Solicitation Cover Page

1. **Solicitation #:** 0900000422 2. **Solicitation Issue Date:** 01/06/2020

3. **Brief Description of Requirement:**

EGID is seeking a Pharmacy Benefit Manager (PBM) to provide processing services for prescription drug claims, support services and other professional services for the prescription drug benefit offered by HealthChoice.

Questions shall be answered directly on the wiki and in the form of an amendment and posted on the OMES - ISD website and linked on the wiki. Bidders are advised that any questions received after **3:00 P.M. Central Time on January 21, 2020** shall not be answered.

NOTE: On a request for proposal, no pricing shall be released at the time of opening. Should a public opening be requested the only information to be released will be a list of bidders without pricing.

4. **Response Due Date**[1]**:** **February 6, 2020** **Time**: **3:00PM** CST/CDT

5. **Issued By and RETURN SEALED BID TO**[2]**:**

U.S. Postal Delivery Address: **5005 N Lincoln Blvd Ste. 300**
Oklahoma City, OK 73105

Common Carrier Delivery Address: **5005 N Lincoln Blvd Ste. 300**
Oklahoma City, OK 73105

6. **Solicitation Type** (type "X" at one below)**:**

- ☐ Invitation to Bid
- ☒ Request for Proposal
- ☐ Request for Quote

7. **Contracting Officer**:

Name: Vanessa Young
Phone: 405-202-3850
Email: Vanessa.Young@omes.ok.gov

[1] Amendments to solicitation may change the Response Due Date (read GENERAL PROVISIONS, section 3, "Solicitation Amendments")
[2] If "U.S. Postal Delivery" differs from "Carrier Delivery, use "Carrier Delivery" for courier or personal deliveries

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A. GENERAL PROVISIONS

The following provisions shall apply where and as applicable to this Solicitation.

A.1. Definitions

As used herein, the following terms shall have the following meaning unless the context clearly indicates otherwise:

A.1.1. “Acquisition” means items, products, materials, supplies, services and equipment acquired by purchase, lease purchase, lease with option to purchase, or rental pursuant to applicable state law.

A.1.2. “Affiliate” means any governmental entity specified as a political subdivision of the State pursuant to the Governmental Tort Claims Act including any associated institution, instrumentality, board, commission, committee department or other entity designated to act in behalf of the political subdivision; a state county or local governmental entity in its state of origin; and entities authorized to utilize contracts awarded by the State via a multistate or multigovernmental contract.

A.1.3. “Amendment” means a written restatement of or modification to a Contract Document executed by both parties.

A.1.4. “Bid” means an offer in the form of a bid, proposal or quote a Bidder submits in response to this Solicitation.

A.1.5. "Bidder" means an individual or Business Entity that submits a Bid in response to this Solicitation.

A.1.6. “Business Entity” means any individual, business, partnership, joint venture, corporation, S-corporation, limited liability corporation, limited liability partnership, limited liability limited partnership, sole proprietorship, joint stock company, consortium, or other legal entity recognized by statute.

A.1.7. “COTS” means software that is commercial off the shelf.

A.1.8. “Contract” means this Solicitation, which together with other Contract Documents, as may be amended from time to time, evidences the final agreement between the parties with respect to the contract awarded pursuant to this Solicitation.

A.1.9. “Contract Document” means, when executed by all applicable parties as necessary, this Solicitation, the Bid of the awarded Supplier, any statement of work, work order, rider or similar document related hereto, any purchase order related hereto, other statutorily required or mutually agreed documents related hereto, and any Amendment to any of the foregoing.

A.1.10. “Closing Date and Time” is 3:00 P.M. Central Time on the date this Solicitation closes.

A.1.11. The Office of Management and Enterprise Services (OMES).

A.1.12. “Procuring Agency” means the State of Oklahoma Agency initiating the procurement.

A.1.13. “Request for Information or RFI” means a non-binding procurement practice used to obtain information, comments, and feedback from interested parties or potential suppliers prior to issuing a solicitation.

A.1.14. “State” means the government of the State of Oklahoma, its employees and authorized representatives, including without limitation any department, agency, or other unit of the government of the State of Oklahoma.

A.1.15. “State Entity” means any agency, authority, office, bureau, board, council, court, commission, department, district, institution, unit, division, body or house of any branch of the State government.

A.1.16. “State CIO” is the State Chief Information Officer or designee, in the capacity of the State Purchasing Director for information technology and telecommunications Acquisitions.

A.1.17. “Solicitation” means this document inviting Bids for the Acquisition referenced herein.

A.1.18. “Supplier” means the Bidder with whom the State enters into the Contract awarded pursuant to this Solicitation.

A.1.19. “Utilities” means a Bidder’s reusable or pre-existing proprietary intellectual property that forms the basis for a customized or developed software deliverable for the State and which is specifically identified as such by the Bidder in writing prior to execution of the Contract awarded pursuant to this Solicitation.

A.2. DELIVERY:

A.2.1. F.O.B. Destination shall mean delivered to the receiving dock or other point specified in the purchase order.

A.2.2. The state assumes no responsibility for goods until accepted at the receiving point in good condition. Title and risk of loss or damage to all items shall be the responsibility of the contract supplier until accepted by the ordering agency**.** The State assumes no responsibility for goods until accepted at the receiving point in good condition. Title and risk of loss or damage to all Items shall be the responsibility of the contract supplier until accepted by the ordering agency. Suppliers shall be responsible for filling, processing, and collecting all damage claims

A.2.3. Deliverable(s) shall be packaged as to not be damaged during transportation and delivery. Packaging shall be labeled as to content.

A.2.4. The Supplier, Supplier's officers, employees, and Independent Suppliers will be required to do the following: Deliverable(s) shall be packaged as to not be damaged during transportation and delivery. Suppliers shall be responsible for filing, processing, and collecting all damage claims. Damaged deliverable(s) shall be replaced by supplier at no cost to the agency.

A.2.5. Delivery Dates/Lead time: Lead time will be included as part of the evaluation in the technical response.

A.2.6. All shipments must be pre-approved before shipping. Supplier shall contact agency contact for delivery dates. All deliveries shall be scheduled prior to delivery.

A.2.7. All deliveries shall be delivered no later than sixty (60) days after receipt of request for specified quantities.

A.2.8. If the parts are not delivered within 60 days of notification then OMES Central Printing shall have the exclusive right to refuse any and all pieces of equipment past this date and declare the contract null and void or select the next bidder that meets the minimum specifications as stated in this bid.

A.2.9. All deliveries shall be F.O.B. Destination. The Supplier shall prepay all packaging, handling, shipping and delivery charges and prices quoted shall include all such charges. Any products delivered pursuant to this Contract shall be subject to final inspection and acceptance by the procuring entity at destination and the procuring entity has no responsibility for the delivered products prior to acceptance. Title and risk of loss or damage to all items shall be the responsibility of the Supplier until accepted. The Supplier shall be responsible for filing, processing, and collecting any and all damage claims accruing prior to acceptance. "Destination" shall mean delivered to the receiving dock or other point specified in the applicable purchase order.

A.2.10. Supplier shall be required to deliver products as offered on or before the required date. Deviations, substitutions, or changes in the products shall not be made unless expressly authorized in writing by the State or Affiliate, as applicable.

A.2.11. See The Terms and Conditions in Section A. General Provisions A. 17.

A.3. INVOICES:

A.3.1. Pursuant to 74 O.S. §85.44(B), invoice(s) will be paid in arrears after product(s) have been delivered.

A.3.2. Interest on late payment(s) made by the State of Oklahoma is governed by 62 O.S. §34.71 and 62 O.S. §34.72.

A.3.3. Supplier's Federal Employer Identification number shall appear on all invoice(s).

A.3.4. Purchase Order number shall appear on all invoice(s).

A.3.5. All Invoices shall be itemized**.**

A.3.6. See the Terms and Conditions in Section A. General Provisions A.18

A.3.7. Failure to comply may result in late payments.

A.3.8. Upon submission of an accurate and proper invoice, the invoice shall be paid in arrears after products have been delivered or services provided and in accordance with applicable law. Invoices shall contain the purchase order number, a description of the products delivered or services provided, and the dates of such delivery or provision of services.

A.3.9. State Acquisitions are exempt from sales taxes and federal excise taxes.

A.3.10. Pursuant to 74 O.S. §85.44(B), invoices will be paid in arrears after products have been delivered or services provided.

A.3.11. Payment terms will be net 45.

A.3.12. Additional terms which provide discounts for earlier payment may be evaluated when making an award. Any such terms shall be no less than ten (10) days increasing in five (5) day increments up to thirty (30) days. The date from which the discount time is calculated shall be the date of a proper invoice.

A.4. Certification Regarding Debarment, Suspension, and Other Responsibility Matters

By submitting a Bid to this Solicitation:

A.4.1. The Bidder certifies that the Bidder and its principals or participants:

A.4.2. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal, state or local department or agency;

A.4.3. Have not within a three-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) contract; or for violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

A.4.4. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the foregoing offenses enumerated in this certification; and

A.4.5. Have not within a three-year period preceding this Contract had one or more public (federal, state or local) contracts terminated for cause or default.

A.4.6. Where the Bidder is unable to certify to any of the statements in the certification above, Bidder shall attach an explanation to the Bid.

A.5. Bid Public Opening

Sealed Bids may be opened upon public request at the time and date specified herein as the Closing Date and Time.

A.6. Late Bid

Bids received by the State after the Closing Date and Time shall be deemed non-responsive and shall not be considered for any resultant award.

A.7. Legal Contract

By submitting a Bid to this Solicitation:

A.7.1. Submitted Bids are rendered as a legal offer and when accepted by the State, shall constitute a contract.

A.7.2. The Contract Documents resulting from this Solicitation shall have the following order of precedence: this Solicitation, other contract award documents, including but not limited to the Purchase Order, Amendments, required certification statements, change orders, license and other similar agreements; and the successful Bid. In the event there is a conflict between any of the preceding documents, the other contract award documents prevail over this Solicitation, and both the other contract award documents and this Solicitation shall prevail over the successful Bid. If there is a conflict between the terms of any Contract Document and applicable Oklahoma law, rules or regulations, such laws, rules and regulations shall prevail over the conflicting terms of the Contract Document.

A.7.3. Any Contract Document related to this Solicitation shall be legibly written or typed.

A.7.4. All transactions related to this Solicitation, and any Contract Document related hereto, may be conducted by electronic means pursuant to the Oklahoma Uniform Electronic Transactions Act.

A.8. Pricing

A.8.1. Bids shall remain firm for a minimum of one-twenty (120) days after the Closing Date and Time.

A.8.2. Bidders guarantee unit prices to be correct.

A.8.3. In accordance with 74 O.S. §85.40, all travel expenses to be incurred by Supplier in performance of the Contract shall be included in the total Bid price/contract amount.

A.8.4. All costs incurred by the Bidders for Bid preparation and participation in this competitive procurement shall be the sole responsibility of the Bidder. The State of Oklahoma shall not reimburse any Bidder for any such costs.

A.9. Firm Fixed Price

Unless this Solicitation specifies otherwise, a Bidder shall submit a firm, fixed price for the term of the Contract.

A.10. Pricing Requirements

If Bidder pricing does not meet requirements of the section herein titled Price and Cost, the Bid may be considered non-responsive.

A.11. Manufacturers' Name and Approved Equivalents

Unless otherwise specified in this Solicitation, manufacturers' names, brand names, information, and/or catalog numbers listed in a specification are for information and not intended to limit competition. Bidder may offer any brand for which it is an authorized representative, which meets or exceeds the specification for any item(s). However, if a Bid is based on equivalent products, indicate on the Bid form the manufacturer's name and number. Bidder shall submit sketches, descriptive literature, and/or complete specifications with their Bid. Reference to literature submitted with a previous Bid shall not satisfy this provision. The Bidder shall also explain in detail the reason(s) why the proposed equivalent will meet the specifications and not be considered an exception thereto. Bids that do not comply with these requirements are subject to rejection.

A.12. Rejection of Offer

The State reserves the right to reject any Bids that do not comply with the requirements and specifications of this Solicitation. A Bid may be rejected when the Bidder imposes terms or conditions that would modify requirements of this Solicitation or limit the Bidder's liability to the State. Other possible reasons for rejection of Bids are listed in OAC 260:115-7-32.

Attempts to impose unacceptable conditions on the State, or impose alternative terms not in the best interest of the State shall not be tolerated. Continued attempts to impose unacceptable conditions or terms on the State shall result in a determination of non-

responsiveness of the Bid due to lack of compliance with the terms and conditions of negotiation or this Solicitation.

A.13. Award of Contract

A.13.1. The State may award the contract to more than one Bidder by awarding the contract(s) by item or groups of items, or may award the contract on an all or none basis, whichever is deemed to be in the best interest of the State of Oklahoma.

A.13.2. Contract awards shall be made to the lowest and best Bid(s) unless this Solicitation specifies that best value criteria is being used.

A.13.3. In order to receive an award or payments from the State of Oklahoma, Bidder must be registered. The Bidder registration process can be completed electronically through the website at the following link: https://www.ok.gov/dcs/vendors/index.php.

A.13.4. It is the preference of the State to award to a single Bidder. However, the State reserves the right to award to multiple Bidders when it has been determined to be in the best interest of the State.

A.14. Contract Modification

A.14.1. The Contract Documents issued as a result of this Solicitation is under the authority of the State personnel signing the Contract Documents. The Contract may be modified only through a written Amendment, signed by the State.

A.14.2. Any change to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by OMES - ISD in writing, or that is made unilaterally by the Supplier, is a material breach of the Contract. Unless otherwise specified by applicable law or rules, such changes, including but not limited to any unauthorized written Amendment, shall be void and without effect, and the Supplier shall not be entitled to any claim under the Contract based on those changes. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the Contract.

A.15. Audit and Records Clause

A.15.1. As used in this clause, “records” includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. In accepting any contract with the State, the Supplier agrees any pertinent state or federal agency shall have the right to examine and audit all records relevant to execution and performance of this Contract.

A.15.2. The Supplier is required to retain records relative to this Contract for the duration of this Contract and for a period of seven (7) years following completion and/or termination of this Contract. If an audit, litigation, or other action involving such records is started before the end of the seven-year period, the records are required to be maintained for two (2) years from the date that all issues arising out of the action are resolved, or until the end of the seven (7) year retention period, whichever is later.

A.16. Non-Appropriation Clause

The terms of this Contract and any purchase order issued for multiple years under this Contract are contingent upon sufficient appropriations being made by the applicable state legislature, federal government or other appropriate government entity. Notwithstanding any language to the contrary in this Contract, or any other Contract Document, the State Entity or Affiliate may terminate its obligations under this Contract if sufficient appropriations are not made by the Oklahoma Legislature, federal government or other appropriate governing entity to pay amounts that may become due under the terms of multiple year agreements in connection with this Contract. The decision as to whether sufficient appropriations are available shall be accepted by, and be final and binding on, the Supplier.

A.17 Choice of Law and Venue

A.17.1 Any claims, disputes or litigation relating to the Contract Documents, singularly or in the aggregate, or the execution, interpretation, performance, or enforcement thereof shall be governed by the laws of the State of Oklahoma.

A.17.2. Venue for any action, claim, dispute, or litigation relating in any way to the Contract Documents shall be in Oklahoma County, Oklahoma, or in the case of an Affiliate, as agreed to between such Affiliate and Supplier or as otherwise provided by applicable law.

