in terms of data utilization and analyses that assist your clients in program and member health management. Include specific examples and outcomes of the application of these analyses. |

## Clinical Programs & Member Engagement

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| **7.6.1** | Provide information that demonstrates your organization can effectively administer the programs listed below in order to partner the pharmacist, other health professionals and the member to ensure the optimum therapeutic outcomes for our members. Also provide information that demonstrates your organization’s ability to promote the safe and effective use of medications, and help ETF members achieve targeted outcomes.   * Drug Utilization Reviews - retrospective, concurrent and prospective * Medication Therapy Management   Include how your organization currently leverages analytics, and what enhancements you might be able to make with access to medical and wellness data. |
| **7.6.2** | Provide at least one specific example of applying each of the above programs and the outcomes that your organization assisted clients in achieving, both in terms of member health and program costs. |
| **7.6.3** | Detail any clinical programs your organization has developed in partnership with medical coverage plans. Describe the proportion of eligible members engaged in these programs, the impact on member health outcomes, and the effect on employer costs. |
| **7.6.4** | Provide at least three specific examples of applying the above programs and the outcomes that your organization assisted clients in achieving, both in terms of member health and program costs. |
| **7.6.5** | Detail any mobile tools provided for members to facilitate decision-making, including cost calculators and other tools that can help members find less expensive drug options. Include rates of use by population eligible. |
| **7.6.6** | Explain any targeted programs that your organization has to address drugs known to be highly addictive. Specifically highlight your approaches to opioids and amphetamines. Describe what your organization does to provide access while controlling for abuse, steps to partner with prescribers and pharmacists, and tools and methods of educating patients on these prescriptions. Include the outcomes in terms of member health and access, as well as impact on program costs. |
| **7.6.7** | List any other drugs that your organization views as potentially problematic in the future regarding concerns of abuse. Describe steps that you are taking on the front end to prepare for these trends and how you plan to mitigate member access. Include any additional performance guarantees and the percentage of fees at risk you are prepared to offer ETF, tied to engagement and health outcomes, as well as health outcome metrics for which performance guarantees could be offered. |

## Medicare Part D

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| **7.7.1** | GHIP/WPE Medicare-enrolled members have creditable coverage through the current PBM. Medicare-enrolled members are included in an EGWP program, and are also provided with a wraparound benefit to supplement the EGWP.  Describe the ability of your organization to provide Medicare Part D coverage for Medicare-enrolled members. Identify any Subcontractor that would be used to provide Medicare Part D coverage to GHIP/WPE Medicare enrolled members and note that the Board reserves the right to approve the Subcontractor. Also include copies of the member communications materials that your organization provides to EGWP participants in Tab 2 according to the formatting requirements specified in Section 2.4 Proposal Organization and Format. |
| **7.7.2** | Provide details on any wrap products that your organization offers as a standard benefit to Medicare Part D-enrolled members. Include whether you are able to customize those products to meet GHIP/WPE program specifications.  See Section 215C of the Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement (Exhibit 1) for program requirements. |
| **7.7.3** | Describe strategies that your organization would employ to help maximize available funds from the Medicare Part D catastrophic phase without unduly burdening members financially. Include the impact that these strategies have had on member populations, both in terms of member cost and access. Also include impact on program costs. |
| **7.7.4** | Describe your organization’s experience coordinating with Medicare Advantage plans in all aspects of program administration. |

# Cost, Data Utilization and Network Submission Requirements

**This section is scored. (200 total points)**

This section describes additional Proposal submission requirements.

***Submission of Signed FORM F – Non-Disclosure Agreement Required for Access to Section 8 Attachments and Data Files Instructions***

Each Proposer must submit a signed **FORM F - Non-Disclosure Agreement (NDA)** to ETF in order to gain access to Section 8 attachments and data files for this RFP. FORM F must be sent via electronic mail (e-mail) to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov). The e-mail subject line shall be in the following format: *RFP ETG0013 - NDA: [Vendor’s name]*. The e-mail must contain the name and e-mail address of the individual designated to receive the Section 8 attachments and data. **FORM F - Non-Disclosure Agreement (NDA) must be emailed to ETF to gain access to Section 8 attachments and data files**, Proposer shall return FORM F by the due date listed in Section 1.9 Calendar of Events as “FORM F – Non-Disclosure Agreement Due Date.”

