

## **Specialty Pharmacy RFP Questions and Answers** **September 5, 2007**

### **Programmatic**

- 1) *The RFP shows that the State intends to initially implement only four therapies starting with RSV. The RFP does allow bidders to provide pricing for other specialty therapies/medications. Would the State entertain the idea of a full specialty offering/program that dramatically expands the scope of the proposed program? If so, would the State be willing to implement RSV initially and then implement the broader program including all specialty medications at a later date?*

The State intends to begin with RSV and expand to the listed therapies but is interested in reviewing additional offerings in providers' proposals. The State would encourage the provider to submit proposals that highlight their experience in managing specialty offerings/programs.

- 2) *Are compound drugs considered specialty drugs in this RFP?*

No.

- 3) *Based on the RFP, this seems to be an exclusive arrangement (p. 6), however, preferred provider is mentioned (p. 15). Please confirm if this RFP is exclusive or preferred.*

This proposal seeks an exclusive provider.

- 4) *If a company represents more than one store, do they have to submit a proposal for each store?*

A company should submit a single proposal for all its stores.

- 5) *The RFP shows that the State is expanding its pharmacy program to include a single provider for specialty drugs. Has the State applied for and/or received a waiver from the U.S. Department of Health and Human Services (DHHS) that will allow the State to restrict the number of providers from which a recipient may receive services?*

The State understands that no waiver is required for this initiative.

Vermont's Medicaid program operates under the Global Commitment to Health. This is a Demonstration Initiative operated under a Section 1115(a) waiver granted by the Centers for Medicare and Medicaid Services (CMS), within the Department of Health and Human Services. The Global Commitment converts the Office of Vermont Health Access (OVHA), the state's Medicaid organization, to a public Managed Care Organization (MCO).

As a MCO, the OVHA must assure reasonable beneficiary access. With this initiative, the beneficiary will continue to access Synagis® as well as other drugs as they do now, through the physician's office or the medical/clinical agency the physician designates to administer the drug. In other cases, the drug would be delivered directly to the beneficiary's home. As a result, beneficiary access under this initiative will be the same or better than it currently is.

- 6) *Is it the States intention to select only one specialty provider for all specialty medications, or will the State award certain therapy classes to selected providers?*

The RFP seeks a provider that will provide drugs for the treatment of RSV, Growth Hormone Deficiency, Hemophilia, and Multiple Sclerosis. However, the State will not reject a proposal from a provider of drugs for a single condition or several of the conditions. The State seeks the provider or providers that can best distribute and manage complex therapies and will evaluate all proposals on the providers' scope of ability in meeting the objectives of the initiative.

- 7) *Can a proposal be for specialty drugs other than Synagis? Can a proposal be for conditions other than RSV?*

See question 6.

- 8) *Our principle question to the State is whether in response to the RFP, providers may submit proposals that include the total RFP or parts thereof?*

See questions 1, 6, and 7.

- 9) *In the price/cost proposal (p. 21) the RFP suggests that "the provider may include other conditions requiring specialty pharmacy services that the provider has capacity to deliver". Is there an advantage to expanding the bid to include all specialty products?*

See questions 1 and 6.

## **Operations**

- 10) *What are the data elements that will be forwarded to the provider from the State of Vermont to identify the Beneficiary receiving specialty medications?*

Data elements will be subject to mutual agreement between the State and the provider.

- 11) *What Beneficiary contact information will be forwarded to the provider? Will this information be available to the provider on or before October 1, 2007 for all Beneficiaries using specialty medications?*

Details on beneficiary contact information would be subject to mutual agreement between the State and the provider. Agreed upon information will be provided on or before October 1, 2007 for Synagis® and when necessary for other products.

- 12) *Can you provide additional guidance on your expectations for “Utilization Management” listed in Section III-B? Is it the intent of the State to require the specialty provider to perform “utilization management” which includes but is not limited to: Criteria Development, Criteria Administration for both initial and concurrent fills, Denials of Treatment, and Appeals? Or does the State plan to utilize more traditional pharmacy management tools such as Prior Authorizations which will be performed by the PBM?*

Traditional pharmacy management tools/services such as Criteria Development, Criteria Administration for both initial and concurrent fills, Prior Authorizations, Denials of Treatment, and Appeals will be performed by the State’s Pharmacy Benefits Administrator, MedMetrics. The specialty pharmacy provider will not be expected to provide any of these specific traditional pharmacy management tools/services.