A.18. Termination for Cause

A.18.1. The Supplier may terminate this Contract in whole or in part for default with both a thirty (30) day written request and upon written approval from the State. The State may terminate this Contract in whole or in part for default or any other just cause upon a thirty (30) day written notification to the Supplier.

A.18.2. The State may terminate this Contract immediately, in whole or in part, without a thirty (30) day written notice to the Supplier, when violations are found to be an impediment to the function of the State and detrimental to the cause of a State Entity, when conditions preclude the thirty (30) day notice, or when the State determines that an administrative error occurred prior to Contract performance. Similarly, an Affiliate may terminate its obligations to Supplier immediately upon any of the foregoing conditions in this subsection.

A.18.3. If this Contract or certain obligations hereunder are terminated, the State, State Entity or Affiliate, as applicable, shall be liable only for payment for products delivered and accepted and such termination shall not be an exclusive remedy but shall be in addition to any other rights and remedies provided for by law.

A.19. Termination for Convenience

A.19.1. The State may terminate this Contract, in whole or in part, for convenience if the State Chief Information Officer determines that termination is in the State's best interest. The State shall terminate this Contract by delivering to the Supplier a notice of termination for convenience specifying the terms and effective date of termination. The Contract termination date shall be a minimum of sixty (60) days from the date the notice of termination is issued by the State. Similarly, an Affiliate may terminate its obligations to Supplier upon a determination by the proper authority for such Affiliate that termination is in the Affiliate's best interest and notice of termination by such Affiliate shall be provided in accordance with the foregoing requirements set forth in this subsection.

A.19.2. If this Contract or certain obligations hereunder are terminated pursuant to this section, the State, State Entity, or Affiliate, as applicable, shall be liable only for products delivered and accepted and such termination shall not be an exclusive remedy but shall be in addition to any other rights and remedies provided for by law.

A.20. Insurance

The Supplier shall maintain and promptly provide proof to the State of the following insurance coverage, and any renewals, additions or changes thereto, as long as the Supplier has any obligation under a Contract Document:

a) Worker's Compensation and Employer's Liability Insurance in accordance with applicable law.

b) Commercial General Liability Insurance on a per occurrence basis with limits of liability not less than $5,000,000 per occurrence and aggregate combined single limit, Personal Injury, Bodily Injury and Property Damage;

c) Automobile Liability Insurance with limits of liability of not less than $5,000,000 per occurrence combined single limit including bodily injury and property damage and with coverage, if applicable, for all owned vehicles, all non-owned vehicles, and all hired vehicles;

d) Professional Errors and Omissions Insurance which shall include Consultant's Computer Errors and Omissions Coverage with limits not less than $5,000,000 per claim and in the aggregate; and

e) Additional coverage required by the State in writing in connection with a particular Acquisition.

A.21. Employment Relationship

This Contract does not create an employment relationship between the parties. Individuals performing services required by this Contract are not employees of the State, a State Entity or an Affiliate and, accordingly, shall not be eligible for rights or benefits accruing to such employees including but not limited to health insurance benefits, workers' compensation insurance, paid vacation or other leave, or any other employee benefit.

A.22. Compliance with the Oklahoma Taxpayer and Citizen Protection Act of 2007

By submitting a Bid to this Solicitation, the Bidder certifies that it is registered and participates in the Status Verification System, available at www.dhs.gov/E-Verify, as required under applicable State law and is in compliance with applicable federal immigration laws and regulations. The Bidder agrees that compliance with the certification set forth in this section shall be a continuing obligation.

A.23. Compliance with Applicable Laws

A.23.1. In connection with its performance of obligations under the terms of this Contract, the Bidder certifies compliance with and, if awarded the Contract pursuant to this Solicitation, shall continue to comply with all applicable federal, state, and local laws, rules, regulations, ordinances and orders, as amended, including but not limited to the following:

a) Drug-Free Workplace Act of 1988 and as implemented at 45 C.F.R. part 76, Subpart F;

b) If the payments pursuant to the Contract are expected to exceed $100,000.00, Section 306 of the Clean Air Act, Section 508 of the Clean Water Act, Executive Order 11738, and Environmental Protection Agency Regulations which prohibit the use under nonexempt Federal contract, grant or loans of facilities included on the EPA List of Violating Facilities;

c) Prospective participant requirements set forth at 45 C.F.R. part 76 in connection with debarment, suspension and other responsibility matters;

d) 1964 Civil Rights Act, Title IX of the Education Amendment of 1972, Section 504 of the Rehabilitation Act of 1973 and Executive Orders 11246 and 11375, Americans with Disabilities Act of 1990;

e) For Persons entering into a grant or cooperative agreement over $100,000.00 (as defined at 45 C.F.R. §93.105 and 93.110), Anti-Lobbying Law set forth at 31 U.S.C. §1325 and as implemented at 45 C.F.R. part 93;

f) Obtaining certified independent audits conducted in accordance with Government Auditing Standards and Office of Management and Budget Circular A-133 with approval and work paper examination rights of the applicable

procuring entity; and

g) Be registered as a business entity licensed to do business in the State, (registration through the Oklahoma Secretary of State at https://www.sos.ok.gov), have obtained a sales tax permit and be current on franchise tax payments to the State, as applicable.

A.23.2. The Supplier shall maintain all applicable licenses and permits required in association with its obligations hereunder.

A.23.3. The Supplier shall inform its employees, agents and proposed subcontractors who perform services for the State under this Contract of the Supplier's obligations hereunder and shall require compliance accordingly. At the request of the State, Supplier shall promptly provide adequate evidence that such persons are its employees, agents or approved subcontractors and have been informed of their obligations hereunder.

A.24. Gratuities

The rights of Supplier under the terms of this Contract may be immediately terminated , in whole or in part, by written notice if it is determined that the Supplier, its employee, agent or another representative offered or gave a gratuity (e.g., an entertainment or gift) to any State or Affiliate employee directly involved in this Contract. In addition, a Supplier determined to be guilty of such a violation may be suspended or debarred.

A.25. Preclusion from Resulting Contracts

Any Bidder that has provided any consulting services or technical assistance that resulted in any specifications or concepts in this Solicitation, either directly or indirectly, is precluded from being awarded the Contract and from securing a sub-contractor that has provided such services.

A.26. Mutual Responsibilities

The State and Supplier agree that:

A.26.1. Neither party grants the other the right to use any trademarks, trade names, or other designations in any promotion or publication without express written consent by the other party.

A.26.2. This is a non-exclusive Contract and each party is free to enter into similar agreements with others.

A.26.3. Each party grants the other only the licenses and rights specified in the Contract Document and all other rights and interests are expressly reserved.

A.26.4. Except as otherwise set forth herein, where approval, acceptance, consent, or similar action by either party is required under this Contract, such action shall not be unreasonably delayed or withheld

A.27. Background Checks and Verifications

At the sole discretion of the State, State Entity or Affiliate, as applicable, employees of the Supplier and any subcontractor of the Supplier may be subject to background checks. If background check information is requested, the Supplier must submit, or cause to be submitted, the required information in a timely manner and the Supplier's access to facilities, data and information may be withheld prior to completion of background verification acceptable to the State, State Entity or Affiliate.

A.28. Confidentiality

A.28.1. The Supplier shall maintain strict security of all State data and records entrusted to it or to which the Supplier gains access, in accordance with and subject to applicable federal and state laws, rules, regulations and policies and shall use any such data or records only as needed by Supplier for performance of its obligations hereunder. The Supplier further agrees to evidence such confidentiality obligation in a separate writing if required under such applicable federal or state laws, rules and regulations. If Supplier utilizes a permitted subcontractor, Supplier shall obtain specific written assurance, and provide a copy to the State, that the subcontractor shall maintain this same level of security of all data and records entrusted to or accessed by the subcontractor and agree to the same obligations as Supplier, to the extent applicable. Such written assurance may be set forth in the required subcontractor agreement referenced herein.

A.28.2. No State data or records shall be provided or the contents thereof disclosed to a third party unless specifically authorized to do so in writing by the State CIO or in compliance with a valid court order. The Supplier shall immediately forward to the State and the State CIO any request by a third party for data or records in the possession of the Supplier or any subcontractor or to which the Supplier or subcontractor has access and Supplier shall fully cooperate with all efforts to protect the security and confidentiality of such data or records in response to a third party request.

A.29. Unauthorized Obligations

At no time during the performance of this Contract shall the Supplier have the authority to obligate any other party hereto for payment of any goods or services over and above those set forth in this Contract. If the need arises for goods or services over and above the products, Supplier shall cease the project and contact the appropriate procuring entity for written approval prior to proceeding.

A.30. Electronic and Information Technology Accessibility

Supplier shall comply with federal and state laws, rules and regulations related to information technology accessibility, as applicable, including but not limited to Oklahoma Information Technology Accessibility Standards ("Standards") set forth at http://www.ok.gov/cio/documents/isd_itas.pdf and Supplier shall provide a Voluntary Product Accessibility Template ("VPAT") describing such compliance, which may be provided via a URL linking to the VPAT. If the products will require development or customization, additional requirements and documentation may be required and compliance shall be necessary by Supplier. Such requirements may be stated in appropriate documents including but not limited to state bids, request for proposals, statements of work, riders, agreements, purchase orders and Amendments. Accordingly, in each statement of work or similar document issued pursuant to this Contract, Supplier shall describe such compliance and identify, if and as applicable, (i) which exception to the Standards applies or (ii) a description of the tasks and estimated cost to make the proposed products and/or services compliant with applicable Standards.

All representations contained in the VPAT provided will be relied upon by the State for accessibility compliance purposes.

A.31. Patents and Copyrights

A.31.1. Without exception, the products prices shall include all royalties or costs owed by the Supplier to any third party arising from the use of a patent or copyright.

A.31.2. If a third party claims that any portion of the products provided by Supplier under the terms of this Contract infringes that party's patent or copyright, the Supplier shall defend the State against the claim at the Supplier's expense and pay all related costs, damages, and attorneys' fees incurred by, or assessed to, the State, provided the State (i) promptly notifies the Supplier in writing of the claim and (ii) to the extent authorized by the Attorney General of the State, allows the Supplier to control the defense and any related settlement negotiations. If the Attorney General of the State does not authorize sole control of the defense and settlement negotiations to Supplier, Supplier shall be granted authorization to equally participate in any proceeding related to this section but Supplier shall remain responsible to indemnify the State for all associated costs, damages and fees incurred by or assessed to the State.

A.31.3. If such a claim is made or appears likely to be made, the Supplier shall enable the State to legally continue to use, or modify for use, the portion of products at issue or replace such potential infringing products with at least a functional non-infringing equivalent. If the Supplier determines that none of these alternatives is reasonably available, the State shall return such portion of the products at issue to the Supplier, upon written request, in exchange for a refund of the price paid for such returned goods as well as a refund, if applicable, of other products which are rendered materially unusable as intended due to removal of the portion of products at issue.

A.31.4. Supplier has no obligation regarding a claim based on any of the following: (i) modification of a product by any party other than Supplier, its employee, agent, representative, permitted subcontractor, or any State employee acting in conjunction with the Supplier; (ii) a program's use in other than its specified operating environment; (iii) the combination, operation, or use of a product with other products not provided by Supplier as a system or (iv) infringement solely by a non-Supplier product that has not been provided to the State by, through or on behalf of the Supplier as opposed to its combination with products Supplier provides to or develops for the State as a system.

A.32. Assignment

Supplier's obligations under a Contract Document may not be assigned or transferred to any other person or entity without the prior written consent of the State which may be withheld in its sole discretion. Rights granted under the terms of this Contract may be assigned or transferred, at no additional cost, to other entities within the State.

A.33. Severability

If any provision for this contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this contract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

A.34. Paragraph Headings

The headings used in this Contract are for convenience only and do not constitute part of the Contract.

A.35. Failure to Enforce

Failure by the State, as applicable, at any time to enforce a provision of, or exercise a right under, any Contract Document shall not be construed as a waiver of any such provision. Such failure to enforce or exercise shall not affect the validity of any Contract Document, or any part thereof, or the right of the State to enforce any provision of, or exercise any right under, a Contract Document at any time in accordance with its terms. Likewise, a waiver of a breach of any provision in a Contract Document shall not affect or waive a subsequent breach of the same provision or a breach of any other provision in a Contract Document.

A.36. Conflict of Interest

A.36.1 Bidder must provide immediate disclosure of any contractual relationship or any other relevant contact with any State personnel or another Supplier involved in the development of a Bidder's response to this Solicitation. Any conflict of interest shall, at the sole discretion of the State, be grounds for rejection of the Bid or termination of project involvement.

A.36.2 In addition to any requirement of law or through a professional code of ethics or conduct, the Supplier and the Supplier's employees performing services for the State are required to disclose any outside activity or interest that conflicts or may conflict with the best interest of the State. Further, without prior written approval of the State, such employees shall not plan, prepare, or engage in any activity that conflicts or may conflict with the best interest of the State as long as the Supplier has an obligation under this Contract. Prompt disclosure is required under this section if the activity or interest is related, directly or indirectly, to any person or entity currently under contract with or seeking to do business with the State, its employees or any other third-party individual or entity awarded a contract with the State.

A.37. Limitation of Liability

To the extent any limitation of liability in any Contract Document is construed by a court of competent jurisdiction to be a limitation of liability in violation of applicable law, such limitation of liability shall be void.

A.38. Media Ownership (Disk Drive and/or Memory Chip Ownership)

A.38.1. In accordance with the State of Oklahoma Information Security Policy, Procedures, Guidelines set forth online at http://www.ok.gov/cio/documents/InfoSecPPG.pdf ("Electronic Media Retention Requirements"), any disk drives and memory cards purchased with or included for use in leased or purchased equipment under this Contract remain the property of the State.

A.38.2. Personal Identification Information may be retained within electronic media devices and components; therefore, the State shall not allow the release of electronic media either between State Entities or for the resale of refurbished equipment that has been in use by State Entities, by the Supplier to the general public or other entities. Electronic Media Retention Requirements shall also be applied to replacement devices and components, whether purchased or leased, the Supplier may supply during the downtime (repair) of equipment purchased or leased through this Contract. If a device has to be removed from a location for repairs, the State shall have sole discretion, prior to removal, to determine and enforce sufficient safeguards (such as a record of hard drive serial numbers) to protect Personal Identification Information that may be stored within the hard drive or memory of the device.

A.39. Offshore Services

No offshore services are provided for under this Contract. State data shall not be used or accessed internationally, for troubleshooting or any other use not specifically provided for herein without prior written permission, which may be withheld in the State's sole discretion, from the appropriate authorized representative of the State.

A.40. Failure to Provide

The Supplier's repeated failure to provide defined services, without reasonable basis as determined in the sole discretion of the State CIO, shall constitute a material breach of the Supplier's obligations, which may result in partial or whole cancellation of the Contract.

A.41. Agency Policies

The Supplier's employees and/or sub-contractors must adhere to the applicable State policies including, but not limited to acceptable use of Internet and electronic mail, facility and data security, press releases, and public relations. It is up to the Supplier to review and relay State policies covering the above to the consulting staff.

A.42. Compliance with Technology Policies

The Supplier agrees to adhere to the State of Oklahoma "Information Security Policy, Procedures, and Guidelines" available at:

www.ok.gov/OSF/documents/StateOfOklahomaInfoSecPPG_osf_12012008.pdf

A.43. High Technology System Performance and Upgrades

A.43.1. If an Acquisition pursuant to this Contract includes a "high technology system" as defined under Oklahoma law, the Supplier shall provide documentation of the projected schedule of recommended or required system upgrades or improvements to such system for the three (3) year period following the target purchase date. If Supplier does not plan such system upgrades or improvements, the Supplier shall provide documentation that no system upgrades or improvements to the high technology system are planned for the three (3) year period following the target purchase date.

