



**Sovereign
States
Drug
Consortium**

**SEALED BID
REQUEST-FOR-PROPOSALS**

- FOR -

**SERVICES RELATED TO MEDICAID SUPPLEMENTAL DRUG
REBATES AND OTHER MEDICAID PHARMACY BENEFIT
REBATES**

**Agent:
State of Vermont
Department of Vermont Health Access**

VT REQUISITION NUMBER: 03410-147-15

*Date of Issuance: August 29, 2014
Proposal Due Date: September 29, 2014*

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INTRODUCTION

The State of Vermont, Department of Vermont Health Access (DVHA) is issuing this Request-For-Proposal (RFP) on behalf of the Sovereign States Drug Consortium (SSDC) for services to solicit, negotiate, and procure Medicaid supplemental drug rebate and other Medicaid pharmacy benefit rebate bids for the states that are members of the SSDC. The document contains the following sections:

Background: This describes the background information regarding this RFP, including information specific to the SSDC's history, membership, and activities.

Section I – General Procurement Information and Procedures: This section is used to inform Bidders of the general procurement conditions under which the RFP is issued.

Section II – Information Required from Bidders: This section provides Bidders with instructions regarding information they must provide in a proposal and the format of its provision.

Section III – Work Statement: This section is a detailed description of the services to be provided through the contract based on this RFP. It is the most critical portion of the RFP.

Section IV – Evaluation Methodology: This section describes the methodology that will be used to evaluate the proposals submitted in response to this RFP.

Section V – SSDC Contract Terms and Conditions: This section describes the SSDC specific contractual terms and conditions that shall be a part of any contract that results from this RFP.

Section VI – Vermont Terms and Conditions of this RFP and any Resulting Contract: This section describes the Vermont specific contractual terms and conditions that shall be a part of any contract on behalf of the SSDC that results from this RFP.

Acronyms, Definitions, and Terms: This is a list of those used in the RFP.

Appendices: These are the appendices for this RFP.

Response Templates: These are the templates that bidders *must* use to provide the responses and information required in Sections II, III, V, and VI. The Template alpha/numeric identifiers indicate the RFP sections/subsections to which they apply.



BACKGROUND

History

Like all insurance programs, Medicaid has seen ever increasing prescription drug costs. The federal government and states have had a common interest in management options in this area of health care spending.

The national Medicaid Drug Rebate Program was created by the Omnibus Budget Reconciliation Act of 1990 (OBRA'90). It requires a drug manufacturer to enter into and have in effect a national rebate agreement with the Secretary of the Department of Health and Human Services (HHS) for states to receive Federal funding for outpatient drugs dispensed to Medicaid patients. The drug rebate program is administered by the Centers for Medicare & Medicaid Services (CMS).

Section 1927 of the Social Security Act (42 U.S.C. 1396r-8) provides the regulatory authority for the national Medicaid Drug Rebate Program. Rebates are paid to states and the federal government based on units utilized in each state. The terms and conditions of the setting of Medicaid Drug Rebate Program rebates and their payments are found in this section of law.

A number of states have obtained approval from the Centers for Medicare and Medicaid Services (CMS) to enter into Medicaid rebate agreements supplemental to the Medicaid Drug Rebate Program rebates under conditions found in Section 1927 of the Social Security Act (42 U.S.C. 1396r-8).

In April 2003, the first multi-state supplemental drug rebate pool was formed. With a multi-state pool, states combine their covered lives and drug utilization to demonstrate a large market in securing rebates.

The first pool was administered on behalf of its participating states by the pharmacy benefit administrator (PBA) that each state was using at the time, First Health Services Corporation. In April 2004, CMS approved this pool. In September 2004, CMS released a guidance letter on the formation of multi-state pooling arrangements. This letter is available at www.cms.hhs.gov/smdl/downloads/smd090904.pdf.

Since that time, CMS has approved another state pool that is administered by Provider Synergies, the PBA used by the states participating in that pool.

In 2009, Provider Synergies became a wholly owned subsidiary of Magellan Health Services and First Health Services Corporation was acquired by Magellan Health Services and became Magellan Medicaid Administration, Inc. The pools started by First Health and Provider Synergies continue to operate under the management of Magellan Medicaid Administration and Provider Synergies, respectively.



In the fall of 2005, the states of Iowa, Maine, and Vermont concluded that they wished to form a state administered multi-state pooling arrangement, the Sovereign States Drug Consortium (SSDC). Unlike the other CMS approved pools, the SSDC is state administered. The SSDC is not dependent on a single pharmacy benefit administrator but rather each member uses their internal and contractual resources to support their participation. Any state can potentially participate.

The States of Iowa, Maine, and Vermont constituted the SSDC membership for the first rebate calendar year of 2006. Utah joined as of rebate calendar year of 2007, Wyoming as of rebate calendar year 2008, West Virginia as of rebate calendar year 2009, Oregon as of rebate calendar year 2009 beginning July 2009, and Mississippi as of rebate calendar year 2012 beginning July 2012.

As a Medicaid initiative, the SSDC required and obtained approval from the United States Department of Human Services, Centers for Medicare and Medicaid Services (CMS) through individual Medicaid State Plan Amendments. Iowa, Maine, and Vermont received the first approval letters in July 2006. Utah, Wyoming, West Virginia, Oregon, and Mississippi have all received approval letters since joining the pool.

At this time, all SSDC Member States participate in the SSDC by memorandum of understanding. It should be assumed that additional states will be able to participate in this arrangement in the future.

Supplemental Drug Rebate Activities

The SSDC Member States believe that components of their supplemental drug rebate program could be broadly defined as:

- Member States' utilization data compilation: Compilation of Member States' produced drug utilization data for Member State information and use, for presentation to manufacturers as part of the annual bid procurement, and for use in bid presentation and evaluation.
- Rebate bid solicitation for annual review and as needed: Creation of a bid solicitation process including the provision of the vehicles(s) for manufacturers to submit bids. Communication with manufacturers throughout the process including but not limited to the web posting of general requests for proposals, manufacturer specific requests for proposals, and responses to manufacturers' questions.
- Bid presentation at the SSDC annual meeting and as needed: Provision for state review of a compilation of offered bids with pertinent related conditions, factors, and/or information.
- Bid review: Review of offered bids by states collectively and individually to determine what best meets the needs of select and/or individual states.
- Rebate bid negotiation annually and as needed: Negotiation that may occur at the request of a state or states after any bid review.



- Bid selection: State specific selection(s) within drug classes.
- Bid selection notification: Notifications to manufacturers.
- General collective administrative functions: Including but not limited to the creation and maintenance of a web page to provide manufacturers and others with pertinent information about the SSDC; general communications with participating states, manufacturers, and others; notification to manufacturers of changes in Member State participation during agreement year(s); data development, analysis and reporting; data compilation and distribution; manufacturer participation tracking; drug representation tracking; and meeting organization, coordination, support, and management.
- Contract finalization: Execution of contracts using each state’s rebate contract format.
- Preferred drug list (PDL) development: Development of state specific PDLs.
- Clinical management development: Development of state specific clinical criteria in support of each state specific PDL.
- Contract management: Management of the terms and conditions of each state’s executed rebate contracts.
- PDL management: Oversight of each state’s PDL.
- Clinical management: Clinical support of the state specific criteria including but not limited to prior authorization.
- Rebate billing: State specific billing.
- Rebate dispute resolution: State specific rebate dispute management.
- Rebate collections and reporting: State specific collections and reporting.

The SSDC believes that the **sole collective services** shared by all of its Member States are supplemental drug rebate bid procurement and the services necessary to support it. These are:

1. Member States’ utilization data compilation.
2. Rebate bid solicitation for annual review and as needed.
3. Bid presentation at the SSDC annual meeting and as needed.
4. Rebate bid negotiation annually and as needed.
5. Bid selection notification.
6. General collective administrative functions.

While extensive interaction and collaboration with all parties in all activities is necessary, all other components, other than the listed core collective services, are the responsibility of the individual Member States and their internal and contractual resources working independently and/or coordinating with other Member States and their resources.

Other Pharmacy Benefit Rebate Activities

The SSDC procures rebate bids on diabetic supplies in the same manner as they procure Medicaid supplemental drug rebate bids. Diabetic supplies are treated as merely an additional pharmacy benefit related product line subject to rebate negotiations. The same broad list of components of the supplemental drug rebate program applies to the diabetic supplies’ rebate program. In the course of rebate bid procurement for diabetic supplies, Member States require

the same six sole collective services as are required for Medicaid supplemental drug rebate bids.

Diabetic supply rebate procurement is not considered a separate service in the SSDC and Member States do not pay additional charges for diabetic supply negotiations. Throughout this RFP, it should be assumed that all references to supplemental drug rebates apply to diabetic supply rebates and that references to supplemental drug rebate bid procurement services also apply to diabetic supply rebate bid procurement services.

The SSDC may at some future date consider rebate opportunities on other pharmacy available items. The extent to which the supplemental rebate terms and conditions apply to these will be established by mutual agreement at that time.

Other Pharmacy Benefit Management Components

As part of this RFP, the SSDC is not intending to obtain services for supplemental drug rebate activity components other than the six listed collective Medicaid supplemental drug rebate bid procurement services. In addition, as part of this RFP, the SSDC is not intending to obtain services for other pharmacy benefit management services; e.g., maximum allowable cost pricing, other pricing services, etc. However, any Bidder may enumerate drug rebate activity or other services that may be available should existing or future Member States wish to pursue securing these services.

Should the Bidder offer these other services, they should provide general information on the services in sufficient detail to provide the states with an understanding of what is offered, when it is offered, how it would be provided, and an estimation of approximate costs. Proposals for these additional services should be provided as a separate document.

These additional services will not be considered in making the final decision on this RFP.

SSDC RFP Purpose and Objectives

The purpose of this RFP is to secure the six core collective services identified above to procure Medicaid supplemental drug rebate and other Medicaid pharmacy benefit rebate bids for the programs of the Member States of the SSDC.

**Covered Medicaid Lives and Drug Spend for the Medicaid Programs of the
SSDC Member States SFY 2013**

State	Total PDL Lives	Annual Medicaid Drug Spend (SFY 2013)
Iowa	439,100	\$265,516,150
Maine	336,000	\$208,313,940
Mississippi	542,600	\$304,127,460
Oregon	624,000	\$131,000,000
Utah	279,000	\$136,842,500
Vermont	169,900	\$134,448,730
West Virginia	311,200	\$331,197,130
Wyoming	67,000	\$39,110,020
TOTAL	2,768,800	\$1,550,555,930

The SSDC's primary objective in issuing this RFP is to secure a competitively procured contractor to provide these services while assuring the ability to interact and collaborate with Member States and their resources.

The services sought are for rebate calendar year bid year 2016 and after. It is anticipated that solicitation activities for 2016 will begin on or about April 1, 2015.

Goold Health Systems (GHS), an Emdeon company, is the SSDC's current vendor for Medicaid supplemental drug and other Medicaid pharmacy benefit rebate bid procurement services. It has procured rebates for the SSDC through rebate calendar year 2015 and will continue to support those rebate contract/agreements until March 31, 2015.

Use of the Term "SSDC"

The term "SSDC" is used throughout this RFP. This term refers to the Sovereign States Drug Consortium.

Designation of the SSDC's Agent

The SSDC Member States have designated the State of Vermont, Agency of Human Services (AHS), Department of Vermont Health Access (DVHA) as its agent in this procurement. DVHA is releasing this RFP.

Use of the Term “DVHA”

The term “DVHA” is used throughout this RFP. DVHA, the Department of Vermont Health Access, is a department of the State of Vermont. The contract procured with this RFP will be with the State of Vermont. While the term “State” is commonly used in State of Vermont contract procurements, this term will not be used here because of the multi-state membership of the SSDC. The term “DVHA” is used here to identify the entity in the State of Vermont that will be managing this procurement and its resulting contract.

SSDC Contract Agent

DVHA is the contract agent for the SSDC for the term of the Contract specified in this RFP.

SSDC Responsibilities in Contractor Selection

All Member States of the Sovereign States Drug Consortium (SSDC) share in all responsibilities in the selection of the Contract. All Member States shall review all proposals and collectively make the final contractor selection.

SECTION I

GENERAL PROCUREMENT INFORMATION AND PROCEDURES

This section presents general procurement information pertaining to the State of Vermont.