ETF will inform the Board’s actuary, Segal, of NDA receipt. Segal will issue to the Proposer’s designated recipient, a secure link to Segal’s Secure File Transfer system. The designated recipient may access the secure site and download Section 8 attachments and data. Segal will not release any attachments or data files to the Proposer without ETF’s prior receipt of the Proposer’s signed FORM F - Non-Disclosure Agreement.

For informational purposes, the Segal point of contact is as follows:

Gina Sander, FMLI

[GSander@SegalCo.com](mailto:GSander@SegalCo.com)

678-306-3158

***Submission of Section 8 Attachments and FORM D - Proposer Verification of Data Submission to Board Actuary Instructions***

Each Proposer must submit all Section 8 Attachments through Segal’s Secure File Transfer system no later than the due date and time listed in Section 1.9 Calendar of Events as “Proposal Due Date and Time.”

Upon submission of all Section 8 Attachments, Proposer shall submit **FORM D – Proposer Verification of Data Submission to Board Actuary.** The form must be sent via electronic mail (e-mail) to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov). The e-mail subject line shall be in the following format: *RFP ETG0013 – FORM D: [Vendor’s name]*. The form must be received by ETF no later than the date listed in Section 1.9 Calendar of Events as “Proposal Due Date.”

The Microsoft Excel file included in Attachment F – RFP ETG0013 Cost Proposal is the required Cost Proposal document all Proposers must submit. Instructions to submit the Cost Proposal are provided below. The Cost Proposal must be returned to Segal in its original Microsoft Excel format.

ETF reserves the right to clarify any pricing discrepancies related to assumptions on the part of the Proposers. Such clarifications will be solely to provide consistent assumptions from which an accurate cost comparison can be achieved for scoring.

Costs outlined in the Cost Proposal shall remain firm for the initial Contract period.

Only dollar and number values will be accepted on the Cost Proposal. Any description other than a dollar or number value such as, but not limited to: “no cost,” “included,” “see below,” “-“, “n/a,” etc. will not be accepted. A cost value of $0.00 shall indicate the deliverable is no cost to ETF.

If a cost is not provided in a cell, it will indicate the Proposer does not provide the specific service.

Proposer shall submit to Segal: **Attachment B Network Disruption File – Commercial**, **Attachment C Network Disruption File – EGWP**, **Attachment D, Repricing File – Commercial**, and **Attachment E Repricing File - EGWP** with Proposer information added to the data files regarding network disruption and formulary disruption for both the commercial and EGWP programs. Instructions regarding submission of Attachments B – E are provided below. The data files must be returned in their original comma separated value (csv) file formats.

## 8.1 Network Access and Disruption

The Board seeks to have a pharmacy network in place that best meets the program’s long-term needs. This network should involve the least member disruption and competitive pricing.

Once the Proposer’s letter of intent, FORM F Non-Disclosure Agreement, and FORM E Designation of Confidential and Proprietary Information are signed and submitted by the Proposer, a census file and two (2) network files containing participant utilized pharmacies for the most recent twelve (12)-month period will be made available through a secure file transfer protocol. No data will be made available prior to these forms being signed and submitted to ETF by the Proposer, and no modifications will be accepted.

Proposer shall perform and provide to Segal a **“GeoAccess Network Accessibility Report”** outlining network access using the Census File provided by Segal. The access standards in the table below will be utilized in the analysis.

Proposer shall provide the GeoAccess Network Accessibility Report in electronic (Microsoft Excel) format to Segal. Proposer shall provide back-up detail in electronic (Microsoft Excel) format to Segal for employees who fall both within and outside the access standards.

Proposer’s match should include all valid zip codes in which participants reside, including those not in Proposer’s service area.

Proposer shall populate the following table and return the table to Segal:

|  |  |
| --- | --- |
| **Urban/Suburban Standards** | **Urban/Suburban Enrollees** |
| 1 Mile on average |  |
| 3 Miles on average |  |
| 5 Miles on average |  |
| 10 Miles on average |  |
| **Rural Standards** | **Rural Enrollees** |
| 2 Mile on average |  |
| 6 Miles on average |  |
| 10 Miles on average |  |
| 15 Miles on average |  |

In addition to the GeoAccess Network Accessibility Report, Proposer shall provide a description of Proposer’s national network **(“National Network Description”)**. Proposer shall identify any major chains that are being excluded from Proposer’s network. Proposer shall provide this National Network Description with the GeoAccess Network Accessibility Report to Segal.