A.43.2. Any Acquisition pursuant to this Contract of an upgrade or enhancement to a high technology system shall be conditioned upon the Acquisition being provided at no charge to the State; the Acquisition being provided to the State at no additional charge pursuant to a previous agreement with the Supplier; the Supplier providing documentation that any required or recommended upgrade will enhance or is necessary for performance of the applicable State agency duties and responsibilities; or the Supplier providing documentation that it will no longer supply maintenance assistance to the applicable State agency and the applicable State agency

documenting that the functions performed by the high technology system are necessary for performance of the State agency duties and responsibilities.

A.44. Emerging Technologies

The State of Oklahoma reserves the right to modify the terms of this Contract at any time to allow for technologies not identified in this Contract. If there are repeated requests for an "emerging technology" and the State feels it is warranted to add such technologies, the State reserves the right to include such technology hereunder or to issue an Amendment to this Contract.

A.45. Ownership Rights

A.45.1. Any software developed by the Supplier is for the sole and exclusive use of the State including but not limited to the right to use, reproduce, re-use, alter, modify, edit, or change the software as it sees fit and for any purpose. Moreover, except with regard to any deliverable based on the Utilities, the State shall be deemed the sole and exclusive owner of all right, title, and interest therein, including but not limited to all source data, information and materials furnished to the State, together with all plans, system analysis, and design specifications and drawings, completed programs and documentation thereof, reports and listing, all data and test procedures and all other items pertaining to the work and services to be performed pursuant to this Contract including all copyright and proprietary rights relating thereto. With respect to Utilities, the Supplier grants the State, for no additional consideration, a perpetual, irrevocable, royalty-free license, solely for the internal business use of the State, to use, copy, modify, display, perform, transmit and prepare derivative works of Utilities embodied in or delivered to the State in conjunction with the products.

A.45.2. Except for any Utilities, all work performed by the Supplier of developing, modifying or customizing software and any related supporting documentation shall be considered as Work for Hire (as defined under the U.S. copyright laws) and, as such, shall be owned by and for the benefit of State.

A.45.3. In the event that it should be determined that any portion of such software or related supporting documentation does not qualify as "Work Made for Hire", Supplier hereby irrevocably grants to the State, for no additional consideration, a non-exclusive, irrevocable, royalty-free license to use, copy, modify, display, perform, transmit and prepare derivative works of any such software and any Utilities embodied in or delivered to the State in conjunction with the products.

A.45.4. Supplier shall assist the State and its agents, upon request, in preparing U.S. and foreign copyright, trademark, and/or patent applications covering software developed, modified or customized for the State. Supplier shall sign any such applications, upon request, and deliver them to the State. The State shall bear all expenses that incurred in connection with such copyright, trademark, and/or patent applications.

A.45.5. If any Acquisition pursuant to this Contract is funded wholly or in part with federal funds, the source code and all associated software and related documentation owned by the State may be shared with other publicly funded agencies at the discretion of the State without permission from or additional compensation to the Supplier.

A.45.6. It is understood and agreed that the Software is being developed by the Supplier for the sole and exclusive use of the State of Oklahoma. Moreover, except with regard to any deliverable based on Supplier's Utilities, the State of Oklahoma shall be deemed the sole and exclusive owner of all right, title, and interest therein, including all copyright and proprietary rights relating thereto.

A.45.7. Except for any Utilities, all work performed by the Supplier of software and any supporting documentation therefore shall be considered as Works for Hire (as such are defined under the U.S. Copyright Laws) and, as such, shall be owned by and for the benefit of State of Oklahoma.

A.46. Source Code Escrow – Reference Title 62 O.S. § 34.31

If required under applicable Oklahoma law relating to customized computer software developed or modified exclusively for a State Entity, the Supplier shall have a continuing obligation to comply with such law and place the source code for such software and any modifications thereto into escrow with an independent third party escrow agent. Supplier shall pay all fees charged by the escrow agent and enter into an escrow agreement, the terms of which are subject to the prior written approval of the State, with the escrow agent including terms that provide the State receives ownership of all escrowed source code upon the occurrence of any of the following:

a) A bona fide material default of the obligations of the Supplier under the agreement with the agency;

b) An assignment by the Supplier for the benefit of its creditors;

c) A failure by the Supplier to pay, or an admission by the Supplier of its inability to pay, its debts as they mature;

d) The filing of a petition in bankruptcy by or against the Supplier when such petition is not dismissed within sixty (60) days of the filing date;

e) The appointment of a receiver, liquidator or trustee appointed for any substantial part of the Supplier's property;

f) The inability or unwillingness of the Supplier to provide the maintenance and support services in accordance with the agreement with the agency;

g) The ceasing of a Supplier of maintenance and support of the software; or

h) Such other condition as may be statutorily imposed by the future amendment or enactment of applicable Oklahoma law.

A.47. Right to Renegotiate

Prior to exercising the State's right to cancel this Contract, the State may renegotiate the Contract for the purpose of obtaining more favorable terms for the State, provided that the term of the Contract is not modified.

A.48. Used or New Products

Bidder shall offer new items of current design unless this Solicitation specifies used, reconditioned, or remanufactured products are acceptable. Warranties in both cases should be the same.

A.49. Publicity

The award of this Contract to Supplier is not in any way an endorsement by the State of Supplier or the products and shall not be so construed by Supplier in any advertising or publicity materials. Supplier agrees to submit to the State all advertising, sales promotion, and other publicity matters relating to this Contract wherein the State's name is mentioned or language used from which the connection of the State's name therewith may, in the State's judgment, be inferred or implied as an endorsement. Supplier further agrees not to publish or use such advertising, sales promotion, or publicity matter or release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning this Contract without obtaining the prior written approval of the State.

A.50. Mandatory and Non-Mandatory Terms

A.50.1. Whenever the terms "shall", "must", "will", or "is required" are used in this Solicitation, the specification being referred to is a mandatory specification of this Solicitation. Failure to meet any mandatory specification may cause rejection of a Bid.

A.50.2. Whenever the terms "can", "may", or "should" are used in this Solicitation, the specification being referred to is a desirable item and failure to provide any item so termed shall not be cause for rejection of a Bid.

A.51. Non Tobacco – Smoke Free

By order of the Governor's Executive Order 2012-01, effective August 06, 2012 the use of any tobacco product shall be prohibited on any and all properties owned, leased or contracted for use by the State of Oklahoma, including but not limited to all buildings, land and vehicles owned, leased or contracted for use by agencies or instrumentalities of the State of Oklahoma.

A.52. OMES - ISD / Agency Relationship

Pursuant to the Oklahoma Information Technology Consolidation and Coordination Act, OMES - ISD is the entity designated to purchase information technology assets on behalf of the State of Oklahoma. The Act directs OMES - ISD to acquire necessary hardware and software, and directs OMES - ISD to authorize the use of these assets by other State agencies. OMES - ISD, as the owner of information technology assets on behalf of the State of Oklahoma, allows other State agencies to use these assets while retaining ownership and the right to reassign them upon written notification to the Supplier.

A.53. Acceptance of Solicitation Content

Unless otherwise provided in Section One of the Bidder's response to this Solicitation, all Bids shall be firm representations that the responding Bidder has carefully investigated and will comply with all terms and conditions contained in this Solicitation Upon award of any contract to the successful Bidder, the contents of this Solicitation shall become contractual obligations between the parties. Failure to provide all proposed Amendments to the terms and conditions contained in this Solicitation of the Bid may cause the Bid to be rejected from consideration for award.

A.54. Special Provisions

Special Provisions apply with the same force and effect as these General Provisions. However, conflicts or inconsistencies shall be resolved in favor of the Special Provisions.

B. SPECIAL PROVISIONS

B.1. Contract Term, Renewal and Extension Option

B.2. The initial contract period shall begin on the effective date and shall extend through One (1) Year (the "Initial Term") unless renewed, extended, or terminated in accordance with applicable contract provisions. The Supplier shall not commence work, commit funds, incur costs, or in any way act to obligate the State until so notified in writing of the approval of the contract. The authorized State representative is the only individual who can transmit that approval to the Supplier.

B.2.1. Under Oklahoma law, the State may not contract for a period longer than one (1) year (the "Initial Term"). By mutual consent of the parties hereto, it is intended that there shall be four (4) options to renew, subject to the terms and conditions set forth herein, each for duration of one (1) year.

B.2.2. After the Initial Term, the Agreement may be renewed annually upon mutual written consent of the parties. Prior to each renewal, the State shall subjectively consider the value of this Contract to the State, the Supplier's performance under the Contract and shall review certain other factors, including but not limited to the a) terms and conditions of Contract Documents to determine validity with current State and other applicable statutes and rules; b) then current products pricing and price discounts offered by Supplier; and c) then current products and support offered by Supplier.

B.2.3. If the State determines changes to a Contract Document are required as a condition precedent to renewal, the State and Supplier will cooperate in good faith to evidence such required changes in an Amendment.

B.2.4. The State, at its sole option, may choose to exercise an extension for ninety (90) days beyond the final renewal option period, at the Contract pricing rate. If this option is exercised, the State shall notify the Suppler in writing prior to contract end date. The State, at its sole option, may choose to exercise subsequent ninety (90) day extensions, by mutual consent and at the Contract pricing rate, to facilitate the finalization of related terms and conditions of a new award or as needed for transition to a new Supplier.

B.2.5. In the alternative, the State CIO reserves the right to extend any Contract awarded if it is determined to be in the best interest of the State.

B.3. Definitions

B.3.1. "Business Associate" shall have the meaning given to Business Associate under the Privacy Rule, including, but not limited to, 45 CFR § 160.103.

B.3.2. "Business Associate Agreement" is the contract between an entity covered under HIPAA and its Business Associate as required under the Privacy Rule, including (but not limited to) 45 CFR § 164.502(e)(2).

B.3.3. "Contract" shall mean the definition of contract as defined in Section A5.

B.3.4. "EGID" means Employees Group Insurance Division of the Office of Management and Enterprise Services. It shall also have the meaning given to the term 'Covered Entity' under the Privacy Rule, including, but not limited to, 45 CFR § 160.103 for purposes of this Business Associate Agreement only and to the extent required by law.

B.3.5. "HIPAA" refers to the Health Insurance Portability and Accountability Act of 1996 and includes any regulations promulgated pursuant thereto.

B.3.6. "OEIBA" means the Oklahoma Employees Insurance and Benefits Act, 74 O. S. (2011) §1301, et seq.

B.3.7. "OEIBA Program" means those benefits available to eligible participants through the OEIBA.

B.3.8. "OEIBB" means the Oklahoma Employees Insurance and Benefits Board, established by the OEIBA.

B.3.9. "OMES" means the Office of Management and Enterprise Services.

B.3.10. "OMES/CP" means the Office of Management and Enterprise Services, Central Purchasing.

B.3.11. "Supplier" – Individual, company or corporation that supplies the expertise required in this solicitation. This term used interchangeably with "Vendor" or "Bidder".

B.4. Contract Type

This is a firm fixed price contract for indefinite delivery and indefinite quantity for the supplies/services specified.

B.5. Contract Defined

B.5.1. This solicitation together with the Supplier's response, exhibits, written questions and clarifications, amendments or revisions signed by both parties and presented to OMES/CP and the purchase, and any Addendum to the contract constitute the entire and final agreement between EGID and the Supplier relating to the rights granted and the obligations assumed by the parties and is the Contract, when OMES/CP awards the Contract to the successful Supplier(s). This clause supplements section A.5. Any Addendum to the contract or revisions signed by both parties and presented to OMES/CP shall take precedence over other contract documents.

B.5.2. Any prior agreements, promises, negotiations, or representations, either oral or written, relating to the subject matter of this solicitation and the Supplier's response thereto, not expressly set forth, are of no force or effect.

B.6. Acceptance of Offer

B.6.1. The submission of a solicitation shall constitute a binding offer to perform those services described within the RFP.

B.6.2. By submitting a solicitation response, the Supplier(s) agrees that it waives its rights to claims for damages against the Office of Management Enterprise Services Group Insurance Department (EGID) because of any misunderstanding or misrepresentation of the specifications in the RFP or because of any misinformation or lack of information in the RFP.

B.6.3. The Supplier(s) must affirm their understanding of all contractual provisions and agree to those provisions for the duration of the contract.

B.7. Termination

B.7.1. The State may terminate the contract in whole or in part, whenever it determines that a Supplier or its subcontractors has failed to maintain the quality of its services provided for by this Contract to the satisfaction of the State.

B.7.2. The State may terminate this Contract for cause upon giving the Supplier sixty (60) days' notice prior to the date of termination. The State shall provide the Supplier with a thirty (30) day written notification of termination.

B.7.3. The State may terminate the Contract immediately, without a 30-day written notice to the Supplier, when a violation(s) is found to be an impediment to the State.

B.7.4. Following the effective date of termination, this Contract shall be of no further force and effect, except that each party shall remain liable for any obligations or liabilities arising from activities carried on by it hereunder prior to the effective date of termination of this Contract.

B.7.5. The contract shall not be cancelled by any Supplier for any reason during the contract period. This supersedes Section A.18.1.

B.7.6. These terminations clauses are in addition to Sections A.18 and A.19.

B.8. Costs Incurred

OMES/CP and EGID specifically assumes no responsibility for expenses incurred by the Supplier in the submission or review of any proposal in response to this RFP, in making an oral presentation, in providing a demonstration, or in performing any other related activities. All such costs shall be the Supplier's responsibility, whether or not a contract is awarded.

B.9. Appropriated Funds

The parties understand and agree that none of the sums to be paid under this Contract are appropriated funds. Should there be a revenue shortfall, EGID shall not seek appropriations and shall not use appropriated funds to pay for this obligation. The most recent financial statement of EGID is posted on EGID's website: https://omes.ok.gov/services/employees-group-insurance-division (go to "About EGID", then 2016 Annual Report Statement).

B.10. Records

The Supplier shall maintain records, according to Federal laws relating to the services it is performing under this contract. OMES/CP and EGID shall have the right at any time to review and copy such records upon request. OMES/CP and EGID understands the Supplier will not release confidential protected member information. The Supplier agrees to provide OMES/CP and EGID, upon request, de-identified summary health information, information related to the member's enrollment or disenrollment, or records regarding compliance and policy matters. This is in addition to Section A.15.

B.11. Electronic and Information Technology Accessibility (EITA) Standards

B.11.1 Supplier shall comply with federal and State laws, rules and regulations related to information technology accessibility, as applicable, including but not limited to Oklahoma Information Technology Accessibility Standards ("Standards") set forth at http://www.ok.gov/cio/documents/isd_itas.pdf. and shall provide a Voluntary Product Accessibility Template ("VPAT") describing such compliance, which may be provided via a URL linking to the VPAT.

B.11.2. If Products require development or customization, additional requirements and documentation may be required and compliance shall be necessary by Supplier. Such requirements may be stated in appropriate documents including but not limited to a statement of work, riders, agreement, purchase order or Addendum. Accordingly, in each statement of work or similar document issued pursuant to the Addendum, Supplier shall describe such compliance and identify, if and as applicable, (i) which exception to the Standards applies or (ii) a description of the tasks and estimated cost to make the proposed products and/or services compliant with applicable Standards.