This Request-For-Proposal (RFP) is designed to elicit sealed bids from qualified contractors, one of which will be selected to be responsible for Medicaid supplemental drug rebate and other Medicaid pharmacy benefit rebate bid procurement services for the SSDC as described in this RFP.

Prospective Contractors are expected to carefully examine all documentation, schedules, and requirements stipulated in this RFP and respond to each requirement in their proposals in the format prescribed.

The successful Bidder (Contractor) must provide all staffing, systems, and procedures required to perform the services described herein.

The Contract awarded as a result of this solicitation shall include the selected pricing methodology as detailed in Section II-G, Cost Proposal.

In addition to the provisions of this RFP and the winning proposal, which shall be incorporated by reference in the contract, any additional clauses or provisions required by federal or state law or regulation in effect at the time of execution of the contract will be included.

The SSDC reserves the right to make a contract award with little or no further discussion with potential Contractors regarding the proposals received. Therefore, proposals should be submitted initially on the most favorable terms available to the SSDC from a technical and price standpoint. The SSDC, however, reserves the right to conduct discussions with all responsible parties who submit proposals that pass the initial screening process described in Section IV of this RFP.

Issuing Office

The State of Vermont, Department of Vermont Health Access (DVHA) has issued this RFP. The following person is the point of contact from the date of release of the RFP, until the selection of the successful Bidder.

Procurement or Issuing Officer

Michelle A. Mosher, LL.M.
Procurement Manager
Department of Vermont Health Access (DVHA)
312 Hurricane Lane, Suite 201



Williston, VT 05495
Telephone: (802) 878-7957
E-mail: Michelle.Mosher@state.vt.us

As indicated in Subsection I-J below, from the issue date of this RFP until a Contractor is selected and announced, potential Bidders are not allowed to contact any Member State staff regarding this RFP. DVHA and the Member States will not accept verbal questions. Questions regarding this RFP must be submitted in writing as described below. Please note that nothing within this requirement shall be interpreted to prevent the Bidder from contacting DVHA regarding its general procurement process or with complaints. Contact with Member State personnel is also permitted in the performance of existing contracts or as allowed in response to other, non-related competitive solicitations.

I-A GENERAL INFORMATION

The following general information pertains to this procurement:

1. Issuing Authority: The State of Vermont, Department of Vermont Health Access is issuing this Request-For-Proposals (RFP).
2. Letter of Intent: A Letter of Intent to submit a proposal in response to this RFP **is** required. A letter of intent from the Bidders is necessary as only those prospective Bidders who have submitted a Letter of Intent will receive any subsequent notices related to the RFP, including notice of the web posting of answers to written questions submitted to the DVHA Procurement Manager and/or any RFP amendments. Letters of intent will be received until **4:00 p.m. EDT on September 5, 2014**. A Bidder not submitting a timely Letter of Intent will **not** be permitted to bid on this RFP. Letters of Intent must include the name of the company, the name of the primary contact, the primary contact person's title, a telephone and/or cell number where this individual can be reached, and his/her mailing and e-mail addresses. Letters of intent may be mailed or e-mailed to:

Michelle A. Mosher, LL.M.
Procurement Manager
Department of Vermont Health Access (DVHA)
312 Hurricane Lane, Suite 201
Williston, VT 05495
Telephone: (802) 878-7957
E-mail: Michelle.Mosher@state.vt.us

3. Written Questions and Answers: Bidders may submit, in writing, programmatic and contractual questions raised by this RFP. They will be received until **4:00 p.m. EDT on September 5, 2014**. They may be mailed or e-mailed to:



Michelle A. Mosher, LL.M.
Procurement Manager
Department of Vermont Health Access (DVHA)
312 Hurricane Lane, Suite 201
Williston, VT 05495
Telephone: (802) 878-7957
E-mail: Michelle.Mosher@state.vt.us

While the questions can be submitted via e-mail, DVHA assumes no liability for assuring accurate/complete e-mail transmission/receipt and will not acknowledge receipt except by addressing the question.

Written questions received later than **4:00 p.m. EDT September 5, 2014** shall not be answered. The SSDC may consolidate and/or paraphrase questions for clarity. By September 12, 2014, the intention is to post answers to written questions under Requests for Proposals at the Administration page of the Department of Vermont Health Access at <http://dvha.vermont.gov/administration> or on the State of Vermont website (<http://www.vermontbidsystem.com>).

4. Bidders' Conference Call: No Bidders' Conference will be held. Bidders will have the opportunity to ask additional questions orally at a Bidders' Conference Call. Participation in the Conference Call is strongly recommended, but it is not required.

DVHA and the Member States will make a reasonable attempt to answer questions at the Bidders' Conference Call; however, answers given then will not be binding on DVHA, the SSDC, and/or the Member States.

A written summary of the Conference Call and the final answers to any questions raised will be sent via email to all potential Bidders who submitted a letter of intent even if a Bidder did not participate in the Conference Call. By September 22, 2014, DVHA intends to post those final answers and the Conference Call summary under Requests for Proposals at the Administration page of the Department of Vermont Health Access at <http://dvha.vermont.gov/administration> or on the State of Vermont website (<http://www.vermontbidsystem.com>).

The Conference Call will be held:

Date:	September 17, 2014
Time:	1:30 p.m. EDT
Conference Call number:	1-877-273-4202
Participant PIN:	967-173-362



I-B PROCUREMENT PROCESS AND RESPONSE INSTRUCTIONS

The following subsections provide information on the process to be followed for various procurement events:

1. Legal Basis: The procurement process for this RFP shall be conducted in accordance with applicable procurement policies and procedures established by the State of Vermont.
2. RFP Issuance and Amendments: State officials of the Member States of the SSDC reviewed this RFP. The contents represent the best statement of the requirements and needs of the SSDC. Final approval of the contract rests with the SSDC, once all individual state requirements have been met.
3. Proposal Submission Requirements: **Late submissions shall not be accepted. Proposals that arrive late will be returned to the sender unopened.** Delivery of the proposals to the DVHA Procurement Manager and to the representatives of the Member States shall be at the Bidder's expense.

The office of the DVHA Procurement Manager is the designated office for official receipt of any proposal. The time of receipt at the office of the DVHA Procurement Manager determines if the proposal is timely. The time of receipt at the office of the DVHA Procurement Manager is the time-date stamp on the proposal wrapper or other documentation of receipt maintained by the office of the DVHA Procurement Manager. DVHA accepts no responsibility for mislabeled mail or misdirected delivery. Any and all damage that may occur due to shipping shall be the Bidder's responsibility.

Each Programmatic/Technical Proposal and each Cost Proposal shall be enclosed in a separately sealed envelope or package.

a. Submittal Requirements that Apply to the Programmatic/Technical Proposal:

The Programmatic/Technical Proposal must be submitted in a paper form and an electronic format. The electronic format must be submitted on a CD or DVD.

All Member States require paper and CD or DVD copies. They must be submitted under sealed cover and labeled on the outside as follows:

“SSDC MEDICAID PHARMACY BENEFIT REBATE SERVICES PROGRAMMATIC/TECHNICAL PROPOSAL”

The number of copies required for each Member State is as follows:



	Number of Copies Required
Iowa	3
Maine	3
Mississippi	3
Oregon	5
Utah	1
Vermont	6
West Virginia	3
Wyoming	3

In addition to the number of copies listed, for both the Maine address and the DVHA Procurement Manager, **one (1)** copy of the Programmatic/Technical Proposal shall be signed by an official authorized to legally bind the Contractor, marked:

“ORIGINAL”

and sent to **both** the Maine address and the DVHA Procurement Manager’s address.

For the official record, one (1) CD or DVD with an electronic copy of the Programmatic/Technical Proposal must accompany each of these Original paper copies of the Programmatic/Technical Proposal.

b. Submittal Requirements that Apply to the Cost Proposal:

The Cost Proposal must be submitted ONLY to the DVHA Procurement Manager. Five (5) paper copies and **five (5)** CDs or DVDs containing an electronic copy must be submitted under separate sealed cover and labeled on the outside as follows:

“SSDC MEDICAID PHARMACY BENEFIT REBATE SERVICES COST PROPOSAL”

One (1) copy of the Cost Proposal shall be signed by an official authorized to legally bind the Contractor and marked:

“ORIGINAL”

For the official record, one (1) CD or DVD with an electronic copy of the Cost Proposal must accompany the Original paper copy of the Cost Proposal.

c. Submittal Requirements and Related Information that Apply to the Programmatic/Technical Proposal and the Cost Proposal:



- The Programmatic/Technical Proposal must not contain any mention of the dollar amounts in the Cost Proposal. However, the Programmatic/Technical Proposal shall disclose the Contractor's programmatic and technical approach in as much detail as possible, including, but not limited to, the information required by the Programmatic/Technical Proposal instructions. Some cost related information shall be contained in the Programmatic/Technical Proposal so that the Contractor's understanding of the scope of the work may be evaluated. Such cost related information would include labor hours and categories, materials, subcontracts, and so forth.
- The Programmatic/Technical Proposal should be as brief and concise as is possible. The Scope of Work Section should be as succinct as possible. Responses that are unduly lengthy or verbose will be scored less favorably than will those that are brief and concise.
- Elaborate proposals are neither necessary nor desired. The format and content responses for the Programmatic/Technical and Cost Proposals must adhere to the instructions contained in this section of the RFP and on the Response Templates. Emphasis should be placed on conformance to the RFP and Response Template instructions, responsiveness to requirements, and completeness and clarity of content. Bidders are encouraged to organize their response in the same order as the order found in the RFP/Response Templates so that reviewers can readily find the responses required. If the Bidder's proposal is presented in a fashion that makes evaluation difficult or overly time-consuming, it is likely that points will be lost in the evaluation process. If a Bidder fails to respond to a specific instruction or requirement or if it is difficult for a reviewer to find the response to the requirement; minimally, the result may be a score of zero or a fail for the particular item and, at worst, it may be used as a basis for rejection of the proposal from further consideration.
- The Response Templates provided must be used. Microsoft Word and Excel should be used where appropriate. In Word, Bidders must use a 12-point font, and line spacing of 1.5. Completed Response Templates must be on 8 ½" by 11" paper. Larger attachments (charts, diagrams, figures, tables, etc.) may be on fold-outs but, when folded, they must fit into the 8 ½" by 11" format. Response Template pages must be consecutively numbered. Attachments must be numbered and referenced in the text by that number. Attachments must be attached to the appropriate Response Template. If attachments are used with multiple Response Templates, they should be duplicated and attached to each Response Template. When reference attachments are submitted electronically, they may be provided in a Portable Document Format (PDF).
- The paper Cost proposal must be bound separately from Programmatic/Technical proposal when submitted to DVHA Procurement Manager.
- The face of any package containing copies and/or the original, whether mailed or hand-delivered, shall bear the following legend:

**“SSDC MEDICAID PHARMACY BENEFIT REBATE SERVICES –
CONFIDENTIAL – OPEN BY ADDRESSEE ONLY.”**

- Bidders shall not include any personal use items with the bid.
- As previously indicated, the paper form proposal delivered to the DVHA Procurement Manager shall be considered the official proposal. The designated number of paper and electronic form proposals identified below must be delivered to the DVHA Procurement Manager no later than **4:00 p.m. EST on September 29, 2014** and only to the address below.
- While a proposal delivered to a Member State representative, including Vermont’s, will not be considered the official proposal, Bidders are encouraged to assure a delivery on September 29, 2014.
- At **4:30 p.m. EST on September 29, 2014**, there will be a public bid opening at the DVHA address cited below. The public bid opening will be administered by the DVHA Procurement Manager designated below and one employee of the SSDC. Note that only the names and addresses of Bidders shall be read at the public bid opening.

d. Delivery Instructions:

For the DVHA Procurement Manager, deliver:

1. **the Original Programmatic/Technical Proposal;**
2. **three (3) paper copies of the Programmatic/Technical Proposal;**
3. **four (4) CDs or DVDs containing an electronic copy of the Programmatic/Technical Proposal;**
4. **the Original Cost Proposal;**
5. **five (5) paper copies of the Cost Proposal; and**
6. **six (6) CDs or DVDs containing an electronic copy of the Cost Proposal**

to:

**Michelle A. Mosher, LL.M.
Procurement Manager
Department of Vermont Health Access (DVHA)
312 Hurricane Lane, Suite 201
Williston, VT 05495**

Telephone: (802) 878-7957

E-mail: Michelle.Mosher@state.vt.us

For the Vermont SSDC representative, deliver three (3) paper copies of the Programmatic/Technical Proposal and three (3) CDs or DVDs containing an electronic copy of the Programmatic/Technical Proposal to:



Nancy Hogue, Pharm.D.
Director of Pharmacy Services
Department of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, Vermont 05495

IMPORTANT VERMONT NOTE: Do not send any proposals by U.S. mail as the Williston Post Office will not deliver packages to the DVHA location. Carriers that routinely deliver to this location include FedEx and UPS. Bidders are responsible for assuring that their selected carrier will deliver to this location by the specified deadline.