Proposers shall provide a disruption analysis for Proposer’s proposed network. Using the Network Disruption Files provided by Segal, Attachment B Network Disruption File – Commercial and Network Disruption File – EGWP, Proposer shall indicate if each current pharmacy listed on the file by NPI is included in Proposer’s proposed network. Proposer shall complete the file by adding a column with a “Y” or “N” indicator. “Y” will indicate the current pharmacy is included in Proposer’s proposed network, and “N” will indicate the current pharmacy is not included in Proposer’s proposed network. Proposer shall return the Network Disruption Files – Attachments B and C – to Segal.

## 8.2 Network Pricing

The Board is looking to contract with an organization that has proven success in managing drug costs and can submit data timely in the required formats. This RFP was designed with knowledge of the capabilities of the market, and it is expected that each Proposer will comply with these requirements. If any issues or complications are expected, Proposers should submit questions as directed in Section 1.6.

## Once the Proposer’s letter of intent, FORM F Non-Disclosure Agreement and FORM E Designation of Confidential and Proprietary Information are signed and submitted by the Proposer to ETF, two (2) repricing files containing participant drug claims experience for the most recent twelve (12)-month period will be made available by Segal through a secure file transfer protocol. No data will be made available prior to these forms being signed and submitted by Proposer, and no modifications will be accepted.

Proposer shall submit two separate quotes for each of the commercial and EGWP programs. The first quote shall be based on ETF’s current formulary, and the second quote shall be based on the Proposer’s proposed formulary. Proposer’s quotes shall be on a 100% Transparent basis as defined in Section 1.5 Definitions and Acronyms for calendar years 2018, 2019, and 2020.

The repricing files, **Attachment D Repricing File – Commercial** and **Attachment E Repricing File EGWP**, shall be utilized by Proposer to complete the Microsoft Excel file in Attachment F – RFP ETG0013 Cost Proposal (must be returned in the same format using Microsoft Excel).

## 8.3 Formulary Disruption

Proposers shall provide a disruption analysis for Proposer’s proposed formulary. Using the repricing files, Attachment D Repricing File – Commercial and Attachment E Repricing File EGWP, Proposers must indicate if each current drug (NDC) is included in Proposer’s proposed formulary and on which tier it is located. Proposers shall complete the repricing files by adding two columns: the first column with a “Y” or “N” indicator for the drug and the second column with a “1,” “2,” “3,” or “4” for the tier. Proposers shall submit the completed repricing files to Segal.

## 8.4 Attachments for Section 8

The following Attachments are specifically for Section 8 (Attachments A-E will be made available by the Board Actuary, Segal Consulting):

* Attachment A – Member Census
* Attachment B – Network Disruption File – Commercial
* Attachment C – Network Disruption File – EGWP
* Attachment D – Repricing File – Commercial
* Attachment E – Repricing File – EGWP
* Attachment F – RFP ETG0013 Cost Proposal
* Attachment G – Commercial Formulary
* Attachment H – EGWP Formulary
* Attachment I – Formulary Companion Guide

**Proposer shall return Attachments B, C, D, E and F as well as the GeoAccess Network Accessibility Report and National Network Description as described in Section 8.1.**

# Contract Terms and Conditions

**This section is NOT scored. (0 points)**

The Department will execute a State of Wisconsin Contract with the Contractor. The Pro Forma Contract By Authorized Board is located in Exhibit 1. The Department will execute a Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement with the Contractor. The Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement is located in Exhibit 1.

The Contract and any subsequent renewal(s) will incorporate all terms and conditions in this RFP, including all attachments, exhibits, forms, appendices, etc., made a part of this RFP; and in the Pro Forma Contract; and in the Pro Forma State of Wisconsin Pharmacy Benefit Program Agreement. (See definition of Contract in Section 1.5.)

## Board and Department Authority

This solicitation is authorized under Chapter 40 of the Wisconsin State Statutes. All decisions and actions under this RFP are solely under the authority of the State of Wisconsin Group Insurance Board. Procurement statutes and rules that govern other State agencies may not be applicable. The Department is acting as an agent of the Board in carrying out any directives or decisions relating to this RFP, the Contract and subsequent awards. All references to the “Department”, “ETF”, “State of Wisconsin”, “State” or “Board” in any term, condition, or specification shall have the same authority as one entity. The Department is the sole point of contact for Board contracting.

## Payment Terms

* Invoices must be itemized by cost categories of expenses actually incurred.
* Invoices shall include the purchase order number when issued.
* Invoices will be submitted in accordance with ETF direction.
* ETF anticipates invoices will be received monthly.