B.11.3. The Supplier shall indemnify and hold harmless the State of Oklahoma and any Oklahoma governmental entity purchasing the product, system or application developed and/or customized by the Supplier from any claim arising out of the Supplier's obligations under this contract.

B.12. Confidentiality and HIPAA Compliance

B.12.1. Supplier agrees to comply with HIPAA regulations and assumes the responsibilities of a "Covered Entity" as defined by HIPAA with regard to the State of Oklahoma and all the employees and dependents who enroll and participate in Supplier's insurance plan(s).

B.12.2. Supplier is solely responsible for the consequences of any act or omission on its part not in compliance with HIPAA.

B.12.3. Supplier shall dedicate an experienced networking specialist to serve as a liaison to EGID for network related issues.

B.12.4. Electronic Protected Health Information (EPHI) which could include eligibility files, reports, pre-edits and other transactional data shall be encrypted when transmitted in any manner outside of the EGID protected (trusted) network.

B.12.5. EGID utilizes Pretty Good Privacy (PGP) as its standard data file encryption methodology with both public and private keys. Data file transmissions will be performed utilizing the SFTP (FTP over SSH) protocol. Transmissions can occur over ports that are either standard or non-standard.

B.12.6. Data files prepared for transmission to and from EGID must remain encrypted at rest. This includes files stored on FTP servers and portable media (ex: flash drives, CD, and DVD media).

B.12.7. All email shall be encrypted using the TLS protocol between email servers unless an encrypted VPN tunnel has been established.

B.13. Ownership of Data

B.13.1 Although EGID is subject to the Oklahoma Open Records Act, 51 O.S. (2011) § 24A.1, EGID maintains documents and information that are considered confidential by law, 74 O.S. (2011) §§ 1322 and 3113.1. In connection with this Contract, the Supplier will have access to information that is considered confidential.

B.13.2. The Supplier warrants and represents that such confidential information shall not be sold, assigned, conveyed, provided, released, disseminated or otherwise disclosed by the Supplier, its employees, officers, directors, subsidiaries, affiliates, agents, representatives, assignees, subcontractors, independent contractors, successors, or any other persons or entities without EGID's express written permission. The Supplier shall instruct its agents, representatives, subcontractors and/or independent contractors that they shall not use or disclose such confidential information to any other person or entity without the express written permission of EGID, except as absolutely necessary for Supplier to render services under this Contract or as required by law. The Supplier warrants and represents that it has a tested and proven system in effect to protect all confidential information as defined herein.

B.13.3. The Supplier agrees that EGID possesses exclusive property rights to the records and data designated herein as confidential information on behalf of EGID members. EGID "Confidential Information" includes the records and resulting data generated from the confidential information of all EGID members, retirees, and beneficiaries in any plan administered by EGID and all other related information that is subject to protection from disclosure pursuant to Oklahoma or federal law, including, without limitation all privacy protections as provided in and in the "Privacy Rule" adopted pursuant to HIPAA.

B.13.4. The Supplier shall immediately report to EGID any and all unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of any confidential information of which it or its subsidiaries, affiliates, employees, officers, directors, assignees, agents, representatives, independent contractors, and subcontractors is aware or have knowledge or reasonable should have knowledge. The Supplier shall also promptly furnish to EGID full details of the unauthorized use, appropriate, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination, or attempt thereof, and use its best efforts to assist EGID in investigating or preventing the reoccurrence of such event in the future. The Supplier shall cooperate with EGID in connection with any litigation and investigation deemed necessary by EGID to protect any confidential information and shall bear all costs associated with the investigation, response and recovery in connection with any breach of confidential information including but not limited to credit monitoring services with a term of at least three (3) years, all notice-related costs and toll free telephone call center services. The Supplier further agrees to promptly prevent a reoccurrence of any unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of confidential information.

B.13.5. The Supplier acknowledges that any improper use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of any confidential information to others may cause immediate and irreparable harm to EGID and/or HealthChoice members and may violate state or federal laws and regulations. If the Supplier or its affiliates, subsidiaries, employees, officers, directors, assignees, agents, representatives, independent contractors, and subcontractors improperly use, appropriate, sell, assign, convey, provide, release, access, acquire, disclose or otherwise disseminate such confidential information to any person or entity in violation of the Contract, EGID will immediately be entitled to injunctive relief and/or any other rights or remedies available to EGID under this Contract, at equity or pursuant to applicable statutory, regulatory, and common law without a cure period.

B.13.6. During the term of this Contract, the Supplier agrees that EGID is granted access to all EGID Confidential Information in the possession of the Supplier and upon EGID request, the Supplier shall deliver to EGID a copy of any specified EGID confidential information and data that the Supplier prepared, developed and/or stored by the Supplier as part of this contract.

B.13.7. Prior to the expiration, or upon the earlier termination of this Contract, the Supplier shall provide EGID all confidential information and data as defined herein within the Supplier's possession in the form of hard copy and/or electronic storage media. This paragraph does not apply to the Supplier's proprietary formats or systems that contain the confidential information

or proprietary documents pertaining to the operation of the Supplier's business. The Supplier may retain copies of those records or documents that it considers necessary for proof of performance.

B.13.8. This entire Section shall survive any termination, renewal, extension or amendment of this Contract.

B.14. Hold Harmless

The Supplier shall be responsible for the work, direction, and compensation of Supplier employees, agents and subcontractors. Neither the Supplier nor the State of Oklahoma shall be liable, directly or indirectly, for the work and direction of the Supplier employees, agents or subcontractors. The Supplier agrees to indemnify and hold harmless EGID, its employees and agents, and the State of Oklahoma from damages, loss, or liability to persons or property arising from claims of any kind, including, but not limited to compensation by the Supplier employees, agents, and subcontractors of the Supplier against the Supplier; negligent or willful acts of the Supplier its employees or agents in performance of this contract; acts, omissions or liabilities of the Supplier acting in any capacity that relate to the contract; and damages, costs, fines or penalties arising from HIPAA violations committed by the Supplier employees, agents or subcontractors. The State of Oklahoma does not waive, compromise, concede, surrender, or relinquish any rights, privileges, immunities, or remedies that the State of Oklahoma and its employees possess under State or Federal law.

B.15. Contract Obligations and Enforcement

The Supplier understands that by bidding on the RFP, it assumes a legal obligation to perform in good faith according to the terms specified in this RFP during the entire contract period. Suppliers who fail to so perform are hereby notified that EGID reserves the right to undertake all measures, including legal proceedings, to protect the interests of the parties to and the beneficiaries under this agreement.

B.16. EGID Designation of Personnel

EGID may designate EGID personnel to administer any of the terms or conditions of this contract and any and all duties or acts required of EGID.

B.17. Severability

The terms and provisions of this Contract shall be deemed to be severable one from the other, and any determination at law or in a court of equity that one term or provision is unenforceable, shall have no effect on the remaining terms and provisions of this Contract, or any one of them, in accordance with the intent and purposes of the parties.

B.18. Notices Required by Contract

B.18.1 Any notice required by the terms of this Contract, shall be provided in writing and (1) mailed by the United States Postal Service (USPS), postage prepaid, certified mail, return receipt requested; or, (2) delivered by an overnight delivery company with written delivery confirmation, or, (3) hand delivered with written delivery confirmation. Notices shall be addressed to EGID Deputy Administrator, 3545 N.W. 58th Street, Suite 600, Oklahoma City, OK 73112, or the Supplier at the address listed on the purchase order.

B.18.2. Such notices shall become effective on the date of delivery or the date specified within the notice, whichever comes later. Either party may change its address for notification purposes by mailing a notice stating the change and setting forth the new address.

B.19. Force Majeure

Neither party shall be liable for any delay or failure of performance under this contract due to an act of God, or due to war mobilization, insurrection, rebellion, riot, sabotage, explosion, fire, flood or storm.

B.20. Assignments

This contract shall not be assigned in whole or in part without prior written approval by OMES/CP and EGID.

B.21. Federal Exclusion List

The Supplier affirms and agrees that it complies with the federal statutes and regulations concerning persons who are listed on the Excluded Parties List System maintained by the General Services Administration, or excluded from receiving payment from federal government programs by the Department of Health and Human Services, Office of Inspector General.

B.22. Obligations of Permitted Subcontractor

B.22.1. If the Supplier is permitted to utilize subcontractors in support of this Contract, the Supplier shall remain solely responsible for its obligations under the terms of this Contract and for its actions and omissions and those of its agents, employees and subcontractors. Any proposed subcontractor shall be identified by entity name and by employee name in the applicable proposal and shall include the nature of the services to be performed. Prior to a subcontractor being utilized by the Supplier in connection with provision of the products, the Supplier shall obtain written approval of the State of such subcontractor and each employee of such subcontractor proposed for use by the Supplier. Such approval is within the sole

discretion of the State. As part of the approval request, the Supplier shall provide a copy of a written agreement executed by the Supplier and subcontractor setting forth that such potential subcontractor is bound by and agrees to perform the same covenants and be subject to the same conditions, and make identical certifications to the same facts and criteria, as the Supplier under the terms of all applicable Contract Documents. Supplier agrees that maintaining such agreement with any subcontractor and obtaining prior approval by the State of any subcontractor and associated employees shall be a continuing obligation. The State further reserves the right to revoke approval of a subcontractor or an employee thereof in instances of poor performance, misconduct or for other similar reasons.

B.22.2. All payments for products shall be made directly to the Supplier. No payments shall be made to the Supplier for any services performed pursuant to this Contract by unapproved or disapproved employees of the Supplier or a subcontractor.

B.23. Notice for Changes that Impact Shared Business Processes

The Supplier must verify and commit that during the length of the contract, it shall provide no less than thirty (30) day notice to EGID prior to performing changes, fixes, modifications and enhancements that may impact the exchange of eligibility or any other shared business processes. The Supplier must also include a test plan and provide resources to EGID to verify changes are valid and will not disrupt business processes. Changes will not be implemented until both parties mutually agree the changes are ready to be put into production.

B.24. No Commissions

The Supplier shall agree that absolutely no commissions or finder's fees shall be paid to anyone or any organization resulting from the State of Oklahoma's contract, either arising from an agreement to pay a commission or finder's fee prior to or during the term of this Contract; and,

B.25. Conflict

The Supplier shall disclose any apparent or potential conflict of interest with any state employee and shall not cause a state employee to violate 74 O.S. 2011 §85.3. The Supplier shall not engage in conduct that violates or induces others to violate provisions of any state or federal law regarding the conduct of public employees. See: The Anti-Kickback Act of 1974 at 74 O. S. 2001 §3401 et seq. and the Conflict of Interest provision in the Oklahoma Central Purchasing Act at 74 O. S. 2011 §85.3.

B.26. Fraud, Waste & Abuse Compliance Program

The Supplier acknowledges EGID's Fraud, Waste & Abuse Compliance Program. The compliance program can be viewed at http://www.ok.gov/sib/ (Go to About EGID, click on Fraud, Waste and Abuse, then Compliance Plan.). The Supplier must include in its Fraud, Waste & Abuse training efforts at least one hour annually of training for applicable Supplier employees.

B.27. Supremacy of State Statutes

This Contract is subject to all applicable Oklahoma State Statutes, EGID Rules and Administrative Directives. The Supplier shall comply with the American Disabilities Act. Any provision of this Contract that is not in conformity with existing or future legislation shall be considered amended to comply with such legislation. Federal laws, regulations and rules applicable to the OEIBA Program preempt all State laws and regulations, except for State licensing laws and State laws relating to plan solvency.

B.28. Minor Deficiencies

The State purchasing Director has the right to waive minor deficiencies or informalities in a proposal provided that the best interest of the State would be served without prejudice to the rights of the other Suppliers.

B.29. Public Bid Opening

Upon request for a public bid opening, only the name(s) of the qualified Supplier(s) shall be revealed; neither price nor proposal content shall be revealed and made public until notice of intent to award is announced by OMES/CP and EGID.

B.30. Notification of Award

Notification shall be made to the successful Suppliers by issuance of a purchase order. Public information releases pertaining to this project shall not be made without prior written approval by EGID.

B.31. Information from One Supplier Concerning Another Is Prohibited

Suppliers are advised that EGID is not interested in, nor shall it consider, allegations of lack of qualification or of impropriety made or initiated by any Supplier concerning another Supplier at any point during the solicitation process. Inclusion of such information in the RFP response or communication of such information to any state officials, state staff or its Suppliers after RFP submission may be grounds for disqualification. This clause in no way limits the right to file a protest or appeal under the laws or rules governing the State of Oklahoma.

B.32. Cancellation of Procurement

EGID reserves the right to cancel this procurement activity at any time and for any reason as determined to be in the best interest of the State.

B.33. Withdrawal

Before the opening date and time of this solicitation, a submitted response may be withdrawn by a written request signed by the proposer to the Contracting Officer listed on the front page of the solicitation packet.

B.34. Revisions to the RFP

EGID may at any time hereafter modify this RFP for purposes of enumerating, defining, and clarifying services, duties and functions, but not to add new services, duties or functions.

B.35. Conflict of Interest

The Supplier shall disclose any apparent or potential conflict of interest with any state employee and shall not cause a state employee to violate 74 O.S. 2011 §85.3. The Supplier shall not engage in conduct that violates or induces others to violate provisions of any state or federal law regarding the conduct of public employees. See: The Anti-Kickback Act of 1974 at 74 O. S. 2001 §3401 et seq. and the Conflict of Interest provision in the Oklahoma Central Purchasing Act at 74 O. S. 2011 §85.3.

B.36. Manufacturer Accessibility VPAT Website

The Supplier may provide a URL link for a website maintained by the Supplier or product manufacturer which provides VPAT's for all products offered through the Contract.

B.37. Commercial Off-The-Shelf (Cots) Software

In the event that Supplier specifies terms and conditions or clauses in an electronic license agreement notice that conflict with the terms of this Contract, the additional terms and conditions or conflicting clauses shall not be binding on the State and the provisions of this Contract shall prevail.

B.38. Supplier Services

The State of Oklahoma shall not guarantee any minimum or maximum amount of the Supplier services that may be required under this Contract.

B.39. Hosting Services

The additional provisions of Attachment E, attached hereto and incorporated herein, apply to hosting services provided by or on behalf of Supplier.

B.40. Authorized Users

During the term of this contract, any State Entity, or Affiliate, as defined herein, may utilize this contract. Under this contract, the State of Oklahoma bears no liability for a State Entity or Affiliate actions and the privies of contract exist solely between the Supplier and the State Entity or Affiliate.

B.41. Statement of Compliance

Each Supplier shall be required to submit a response to this solicitation as it is written. Any Supplier who wishes to propose exceptions or alternatives to any term, condition, or requirement of this solicitation must specify the exception and/or alternative and submit a response for each exception. If a Statement of Compliance (Attachment B) is not returned to EGID with the Supplier's original proposal, the response may be excluded from further consideration. If a Statement of Compliance is submitted with exceptions, EGID will consider such exceptions and/or alternatives in the evaluation process or such exception and/or alternative may constitute grounds for rejection of the proposal. If a Statement of Compliance is submitted without listing those exceptions, EGID shall consider that all items offered are in strict compliance with the solicitation and the Supplier shall be responsible for compliance

B.42. Security Assessment

The State requires any entity or third-party vendor hosting Oklahoma Customer Data to submit to a State Certification and Accreditation Review process to assess initial security risk. Supplier submitted to the review and met the State's minimum-security standards at time the Contract was executed. Failure to maintain the State's minimum-security standards during the term of the contract, including renewals, constitutes a material breach. The security Assessment is provided as Attachment D. More information concerning the Security Assessment can be found in Attachment E – Hosting Terms.