For other Member State representatives deliver as indicated:

Iowa (three (3) paper copies of the Programmatic/Technical Proposal and three (3) CDs or DVDs containing an electronic copy of the Programmatic/Technical Proposal):

Susan Parker, Pharm.D.
Iowa Medicaid Pharmacy Director
Iowa Medicaid Enterprise
100 Army Post Road
Des Moines, IA 50315-6241

(NOTE: A note must be included on the package and on a sheet on the contents of the package that states "DO NOT SCAN")

Maine (three (3) paper copies of the Programmatic/Technical Proposal and three (3) CDs or DVDs containing an electronic copy of the Programmatic/Technical Proposal):

Roger Bondeson
Operations Director
Office of MaineCare Services
242 State Street
11 State House Station
Augusta, ME 04333-0011

Mississippi (three (3) paper copies of the Programmatic/Technical Proposal and three (3) CDs or DVDs containing an electronic copy of the Programmatic/Technical Proposal):

Judith P. Clark, RPh
Pharmacy Director
Division of Medicaid – Pharmacy Bureau
Walter L. Sillers Building
550 High Street, Suite 1000
Jackson, Mississippi 39201



Oregon (three (5) paper copies of the Programmatic/Technical Proposal and three (5) CDs or DVDs containing an electronic copy of the Programmatic/Technical Proposal):

Linnea Saris
Policy Analyst – Medicaid Policy and Program Section
Oregon Health Authority (OHA)
Division of Medical Assistance Programs (DMAP)
500 Summer Street NE 3rd Floor, E35
Salem, OR 97301-1077

Utah (one (1) paper copy of the Programmatic/Technical Proposal and one (1) CD or DVD containing an electronic copy of the Programmatic/Technical Proposal):

Lisa Hunt, R.Ph.
Utah Department of Health
Division of Medicaid and Health Financing
288 North 1460 West
Salt Lake City, UT 84114-3102

West Virginia (three (3) paper copies of the Programmatic/Technical Proposal and three (3) CDs or DVDs containing an electronic copy of the Programmatic/Technical Proposal):

Vicki Cunningham, R.Ph.
Pharmacy Services Director
Bureau for Medical Services
350 Capitol Street, Room 251
Charleston, WV 25301

Wyoming (three (3) paper copies of the Programmatic/Technical Proposal and three (3) CDs or DVDs containing an electronic copy of the Programmatic/Technical Proposal):

Cori Cooper, PharmD
Pharmacy Program Manager
Wyoming Department of Health
Healthcare Financing Division/Pharmacy
6101 Yellowstone Road, Suite 210
Cheyenne, WY 82002

I-C PROPOSAL WITHDRAWAL

On or before the proposal due date, a letter of intent or a submitted proposal may be withdrawn by submitting a written request for withdrawal signed by the Bidder's authorized agent to:



Michelle A. Mosher, LL.M.
Procurement Manager
Department of Vermont Health Access (DVHA)
312 Hurricane Lane, Suite 201
Williston, VT 05495

I-D ACCEPTANCE OF PROPOSALS

DVHA shall accept all proposals submitted according to the requirements and deadlines specified in this RFP. The SSDC reserves the right to reject any or all proposals received. It is understood that all proposals, whether rejected or not, will become the property of the SSDC. After receipt of proposals, the State of Vermont, Department of Vermont Health Access, on behalf of the SSDC, reserves the right to sign a contract, without negotiation, based on the terms, conditions, and premises of this RFP and the proposal of the selected Bidder.

All proposals must be responsive to all requirements in the RFP in order to be considered for a Contract award.

After the opening of proposals, the SSDC may ask any Bidder for written clarification of their proposal. In the event this clarification is requested, submission of the clarification shall be considered an amendment to the proposal.

The SSDC reserves the right to waive minor irregularities in proposals, providing such action is in the best interest of the SSDC. Where the SSDC may waive minor irregularities, such waiver shall in no way modify the RFP requirements or excuse the Bidder from full compliance with RFP specifications and other Contract requirements if the Bidder is awarded the Contract. The SSDC also reserves the right to reject any and all proposals received, or cancel this RFP, according to the best interest of the SSDC.

Proposals must be valid for 180 days following the close date of this RFP. This period may be extended by written mutual agreement between the Bidder and DVHA. Any proposal submitted shall not be available for disclosure until a contract is executed between the successful Bidder and DVHA on behalf of the SSDC.

I-E ORAL PRESENTATIONS

While it is not anticipated that oral presentations will be necessary, at the SSDC's option, oral presentations by selected Bidders may be required. Bidders will be notified if an oral presentation is required. Any cost incidental to an oral presentation shall be borne entirely by the Bidder and the SSDC shall not compensate the Bidder. The Bidders may be requested to provide demonstrations of their proposed systems as part of their presentations.



The Bidders should present complete, comprehensive proposals without planning on oral presentations, because the State reserves the right to award a contract without further discussions.

I-F SITE VISITS

While it is not anticipated that site visits will be necessary, at the SSDC’s option, a site visit may be requested for the purpose of reviewing the Bidder’s organizational structure, subcontracts, operations, policy and procedures, and any other aspect of the proposal that directly affects the provisions of the RFP/Contract. Any Bidder costs incidental to the site visit shall be borne by the Bidder.

A readiness review may also be conducted on-site at the selected Contractor’s facilities following execution and implementation of the Contract.

I-G CONTRACT AWARD NOTICE

The notice of the intended contract award shall be sent to all Bidders who submitted a proposal. A contract award is contingent on approval by the SSDC.

I-H PROTEST OF INTENDED AWARD

Should there be any protests of the intended contract award, the appropriate requirements of the State of Vermont will be employed.

I-I PROCUREMENT TIMETABLE

The SSDC expects to adhere to the procurement schedule shown below. It should be noted, however, that dates are subject to change.

ACTIVITY	DATE
<ul style="list-style-type: none"> • Member State Press Announcements 	Beginning August 22, 2014
<ul style="list-style-type: none"> • Release of RFP 	August 29, 2014
<ul style="list-style-type: none"> • Web Postings 	August 29, 2014
<ul style="list-style-type: none"> • Bidders’ Library Available 	August 29, 2014
<ul style="list-style-type: none"> • Letter of Intent to Bid Due from Bidders (required) 	September 5, 2014
<ul style="list-style-type: none"> • Written Question Deadline 	September 5, 2014
<ul style="list-style-type: none"> • Response to Written Questions 	September 12, 2014
<ul style="list-style-type: none"> • Bidders’ Conference Call 	September 17, 2014
<ul style="list-style-type: none"> • Summary of Bidders’ Conference Call Available 	September 22, 2014
<ul style="list-style-type: none"> • Response to Bidders’ Conference Call Questions Available 	September 22, 2014



<ul style="list-style-type: none"> • Deadline for Letter of Intent/Proposal Withdrawal • Due Date for Submission of Proposals • Bid Opening 	<p>September 29, 2014</p> <p>September 29, 2014</p> <p>September 29, 2014</p>
<ul style="list-style-type: none"> • Expected Date of Contractor Selection 	November 1, 2014
<ul style="list-style-type: none"> • Contract Start Date 	January 1, 2015
<ul style="list-style-type: none"> • Conversion of Services Period 	Thursday, January 1, 2015 – Tuesday, March 31, 2015
<ul style="list-style-type: none"> • Beginning Date for New Contract Operations • Beginning Date for Support of Existing Manufacturer Rebate Contract/Agreements 	<p>April 1, 2015</p> <p>April 1, 2015</p>
<ul style="list-style-type: none"> • Effective Date of New Manufacturer Rebate Contract/Agreements 	January 1, 2016

I-J RESTRICTIONS ON COMMUNICATIONS WITH SSDC PERSONNEL

From the issue date of this RFP until a Contractor is selected and announced, Bidders are not allowed to communicate with any SSDC Member State staff regarding this RFP except during the Bidders’ Conference Call. **All communications related to this RFP are restricted to written communications except as set forth below and in the Section labeled “Issuing Office” above within Section I.** Letters of intent and written questions may be mailed or e-mailed by the deadlines included herein to:

Michelle A. Mosher, LL.M.
Procurement Manager
Department of Vermont Health Access (DVHA)
312 Hurricane Lane, Suite 201
Williston, VT 05495
E-mail: Michelle.Mosher@state.vt.us

Violation of this restriction may result in disqualification of the Bidder’s proposal. The only *exceptions* to these restrictions are:

- Member State staff and/or Bidder’s staff participating in the Bidder’s Conference Call for the purpose of addressing questions and
- Member State personnel involved in oral presentations by Bidders (SSDC option).

As described in this RFP, any clarification regarding the RFP will be issued in writing by DVHA. No statements, clarifications, or opinions regarding this RFP are valid or binding except those issued in writing by DVHA. **Under no circumstances will questions be entertained except in writing or in the Bidders’ Conference Call.**



I-K LIBRARY LISTING

The Bidders' Library may be found with this RFP and its Appendices under Requests for Proposals at the Administration page of the Department of Vermont Health Access at <http://dvha.vermont.gov/administration> or on the State of Vermont website (<http://www.vermontbidsystem.com>). The following documents are included in the Bidders' Library:

1. CMS Letter, Multi-State Medicaid Supplemental Rebate Pooling Arrangements, September 9, 2004
2. Iowa's SSDC CMS Medicaid State Plan Amendment (SPA) Approval Letter
3. Maine's SSDC CMS Medicaid State Plan Amendment (SPA) Approval Letter
4. Mississippi's SSDC CMS Medicaid State Plan Amendment (SPA) Approval Letter
5. Oregon's SSDC CMS Medicaid State Plan Amendment (SPA) Approval Letter
6. Utah's SSDC CMS Medicaid State Plan Amendment (SPA) Approval Letter
7. Vermont's SSDC CMS Medicaid State Plan Amendment (SPA) Approval Letter
8. West Virginia's SSDC CMS Medicaid State Plan Amendment (SPA) Approval Letter
9. Wyoming's SSDC CMS Medicaid State Plan Amendment (SPA) Approval Letter
10. Iowa's Supplemental Rebate Agreement (SRA)
11. Maine's Supplemental Rebate Agreement (SRA)
12. Mississippi's Supplemental Rebate Agreement (SRA)
13. Oregon's Supplemental Rebate Agreement (SRA)
14. Utah's Supplemental Rebate Agreement (SRA)
15. Vermont's Supplemental Rebate Agreement (SRA)
16. West Virginia's Supplemental Rebate Agreement (SRA)
17. Wyoming's Supplemental Rebate Agreement (SRA)
18. Iowa's Preferred Drug List (PDL) and Prior Authorization Criteria
19. Maine's Preferred Drug List and Prior Authorization Criteria
20. Mississippi's Preferred Drug List and Prior Authorization Criteria
21. Oregon's Preferred Drug List and Prior Authorization Criteria
22. Utah's Preferred Drug List and Prior Authorization Criteria
23. Vermont's Preferred Drug List and Prior Authorization Criteria
24. West Virginia's Preferred Drug List and Prior Authorization Criteria
25. Wyoming's Preferred Drug List and Prior Authorization Criteria
26. SSDC 2014 notice to drug manufacturers requesting RCY 2015 rebate bids
27. SSDC 2014 notice to diabetic supply manufacturers requesting RCY 2015 rebate bids

I-L AWARD

The SSDC reserves the right to award the total proposal or to reject any and all proposals if the best interest of the SSDC shall be so served. In determination of awards, the qualification of the Bidder, the conformity with the specifications of services to be supplied, and the delivery terms shall be considered.