- 13) *What is the Prior Authorization process for specialty claims and what forms are required?*

The State does not manage all drugs/drug classes. Drugs/classes are managed for clinical and/or cost reasons. The State has developed a preferred drug list (PDL) for those drugs/classes that are managed that identifies what drugs require prior authorization. The State’s PDL for drugs managed under its Pharmacy Benefit Management program, a description of its prior authorization process, and its criteria for prior authorization can be found here:

<http://ovha.vermont.gov/provider-services/provider-services/pdl/>

- 14) *Will all the drugs still go through a PA process and will all drugs be processed through the PBM?*

The State’s Pharmacy Benefits Administrator, MedMetrics, manages the PA process and processes claims for the State.

- 15) *Is Synagis going to be dispensed patient specific, delivered to the physician’s office for administration and then billed by the specialty pharmacy to the state of VT?*

Synagis must be dispensed specific to a patient; billed to the State's Pharmacy Benefits Administrator, MedMetrics, for claims processing; and delivered to the location identified by the prescriber.

*16) How will MedMetrics claims adjudication system message and redirect all specialty claims to the sole specialty provider?*

MedMetrics system will use a hard edit to deny the claim with a message indicating that the patient or physician must contact the specialty provider at a phone number the specialty provider will supply.

### **Proposal Submittal**

*17) The RFP requests that the provider section be limited to no more than 20 pages with 1.5 line spacing. Section II Information Required From Providers is approximately 12 pages in length. Will the State accept a response that is 32 pages in length which would allow the providers to utilize a format which includes each question that is then followed by a brief and concise response?*

The State seeks proposals that are brief and concise in answering the questions posed within the RFP. However, the State is interested in complete answers to each question posed and will accept proposals that exceed 20 pages. The State cautions providers to ensure that the responses remain as brief and concise as possible as needlessly lengthy proposals may result in deductions in overall scoring.

*18) Section II-H asks the bidders to provide cost savings estimates including methodologies for tracking, measuring, etc. In order to accurately estimate the cost savings of the proposed pricing, a more detailed claims file is necessary. Is the State able and willing to provide a detailed claims file including: Drug level 11-digit NDC, Ingredient Cost, Paid Amount, Co-pay Amount, Dispensing Fee, Administrative Fee?*

The State will provide detailed claims data to those providers who have submitted a letter of intent. It will vary from the estimates listed in the RFP because those estimates were based on the first six months of this calendar year, annualized. In the interest of providing a full picture, data provided under this request will represent actual claims for the twelve month period ending June 30, 2007; that is, State Fiscal Year 2007. This information will be emailed with the response to the submitted questions. The data will include the NDC, Units, Ingredient Cost/Allowed Amount, Dispensing Fee, Co-pay Amount, and Paid Amount. Vermont does not currently pay an Administrative Fee.

*19) If we choose to include additional Specialty products can we get the utilization data from Vermont, for those conditions and/or products?*

Providers that submitted a Letter of Intent may provide a list of additional products or product groupings by close of business Thursday, September 6, 2007 to

[ann.rugg@ahs.state.vt.us](mailto:ann.rugg@ahs.state.vt.us). The list(s) must include each affected drug and its NDC. To the extent that State staff resources permit, claims data will be produced and provided by the close of business, Friday, September 7, 2007. The data that can be prepared will be supplied to all providers that submitted a Letter of Intent not solely the requesting provider.

20) *In the price/cost proposal (p. 21) the State is requesting "Savings Impact" information. In order to complete that section, we will need to know the current cost/claim basis (i.e., what is VT currently paying).*

See questions 18 and 19.

21) *In order to provide the State of Vermont with the most accurate Savings Analysis; would it be possible to receive a copy of the current pricing and drug mix?*

See questions 18 and 19.