B.43. Communications Concerning Solicitation

The procurement specialist listed on this solicitation is the only individual in which the Bidder should be in contact with concerning any issues with this solicitation. Failure to comply with this requirement may result in the Bid being considered non-responsive and not considered for further evaluation.

B.44. Electronic Funds Transfer (EFT)

The State of Oklahoma passed legislation in 2012 requiring funds disbursed from the State Treasury be sent electronically.

If awarded a contract will your company must accept payment for invoices from the State by EFT.

B.45. Invoicing

Vendor invoices should be submitted electronically to EGIDAccounts.Payable@OMES.ok.gov

B.46. Financial Status

Prior to award the State may choose to request information from the Bidder to demonstrate its financial status and performance, in the form of the last three years audited financial statements or the last three years of tax returns. A certified review may be accepted (clarification may be required). Please provide the most recent Report on Controls at a Service Organization, as prescribed in Statement on Standards for Attestation Engagements (SSAE) for the claims processing system and related operations that will be utilized in providing the services requested in this RFP. The contracted PBM shall provide such financial information and a SSAE – SOC 2 report for the claims processing system and related operations on an annual basis, beginning with the initial year of the contract.

If the Bidder is a subsidiary of another entity, the last three years audited financial statements of three years tax returns for the parent company must also be submitted. The State reserves the right to withhold award to a Bidder who is deemed financially weak. The State reserves the right to determine financial status at its sole discretion.

Clarification or additional documents may be requested.

C. SPECIFICATIONS

C.1. Statement of Purpose

C.2. Identification of EGID

C.2.1. EGID was established by, and operates pursuant to, the Oklahoma Employees Insurance and Benefits Act, 74 O.S. § 1301, et seq., hereinafter (Act). The Act was established for the benefit of state and education employees, employees of other state governmental entities and quasi-state governmental entities authorized by the Act to participate in the insurance plans offered by EGID. The medical plans offered by EGID are known as the HealthChoice plans. EGID makes decisions on all policy matters affecting the group insurance plans, including member benefits and premium rates. EGID serves over 900 employer groups located throughout the state of Oklahoma. See https://omes.ok.gov/services/employees-group-insurance-division for more information about EGID and plans offered.

C.2.2. Pursuant to legislative authority, EGID Rules set forth the eligibility, type of participation and benefits guidelines for all participating employers. A copy of the official agency Rules is on file with the Office of the Secretary of State beginning at Oklahoma Administrative Code Title 260:45, or the Rules may be found at https://omes.ok.gov/services/employees-group-insurance-division ("About EGID").

C.2.3. The census data for the active and retired non-Medicare members in EGID Health Plans as of January 31, 2019 was 94,090 primary members and 149,518 total participants. The Medicare Supplement (EGWP) members consisted of 30,859 primary members and 34,773 total participants. The participants live in all 77 of Oklahoma counties and in contiguous states. Pharmacy claims commercial and EGWP with a combined utilization of 3.2 million Rx claims in 2018.

C.3. General Administration

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.3.1 EGID currently has separate identification cards for both pharmacy and medical. EGID will require the PBM to produce and mail identification cards to EGID members. The PBM shall provide any co-branding requirements and a sample identification card of the required information for every network that the PBM proposes.

PBM Response:

C.3.2 The PBM must provide a copy of its disaster recovery plan.

PBM Response:

C.3.3 The PBM must provide a detailed implementation project plan and timeline within thirty (30) business days from the award of the contract to ensure that services can be offered by the effective date of this contract.

PBM Response:

C.3.4 EGID is a progressive and innovative plan that will consider additional services and opportunities that the PBM would like to include in the RFP for consideration by EGID

C.3.4.1 Describe in detail what additional services and opportunities that the PBM can provide beyond the services required in this RFP, at no cost to EGID. This may include examples of the following:

- FWA programs
- Medication safety initiatives
- Adherence programs
- Specialty drug programs
- Quality programs
- Member outreach
- Clinical services program
- Medication therapy management
- Patient review and restriction programs (lock-in)

PBM Response:

C.3.4.2 Describe additional services being offered at additional cost to EGID. Identify additional costs in the financial proposal.

PBM Response:

C.3.5 How does your organization stay current with PPACA regulations? Do you have dedicated teams that focus on healthcare reform and how would this team support EGID to maintain compliance in regards to PPACA?

PBM Response:

C.3.6. Your standard policy is to ensure that "once a generic, always a generic." In other words, members will pay a generic copay for single-source and multi-source generics regardless of your drug-type classification policy.

PBM Response:

C.3.7. You use the "maintenance medication indicator" provided in a nationally recognized drug information source (e.g., Medispan) to identify/define "maintenance medications" for purposes of a mail order, traditional retail 90 program, or a "Mail at Retail" program that allows up to a 90 day supply of maintenance drugs to be dispensed from certain retail pharmacies with mail-like pricing.

PBM Response:

C.3.8. In the event there are changes in the marketplace to the pricing benchmark (e.g., AWP), methodology used to determine a drug's ingredient cost, or the pricing source used for EGID, even if you use an alternate pricing source for other clients, you will notify EGID at least 120 calendar days in advance of the effective date of any such change and provide an analysis that demonstrates that costs will not increase as a result of the change through the contract term based on up to 12 months worth of data. Your organization must provide full documentation justifying the reason for such change and the adjusted terms must be agreed upon before any changes are made. The terms will be adjusted accordingly to provide an equivalent ingredient cost after the change to EGID.

PBM Response:

C.4. Reports

For this section, respond with “Fully Agree”, “Partial Agree”, or “Disagree”. If your answer is anything but “Fully Agree”, provide a brief explanation on your deviation.

C.4.1. The PBM shall provide EGID with comprehensive set of pharmacy reports for all EGID populations that detail the following requirements:

C.4.1.1 Monthly (Due 10 calendar days following the end of the calendar month) Management Report

C.4.1.2 Quarterly (Due 30 calendar days following the end of the calendar quarter) Management Report

C.4.1.3 Yearly (Due 30 calendar days following the end of the calendar year) Management Report

PBM Response:

C.5. PBM Specific Contracting Requirements and Definitions of Prescription Benefit Terminology

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.5.1. PBM will not earn spread on retail prescription claims, passing through to EGID the actual contracted rate (discounted AWP, Maximum Allowable Cost (MAC) price, dispensing fee) for every retail network claim.

PBM Response:

C.5.2. PBM shall disclose to EGID, and its consultant(s), all sources of manufacturer revenue, rebates, fees, volume discounts and other considerations, including copay claw back provisions.

PBM Response:

C.5.3. One hundred percent (100%) of all monies received from manufacturers related to EGID's utilization will be passed through to EGID, including data sharing, administrative fees and utilization reporting.

PBM Response:

C.5.4. Your offer will include guaranteed minimum Manufacturer Payments per Brand paid prescription at Retail 30, Retail 90, "Mail at Retail"/Mail Order and Specialty. You may provide different minimum Manufacturer Payment guarantees in each year of the contract. Your guaranteed Manufacturer Payments should represent at least 98% of the expected 100% pass through of Manufacturer Payments at the time of underwriting.

PBM Response:

C.5.5. Your proposed guaranteed minimum Manufacturer Payments are guaranteed minimums for the term of the agreement.

PBM Response:

C.5.6. Your firm represents and warrants that it will not enter into any agreement with a pharmaceutical manufacturer for Manufacturer Payments with the impact to reduce or otherwise circumvent monies received from pharmaceutical manufacturers as being considered Manufacturer Payments. Furthermore, you will not require EGID to enroll in programs to receive Manufacturer Payments.

PBM Response:

C.5.7. Your offer of Manufacturer Payments will be the greater of the minimum guaranteed amounts or 100% of the Manufacturer Payments.

PBM Response:

C.5.8. Your offer assumes the Manufacturer Payment guarantees are NOT based on an average days' supply or pro-rated in any fashion.

PBM Response:

C.5.9. Calculation of the Manufacturer Payment guarantees shall only exclude the following types of claims:

a. Member submitted claims older than 180 days;

b. 100% Member Cost Share Program Claims (Not HDHP designs)

c. Subrogation claims

d. Claims processed under a 340b program pricing

PBM Response:

C.5.10. Please confirm the following related to manufacturer revenue:

You agree to pass-through 100% of Manufacturer Inflation Protection Payments

You agree to pass-through 100% of Manufacturer Administrative Fees

You agree to pass-through 100% of Rebates

You agree to pass-through 100% of revenue from Data Fees

You agree to pass-through 100% of Other Pharma Revenue

PBM Response:

C.5.11. You will provide an annual reconciliation of the 100% pass-through of Manufacturer Payments and pharma revenue and minimum guaranteed Manufacturer Payments.

PBM Response:

C.5.12. You will report and pay guaranteed Manufacturer Payments amounts to EGID on a quarterly basis within 60 calendar days after the end of the quarter, regardless of when the Manufacturer Payments are invoiced or collected.

PBM Response:

C.5.13. At year end, you will reconcile the Manufacturer Payment pass-through percent against the guaranteed Manufacturer Payments and provide documentation of your calculation and the result to EGID within 120 calendar days from the end of each contract year.

PBM Response:

C.5.14. You will pay any resulting credit to EGID automatically within 150 calendar days after the end of each contract year without written request.

PBM Response:

C.5.15. Any Manufacturer Payments received from manufacturers after the reconciliation will be applied to the next annual reconciliation and will be clearly noted in the next annual reconciliation.

PBM Response:

C.5.16. How does your organization stay current with PPACA regulations? Do you have dedicated teams that focus on healthcare reform and how would this team support EGID to maintain compliance in regards to PPACA?

PBM Response:

C.5.17. PBM agrees proposed pricing will be guaranteed for the term of the Agreement. PBM must calculate and report EGID's actual retail and mail order discounts and fee (dispensing, administration, clinical, etc.) experience within ninety (90) days after the end of each contract year. Any shortfall in discount or dispensing fee guarantees must be paid to EGID within one hundred and twenty (120) days after the end of each contract year.

PBM Response:

Definitions

C.5.18. "Administrative Fee(s)" means the fee paid to PBM for agreed upon PBM services.

PBM Response:

C.5.19. "Authorized Generics" means an approved Brand Drug that is marketed without the brand name on its label. Other than the fact that it does not have the brand name on its label, it is the exact same drug product as the branded product. An Authorized Generic may be marketed by the brand name drug company, or another company with the brand company's permission. Authorized Generics will be identified using MediSpan Multisource Code of "M" (co-branded product) with a Brand Drug Code of "B" (Branded Generic Name) or "G" (generic).

PBM Response:

C.5.20. "Biosimilar Drug" means a type of biological product that is licensed (approved) by the FDA that is highly similar to a biological product already approved by the FDA not withstanding minor differences in clinically inactive components; and that there are no clinically meaningful differences between the biologic product and the reference product in terms of the safety, purity, and potency of the product.

PBM Response:

C.5.21. "Brand Drug" or "Brand Product" means an FDA approved drug, or a drug that is designated by FDA a DESI (Drug Efficacy Study Implementation) drug, or product, which is manufactured and distributed by an innovator drug company, or its licensee , set forth in First Databank's National Drug Data File (FDB) or Medi-Span's National Drug Data File (MS) as a brand drug identified by all of the products meeting at least one of the following criteria:

1. Brand Name code of "T" (trademarked) and Multisource Code "M"
2. Brand Name code of "B" or "T" and Multisource Code of "N"
3. Brand Name code of "B" or "T" and Multisource Code "O" and a DAW code of 0, 1, 2, 7, 8, or 9

In the event a product would be categorized as a brand under one of FDB or MS, but not the other reference source (FDB or MS), then the MS definition shall prevail for purposes of this definition. For avoidance of doubt, Brand Drugs may include, but are not limited to: vaccines, supplies, medical devices, kits, diabetic supplies, OTCs and test strips.

PBM Response:

C.5.22. "Claim(s)" means a claim processed through PBM's on-line claims adjudication system or otherwise transmitted or processed in accordance with the terms of this Agreement in connection with EGID's plan, including claims in which the Member pays the full cost and EGID has no cost liability, but does not include claims that rejected due to system edits designed to enforce EGID's pharmacy benefit programs nor reversed from the claim payment system.

PBM Response:

C.5.23. "Client-Owned Pharmacy" means a Retail Pharmacy that is owned, licensed, operated or identified by EGID, where the pharmacy is operating on EGID's campus for use by its Members. Client-Owned Pharmacy can be identified by NCPDP XXXXXX.

PBM Response:

C.5.24. "Compound Drug" shall mean a mixture of two (2) or more ingredients when at least one of the ingredients in the preparation is an FDA approved federal legend drug, and the mixture of which is not otherwise generally available in an equivalent commercial form or strength in response to a physician's prescription to create a medication tailored to the specialized medically required need for an individual patient.

PBM Response:

C.5.25. "Coordination of Benefits or COB Claim(s)" means a Claim where more than one health insurance program, policy, or other form of coverage, including governmental or non-governmental coverage, has payment and a primary and secondary carrier liability is determined.

PBM Response:

C.5.26. "Data Fees" means fees received by PBM for the sale of aggregate blinded data to a limited group of third parties including nationally recognized data integration firms.

PBM Response:

C.5.27. "Days of Supply" means the number of days supplied for a Claim as submitted to PBM by the dispensing Pharmacy.

PBM Response:

C.5.28. "Dispensing Fee(s)" means the fee paid to the dispensing pharmacy for the professional service of filling a claim and is equal to the Total Claim Cost less the Ingredient Cost and less the applicable sales tax. U&C Claims will always have a zero dollar Dispensing Fee.

PBM Response:

C.5.29. "Fill Quantity" means the number of units dispensed for a Claim as submitted to PBM by the dispensing Pharmacy.

PBM Response:

C.5.30. "Formulary Rebate(s)" or "Access Rebate(s)" means a rebate collected by PBM from pharmaceutical companies for products where the implemented formulary encourages Member use over other products and is attributable to Client's specific utilization.

PBM Response:

C.5.31. "Generic Drug" or "Generic Product" means an FDA approved drug, or a drug that is designated by FDA a DESI (Drug Efficacy Study Implementation) drug, or product, that is pharmaceutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient(s) and products, as set forth in First Databank's National Drug Data File (FDB) or Medi-Span's National Drug Data File (MS) as a generic drug identified by all products meeting at least one of the following criteria:

1. Brand Name code of "G" (generic) for all Multisource Codes (M, N, O, and Y)
2. Multisource Code of "Y" (generic)
3. "O" (originator brand) with a DAW code of 3, 4, 5, or 6.

In the event a product would be categorized as a Generic under one of FDB or MS, but not the other reference source (FDB or MS), then the MS definition shall prevail for purposes of this definition. For avoidance of doubt, Generic Drugs may include, but are not limited to: vaccines, supplies, medical devices, kits, diabetic supplies, OTCs and test strips.

PBM Response:

C.5.32. "Home Infusion Pharmacy or HIF" means a Retail Pharmacy-based, decentralized patient care organization with expertise in USP 797 or 800 -compliant sterile drug compounding that provides care to patients with acute or chronic conditions generally pertaining to parenteral administration of drugs, biologics and nutritional formulae administered through catheters and/or needles in home and alternate sites. These Pharmacies are identified by a National Council for Prescription Drug Program's (NCPDP's) dispenser type code of 6.