SECTION II

INFORMATION REQUIRED FROM BIDDERS

The Bidder's proposal must be submitted in the format outlined below. There should be no attachments, enclosures, or exhibits other than those considered by the Bidder to be essential to a complete understanding of the proposal submitted. **Each section of the proposal should be clearly identified with appropriate headings.**

II-A TRANSMITTAL LETTER

A transmittal letter must accompany the proposal, signed in ink by an official authorized to bind the Bidder to the proposal's provisions.

A Bidder responding to this RFP must complete the Response Template for Subsection II-A.

II-B BUSINESS ORGANIZATIONS AND LOCATIONS

A "Bidder information sheet" regarding the Bidder's business organization itself, the business organization of any subcontractors, and the location(s) of the Bidder and any subcontractors must also accompany the transmittal letter.

A Bidder responding to this RFP must complete the Response Template for Subsection II-B.

II-C BUSINESS AFFILIATIONS

The State of Vermont requires that any Bidder or Contractor shall report to the State all affiliations that may affect the performance of its duties under its contract. This report shall occur when a Bidder submits a response to a RFP or as a Contractor enters into any such affiliation during any portion of the term of the Contract.

In addition, Title 33 V.S.A § 2001 requires in connection with Vermont's pharmacy best practices and cost containment program, that DVHA shall not enter into a contract with a Contractor where the Contractor has entered into an agreement or engaged in a practice described here unless the Commissioner of DVHA determines and certifies in a required fiscal report to the Vermont General Assembly, that such agreement or practice furthers the financial interests of Vermont, and does not adversely affect the medical interests of Vermont beneficiaries:

- Any agreement with a pharmaceutical manufacturer to favor the manufacturer's products over a competitor's products, or to place the manufacturer's drug on the State's preferred list or formulary, or to switch the drug prescribed by the patient's health care provider with a drug agreed to by the Contractor and the manufacturer;



- Any agreement with a pharmaceutical manufacturer to share manufacturer rebates and discounts with the Contractor, or to pay “soft money” or other economic benefits to the Contractor;
- Any agreement or practice to bill Vermont health benefit plans for prescription drugs at a cost higher than the Contractor pays the pharmacy;
- Any agreement to share revenue with a mail order or internet pharmacy company;
- Any agreement to sell prescription drug data concerning Vermont beneficiaries, or data concerning the prescribing practices of the health care providers of Vermont beneficiaries; or
- Any other agreement of the Contractor with a pharmaceutical manufacturer or with wholesale and retail pharmacies affecting the cost of pharmacy benefits provided to Vermont beneficiaries.

This requirement applies to any contractor that provides pharmacy benefit manager related services. Since Vermont’s participation in the SSDC is under Vermont’s pharmacy best practices and cost containment program, this requirement applies to this procurement.

A Bidder responding to this RFP must complete the Response Template for Subsection II-C.

II-D RELEVANT EXPERIENCE AND REFERENCES

The Bidder should provide a list and description of the particular pharmacy benefit management services it provides to its clients including the SSDC states.

With the scope of work in this proposal particularly drug and pharmacy benefit rebate services, the Bidder should describe its experience in these.

A Bidder responding to this RFP must complete the Response Template for Subsection II-D.

II-E CONTRACTOR ORGANIZATION AND STAFFING

The Contractor selected as a result of this RFP is responsible for providing all resources necessary to deliver the services as specified in this RFP in a timely fashion or according to the SSDC’s rebate calendar.

II-F METHODOLOGY AND APPROACH

Bidders will be scored, in part, on the methodology and approach proposed in the bid. Be as specific as possible in addressing all of the elements described in each section within Section III, Work Statement, of this RFP. Bidders should include a proposed transition and implementation timeline within the proposal submitted.

II-G COST PROPOSAL

In submitting a response to this RFP, the Bidder and all other parties to the response must certify that the prices in the cost proposal for the response were arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any matter relating to such prices with any other Bidder or with any competitor; the prices were not and will not be knowingly disclosed by the Bidder prior to the award to any other Bidder or competitor; and no attempt has been made by the Bidder to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

A Bidder responding to this RFP must complete the Response Template for Subsection II-G.

SECTION III

WORK STATEMENT

III-A BIDDER RESPONSE TO RFP – GENERAL REQUIREMENTS

Through this RFP, the SSDC is asking Bidders to describe capabilities in regard to each subsection of the Work Statement. Each subsection contains an “**Overview and Discussion**”. This area includes the SSDC’s understanding of the functions or goals of the section. The area entitled “**Transition/Implementation and Operations**” describes relevant issues that will impact the transition/implementation and resulting operations of functions.

A Bidder must respond to the Work Statement using the Response Template provided for each subsection. Absolute requirements and specific aspect of the section are articulated in each Template in the area labeled “**Requirements**”.

The Bidder is expected to describe its ability to meet the requirements, any unique or innovative method the Bidder proposes in meeting a requirement, applicable experience the Bidder has in performing the function in other settings, and any other information relevant to the section being described. If the Bidder is not able to meet a described requirement, it must describe in detail the limitations of its system or capacity and its plan to provide a conceptual equivalent to meet the SSDC’s needs. If the Bidder’s proposes to exceed a requirement, this should likewise be described in detail in the Bidder’s proposal response.

The Bidder is expected to describe its ability to meet any applicable transition/implementation schedule, identify the lead time to transition/implement a section, and describe the organizational structure and responsibilities for transition/implementation, including key personnel, experience of these personnel with similar projects, organizational authority of these personnel, and other relevant information that will allow the SSDC to judge the capacity of the Bidder to execute successfully the section under discussion.

III-B GENERAL DRUG AND OTHER PHARMACY BENEFIT REBATE ACTIVITY REQUIREMENTS

Overview and Discussion

The SSDC believes that the multi-state Medicaid rebate process has become a key component in its members’ efforts to contain costs.

The SSDC believes that the preferred drug and pharmacy benefit management systems implemented by its Member States have been effective tools in helping manage pharmacy costs and maintaining access to pharmacy benefits for vulnerable, low-income populations. Central in each state’s system is a Preferred Drug List (PDL). A state’s PDL is a list of preferred prescriptions developed with its Pharmacy & Therapeutics (P&T) Committee. The PDL presents options for prescribers’ consideration for use in meeting the drug therapy needs of



their patients. Medications are preferred if they meet clinical and therapeutic criteria established by the Committee and are cost-effective. Products that are not preferred can be prescribed and reimbursed based on a clinical review of necessity for a particular patient situation. These reviews constitute prior authorization (PA) review protocols that are developed with the guidance of the state's P&T Committee.

Under the SSDC pooling program, the Member States leverage the purchasing power of their combined covered lives in negotiations for drug and other pharmacy benefit rebates with pharmaceutical manufacturers.

The supplemental drug rebates obtained are in addition to the baseline standard CMS rebates that all pharmaceutical manufacturers must pay states to participate in the Medicaid program under the provisions of the Medicaid Drug Rebate Program. The supplemental rebate agreements used by the Member States have been authorized by CMS. In obtaining supplemental rebates, states are able to offer greater choices in the classes of their PDLs.

While SSDC Member States work together to obtain rebates, ultimately they maintain their independence in managing their programs. Decisions on choice and flexibility remain with each individual state and its P&T Committee in determining which classes to include on its PDL and which drugs and pharmacy benefits to select as preferred. As a result, Member States may vary considerably in their formularies, their clinical criteria, and in their approach to rebates.

The SSDC pool is a state administered pool. It is "owned" by the Member States it serves and not by the vendors/contractors who work with and for the SSDC or its Member States. Contracting with a particular vendor is never a condition of membership in the SSDC. And the SSDC's contracted bid procurement vendor may not characterize the pool as a service it offers states because the vendor does not "own" the pool. Any state may choose to participate in the SSDC.

Under the SSDC model, 100% of all rebate revenues are returned to the Member States. They are not shared with any contractor engaged in activities to support rebate activities.

The SSDC believes that the commitment and ability of a Bidder to establish good working relations with pharmaceutical manufacturers are key components in the Contractor selection process. Such relationships are essential for the long-term success of the SSDC's multi-state rebate initiative in the negotiation and maintenance of favorable drug and other pharmacy benefit rebate agreements.

Transition/Implementation and Operations

The Contractor selected by this RFP will be responsible for SSDC operations as of April 1, 2015. All records will be transitioned to the selected Contractor by that date. The Contractor will be responsible for supporting rebate agreements for calendar year 2015 including those



negotiated prior to April 1, 2015 and for all new agreements beginning with rebate calendar year bid year 2016.

A Bidder responding to this RFP must complete the Response Template for Subsection III-B.

III-C MEMBER STATES' UTILIZATION DATA COMPILATION

Overview and Discussion

For each rebate calendar year bid year, Member States provide drug utilization data for a prescribed period of time for Medicaid eligibles. That may be as little as three months of data or as much as twelve months of data. Minimum general data elements would be:

- National Drug Code (NDC), or other mutually agreed upon code identifier
- Drug name
- Number of units by age
- Number of scripts by age
- Preferred Drug List category
- PDL preferred status (tiers, etc.) to the extent that it is available from Member States

The Contractor is responsible for the compilation of all data used in the bid procurement process. During any period Member States may require the Contractor to do a comparative compilation for their individual program operations' purposes or for presentation to others including potential Member States. The SSDC shall require the Contractor to compile utilization data of potential Member States in the course of expanding SSDC membership.

Transition/Implementation and Operations

Compilation will become the responsibility of the Contractor secured by this RFP for the period of the contract. This will be as of April 1, 2015 and continue for the term of the Contract. All related records will be transitioned to the Contractor by that date.

A Bidder responding to this RFP must complete the Response Template for Subsection III-C.

III-D REBATE BID SOLICITATION

Overview and Discussion

For each rebate calendar year bid year, the Contractor must communicate with all manufacturers to notify them that the bid procurement process is beginning and what is being requested. The drafting of any manufacturer notifications shall be the responsibility of the Contractor. The language of this notification will be subject to the approval of the SSDC Member States.



The Contractor must then provide the vehicle for manufacturers to submit bids and the instructions for the use of the vehicle. Generally the SSDC does not entertain bids between annual bid procurement periods though some exceptions may occur; for example, with the release of new products. Any resulting related activities must be supported.

Prior to rebate bid solicitation, it is required that the Contractor meet with the SSDC Member States to discuss the strategy for the upcoming year. This includes the policy and process approved by the SSDC Member States and any planned changes to either. These meetings can be telephonic, web-based, and/or electronic. These meetings are not required at the physical location of any Member State.

Transition/Implementation and Operations

Bid solicitation becomes the responsibility of the Contractor secured by this RFP for the period of the contract. All records will be transitioned to the Contractor by April 1, 2015. The Contractor will be responsible for supporting rebate agreements for calendar year 2015 including those negotiated prior to April 1, 2015 and for all new agreements beginning with rebate calendar year bid year 2016.

A Bidder responding to this RFP must complete the Response Template for Subsection III-D.

III-E BID PRESENTATION

Overview and Discussion

For each rebate calendar year bid year, bids solicited must be presented to Member States for review at the SSDC's annual meeting. The presentation must be in manner that is agreed upon by the Member States and that facilitates the review by Member States and their staff to the extent that they require. It can be expected that the presentation may require the inclusion of information other than the actual bid details on any factors and/or conditions known to Member States that may have an impact on a bid over the course of the Rebate Calendar Year; for example, anticipated federal law/rule changes; generic and/or brand drug developments; known litigation; etc.

Presentations other than for the rebate calendar year may also be necessary. Examples include:

- Providing aggregate, non-bid specific data to potential Member States to allow them to assess the viability of the multi-state pooling approach in their operations;
- Facilitating new Member States' review of current year bids in their initial year of membership; or
- Presenting new product offerings to Member States.

Transition/Implementation and Operations

Presentation will be the responsibility of the Contractor secured by this RFP for the period of the contract. This includes presentations regarding rebate agreements for calendar year 2015 including those negotiated prior to April 1, 2015 and for all agreements beginning with rebate calendar year bid 2016. All records will be transitioned to the Contractor by April 1, 2015.

A Bidder responding to this RFP must complete the Response Template for Subsection III-E.