22) *Would the State consider a pricing model based on net cost plus a fee?*

Drug prices/rates quoted must be in the form of a percentage reduction against AWP ("AWP minus").

23) *What is the rebate status of the products covered under this RFP?*

Services delivered under this initiative are subject to federal OBRA'90 rebates. With CMS approval, Vermont obtains supplemental Medicaid rebates through its participation in the Sovereign States Drug Consortium.

24) *Is the AWP used by the state from First Data Bank?*

The State uses MediSpan.

25) *Section III-B contains a table/performance grid asking for Claims Turnaround Time. Is the State asking for information pertaining to Turnaround Time with Intervention and Without Intervention? The third column seems to contain an error. Furthermore, we do not measure true "turn around time" since many patients do not need their medications until weeks after we receive the prescription. Because we pre-schedule each delivery in an effort to eliminate waste (i.e. patient dosing may change from receipt of initial prescription, or patient may discontinue therapy) we measure our performance by "need-by" date. Can we provide statistics showing our actual performance base on "need-by" date?*

The grid should state Turnaround Time with Intervention and Turnaround Time without Intervention. The State will accept statistics showing performance based on need by date.

26) *Is the State willing to revise the proposed performance guarantees as some of the measures do not necessarily align with the specialty business model? For example:*

*Clean Turn Around Time*

*One of the key benefits of our business model is the ability to drive out waste of these extremely expensive medications. Knowing that patients often experience side effects that result in dosing changes, breaks in therapy, or medication changes, we have found that scheduling a delivery based on the actual “need-by” date allows us to ensure the patient receives the right medication at the right time while minimizing the waste for the plan sponsor. Is the State willing to modify this metric?*

See question 25.

*Accuracy*

*We firmly believe that dispensing accuracy is a critical function and take great measures to ensure the highest possible accuracy rate. Can the State clarify the measures used in determining dispensing accuracy (i.e. Correct Strength, Correct Drug, Correct Patient, Correct Directions)? Can one shipment have more than one error?*

A shipment can have more than one error and each error counts.

*Furthermore, is it the expectation of the State that this guarantee pertain only to the prescriptions within the scope of the Vermont program? Or can the provider use their overall book of business measure? If the metric is program-specific, will the State be willing to establish a minimum prescription volume for a time period? Due to the statistically small volume of potential Rx's within a given timeframe, one error could result in failure of the guarantee.*

The provider may propose a performance guarantee based on its overall book of business but in that event must describe how it can assure that Vermont beneficiaries will not be disadvantaged considering the relatively small portion of that book of business they may represent.

*Call Center Response Time*

*The metric of an ASA within 20 seconds is above industry standard. Would the State be willing to change the metric to an ASA with 30 seconds?*

The State is willing to change the ASA to 30 seconds.

*Is it the expectation of the State to have program-specific reporting or can this measure be based on the provider's book of business? If it is based on a program-specific metric, is the State willing to establish a minimum call volume level which must be achieved within a time period before the metric would be considered valid?*

The provider may propose a measure based on its overall book of business but in that event must describe how it can assure that Vermont beneficiaries will not be disadvantaged considering the relatively small portion of that book of business they may represent.

*27) Can we make proposed revisions to any of the performance standards/guarantees?*

Yes.

*28) If the Implementation Process and Timeline is prepared in an Excel spreadsheet rather than a Gantt chart, will that be acceptable?*

Yes, the State will accept an Excel spreadsheet in place of a Gantt chart.

*29) General information on page 9 states that "The State reserves the right to issue a Provider Agreement without any further discussion with the potential provider regarding the proposals received." Will the selected provider have the opportunity to negotiate any terms and provisions of the Provider Agreement?*

The standard Vermont Medicaid Provider Agreement as found in the library listing at <http://ovha.vermont.gov/rfps/request-for-proposal-for-a-single-provider-for-specialty-drugs-8-22-07/> is not subject to negotiations. The terms and conditions of the administration of this initiative may be negotiated if the State determines it is in the best interests of the State. However, a potential provider should craft its response assuming that the selection decision may be made without any further discussion.