PBM Response:

C.5.33. "House Generics" means a Brand Drug submitted with a Dispense As Written (DAW) 5 code in place of the generic equivalent and where the pharmacy is reimbursed at a Generic Drug rate, including MAC, as applicable. For reconciliation of the Generic Drug discount guarantees, the AWP of House Generic drugs shall be the per unit AWP of the generic equivalent and not the AWP of the Brand Drug. House Generics will be identified using MediSpan Multisource Code M, N, O, or Y and a Dispense as Written (DAW) code of 5.

PBM Response:

C.5.34. "Incentive Rebate(s)" means a rebate collected by PBM from pharmaceutical companies for products where restrictions on competitor products have been put in place and is attributable to Client's specific utilization.

PBM Response:

C.5.35. "Indian Health Services, Tribal or Urban Indian Health or I/T/U" means a Retail Pharmacy operated by the Indian Health Service, an Indian tribe or tribal organization, or an urban Indian organization as defined in Section 4 of the Indian Health Care Improvement Act, 25 U.S.C. 1603. These Pharmacies are identified by a National Council for Prescription Drug Program's (NCPDP's) dispenser type code of 8.

PBM Response:

C.5.36. "Inflation Protection Payments" means payments received by your firm (if any; and whether separately made or in the form of increased Rebates) from a pharmaceutical manufacturer for the purpose of adjusting for year over year price inflation of the manufacturer's price to your firm for prescriptions on which Rebates are paid; in accordance with and pursuant to applicable pharmaceutical manufacturer agreements.

PBM Response:

C.5.37. "Ingredient Cost" means the discounted AWP cost of a claim and is equal to the Total Claim Cost less the applicable Dispensing Fee and less the applicable sales tax.

PBM Response:

C.5.38. "Limited Distribution Specialty Drugs or Limited Distribution Drugs (LDD)" are those Specialty Drugs only available through select pharmacy providers as determined by the drug manufacturer.

PBM Response:

C.5.39. "Long Term Care Pharmacy or LTC" means a Retail Pharmacy that dispenses medicinal preparations delivered to patients residing within an intermediate or skilled nursing facility, including intermediate care facilities for mentally disabled, hospice, assisted living facilities, group homes, and other forms of congregate living arrangements. These Pharmacies are identified by a National Council for Prescription Drug Program's (NCPDP's) dispenser type code of 4.

PBM Response:

C.5.40. "Mail Order Pharmacy" means a Pharmacy that is owned, licensed, operated or identified by PBM, where Claims are filled and delivered through the mail to Members.

PBM Response:

C.5.41. "Manufacturer Administrative Fee(s)" or "Rebate Administrative Fee(s)" means fees for services rendered to pharmaceutical manufacturers in relation to administrative duties in connection with aggregation, allocating, collecting, and invoicing for rebates.

PBM Response:

C.5.42. "Manufacturer Payments" includes Rebates, Manufacturer Administrative Fees, Inflation Protection Payments, and Data Fees, but excludes Other Pharma Revenue.

PBM Response:

C.5.43. "Market Share Rebate(s)" or "Performance Rebate(s)" means a rebate collected by PBM from pharmaceutical companies that is based on the utilization of a rebated product compared to the utilization of competitor products and is attributable to Client's specific utilization.

PBM Response:

C.5.44. "Maximum Allowable Cost or MAC" means the price that has been established by PBM for a Brand Drug or Generic Drug included on its MAC drug list, which may be amended from time to time by PBM. A copy of such MAC drug list shall be provided to EGID, prior to execution and upon EGID's reasonable request, and shall be updated by PBM in its sole discretion. The same MAC list will be used for a Retail Pharmacy, a Mail Order Pharmacy, and a Specialty Pharmacy (i.e. same number of drugs, same drugs). The Mail Order Pharmacy and Specialty Pharmacy MAC list price points for individual drugs/generic class numbers shall be equal to or less (i.e., more deeply discounted) than the Retail Pharmacy MAC price points for the same drugs/generic class numbers.

PBM Response:

C.5.45. "Member(s)" means each individual who EGID identifies in the eligibility file to be eligible for prescription drug benefits under its plan.

PBM Response:

C.5.46. "Member Cost Share" means the amount which a Member is required to pay for a Claim in accordance with EGID's benefit design, which may be a deductible, a percentage of the Claim price, a fixed amount and/or other charge or penalty.

PBM Response:

C.5.47. "Member-Submitted Claim(s) or Paper Claim(s)" means a Claim submitted to PBM for reimbursement by a Member for which the Member paid cash.

PBM Response:

C.5.48. "Military Pharmacy" means a Retail Pharmacy whose primary function is to store, prepare and dispense pharmaceuticals and other associated items to uniformed services beneficiaries. These pharmacies may be associated with Department of Defense or U.S. Coast Guard clinic, Department of Defense hospital or freestanding. Usually associated with outpatient services. Associated with taxonomy code "332000000X". These Pharmacies are identified by a National Council for Prescription Drug Program's (NCPDP's) dispenser type code of 17.

PBM Response:

C.5.49. "Onsite Pharmacy" means a Retail Pharmacy that is owned, licensed, operated or identified by PBM, where the Pharmacy is operating on EGID's campus for use by its Members. Onsite Pharmacy can be identified by NCPDP XXXXXX.

PBM Response:

C.5.50. "Open Formulary" will be defined as a listing of all FDA-approved prescription drugs. No FDA-approved prescription drugs will be excluded from an open formulary without the express written consent of EGID.

PBM Response:

C.5.51. "Other Pharma Revenue" means Pharmacy Purchase Discounts (i.e.. Mail Order Volume Discounts), Transmission Fees, and Specialty Service Fees.

PBM Response:

C.5.52. "Over-the-Counter" or "OTC" Claim(s) means a Claim for items that do not require a prescription for a Member to purchase that EGID has chosen to or has been required to include as covered products under the prescription drug benefit. OTC Claims are defined as having an 'O' or 'P" indication in Medi-Span's Rx-OTC Indicator Code.

PBM Response:

C.5.53. "Pass Through Pricing" means a pricing structure comprised of fixed guaranteed discounts at PBM's Mail Order Pharmacy and Specialty Pharmacy and a full pass through of PBM's contracted rates with Participating Pharmacies and pharmaceutical manufacturers. In this arrangement, PBM retains the difference between mail service and specialty acquisition costs and the amounts guaranteed to EGID. PBM passes through (1) its contracted rates with Participating Pharmacies and (2) all Manufacturer Payments it receives from pharmaceutical manufacturers in excess of the EGID's guaranteed Manufacturer Payments. The amount billed to EGID at Retail Pharmacies will be equal to the amount paid by PBM to the Retail Pharmacies.

PBM Response:

C.5.54. "Pharmacy" means a pharmacy that participates in the PBM network pursuant to an agreement between the pharmacy and PBM.

PBM Response:

C.5.55. "Pharmacy Purchase Discount(s)" or "Mail Order Volume Discount(s)" means discounts, paid at time of purchase, or retrospectively, received by PBM or its affiliates from pharmaceutical manufacturers, which are attributable to or based on products purchased by PBM affiliated dispensing pharmacies.

PBM Response:

C.5.56. "Rebates" means the return of partial payments from a pharmaceutical manufacturer, pursuant to the terms of a rebate contract, negotiated by a PBM on behalf of all plan sponsors, and directly attributable to the utilization of certain prescriptions by plan sponsor's members. Rebates shall include Formulary Rebates (i.e. Access Rebates), Market Share Rebates (i.e. Performance Rebates), Incentive Rebates and Value-Based Rebates.

PBM Response:

C.5.57. "Retail Pharmacy" means a Pharmacy that is not a Mail Order Pharmacy nor a Specialty Pharmacy.

PBM Response:

C.5.58. "Sales Tax" means a tax imposed by local, state, or federal government at the point of sale on a Claim that is collected by the dispensing Pharmacy.

PBM Response:

C.5.59. "Single Source Generic(s) or SSG(s)" are Generic Drugs that are manufactured by one generic drug manufacturing company.

PBM Response:

C.5.60. "Specialty Drugs" are defined as certain pharmaceuticals, biotech or biological drugs, that are used in the management of complex or genetic disease that meet at least one of the first two criteria (a and b) and all of the last three criteria (c-e) in order to be placed on your specialty drug list:

a) Produced through DNA technology or biological processes

b) Targets a complex disease caused by a combination of genetic, environmental and lifestyle factors

c) Unique handling, distribution, and/or administration requirements such that the drug cannot be safely dispensed from a mail service pharmacy

d) Requires a customized medication management program that includes medication use review, patient training, coordination of care and adherence management for successful use such that more frequent monitoring and training is required

e) Are not a device, supply, medical food, or durable medical equipment.

Lastly, only newly FDA-approved and launched drugs, and drugs not on the market as of January 1, 2020 may be considered for addition to the specialty pharmacy drug price list after this date.

PBM Response:

C.5.61. "Specialty Pharmacy" means a pharmacy that is owned, licensed, operated or identified by PBM, where Specialty Drugs are filled and delivered to Members via the mail order service.

PBM Response:

C.5.62. "Specialty Service Fees" means fees collected by a PBM from pharmaceutical companies for certain costs or services associated with stocking, handling and dispensing certain Specialty Drugs, such as distribution data reporting, inventory tracking and management, FDA Risk Evaluation and Mitigation Strategy (REMS) support and enhanced adverse even reporting and coordination.

PBM Response:

C.5.63. "Territory Pharmacy or TER" means a Retail Pharmacy located in one of the United States territories, i.e. American Samoa, Guam, Northern Mariana Islands, Puerto Rico, United States Virgin Islands. These Pharmacies are identified by an ISO 3166 code (state code) of AS, GU, MP, PR, and VI.

PBM Response:

C.5.64. "Total Claim Cost" is equal to the Ingredient Cost plus the applicable Dispensing Fee plus the applicable sales tax. For each claim, the Total Claim Cost is determined by the Claim adjudication logic stated in the Pricing Guarantees Section below.

PBM Response:

C.5.65. “Traditional Pricing” means a financial structure comprised of fixed guaranteed discounts and fees. In this arrangement, PBM retains the difference between (1) Mail Order Pharmacy and Specialty Pharmacy acquisition costs and the amounts guaranteed to EGID and (2) contracted rates with Retail Pharmacies and the amounts guaranteed to EGID. PBM passes through all Manufacturer Payments it receives in excess of EGID’s guaranteed Manufacturer Payments. Retail Pharmacy rates may vary and the amount paid by PBM to the Retail Pharmacy may not be equal to the amount billed to EGID and PBM shall retain any difference. This is also referred to as Spread Pricing.

PBM Response:

C.5.66. "Transmission Fees" means fees from participating pharmacy providers that are used to offset costs incurred to support network services.

PBM Response:

C.5.67. “Usual and Customary” or “U&C” means a pharmacy’s usual selling price that a cash paying customer pays a pharmacy for prescription drugs. These shall include all applicable customer discounts including but not limited to: generic promotions, special customer, senior citizen, frequent shopper, discount club, discount card program, etc.

PBM Response:

C.5.68. "Vaccine Claim(s)" means a Claim in which the dispensed product is a vaccine and the purchase price includes both the Ingredient Cost and the cost to administer the vaccine.

PBM Response:

C.5.69. "Veteran Affairs Pharmacy or VA" means a Retail Pharmacy under veteran affairs jurisdiction where drugs are dispensed and pharmaceutical care is provided to enrolled veterans, by licensed pharmacists. These Pharmacies are identified by a National Council for Prescription Drug Program’s (NCPDP’s) dispenser type code of 9.

PBM Response:

C.5.70. "Value-based Rebates" mean payments collected by PBM from pharmaceutical companies when pharmaceutical companies' drug therapies underperform by not meeting certain effectiveness criteria.

PBM Response:

C.5.71. “Zero Balance Due” or “ZBD” claim means any claim where the member pays the total amount of the claim, including any applicable sales tax, and the plan pays zero.

PBM Response:

C.5.72. PBM must calculate and report EGID’s rebate experience quarterly. PBM is required to pay minimum quarterly rebate payments within ninety (90) days after the end of each quarter.

Any shortfall in rebate guarantees must be paid within one hundred and eighty (180) days after the end of each quarter.

PBM Response:

C.5.73. Upon termination of any Agreement resulting from this RFP, EGID requires PBM to remit all rebates associated with EGID’s utilization prior to and including the termination date within two hundred and seventy (270) days after termination of the Agreement.

PBM Response:

C.5.74. PBM agrees shortfalls in any individual financial guarantee may not be offset by overages in another financial guarantee.

An individual financial guarantee will mean discounts, dispensing fees and rebate guarantees are considered separate financial guarantees that are reconciled individually. In addition, guarantees for different channels (e.g., Retail vs. Retail-90 vs. Mail Order) are considered separate financial guarantees that are reconciled individually. Specialty claims are treated as a separate channel from retail and mail, as well.

PBM Response:

C.5.75. For reconciliation purposes, PBM agrees that there will be no “net cost” language or ZBD adjustments made to the shortfall payments (i.e., shortfall payments will be paid dollar-for-dollar to EGID).

PBM Response:

C.5.76. Except for compound claims, specialty claims (non-generic or non-MAC specialty claims), Non-Traditional Pharmacies (Long Term Care, Veteran, Military and Indian Tribal providers), and claims processed under 340B program pricing, all processed and paid generic prescriptions will be included in the retail and mail order generic guarantees (including SSGs and OTCs).

PBM Response:

C.5.77. Specialty medications must be limited to a thirty (30)-day supply except for those specialty medications only available in larger days’ supply.

PBM Response:

C.5.78. PBM agrees that upon EGID’s discretion, members with a new specialty drug prescription may receive a partial fill (i.e., a 15-day supply) for their first prescription of the specialty drug.

PBM Response:

C.5.79. The parties acknowledge that the pricing indices historically used by PBM are the basis for the financial offer of this proposal and are outside the control of the parties. In the event Medi-Span or other nationally available AWP reporting sources discontinue the reporting of AWP or changes the manner in which AWP is calculated prior to the effective date or during the Term, then PBM and EGID agree to negotiate in good faith to modify pricing in an equitable manner to preserve the financial interest of both parties, to be effective as of the effective date or such later effective date of such discontinuation or change. Such modifications may include, without limitation, the adjustment of AWP to the methodology relied on by such reporting source prior to such modification of AWP methodology, the adjustment of the AWP discount or the utilization of alternate pricing benchmarks.

In the event the contractual pricing needs to be restated under a new industry pricing standard, PBM agrees to provide EGID with at least a ninety (90)-day notice of the effective date of an AWP change or restatement, but if the effective date of the AWP change or replacement is less than ninety (90) days before the PBM knows that the AWP change or replacement will definitely occur, then PBM shall provide EGID with as much advance notice as is reasonably practicable under the circumstances, which notice shall include the

revised pricing terms based on the new industry standard. The notice must also contain sufficient proof that the revised pricing terms are equitable and preserve the parties' relative economics before the AWP change or replacement. If EGID reasonably determines that PBM has not provided sufficient proof and EGID and PBM are not able to agree on revised terms based on the new industry pricing standard, EGID may terminate the Agreement without penalty with ninety (90) days written notice.