III-F REBATE BID NEGOTIATION

Overview and Discussion

In the process of bid procurement, the terms and conditions of specific bids may need to be clarified. In addition, Member States may request that the Contractor negotiate with a manufacturer or manufacturers to refine bid offerings. Such a negotiation might be on behalf of all states or on behalf of an individual Member State to meet its particular needs. It is the responsibility of the Contractor to be the point on such negotiations. It is not the SSDC's intent to simply accept a rate submitted by the manufacturer, there must be active negotiation by the Contractor.

Transition/Implementation and Operations

All negotiation will be the responsibility of the Contractor secured by this RFP beginning April 1, 2015 through the term of the Contract.

A Bidder responding to this RFP must complete the Response Template for Subsection III-F.

III-G BID SELECTION NOTIFICATION

Overview and Discussion

At the conclusion of any procurement process, bid year or mid-year, manufacturers must be notified that their products have not been selected or have been selected. If the products have been selected they must be notified of what has been selected and any conditions that have been set in the negotiation process. They must be notified that each Member State or the agent of the Member State will complete the contracting and that all discussions thereafter are with the Member State or the state's agent.

Transition/Implementation and Operations

For transition/implementation purposes, the SSDC believes that it is important to establish that the Contractor secured with this RFP is its agent. As soon as reasonably possible after the effective date of the resulting contract, a notification to this effect must be sent to all



manufacturers on behalf of the SSDC and its Member States. The drafting of this notification will be the responsibility of that Contractor though the language will be subject to the approval of the SSDC Member States.

Thereafter, bid procurement notifications for agreements secured beginning April 1, 2015 through the term of this contract will be the responsibility of the Contractor. The language of all bid procurement notifications to be used for the term of the Contract will be subject to the approval of the SSDC Member States.

A Bidder responding to this RFP must complete the Response Template for Subsection III-G.

III-H GENERAL ADMINISTRATIVE FUNCTIONS

Overview and Discussion

The Contractor will be responsible for a variety of administrative functions in support of the SSDC.

The Contractor may operate from the location of their choice. There is no expectation under this contract that the Contractor secure office space in Vermont or in any other SSDC Member State.

The Contractor will be responsible for the creation and maintenance of a dedicated SSDC web page to provide drug manufacturers, other states, CMS, insurers, the press, and other interested parties with pertinent information about the SSDC.

The Contractor shall provide ready communication methods including but not limited to telephone, cell phone, fax, “fax blasts”, land mail/delivery services, electronic mail, telephone conferences, electronic meetings, and access to web based “cloud” services.

The Contractor will be the point of contact for SSDC general communications. These communications may involve telephones, fax machines, e-mail, and mail involving the U.S. Postal Service and other vendors; e.g., FedEx, UPS, etc.

The Contractor must be able to manage general inquiries from interested parties about the SSDC. This includes providing verbal and written information and assessing when inquiries must be managed by a SSDC agent or a Member State. At a minimum, this requires a dedicated e-mail address.

The Contractor must handle all inquiries from manufacturers requesting information on the SSDC and its drug and other pharmacy benefit rebate negotiations. This requires a point person to be the contact and a dedicated e-mail address. It also requires that the web page described above be interactive.



The Contractor shall request and receive approval from the SSDC Member States or its agent(s) in advance of distribution or internet posting of any materials in support of the SSDC.

The Contractor must be willing to work with Member States and their agent(s) and staff. Extensive interaction and collaboration between the Contractor and its staff and the Member States and their agent(s) and staff in all activities will be necessary. The staff of any individual Member State may consist of both state employees and contract employees. SSDC Member States may designate their agents in support of their rebate activities who will work with the Contractor. All agents will receive the same services as all representatives of the Member State. When such agents are employees of other contractors, the Contractor may require a non-disclosure agreement to protect any Contractor proprietary methods, systems, and/or information. The content of such agreements is subject to the approval of the Member States.

The Contractor must understand that due to the nature of the SSDC, it is of the utmost importance that all communication to all Member States be both timely and accurate. All Member States' needs to access information must be met equally.

The Contractor must be responsible for training Member States and their agent(s) and staff in the contracted rebate procurement processes. The Contractor must produce a SSDC User Manual, a Business Rules Document, and/or like instrument(s) that describes the process. The users for this will be the Member States and their agent(s) and staff. It should be an operations resource that can be referred to and that can be updated when and if subsequent changes need to occur. It shall include but not be limited to:

- a. The schedule for activities and how it will be agreed upon.
- b. Steps taken to procure bids.
- c. Bid option alternatives offered.
- d. Steps taken in presenting to Member States.
- e. Steps taken in following up with manufacturers.
- f. Steps taken in finalizing bids.
- g. Circumstances when interim bids should be considered.
- h. Reports used.
- i. Information in reports.
- j. Methodologies to assure accuracy.
- k. Methodologies to assure timeliness.

As part of this, access to necessary screens on any on-line system or access to materials stored on any web based "cloud" service must be made available to Member States and their agent(s) and staff. A description of those screens and how to access them shall be included in a user resource instrument. A description of the web based "cloud" service and how to access materials stored there must be made available to Member States and their agent(s) and staff.



The Contractor must be able to develop SSDC data for analysis and reporting using standard and decision support capabilities. The Contractor must be able to compile such data to produce paper and/or electronic reports.

The Contractor must have the ability to provide reports for all or select Member States and their agents and/or staff as identified in this RFP and otherwise. The content, details, and expectations of certain reports are as specified here. The content, details, and expectations of other reports shall be mutually agreed upon in the Contract negotiations. The content, details, and expectations of future reports shall be mutually agreed upon over the term of the Contract.

The Contractor shall be responsible for tracking and monitoring manufacturer/drug participation in the SSDC in relationship to drugs/pharmacy benefits represented in the SSDC Member States' PDLs.

The Contractor shall be responsible for identifying the detailed impact of factors and/or conditions that apply to SSDC Member State rebate programs that become known to Member States at any point in the course of a Rebate Calendar Year; for example, anticipated federal law/rule changes; generic and/or brand drug developments; known litigation; etc. In doing so, the Contractor shall be responsible for researching the conditions of the event(s) to report known elements: what is happening, to whom it applies, where it applies, when it is likely to be effective, and what is known about how it is likely to occur. Ultimately, the Contractor shall be responsible for determining, to the extent possible, the per unit/per NDC or other product identifier effect of any event and reporting it to the Member States so that they are able to apply the per unit/per NDC or other product identifier effect to their individual utilization data.

The Contractor will be responsible for notifying manufacturers of changes in Member State participation during agreement year(s).

The Contractor must be able to organize, coordinate, support, and manage meetings of all types including annual bid year, mid-year, periodic, and as needed meetings. Generally, it is not expected that the Contractor will be required to meet at the location of any Member State. However, the Contractor shall be expected to host the annual meeting for bid presentation. At the discretion of the Member States, this meeting may be in the state where the Contractor is located or in one of the Member States. The Contractor shall be responsible for necessary meeting costs: facility, communications, connectivity, materials, etc. The Contractor shall also be responsible for all of its staff's expenses for attending that meeting. It is expected that no more than three members of the Contractor's staff shall need to attend a meeting.

The Contractor may be asked to do other related duties of these types during the term of the Contract.

The Contractor shall be required to perform transition activities similar to those identified here at the time this contract terminates.



Transition/Implementation and Operations

The Contractor will be responsible for all administrative activities as of April 1, 2015. All records will be transitioned to the Contractor by April 1, 2015. All activities will be the responsibility of the new Contractor effective April 1, 2015.

A Bidder responding to this RFP must complete the Response Template for Subsection III-H.

III-I REQUIRED REPORTS

Overview and Discussion

The Contractor shall be responsible for the development of SSDC supplemental rebate program data for analysis and reporting and for the compilation and distribution of it to Member States and their agents and/or staff.

At a minimum, the Contractor must meet the following requirements:

- The Contractor shall accept non-beneficiary specific claims' utilization data in a mutually acceptable electronic format. Data sources include the SSDC Member States and their specified contractors.
- The Contractor shall capture and maintain other data that shall include:
 - a. Information on manufacturers (e.g., name, products, contact address/e-mail/phone number, labeler number, etc.).
 - b. Data on manufacturer outreach activities at the manufacturer level (e.g., subject, date contacted, etc.).
 - c. Documented steps in each level of rebate procurement manufacturer contact (e.g., offers, counteroffers, final offers, etc.).
 - d. Documented steps in each Member State contact regarding rebate bids (e.g., offers, counteroffers, final offers, etc.).
 - e. Reason(s) for manufacturer non-participation (e.g., unable to contact, mail returned to sender, refused to participate, etc.), at each level of contact.
- The Contractor shall consult with the SSDC Member States on the creation of appropriate data collection instruments. Comprehensive report formats, data dictionaries, file specifications and code books shall be provided to the SSDC Member States as soon as they are available and in advance of any related data transfer.
- Data shall be provided upon request and/or at regular, agreed-upon intervals.
- The Contractor shall provide data in a timely manner to the SSDC Member States in compliance with the performance standards outlined in III-N of this RFP.

The Member States of the SSDC require standard reports and ad-hoc reports that support decision making. At a minimum, the Contractor must be able to provide or have available:



1. Manufacturer contact list
 - Identifies all manufacturers/labelers and for each:
 - a. The designated point of contact and his/her:
 - i. Phone and/or cell number and
 - ii. E-mail address,
 - b. The designated mailing address, and
 - c. Any alternative contact information.
 - Produced at time of rebate calendar year bid year solicitation.
 - Produced upon request.
 - Produced at termination of rebate bid procurement contract.
2. Manufacturer and product list
 - Identifies manufacturers with SSDC agreements and their products by:
 - a. Manufacturer name,
 - b. Labeler, and
 - c. Drug NDC, or other mutually agreed upon code identifier, and name.
 - Produced upon request.
 - Produced at termination of rebate bid procurement contract.
3. Manufacturer outreach report
 - Identifies contacts related to the SSDC outside the bid process:
 - a. Type; e.g., complaint, etc.,
 - b. Subject,
 - c. Date, and
 - d. Any resolution.
 - Produced semiannually: prior to or on April 1st of each calendar year and prior to or on October 1st of each calendar year.
 - Produced upon request.
4. Manufacturer news report
 - Provides narrative information related to news in the product manufacturer industry that may affect drug and pharmacy benefit rebates.
 - Provides information related to products including but not limited to:
 - a. Products coming to market and
 - b. Planned line extensions.
 - Provides information related to business aspects including but not limited to:
 - a. Company acquisitions and
 - b. Company changes in management.
 - May require the provision of Member State specific utilization or financial projections based on the news reported.
 - Produced every other week when there is information to report.
5. Drug Therapeutic Classification/States' Preferred Drug List Crosswalk
 - Provides a crosswalk of Member States' Preferred Drug Lists to a mutually agreed upon drug therapeutic classification.
 - Produced as a tool for Member States' for reviewing bid reports.
 - Produced prior to the SSDC annual meeting to review bids.
6. Member State comparative utilization report

- Compares utilization in Member States for the period of time prescribed for data compilation.
 - At a minimum, identifies drugs by:
 - a. Therapeutic class,
 - b. National Drug Code (NDC), or other mutually agreed upon code identifier,
 - c. Drug name,
 - d. Drug strength,
 - e. Brand or generic status,
 - f. Total number of unique recipients using a given drug,
 - g. Units dispensed, and
 - h. Total payment for the drug for the period.
 - Produced at the time of rebate calendar year bid year solicitation.
 - Produced periodically as mutually agreed.
7. Weekly status report
- Reports on the progress of the bid year solicitation schedule.
 - Lists status of agreed upon bid year solicitation activities and includes:
 - a. Activity name and identifier,
 - b. Start date,
 - c. Scheduled completion date, and
 - d. Completion date.
 - Produced during the rebate calendar year bid year solicitation
 - Produced to provide Member States and their agents and/or staff with progress status.
 - Produced in a format approved by the Member States. Must be a paper report in Microsoft Office Word or Excel. Must be available electronically; for example, via email; a secure web based “cloud” service or electronic bulletin board, etc. Must be available to Member State agents as well as staff.
 - Produced weekly during the rebate calendar year bid year procurement period unless otherwise approved by the Member States.
 - Produced weekly if mid-year bids procured unless otherwise approved by the Member States.
8. Bid proposal report
- Identifies individual and collective proposals as received.
 - a. Presents the bids by agreed upon class sorted in alphabetical or agreed upon order and includes:
 - i. Drug name,
 - ii. All National Drug Codes (NDCs), or other mutually agreed upon code identifier,
 - iii. Manufacturer name,
 - iv. Therapeutic class,
 - v. Drug strengths,
 - vi. Period of bid (year, multi-year, etc.),
 - vii. The Wholesale Acquisition Cost (WAC) or other agreed upon price,
 - viii. The Centers for Medicare and Medicaid Services (CMS) rebate,