PBM Response:

C.5.80. The PBM must provide to EGID within thirty (30) days after contract execution, the original of a blanket, no deductible fidelity bond in the amount of One Million Dollars ($1,000,000), with EGID as the sole beneficiary. The PBM shall further provide a performance bond in the amount of Three Million Dollars ($3,000,000). In lieu of the fidelity bond and the performance bond, the PBM shall provide an irrevocable letter of credit in the amount of One Million Dollars ($1,000,000) for a fidelity breach and Three Million Dollars ($3,000,000) for breach of performance. If the PBM is a subsidiary of another corporation, the parent corporation must additionally guarantee and indemnify the performance of the subsidiary. This bond and/or irrevocable letters of credit should be issued from a reliable surety company or national bank that is acceptable to EGID.

PBM understands this provision and agrees to continue to keep in place the current arrangement for the duration of the contract. Additionally, the PBM shall contemporaneously furnish a Certificate of Insurance from an insurer satisfactory to EGID, certifying that liability coverage is in effect and that EGID is a sole beneficiary or named insured. Written notice must be received by EGID at least 20 days prior to date of cancellation. PBM understands this provision and agrees to comply for the duration of the contract.

PBM Response:

C.5.81. PBM will maintain during the term of the contract with EGID comprehensive general liability, including personal injury, independent contractors, products and completed operations and contractual liability; pharmacists professional liability insurance; and managed care liability insurance in amounts of not less than $5,000,000 per occurrence, and in the aggregate. PBM will also maintain during the term of the Agreement professional liability errors and omissions insurance, in an amount not less than $5,000,000 per occurrence and in the aggregate, that includes coverage for technology products and services, including coverage for software and operations development work, implementation, testing, training and maintenance of software and systems, including coverage for copyright and trademark protection. An amount of $5,000,000 per occurrence is preferable. Proof of such insurance will be available to EGID upon request.

PBM Response:

C.5.82. EGID handles the prior authorization appeals and secondary coverage redeterminations for the commercial members internally. The PBM shall provide EGID with all documents used in supporting its determination in the appeal process every Thursday by 1:30 p.m. (CST) when EGID is required to consider a re-determination. The PBM shall advise EGID as to policies and procedures for benefit coverage determination, exceptions, and appeals consistent with the Patient Protection and Affordable Care Act (PPACA) regulations.

PBM Response:

C.5.83. PBM is required to offer a financial proposal assuming current plan benefits. Do not assume programs will be modified or deleted, new programs will be added (i.e., mandatory mail, step therapy, etc.) or PBM mandated programs will apply.

PBM Response:

C.5.84. PBM is to provide a financial proposal based on its most broad, open network. Unless documented now, all regional and national pharmacy chains must be available to all members in PBM's most broad, open network throughout the contract duration with EGID. In the event a national or regional chain is removed from the network (for reasons other than bankruptcy or closure), EGID has the right to renegotiate and/or terminate the PBM contract with ninety (90) days' notice.

PBM Response:

C.5.85. You will provide a current and complete list of Specialty Drugs with pricing as of January 1, 2020. Your list will identify if each drug is a Brand/Generic, Biosimilar, and Limited Distribution Drugs, even if your firm does not have access to them. Please provide list in the "RX-Pricing Specialty Drugs" Worksheet (Exhibit #1).

C.5.86. In the "RX-Pricing" exhibits, the percentage discounts you enter represent the guaranteed minimum annual ("Effective") AWP Discounts.

PBM Response:

C.5.87. In the "RX-Pricing" exhibits, the Dispensing Fees you enter at a Retail Pharmacy represent the guaranteed maximum average annual Dispensing Fees. The Dispensing Fees you enter at Mail Order Pharmacy and Specialty Pharmacy represent the guaranteed Dispensing Fee for each paid claim.

PBM Response:

C.5.88. In the "RX-Pricing" exhibits, the Manufacturer Payments you enter represent the guaranteed minimum Manufacturer Payments per dispensing channel.

PBM Response:

C.6. PBM Specific Audit Requirements

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.6.1 EGID retains the right to audit such information as reasonably required to determine that your firm is complying with the Agreement, which includes but is not limited to: 100% of pharmacy claims data, with all NCPDP fields from the most current version and release; data management; participating pharmacy contracts with PBM to verify there is no spread pricing (transparent pricing models only); pharmaceutical manufacturer agreements including rebates, and all other revenue programs; Mail Order and Specialty Pharmacy contracts to the extent they exist with other vendor(s) or affiliated firms; performance guarantees, approved and denied utilization management reviews; clinical program outcomes; appeals; and information related to the reporting and measurement of performance guarantees.

PBM Response:

C.6.2. EGID retains the right to audit at no additional charge to them, during the life of this contract, including no direct pass-through of any data retrieval fees, for up to five years of data. If additional data beyond five years is required for any audit and the data has already been stored, your standard data retrieval fees may be charged.

PBM Response:

C.6.3. EGID and PBM are responsible for their own associated costs and expenses during an EGID audit.

PBM Response:

C.6.4. Each and every payment by EGID to the PBM, whether representing fees, claims or otherwise, will be subject to audit and reconciliation and no such payment made by EGID shall constitute a waiver of its right to audit or reconcile. Payment of any discrepancy or refund to EGID will be made within thirty (30) days of notification.

PBM Response:

C.6.5. EGID requires PBM to respond to the preliminary benefit and pricing audit discrepancies identified by the contracted auditor within a maximum of twenty (20) calendar days.

PBM Response:

C.6.6. EGID requires PBM to allow EGID the right to audit up to 10 manufacturer rebate contract arrangements. PBM must provide its audit protocol for rebate audits as part of its response.

PBM Response:

C.6.7. You agree that amounts owed to EGID during the course of the contract term, including but not limited to Manufacturer Payments, guarantee shortfalls, recoveries identified during claims audits, will be paid by the appropriate due date. Any amounts unpaid 10 calendar days after the stated due date will bear interest at the greater of LIBOR plus 1% per month or the highest interest rate allowed by law.

PBM Response:

C.6.8. You agree to provide reasonable cooperation with requests for information, which includes but is not limited to the timing of the audit, deliverables, data/information requests and your response time to auditor questions during and after the process. Your firm will also provide a response to all "findings" it receives within 30 calendar days, or at a later date if mutually determined to be more reasonable based on the number and type of findings. To the extent the auditor has follow up questions to your responses, you will acknowledge receipt of the question with 48 hours and provide a formal response with answers to auditors questions within five business days.

PBM Response:

C.6.9. EGID retains the right to perform additional audits of similar scope at no additional charge during the year if requested as a follow-up to ensure significant/material errors found in any prior audit have been corrected and are not recurring, or if additional information becomes available to warrant further investigation.

PBM Response:

C.6.10. EGID retains the right to audit up to five (5) years after the termination of this Agreement.

PBM Response:

C.6.11. If the audit identifies confirmed errors, you will provide service warranty reports to the auditor for every confirmed error.

PBM Response:

C.6.12. You will review the service warranty with auditor and EGID for final approval. The service warranty will not be irreversible and will not introduce new methodology to offset amounts due.

PBM Response:

C.6.13. Issues identified in an external audit will not be used to offset amounts due back to EGID or to members.

PBM Response:

C.6.14. EGID shall not be liable for underpayments or manufacturer overpayments made as result of PBM error and discovered through the audit.

PBM Response:

C.6.15. 100% of any agreed to adjustments, payments and/or reimbursements determined to be necessary as a result of any examination or audit shall be paid by you within 30 calendar days after both parties agree with the amounts to be reconciled, as applicable, and have executed an appropriate release document closing the audit period, which can include electronic acknowledgement.

PBM Response:

C.6.16. You agree to directly fund an audit allowance of $250,000 per year for audits for EGID.

PBM Response:

C.6.17. You agree to provide de-identified claims data in a file layout acceptable to EGID to perform a claims audit.

PBM Response:

C.6.18. EGID, or a mutually acceptable independent third party retained by EGID, may conduct a claims audit annually and such audits shall be limited to the prior two contract years of data, or as needed. EGID retains the right to audit beyond the prior two contract years if a claims audit indicates a systemic issue.

PBM Response:

C.6.19. EGID, through a mutually agreeable independent third party retained by EGID, may conduct an annual Manufacturer Payments audit for the prior two contract years. Such audit shall be limited to a review of no less than ten (10) pharmaceutical company contracts directly related to EGID's Manufacturer Payments as selected by EGID. Such review of pharmaceutical company contracts may include formulary and Manufacturer Payment provisions and shall be limited to information necessary for validating the accuracy of the Manufacturer Payment amounts remitted to EGID by your firm.

PBM Response:

C.6.20. The right to audit Manufacturer Payments extends to any and all agreements with pharmaceutical manufacturers based on the definition of Manufacturer Payments. This includes but is not limited to Rebate agreements and other types of agreements that may require EGID to enroll in certain programs in order to be eligible to receive Manufacturer Payments.

PBM Response:

C.6.21. EGID reserves the right to conduct 1) a quality review of the plan designs to be loaded in the claims system(s) prior to implementation (or as soon thereafter as reasonably possible) and 2) a EGID-specific readiness assessment prior to the effective date of the implementation.

PBM Response:

C.6.22. You will provide all necessary support to enable EGID to review EGID-selected test claims in a test environment that mirrors the plan information present in the "live" claims processing system and access your readiness to implement the business without error.

PBM Response:

C.6.23. You will perform all of the tasks necessary to complete the implementation audit(s) (including follow up test claims) at least 10 calendar days prior to the effective date. This assumes that EGID has signed off on the benefit set-up by no later than two and a half months prior to the effective date.

PBM Response:

C.6.24. If you require EGID to change claim platforms, you will allow EGID to conduct a pre-migration readiness assessment and claim audit in order to test that the set up and benefits will be processed correctly. The cost of the migration audit will be paid for by your organization via specific implementation credit or Pharmacy Audit Fund.

PBM Response:

C.6.25. In addition to the allowances listed above, you agree to provide a separate Pharmacy Management Fund allowance to cover any additional costs incurred by EGID either directly through you or external costs related to the administration of the prescription drug program.

PBM Response:

C.6.26. You agree to share 100% of all audit recoveries (retail, mail, and specialty) with EGID on a quarterly basis within 30 calendar days from the close of the contract quarter.

PBM Response:

C.6.27. EGID and PBM are responsible for their own associated costs and expenses during an EGID audit.

PBM Response:

C.7. Payment Terms

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.7.1. You will not require an advance deposit and no impress balance from EGID.

PBM Response:

C.7.2. EGID will receive/pay Claim invoices on a biweekly (every two weeks) basis.

PBM Response:

C.7.3. You will allow EGID 45 business days to pay claim invoices.

PBM Response:

C.7.4. EGID will pay Administrative Fees on a monthly basis.

PBM Response:

C.7.5. You will allow EGID 45 business days to pay Administrative Fees.

PBM Response:

C.7.6. You will be flexible in accommodating the specific banking requirements of EGID.

PBM Response:

C.7.7. You will provide detailed account structure reporting of claims, invoiced amounts and Manufacturer Payments for corporate and government accounting.

PBM Response:

C.7.8. You shall not require an advance deposit from EGID prior to the effective date or at any time during the contract term.

PBM Response:

C.8. PBM Specific Data Requirements

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.8.1. The PBM is required to provide accurate, detailed pharmacy claims data feeds, including paid and reversed claims detail, to EGID's File Transfer Protocol (FTP) site within five (5) business days after each invoice cycle without limitation or charge. Up to three (3) additional files will be scheduled and regularly sent to vendors on a periodic basis, to be established. Up to three (3) one-time files of historical claims will be sent to vendors upon request during each year of the contract.

You will provide periodic electronic data feeds at no additional cost for a minimum of 8 unique data feeds. Each data feed could be unique in nature and range from real time to quarterly transmission intervals.

PBM Response:

C.8.2. PBM must demonstrate its ability to interface effectively, electronically and operationally with EGID's eligibility system. The PBM must demonstrate its ability to receive and process eligibility maintaining an accurate representation of EGID member data on its system, providing timely and detailed error reporting in an electronic batch form as deemed acceptable to EGID. PBM shall accept daily eligibility and enrollment data from EGID as described in EGID's eligibility layout.

If modifications are necessary to EGID's current export process, PBM shall provide adequate programming resources to assist with the modifications. The current export is written and maintained in PL/SQL. If a new implementation is required, PBM shall load and test files in a mutually agreed upon process that meets EGID's requirements. Testing of all files and data shall be at the direction of EGID for quality assurance and final approval. The daily transfer of eligibility data shall include but not be limited to, changes, new hires and terminations. PBM shall use reasonable data compression when interfacing with EGID. EGID would consider a real-time replicated data environment as an alternative to batch form if offered by the PBM.

If PBM offers an alternative to the eligibility layout provided, the PBM must provide a written detailed description as to why it is unable or unwilling to adapt to the layout described.

PBM Response:

C.8.3. You will accept electronic reporting of enrollment from at least 3 sources for EGID. You must accept various file formats, media and schedules, including daily or even real-time updates at no additional cost.

PBM Response:

C.8.4. You will also be capable of supporting manual updates and off-cycle files, which may arise from new acquisitions or strike situations.

PBM Response:

C.8.5. You will provide immediate online real-time manual eligibility updates for urgent requests by EGID.

PBM Response:

C.8.6. You must capture both the 9-digit SSN and the alphanumeric EGID ID in your eligibility system.

PBM Response:

C.8.7. Based on the eligibility files you receive, you will add coverage for members who have joined the plan within 48 hours of receipt of eligibility data.

PBM Response:

C.8.8. Based on the eligibility files you receive, you will update member information (e.g. address changes) within 48 hours of receipt of eligibility data.

PBM Response:

C.8.9. Based on the eligibility files you receive, you will notify appropriate party of eligibility issues within 24 hours of receipt of eligibility data.
PBM Response:

C.8.10. Provide the PBM's policies and procedures for accepting daily eligibility and enrollment data.
PBM Response:

C.8.11. You will provide a designated, experienced account management team to EGID including an eligibility specialist, as required.
PBM Response:

C.8.12. State how long detailed claim records are maintained online and the accessibility of that data when it is no longer online.
PBM Response:

C.8.13. Describe the following:
- Backup policies, procedures and storage;
- Fire suppression system and redundancies;
- Environmental controls and redundancies;
- Percent down-time for the last year;
- Recovery provisions,
- Hotsite/Coldsite;
- Contingency plan if hardware is destroyed;
- Contingency test results.

PBM Response:

C.8.14. Claims data are stored online for a minimum of 24 months post adjudication.
PBM Response:

C.8.15. You will accept from the incumbent a claims file that you can use to transfer current prior authorization approvals.
PBM Response:

C.8.16. You will accept from the incumbent a refill file that you can use to transfer prescriptions to your mail and specialty pharmacy.
PBM Response:

C.8.17. Will you accept files, electronic or other format, from selected third party vendors (e.g. medical carrier)?
PBM Response:

C.8.18. Please describe your organization's ability to administer ACA-required out of pocket maximums in conjunction with EGID's medical vendor(s).
PBM Response:

C.8.19. How often do you backup claim system data?
PBM Response:

C.8.20. Where is your claim system data backed up? For example, offshore, offsite, etc.
PBM Response:

C.8.21. You agree to provide an implementation allowance to assist in the onboarding of EGID including but not limited to: set-up charges, file charges, data feed exchange charges, eligibility charges etc.
PBM Response:

C.8.22. Confirm that PBM can host secondary addresses in the eligibility file so that the Identification (ID) cards and other plan materials can be sent directly to dependents (including former spouses) who do not reside with the subscriber.