- ix. The current supplemental rebate if there is one,
 - x. The current state net price, and
 - xi. The previous past period bid(s).
- b. Presents the formula showing a percent of WAC or other agreed upon price or a guaranteed net price (GNP).
 - c. Presents all information for all offer tier(s).
 - d. Provides relevant offer comments.
 - e. Provides option for reviewer input of notes/comments/response.
- Produced to provide Member States and their agents and/or staff with notice of bids as received.
 - Produced in a format approved by the Member States. Must be a paper report in Microsoft Office Excel spreadsheet. Must be available electronically; for example, via access to the bid solicitation vehicle; a database capturing and compiling bids; a secure web based “cloud” service or electronic bulletin board to provide access to data files, etc. Must be available to Member State agents as well as staff.
 - Produced weekly during the rebate calendar year bid year procurement period unless otherwise approved by the Member States.
 - Produced weekly if mid-year bids procured unless otherwise approved by the Member States.
 - Produced weekly if new proposals are received outside the rebate calendar year bid year procurement period.
9. Bid non-proposal report
- Identifies individual and collective drugs with existing supplemental rebates where proposals were not received for the rebate calendar year bid year procurement period
 - a. Presents by agreed upon class sorted in alphabetical or agreed upon order and includes:
 - i. Drug name,
 - ii. All National Drug Codes (NDCs), or other mutually agreed upon code identifier,
 - iii. Manufacturer name,
 - iv. Determined reason for no proposal,
 - v. Therapeutic class,
 - vi. Drug strengths,
 - vii. The current period of bid (year, multi-year, etc.),
 - viii. The current Wholesale Acquisition Cost (WAC) or other agreed upon price,
 - ix. The current Centers for Medicare and Medicaid Services (CMS) rebate,
 - x. The current supplemental rebate,
 - xi. The current state net price, and
 - xii. The previous past period bid(s).
 - b. Provides projected state losses using an agreed upon sample quarter’s utilization on the best offer tier.

- Produced to provide Member States and their agents and/or staff with notice of bids not received.
 - Produced in a format approved by the Member States. Must be a paper report in Microsoft Office Excel spreadsheet. Must be available electronically; for example, via access to the bid solicitation vehicle; a database capturing and compiling bids; a secure web based “cloud” service or electronic bulletin board to provide access to data files, etc. Must be available to Member State agents as well as staff.
 - Produced two weeks after close of rebate calendar year bid year procurement period unless otherwise approved by the Member States.
 - Produced two weeks after close of procurement period if mid-year bids procured unless otherwise approved by the Member States.
10. Bid presentation report
- Identifies individual and collective proposals as received.
 - a. Presents the bids by agreed upon class sorted in alphabetical or agreed upon order and includes:
 - i. Drug name,
 - ii. All National Drug Codes (NDCs), or other mutually agreed upon code identifier,
 - iii. Manufacturer name,
 - iv. Therapeutic class,
 - v. Drug strengths,
 - vi. Period of bid (year, multi-year, etc.),
 - vii. The Wholesale Acquisition Cost (WAC) or other agreed upon price,
 - viii. The Centers for Medicare and Medicaid Services (CMS) rebate,
 - ix. The current supplemental rebate if there is one,
 - x. The current state net price, and
 - xi. The previous past period bid(s).
 - b. Presents the formula showing a percent of WAC or other agreed upon price or a guaranteed net price (GNP).
 - c. Presents all information for all offer tier(s).
 - d. Reports factors and/or conditions and any identified related impact during the Rebate Calendar Year on the individual bid proposals.
 - e. Provides relevant offer comments.
 - f. Provides option for reviewer input of notes/comments/response.
 - Produced for Member States and their agents and/or staff.
 - Produced for Member States decisions.
 - Produced in a format approved by the Member States. Must be a paper report in Microsoft Office Excel format. Must be available electronically; for example, via access to the bid solicitation vehicle; a database capturing and compiling bids; a secure web based “cloud” service or electronic bulletin board to provide access to data files, etc. Must be available to Member State agents as well as staff.
 - Produced no less than two weeks prior to the SSDC annual meeting to review bids unless otherwise approved by the Member States. May be limited to the bid information available at that time

- Produced in presentation form no less than one week prior to the SSDC annual meeting to review bids unless otherwise approved by the Member States.
- Produced no less than ten (10) days after receipt if mid-year bids made unless otherwise approved by the Member States.

11. Bid financial analysis report

- Provides projected state savings using an agreed upon sample quarter's utilization against the best offer tier.
- Presents drugs by class sorted in alphabetical or agreed upon order and includes:
 - a. Drug name,
 - b. Drug strengths,
 - c. Brand/generic status,
 - d. Tier,
 - e. Current PDL status,
 - f. Utilization by units and scripts for quarter,
 - g. Calculated percentage share of class market,
 - h. Calculated cost by units and scripts after rebates paid under the Medicaid drug rebate program,
 - i. Calculated cost by units and scripts after rebate offset amounts under the Medicaid drug rebate program, and
 - j. Calculated net calculated cost by units and scripts with supplemental rebate.
- Produced in presentation form no less than one week prior to the SSDC annual meeting to review bids unless otherwise approved by the Member States.
- Produced for bid cycle no more than one month after the conclusion of annual or mid-year bidding negotiations.

12. Bid update report

- Identifies individual and collective updates as received.
 - a. Presents the bids by agreed upon class sorted in alphabetical or agreed upon order and includes:
 - i. Drug name,
 - ii. All National Drug Codes (NDCs), or other mutually agreed upon code identifier,
 - iii. Manufacturer name,
 - iv. Therapeutic class,
 - v. Drug strengths,
 - vi. Period of bid (year, multi-year, etc.),
 - vii. The Wholesale Acquisition Cost (WAC) or other agreed upon price,
 - viii. The Centers for Medicare and Medicaid Services (CMS) rebate,
 - ix. The current supplemental rebate if there is one,
 - x. The current state net price, and
 - xi. The previous past period bid(s).
 - b. Presents the bid update formula showing a percent of WAC or other agreed upon price or a guaranteed net price (GNP).
 - c. Presents all information for all offer tiers.

- d. Reports factors and/or conditions and any identified related impact during the Rebate Calendar Year on the individual bid update proposals.
 - e. Provides relevant offer comments.
 - f. Provides option for reviewer input of notes/comments/response.
 - Produced for Member States and their agents and/or staff.
 - Produced for Member States' program planning purposes.
 - Produced in a format approved by the Member States. Must be a paper report in Microsoft Office Excel format. Must be available electronically; for example, via access to the bid solicitation vehicle; a database capturing and compiling bids; a secure web based "cloud" service or electronic bulletin board to provide access to data files, etc. Must be available to Member State agents as well as staff.
 - Produced weekly during the rebate calendar year bid year negotiations unless otherwise approved by the Member States.
 - Produced weekly if mid-year bids procured unless otherwise approved by the Member States.
13. Bid selection/rejection report(s)
- Identifies proposals as rejected or accepted by each Member State. If approved by the Member States, may include proposals where the final determination has not been made.
 - a. Presents the bids by agreed upon class sorted in alphabetical or agreed upon order and includes:
 - i. Drug name,
 - ii. All National Drug Code (NDC), or other mutually agreed upon code identifier,
 - iii. Manufacturer name,
 - iv. Therapeutic class,
 - v. Drug strengths,
 - vi. Period of bid (year, multi-year, etc.),
 - vii. The Wholesale Acquisition Cost (WAC) or other agreed upon price,
 - viii. The Centers for Medicare and Medicaid Services (CMS) rebate,
 - ix. The current supplemental rebate if there is one,
 - x. The current state net price, and
 - xi. The previous past period bid(s).
 - b. Presents the formula showing a percent of WAC or other agreed upon price or a guaranteed net price (GNP).
 - c. Presents all information for all offer tier(s).
 - d. Identifies the best and final offer (BAFO).
 - e. Reports factors and/or conditions and any identified related impact during the Rebate Calendar Year on the individual bid proposals.
 - f. Provides relevant offer comments.
 - g. Provides option for reviewer input of notes/comments/response.
 - Produced for Member States and their agents and/or staff.
 - Produced for rebate calendar year bid year.

- Produced in a format approved by the Member States. Must be a paper report in Microsoft Office Excel format. Must be available electronically; for example, via access to the bid solicitation vehicle; a database capturing and compiling bids; a secure web based “cloud” service or electronic bulletin board to provide access to data files, etc. Must be available to Member State agents as well as staff.
- On rejected offers, produced monthly after the close of annual or mid-year bidding negotiations unless otherwise approved by the Member States.
- On accepted offers, produced as approved by the Member States.

14. Member States’ activity report

- Documents dates and steps taken on individual and collective proposals (e.g., offers, counter offers, final offers, etc.).
- Produced for Member States and their agents and/or staff.
- Produced in a format approved by the Member States. Must be a paper report in Microsoft Office Excel format. Must be available electronically; for example, via access to the bid solicitation vehicle; a database capturing and compiling bids; a secure web based “cloud” service or electronic bulletin board to provide access to data files, etc. Must be available to Member State agents as well as staff.
- Produced for bid year no more than one month after the conclusion of annual or mid-year bidding negotiations.

15. Bid summary report

- Documents steps taken on individual and collective proposals (e.g., offers, counter offers, final offers, etc.).
- Produced for Member States and their agents and/or staff.
- Produced in a format approved by the Member States. Must be a paper report in Microsoft Office Excel format. Must be available electronically; for example, via access to the bid solicitation vehicle; a database capturing and compiling bids; a secure web based “cloud” service or electronic bulletin board to provide access to data files, etc. Must be available to Member State agents as well as staff.
- Produced for bid year no more than one month after the conclusion of annual or mid-year bidding negotiations.

16. Manufacturer non-participation report

- Identifies contacts attempted where manufacturers opted not to participate.
- Documents steps taken and results (e.g., unable to contact, mail returned to sender, refused to participate, etc.).
- Produced for Member States and their agents and/or staff.
- Produced:
 - a. With the preliminary bid report.
 - b. At the end of any bid negotiations, no more than two weeks after their conclusion.

17. New drug tracking report:

- Identifies new drugs available:
 - a. Drug name,
 - b. Date drug available,
 - c. Therapeutic class and if class is managed,

- d. Manufacturer name,
 - e. Supplemental rebate agreement(s) with the manufacturer,
 - f. If and when manufacturer contacted,
 - g. Manufacturer response,
 - h. Date any rebate offered,
 - i. Date any rebate offered to Member States, and
 - j. State responses.
- Produced for Member States and their agents and/or staff.
 - Produced as frequently as twice a week when there is information to report.

Some reports may be requested more frequently than specified. Additional reports may be expected. Report formats shall be proposed by the Contractor and shall be subject to the approval of the Member States.

Reports must be produced using Microsoft Office Word or Excel unless otherwise specified here or approved by the Member States. Reports must be formatted for printing. Reports must be supplied via e-mail or through a secure web based “cloud” service or electronic bulletin board unless otherwise specified.

Transition/Implementation and Operations

The Contractor will be responsible for all reports as of April 1, 2015. All records will be transitioned to the Contractor by April 1, 2015. All activities will be the responsibility of the new Contractor effective April 1, 2015.

A Bidder responding to this RFP must complete the Response Template for Subsection III-I

III-J STAFFING AND TIME REQUIREMENTS

Overview and Discussion

The SSDC does not require dedicated staff to be assigned to this contract but does require a single point of contact. Otherwise the Contractor is responsible for providing all staffing resources necessary to deliver the services as specified in this RFP.

The majority of the SSDC’s Medicaid drug and other pharmacy benefit rebate services are required from the spring through the fall of a given year for agreements to be effective January 1 of the following year. As a matter of routine, most activities would generally occur over a period of six months, April through September, in preparation for the rebate calendar year bid year that follows, January through December. Activities from October through March provide routine support for the SSDC’s rebates and rebate programs while finishing any remaining bid activities from the just completed bid procurement period and preparing for the next.



For implementation of this contract in April 2015, a Contractor may have to build some of the procedures and systems. Thereafter, there may be spells of relative inactivity between steps in the process throughout the six-month bid procurement period.

The Contractor shall designate a Transition/Implementation Manager who will act as the single point of contact representing the Contractor during the transition and implementation phase. The Contractor shall designate a Project/Account Manager who will act as the point of contact for the Member States for the contract period. These managers may be the same person.

The SSDC shall not designate the specific qualifications of the staff that support this contract but shall require the assurance that the staff performing the work specified in this RFP have the qualifications and experience necessary. The SSDC requires that the qualifications of staff be described.

It is assumed that each Member State and its staff will have equal access to the Contractor for the six Medicaid drug and other pharmacy benefit rebate services identified in this RFP. DVHA will coordinate that access if necessary.

The SSDC will assure that appropriate Member State staff or their agents will be available to the Contractor under terms to be mutually defined.

As of April 1, 2015, and as changes occur, the Contractor shall provide the SSDC with a key contact list to include: name, area of expertise/responsibility, telephone/cell phone number/extension, and e-mail address.

Transition/Implementation and Operations

The Contractor will be responsible for staffing as of April 1, 2015. All activities will be the responsibility of the new Contractor effective April 1, 2015.

A Bidder responding to this RFP must complete the Response Template for Subsection III-J

III-K POST IMPLEMENTATION

The Contractor shall be responsible for routine procedure and system maintenance in support of all aspects of operations described in the Work Statement. Changes in operations that impact the contract procured by this RFP are subject to the review and approval of the SSDC Member States.

III-L DISASTER RECOVERY

In the event of a natural disaster and unnatural disasters, including but not limited to hacking and acts of terrorism, the Contractor must have a procedure for assuring that all pieces of work related to this contract are stored in multiple manners so that it may be accessed in the event



of such a disaster. For example, backup files should be created on such things as Member State utilization compilations; rebate calendar year bid histories; contract details; factor/condition compilations; etc. as well as letter template files; spreadsheets; web page source files; etc. The Contractor shall provide a disaster recovery and business continuity plan that must be approved as part of the implementation phase. The Contractor shall also provide an updated disaster recovery and business continuity plan when changes occur over the term of the Contract.

III-M END OF CONTRACT TRANSITION PLAN

It shall be expected that in the final year of the contract established by this RFP, the SSDC will release a RFP to secure a new contract for rebate procurement. In the event that a new contractor is selected, the SSDC shall require that **all** notebooks, plans, working papers, documents, materials, records, data, documentation, other work, and other items developed and produced under this RFP's contract, that are related to specific deliverables under this RFP's contract, be transitioned to the new contractor.

To the extent possible, the details of the known terms and conditions of this transition will be established at the time of the finalization of the contract established by this RFP. These terms and conditions may be amended over the period of the contract. At a minimum, no less than ninety days prior to the end of this contract, the Contractor will provide the following related to the final rebate calendar year negotiated by the Contractor:

- A copy of the schedule of events in the procurement of rebates for the last rebate calendar year.
- A copy of the last approved request for rebate proposals.
- Any authorization required for the use of the SSDC web page address of www.rxssdc.org or any SSDC specific web page developed during the term of the Contract established by this RFP.
- An electronic copy of the last approved version of the contents of each page of the SSDC web page.
- A binder including a copy of the last version of the reports found in Subsection III-I of this RFP, as otherwise agreed to in the finalization of the contract procured by this RFP, and as otherwise agreed during the term of the contract procured by this RFP.

III-N PERFORMANCE STANDARDS

Overview and Discussion

Performance Standards shall apply to this contract. Some standards shall apply at the onset of the contract. Others may be established over the course of the term of the contract. At a minimum the Contractor must expect to:

1. Appropriately represent the SSDC as a state administered supplemental rebate pool and not represent in any way or manner that the SSDC is the Contractor's.
2. Accept no compensation of any type from manufacturers or their representatives in the course of SSDC dealings.
3. Establish and maintain good working relations with manufacturers and their representatives.
4. Comply with requirements for SSDC approval of policy, process, strategy, documents, materials, and/or content.
5. Work with any agent designated by a Member State.
6. Support Member States in the SSDC equally in the requirements of this Contract.
7. Establish and maintain a SSDC specific web page subject to the approval of the Member States or their agent.
8. Assure that the SSDC web page is available for general purposes during agreed upon normal business hours on normal business days. The web page may be unavailable while being serviced for agreed upon periods of time.
9. Manage all incoming and outgoing communications for the SSDC by telephone, electronically, and/or with varied "mailing" options.
10. Provide a single point of contact to all Member States during agreed upon normal business hours on normal business days.
11. Provide timely response to Member States and their staffs within two (2) business days.
12. Provide telephone and e-mail points of contact for manufacturers during agreed upon normal business hours on normal business days.
13. Provide timely response to manufacturer contacts within two (2) business days.
14. Provide process training to the staff and agents of Member States new to the SSDC and staff and agents new to Member States. If necessary, provide yearly update training to existing staff and agents of Member States. Necessary training must occur no later than 15 days after the rebate calendar year bid year solicitation.
15. Produce the Member State utilization report for a rebate calendar year bid year solicitation no later than April 1 of the previous year unless otherwise approved by the Member States.
16. Produce compilations of utilization data of potential member states for purposes of evaluating rebate opportunities within two (2) work weeks of request.
17. Initiate rebate calendar year bid year solicitation no later than April 1 of the previous year unless otherwise approved by the Member States.

18. Provide a vehicle to allow manufacturers to submit bids in a minimum 30-day time frame.
19. Compile bid proposals during the rebate calendar year bid year procurement period and make them available to Member States at least weekly unless otherwise approved by the Member States.
20. Compile complete bid proposals at the end of the rebate calendar year bid year procurement period and make them available to Member States ten (10) days after the close of the bid solicitation period.
21. Compile bid proposals made outside the rebate calendar year bid year procurement period and make them available to Member States within agreed upon timeframes but at least ten (10) days after receipt.
22. Compile bids for formal presentation to Member States by agreed upon dates.
23. Complete negotiations no later than fourteen (14) days after the Member State bid presentation unless otherwise approved by the Member States.
24. Compile bid selections for Member States and their agents and/or staff by agreed upon dates and provide documentation of these selections when requested.
25. Notify manufacturers of the final disposition of their supplemental rebate offers no later than 7 days after the Member State acceptance/rejection.
26. Produce Member State SSDC supplemental rebate program reports within agreed upon time frames.
27. Assure that manufacturer bid details are not disclosed to any individual/organization/company/manufacturer without the express permission of the Member States.
28. Provide a disaster recovery and business continuity plan during the implementation phase of the contract. Provide updates to the plan as changes occur.
29. Assure backups of SSDC information and data no less than weekly.
30. Recognize that all notebooks, plans, working papers, documents, materials, records, data, documentation, other work, and other items developed and produced under this RFP's contract that are related to specific deliverables under this RFP's contract are owned by the SSDC and that all such materials must be turned over to the SSDC upon request at any time.
31. Comply with the terms and conditions of the end of contract transition plan created at the time of the finalization of the contract established by this RFP and amended over the period of the contract.

Transition/Implementation and Operations

General performance standards will apply effective January 1, 2015. Performance standards related to operations will apply effective April 1, 2015.

A Bidder responding to this RFP must complete the Response Template for Subsection III-N



SECTION IV

EVALUATION METHODOLOGY

Responses to this RFP shall be evaluated using a three-step process, as follows:

- Step I – Mandatory Proposal Requirements: DVHA has established certain mandatory requirements. Failure to meet any one of these requirements shall result in disqualification.
- Step II – Merits of the Bidder and the Bidder’s Proposal: The Bidder shall be assigned a score based on its experience, the personnel assigned to the project, and the proposed approach and methodology. This score shall comprise 75% of the overall scoring methodology.
- Step III – Cost Analysis: The Bidder shall be assigned a score based on the prices provided by the Bidder. This score, combined with the score described in Step II will be used to evaluate each bid, and to determine the Bidder or Bidders with the highest overall score. The price proposal shall comprise 25% of the overall scoring methodology.

These steps are described in more detail below.

Step I – Mandatory Proposal Requirements

THESE ARE ABSOLUTE REQUIREMENTS. FAILURE TO MEET ANY ONE OF THE REQUIREMENTS LISTED BELOW SHALL RESULT IN DISQUALIFICATION FROM BEING FURTHER CONSIDERED IN THIS BID PROCESS.

1. Minimum Capacity – The Bidder must describe and demonstrate that it has the capacity to fulfill the requirements and needs set forth in this RFP.
2. Minimum Experience – The Bidder must have at least six months of experience in the field of pharmacy program operations and administration. The Bidder must have at least six months of experience administering comparative agreement negotiation projects.
3. Minimum Program Requirements –
 - Specified Services - Through its proposal, the Bidder must demonstrate a solution for all six of the Medicaid drug and other pharmacy benefit rebate services identified.
 - Other - The Bidder must demonstrate that its proposal includes the following elements:
 - a. An operational process that shall be in compliance with all Federal and State regulations and mandates, as described herein.
 - b. The capacity to interface with the Member States and their staff.
 - c. A proposed implementation timeline following execution of a contract with DVHA that meets the requirements as set out in this RFP.
4. The Bidder must accept the performance standards, corrective actions, and liquidated damages identified in this RFP. Performance standards are part of this RFP.



5. The Bidder must identify all owners and subsidiaries that own more than five percent (5%) of the Bidder.
6. The Bidder must identify all subcontractors and the scope of work for each subcontractor, as specified in Subsection II-B.
7. The Bidder must meet all other submission requirements and complete the required disclosure statement.
8. The Bidder may not be sanctioned or convicted of a criminal offense related to Medicaid/Medicare or any other federal or state program.

Step II – Merits of the Bidder and the Bidder’s Proposed Project

Only proposals passing Step I shall be considered during Step II. The Step II review includes:

- Bidder Capability, Qualifications and Experience
- Qualified Staff
- Approach and Methodology for Implementation and Continued Operations
- Aptness and Brevity of Response

The Step II review will be performed by the Member States using a standardized scoring instrument based on this RFP. Each state will determine the number of people that will be part of its review. Scores for multiple reviewers in a state will be compiled to produce a single scoring instrument for each state.

The results of the Step II review will comprise 75% of the scoring methodology.

Step III – Cost Analysis

A description of how Bidders should structure the cost proposal is provided in Subsection II-G of this RFP.

The Step III review will be performed by the Member States upon completion of the review of the Programmatic/Technical Proposal. A standardized scoring instrument based on this RFP will be used for the Step III review. Each state will designate one person as its Step III reviewer.

The results of the Step III review shall comprise 25% of the overall scoring methodology.

Since there will be no opportunity for Bidders to revise the pricing, and there will not be a Best and Final Offer (BAFO) process, a Bidder should carefully calculate and propose its prices for the services requested herein.

SECTION V

SSDC CONTRACT TERMS AND CONDITIONS

This section describes the SSDC specific contractual terms and conditions that shall be a part of any contract that results from this RFP. In some cases they are in addition to the Vermont Terms and Conditions of this RFP and Any Resulting Contract found in Section VI. In some cases they are the same. In no case are they in conflict. Both the SSDC Contract Terms and Conditions and the Vermont Terms and Conditions of this RFP and Any Resulting Contract are provided in this RFP to assure that Bidders have a complete understanding of the expectations of both the SSDC and the State of Vermont.

With DVHA the SSDC contract agent, this procurement is in compliance with all of the contracting procedures of the State of Vermont, Agency of Administration as outlined in Bulletin 3.5 Contracting Procedures - 2008 Revision found at http://aoa.vermont.gov/sites/aoa/files/pdf/AOA-Bulletin_3_5.pdf. State of Vermont contracting requirements particularly related can be found in Appendices A1 through A4. Detailed information on the Vermont Terms & Conditions of this RFP and any Resulting Contract can be found in the Response Template for Section VI.

At the point of release, it is believed that this RFP incorporates the general requirements necessary for all Member States of the SSDC. By request, and for reference, some or all of the contracting requirements of Iowa, Maine, and Wyoming are attached to this RFP and can be found in Appendices B, C, and D, respectively. The other Member States of Mississippi, Oregon, Utah, and West Virginia do not require such attachments.

There is one particular contracting variation between states. Vermont requires that a Contractor maintain all books, documents, payroll, papers, accounting records and other evidence pertaining to costs incurred under an agreement for a minimum period of three years for audit purpose (see Appendix A1: State of Vermont Attachment C Customary State Contract Provisions) while Iowa requires the same for a period of five years. Wyoming requires the retention of documents in the event of a contract dispute for a period of ten years. Other Member States have different expectations for periods of retention. In order to assure absolute compliance with all state retention requirements, Bidders shall be expected to retain specified materials indefinitely.

V-A TERM OF CONTRACT

The duration of the contract procured through this RFP is two (2) years. There may be up to a two (2) year extension at the discretion of DVHA acting on behalf of the SSDC. Thus, the maximum term of the Contract secured through this RFP shall be four (4) years.



V-B CONTRACT ADMINISTRATION

Upon approval of a Contract, and following execution of said Contract, the State of Vermont, Department of Vermont Health Access, as the agent of the SSDC, shall direct the Bidder to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of any Contract resulting from this Request implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of such Contract. That authority is retained by the SSDC and DVHA.

A Contract Administrator and Project Manager for this project and any alternate(s) shall be designated by the SSDC in collaboration with DVHA.

V-C COST LIABILITY

The SSDC and the State of Vermont, Department of Vermont Health Access assume no responsibility or liability for costs incurred by the Contractor prior to the signing of any Contract resulting from this RFP. The total liability of the SSDC and the State of Vermont, Department of Vermont Health Access is limited to the terms and conditions of any Contract that results from this RFP.

V-D CONTRACTOR RESPONSIBILITIES

The Contractor shall be required to assume responsibility for all contractual activities offered in this proposal whether or not that Contractor performs them. Further, the SSDC and the State of Vermont shall consider the Primary Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, responses to this RFP should include a list of subcontractors, including firm name and address; a contact person; a complete description of work to be subcontracted; and descriptive information concerning the subcontractor's organization, abilities, and commitment to the contract period as described in Subsection II-B and affiliations as described in Subsection II-C. The SSDC reserves the right to approve subcontractors for this project and to require the Primary Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

The Contractor and any subcontractors must commit to the entire contract period stated within this RFP, unless a change of subcontractors is specifically agreed to by the SSDC and DVHA.

The Agreement between the Contractor and the State of Vermont, Department of Vermont Health Access will not be assignable to another party without prior written permission from the Sovereign States Drug Consortium and the State of Vermont, Department of Vermont Health Access. The Contractor shall provide advance notice to the SSDC and DVHA on any intended sale of the contracting entity. The SSDC and DVHA will have the option of terminating the Contract with the Contractor upon the sale of the contracting entity.



V-E NEWS RELEASES

News releases pertaining to this document or the services, study, data, or project to which it relates, shall not be made without prior written SSDC approval and then only in accordance with the explicit written instructions from the SSDC. No results of the project are to be released without prior written approval of the SSDC and then only to persons designated.

Prior to tentative award, a Vendor may not issue a press release or provide any information for public consumption regarding its participation in the procurement. After tentative award, a Vendor must receive prior written approval from the SSDC before issuing a press release or providing information for public consumption regarding its participation in the procurement. Requests should be directed to the DVHA point of contact identified in Section I of the RFP.

This does not preclude business communications necessary for a Vendor to develop a Proposal, or required reporting to shareholders or governmental authorities.

V-F FREEDOM OF INFORMATION AND PRIVACY ACT / DISCLOSURE

All material submitted by Bidders becomes the irrevocable and sole property of the SSDC. The SSDC reserves the right to use all concepts, data, ideas, or configurations, presented in any proposal, whether or not the proposal is selected.

All materials relating to this procurement are subject to the terms of the Freedom of Information Act, the Privacy Act, and all rules, regulations, and interpretations of these Acts, including those from the Offices of the Attorney General of the United States; Health and Human Services, Centers for Medicare and Medicaid Services; the Iowa Open Records Act, Iowa Code ch. 22; and the State of Vermont. The Bidder, by submitting a proposal, agrees that the Privacy Act of 1974, Public Law 93-579, and the Regulations and General Instructions issued pursuant thereto, are applicable to this contract, and to all subcontracts hereunder. Should the Bidder's proposal include any materials that are proprietary and are to be treated confidentially, those materials must be clearly and separately identified.

V-G GRATUITIES OR KICKBACKS

The State of Vermont prohibits Gratuities and Kickbacks.

V-H RETAINAGE

The Bidder shall include an affirmative statement in the proposal agreeing to a retainage of fifteen percent (15%) of the total contract amount. Retainage may be made on each payment to the selected Bidder as described in this RFP.

Should the contract be terminated for any reason related to the Bidder's failure to perform Bidder duties to the satisfaction of the Sovereign States Drug Consortium and the State of



Vermont, Department of Vermont Health Access, this retainage shall revert to the State of Vermont, Department of Vermont Health Access on behalf of the SSDC as liquidated damages in addition to the other penalties and/or damages stated in this RFP or contract.

V-I APPROPRIATIONS

Since the contract extends into more than one fiscal year (July 1 to June 30), if appropriations and Member State payments are insufficient to support the contract, the State of Vermont may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority.

V-J OTHER PROVISIONS

The States of Iowa, Maine, Vermont, and Wyoming have specific contract language and requirements, as identified in the Appendices of this RFP. The successful Bidder will be expected to agree to all of these as a condition of the Contract secured by this RFP. The terms of Iowa, Maine, and Wyoming supplement and are made a part of the Vermont Contract to which they will be an attachment.

V-K PENALTIES/LIQUIDATED DAMAGES FOR PERFORMANCE STANDARD FAILURES

The Bidder must agree to abide by the Performance Standards found in III-N. The Bidder must agree to Penalties/Liquidated Damages related to failures in performance on the six core collective services identified in the RFP.

A Bidder responding to this RFP must complete the Response Template for Subsection V-K.

SECTION VI

VERMONT TERMS AND CONDITIONS OF THIS RFP AND ANY RESULTING CONTRACT

This section describes the State of Vermont specific contractual terms and conditions that shall be a part of any contract on behalf of the SSDC that results from this RFP. In many cases they are in addition to the SSDC specific contractual terms and conditions. In some cases they are the same. In no case are they in conflict. Both the SSDC Contract Terms and Conditions and the Vermont Terms and Conditions of this RFP and Any Resulting Contract are provided in this RFP to assure that Bidders have a complete understanding of the expectations of both the SSDC and the State of Vermont.

DVHA requires that for any RFP it administers that any Bidder/Vendor **must** review and sign where directed the “Vermont Terms & Conditions of this RFP and Any Resulting Contract” Template. This requirement is in order to note the Bidder/Vendor’s acknowledgement, intent of compliance, and exceptions to the following: (1) RFP Terms & Conditions; (2) Mandatory Contract Terms; (3) Standard Provision for Contracts and Grants; and (4) General Terms & Conditions.

The SSDC fully adopts the terms and conditions of DVHA’s “Vermont Terms and Conditions of this RFP and Any Resulting Contract”. They are found in this RFP as Response Template for Section VI. Template for Section VI of this RFP contains items expressly addressed in this RFP as well as additional related State of Vermont, DVHA, and SSDC terms and conditions. In reviewing and signing the sections of Template for Section VI, a Bidder/Vendor should be aware that if exceptions to the Template’s terms and conditions are not noted but subsequently raised during contract negotiations, the SSDC reserves the right to cancel the negotiation if, at its sole discretion, it deems that to be in the best interests of the SSDC.

A Bidder responding to this RFP must complete the Response Template for Section VI.

ACRONYMS, DEFINITIONS, AND TERMS USED

ACRONYMS

AHS	Vermont Agency of Human Services
CMS	Centers for Medicare and Medicaid Services
HIPAA	Health Insurance Portability and Accountability Act of 1996
NDC	National Drug Code
OBRA '90	Omnibus Budget Reconciliation Act of 1990
DVHA	Department of Vermont Health Access
P&T Committee	Pharmacy and Therapeutics Committee
PA	Prior Authorization
PBA	Pharmacy Benefits Administrator
PDL	Preferred Drug List
SSDC	Sovereign States Drug Consortium

DEFINITIONS

Bid Year	The year against which rebate bids are solicited. In this RFP, used interchangeably and in combination with the term Rebate Calendar Year. In other rebate programs, a Bid Year may be any months in a calendar year. In this RFP, the Bid Year is equal to a calendar year, January through December.
Claim	A bill rendered by an enrolled Medicaid provider to a state Medicaid program for a product or service dispensed on behalf of a covered beneficiary.
Contract Year	The 365 day period (366 day period in a leap year) that begins on the anniversary of the start of the contract procured through this RFP. In this RFP, services are performed in a Contract Year to procure rebates in a Rebate Calendar Year. That Rebate Calendar Year is the January through December period that is the calendar year that starts after the annual anniversary of the start of the contract procured through this RFP.
Data Element	A specific unit of information having a unique meaning.
Mid-Year Bids	Bids developed between rebate calendar year bid year procurement cycles. Usually available as soon as administratively possible.
National Drug Code (NDC)	The unique code used to identify the specific drug on a claim.



Prior Authorization	The pre-claim submission approval that must be obtained from a designated professional for specified products/services for a specified client.
Rebate Calendar Year	In this RFP, the January through December calendar year against which rebate bids are solicited. In this RFP, used interchangeably and in combination with the term Bid Year.
Units	The specific quantity of a product on a claim.

TERMS

The terms Bidders and Contractors are used interchangeably throughout this RFP.

APPENDICES' LISTING

(For copies, see Requests for Proposals at <http://dvha.vermont.gov/administration>)

- Appendix A1: State of Vermont Attachment C Customary Provisions for Contracts and Grants
- Appendix A2: State of Vermont Attachment E Business Associate Agreement
- Appendix A3: State of Vermont Attachment F Agency of Human Services' Customary Contract Provisions
- Appendix A4: State of Vermont Agency of Human Services Consumer Information and Privacy Rule
- Appendix A5: State of Vermont Disclosure Statement
- Appendix B: State of Iowa Contract Terms
- Appendix C1: State of Maine Rider B-IT Contract Terms
- Appendix C2: State of Maine Business Associate Agreement
- Appendix D: State of Wyoming General Provisions

RESPONSE TEMPLATES' LISTING

(For copies, see Requests for Proposals at <http://dvha.vermont.gov/administration>)

SECTION II INFORMATION REQUIRED FROM BIDDERS

- TEMPLATE for Subsection II-A: TRANSMITTAL LETTER
- TEMPLATE for Subsection II-B: BUSINESS ORGANIZATIONS AND LOCATIONS
- TEMPLATE for Subsection II-C: BUSINESS AFFILIATIONS
- TEMPLATE for Subsection II-D: RELEVANT EXPERIENCE AND REFERENCES
- TEMPLATE for Subsection II-G: COST PROPOSAL

SECTION III WORK STATEMENT

- TEMPLATE for Subsection III-B: GENERAL DRUG AND OTHER PHARMACY BENEFIT REBATE ACTIVITY REQUIREMENTS
- TEMPLATE for Subsection III-C: MEMBER STATES' UTILIZATION DATA COMPILATION



- TEMPLATE for Subsection III-D: REBATE BID SOLICITATION
- TEMPLATE for Subsection III-E: BID PRESENTATION
- TEMPLATE for Subsection III-F: REBATE BID NEGOTIATION
- TEMPLATE for Subsection III-G: BID SELECTION NOTIFICATION
- TEMPLATE for Subsection III-H: GENERAL ADMINISTRATIVE FUNCTIONS
- TEMPLATE for Subsection III-I: REQUIRED REPORTS
- TEMPLATE for Subsection III-J: STAFFING AND TIME REQUIREMENTS
- TEMPLATE for Subsection III-N: PERFORMANCE STANDARDS

SECTION V CONTRACT TERMS AND CONDITIONS

- TEMPLATE for Subsection V-K: PENALTIES/LIQUIDATED DAMAGES FOR PERFORMANCE STANDARDS' FAILURES

SECTION VI VERMONT TERMS & CONDITIONS OF THIS RFP AND ANY RESULTING CONTRACT

- TEMPLATE for Section VI: VERMONT TERMS & CONDITIONS OF THIS RFP AND ANY RESULTING CONTRACT