PBM Response:

C.8.23. Confirm that EGID will have access to end-to-end pre-implementation testing before the 01/01/2021 go-live date.
PBM Response:

C.9. PBM Specific Adjudication Requirements

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.9.1. Before the member copay is applied, EGID's gross drug cost for each claim will be the lowest of:
i) The discounted AWP + dispensing fee + applicable tax
ii) MAC + dispensing fee + applicable tax
iii) Usual & Customary (U&C) (for retail only).

The ingredient cost will be the gross drug cost minus any applicable dispensing fees and taxes.
PBM Response:

C.9.2. At the point of sale, EGID members will pay the lowest of:
i) Eligible charge (discounted AWP + dispensing fee + applicable tax or MAC + dispensing fee + applicable tax)
ii) U&C (for retail only)
iii) Applicable copayment.
PBM Response:

C.9.3. If the retail network pharmacy U&C cost is less than the member's applicable copayment, the member will pay the U&C cost and EGID will have zero claim cost liability, except if there is an applicable claim administrative fee.
PBM Response:

C.9.4. If a member's copayment covers the full cost of the prescription at the point of sale, including any applicable claim administrative fee, EGID will have zero claims cost liability.
PBM Response:

C.9.5. PBM will offer a MAC list for mail order claims. The MAC offered at mail order must be identical in breadth of products as the MAC offered at retail. The mail order MAC list price points for individual drugs/GCNs must be equal to or less than (i.e., more deeply discounted) the retail MAC price points for the same drugs/GCNs.

Upon request, including for audits, you will provide EGID a copy of the actual MAC list and pricing schedule.
PBM Response:

C.9.6. Confirm brand drugs dispensed as generic drugs (i.e., with a Dispense as Written Code = 3, 4, 5, 6 or 9 as submitted by the mail order or participating pharmacy) will be adjudicated as generic drugs in terms of plan design (e.g., member copayment), pricing and all other applicable areas under an Agreement arising from this RFP.
PBM Response:

C.10. PBM Specific Service Requirements

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.10.1. Although we are requesting for an exclusive specialty arrangement, EGID, at its sole discretion, may in future handle specialty medications on a stand-alone basis (e.g., a carve-out of chemotherapy medications). Should EGID decide to have specialty pharmaceuticals stand alone, PBM must agree to include EGID's specialty pharmacy as a network provider and work cooperatively with the selected specialty pharmacy to provide coverage to EGID's members and coordinate with other PBMs, as needed, to keep eligibility, indemnities, etc.
PBM Response:

C.10.2. PBM agrees to provide nurse lines and management of clinical support for specialty drugs for applicable EGID members. If there are additional charges for this support, please provide as part of your response.

PBM Response:

C.10.3. Twenty-five (25) EGID staff (i.e., CSRs) should have, at a minimum, complete and real-time access to eligibility, plan design information, claims status information, member drug history, status of mail order requests, ability to update claims eligibility and documentation of all clinical interventions on PBM's claims processing system. This access must be fully operational for all parties no later than the effective date of the Agreement. Provide an online password and login information so that EGID may review what access and interface its CSR's will experience through your system.

PBM Response:

C.10.4. Up to fifteen (15) EGID staff in addition to one (1) consultant will have online access to EGID's utilization data and reports at no cost. This access must be fully operational for all parties no later than the effective date of the Agreement.

PBM Response:

C.10.5. EGID requires 24 hours 7 days a week, 365 days a year customer service for its membership. Please confirm your ability to offer this level of service.

PBM Response:

C.10.6. Please confirm your ability to deliver EGID-specific support on after hours calls taken specifically for EGID.

PBM Response:

C.10.7. EGID requires customized ID cards/welcome packet to be sent to each member prior to the effective date of coverage, which must include EGID logo on the front of all materials (including ID cards). Every family member (employees and dependents) will receive an ID card. Thereafter, new members should be sent ID cards within five (5) business days of receiving eligibility information. Requests for replacement or additional cards should also be fulfilled within five business days. There should be no charge for new or replacement ID cards/welcome packets. Plan informational material should accompany the ID cards.

PBM Response:

C.10.8. Upon request by EGID, you will produce and send prescription drug ID cards for receipt by plan members on or before December 15 prior to the start of each plan year at no additional cost.

PBM Response:

C.10.9. You will produce and send prescription drug ID cards for distribution to members within 5 business days or less of receipt of clean eligibility and enrollment files at no additional cost. One ID Card must be sent per individual member and two (2) ID Cards per family.

PBM Response:

C.10.10. If related to PBM errors or PBM-initiated changes, you will be responsible for the cost to reproduce ID cards (including priority shipping).

PBM Response:

C.10.11. EGID currently has separate identification cards for both pharmacy and medical. EGID will require the PBM to produce and mail identification cards to EGID members. The PBM shall provide any co-branding requirements and a sample identification card of the required information for every network that the PBM proposes.

PBM Response:

C.10.12. PBM agrees to follow a two-step root cause analysis approach to issue resolution:

- Calls must be returned and issues acknowledged within twenty-four (24) business hours of communication from EGID, its consultant or members and daily updates are provided to the party until the issue is resolved.
- All issues are tracked in an issues log and status reported by the PBM account team during regularly scheduled conference calls with EGID. Please include an example of your issues log for review by EGID as **Attachment F.**

PBM Response:

C.10.13. EGID requires the PBM customer service system to track all inquiries and the response provided to the member. Reports to EGID indicating the top reasons for calls should be provided upon request.

PBM Response:

C.10.14. PBM must have the capability for EGID members to use a healthcare spending account debit card directly at mail order.

PBM Response:

C.10.15. EGID requires review and approval of all printed materials sent to plan participants and EGID-specific materials sent to pharmacies and physicians.

PBM Response:

C.11. EGWP Section

PBM Specific EGWP Contracting Requirements

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.11.1. PBM must agree to administer the allocation of rebate dollars and retroactive changes in enrollment for EGWP processing.

PBM Response:

C.11.2. Your organization agrees it will maintain and administer CMS requirements for benefit design, networks, formulary, rebate management, clinical program management, and Medication Therapy Management for EGWP plans.

PBM Response:

C.11.3. PBM must agree to maintain a CMS compliant network for EGID's EGWP population.

PBM Response:

C.11.4. PBM must agree to maintain a CMS compliant formulary for EGID's EGWP population.

PBM Response:

C.11.5. PBM must agree to maintain CMS compliant clinical utilization management programs for EGID's EGWP population.

PBM Response:

C.11.6. PBM must agree to remain up to date with CMS regulations in order to prevent sanctions against its EGWP product.

PBM Response:

C.11.7. PBM agrees to provide nurse lines, medical therapy management and management of clinical support for specialty drugs for EGID Medicare Part D members. If there are additional charges for this support, please provide as part of your response.

PBM Response:

C.11.8. Based on EGID's member-specific risk-score, PBM must pass-through one-hundred percent of any CMS direct subsidy, specific risk-adjustment score reimbursements, manufacturer's GAP payments, and reinsurance, for the specific population, received by CMS based on utilization of EGID's EGWP population. Verify this is not an 'averaged' or aggregate subsidy.

PBM Response:

C.11.9. You are required to support an enhanced Prescription Drug Plan (PDP) (Employee Group Waiver Program (EGWP) 800 Series) (EGWP+Wrap), which is self-funded. An enhanced PDP is defined as a contract with a PDP sponsor for coverage equal to or greater than the standard Medicare benefit. Please confirm your capability to offer an EGWP + Wrap Product.

PBM Response:

C.11.10. For purposes of determining the federal subsidy, the proposed regulations provide that no administrative costs may be included in dispensing fees and that administrative costs may not be offset by any manufacturer or pharmacy discounts, chargebacks, rebates or similar price concessions. Any charges for Medicare Part D services must be included in your financial proposal.

PBM Response:

C.11.11. Will your organization notify the EGID of any Part D participant who qualifies for the Low-Income Subsidy (LIS) and automatically provide the EGID with LIS proceeds (once the participant's premium is reduced to zero)?

PBM Response:

C.11.12. Your organization agrees it will meet all requirements regarding coordination with CMS for billing, reconciliation, and reporting for Employer Group Waiver Plans (EGWP). This includes reconciliation of capitation payments, administration of Low-Income Subsidies, reporting requirements related to rebates, TrOOP, and “Prescription Drug Event” requirements.

PBM Response:

C.11.13. Your organization agrees it will maintain and administer CMS requirements for member customer service, member enrollment, and member materials for EGWP plans.

PBM Response:

C.11.14. Is your organization able or willing to accept enrollment/disenrollment from the EGID without obtaining an election form from each participant?

PBM Response:

C.11.15. What assistance with this process will your organization require from the EGID with the enrollment process?

PBM Response:

C.11.16. If your organization will not accept enrollment/disenrollment from the EGID, what type of enrollment administration does your organization use (e.g., Internet, Telephone, or Paper)?

PBM Response:

C.11.17. If enrollment/disenrollment does not occur through the EGID, how will your PDP plan communicate with the EGID and the EGID’s participants regarding enrollment? (Answer N/A if you are willing to accept enrollment/disenrollment information from the EGID.)

PBM Response:

C.11.18. Will you plan disenroll a participant who enrolls in another Medicare Part D PDP or an MA-PD plan?

PBM Response:

C.11.19. If yes to C.11.18., how will you notify the participant? Will you notify the participant and give them an opportunity to disenroll from the PDP or MA-PD?

PBM Response:

C.11.20. Does your plan utilize the Part D Special Enrollment Period (SEP)?

PBM Response:

C.11.21. Will you be able to administer split family/dependent coverages if also covering Pre-65 Retirees?

PBM Response:

C.11.22. If yes, what are the administrative implications of split dependents with the PDP product(s) you are offering the EGID?

PBM Response:

C.11.23. How will you manage eligibility rejections from CMS that are not related to enrollment in another Medicare Part D PDP or an MA-PD plan?

PBM Response:

C.11.24. Will you allow a participant to change PDP plans after initial enrollment?

PBM Response:

C.11.25. If yes, what are the conditions under which a change is permitted? How will this impact billing to the individual and balance billing to the EGID?

PBM Response:

C.11.26. What communication materials, if any, will you provide to the EGID's participants?
PBM Response:

C.11.27. Will you provide customized and targeted mailings?
If yes, what is the additional cost?
Are you flexible in how these materials are branded?
PBM Response:

C.11.28. Service area requirements? What service area applies to your PDP? Any specific restrictions?
PBM Response:

C.12. PBM Specific EGWP Questionnaire

Please answer the following questions assuming your broadest, national network.

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.12.1. When did your organization begin supporting EGWP plans? Please describe the total number of Part D EGWP members that utilize your PBM services. Note: this should not include members under a discount card program, or clients who provide third party services.
PBM Response:

C.12.2. Do you currently have a dedicated EGWP government and compliance team? Please explain your compliance team's qualifications and relevant experience. This response must not exceed one page, including the question.
PBM Response:

C.12.3. For urgent issues, EGID will expect timely solutions. Please provide a framework of how you believe this process would work.
PBM Response:

C.12.4. EGID may offer numerous plan designs under their EGWP pharmacy benefit, or the wrap component. Please describe your experience working with customized EGWP plans using a wrap benefit.
PBM Response:

C.12.5. Please provide a description of how your organization has collaborated with one of your employer clients to actively improve their pharmacy program for EGWP. The case study should include:

- a brief description of the size/location of the client
- the issue at hand
- actions taken by your organization to identify the concern
- how/when a change was introduced
- how the change was communicated to the membership
- how patient care was improved
- savings achieved
- any subsequent modifications to the initiative.

PBM Response:

C.12.6. Describe the quarterly and annual plan performance analyses you will provide to EGID, specific to EGWP. Confirm that quarterly reviews will be conducted with EGID. Provide a sample of a client report/presentation to demonstrate how your organization presents plan performance and trend management recommendations and strategies.
PBM Response:

C.12.7. Please describe how CMS and EGID's required policies and procedures are communicated to your participating providers, including FWA and code of conduct expectations.

PBM Response:

C.12.8. Please provide a copy of your EGWP contract(s) with Retail, Long-Term-Care and Home-Infusion network pharmacies.

PBM Response:

C.12.9. Describe your process for auditing, monitoring and measuring the accuracy of prescriptions that were adjudicated and filled within your network. If you identify an underperforming pharmacy, what corrective action steps are taken? This response must not exceed one page, including the question.

PBM Response:

C.12.10. EGID is interested in a partner with an industry leading approach to managing Long-Term-Care pharmacies and ensuring Long-Term-Care compliance. Please explain your strategy for oversight and management of Long-Term-Care pharmacies.

PBM Response:

C.12.11. Describe your payment schedule for your retail network. How many times has there been a delay in payment in the last calendar year? Does the PBM pay interest for late payments to the retail pharmacy? This response must not exceed one page, including the question.

PBM Response:

C.12.12. Describe your vaccine program. Include how you will assist EGID in meeting CMS requirements related to the vaccine program (e.g., notifying beneficiaries in cases where the administration of the vaccine is billed separately from the dispensing of the vaccine). This response should not exceed one page, including the question.

PBM Response:

C12.13. How often are on-site audits conducted? How often are desktops audits conducted for your EGWP Medicare Part D clients?

PBM Response:

C.12.14. Describe how you would support EGID in adhering to CMS EGWP requirements as they pertain to reporting of rebates, etc. This response must not exceed one page, including the question.

PBM Response:

C.12.15. In terms of Medicare Part D EGWP plans, detail innovative plan management techniques you recommend to drive "lowest net cost" utilization. Highlight areas that differentiate your organization from your competitors. This response must not exceed one page, including the question.

PBM Response:

C.12.16. Describe your approach to managing the appropriate use of prescription drugs dispensed for extended days' supply (e.g., 90-Day Retail or Mail Order prescriptions). This response must not exceed a half-page, including the question.

PBM Response:

C.12.17. What point-of-sale drug utilization review programs do you have in place under the Part D/EGWP to check each time a prescription is dispensed? What do these programs check for? If these programs carry additional fees, please specify in your bid.

PBM Response:

C.12.18. Document the methods available for classifying Part B vs. Part D drugs. What process will be used to recognize Part B vs. Part D drugs? How will these claims be identified as either Part B or Part D-eligible in the detail claims data provided?

PBM Response:

C.12.19. What appropriate policies and procedures do you have to meet CMS expectations for administering Medication Therapy Management (MTM) program, including but not limited to, services, payments and criteria used for identifying beneficiaries?

PBM Response:

C.12.20. How are your MTM fees paid to pharmacists and other qualified health professionals providing MTM services for covered Part D drugs?

PBM Response:

C.12.21. Please provide an end-to-end detailed process flow of your transition fill process, beginning with when the identification of a script is eligible for a transition fill (at point of sale) and ending with a letter being mailed to the member and the prescriber.

PBM Response:

C.12.22. To what extent does your organization currently work with State Agencies or State Pharmaceutical Assistance Programs (SPAP) in providing pharmacy assistance to the aged and disabled population?

PBM Response:

C.12.23. Provide your organizations STAR ratings for the past three years. Explain what your organization is actively doing to pursue and maintain a 5-STAR rating with CMS.

C.12.24. What steps has your organization taken to address STAR rating downgrades? Have you been successful in rectifying recent STAR rating downgrades in a timely fashion?

PBM Response:

C.12.25. Provide your PDE acceptance rate for the past three years.

PBM Response:

C.12.26. How does your organization plan to maintain a high PDE acceptance rate in the next three years? What actions are you currently undertaking to make sure your PDE acceptance rate does not decrease?

PBM Response:

C.12.27. How does your organization identify fraud, waste and abuse (FWA) within your proposed network to EGID? Describe an FWA program that you have implemented; provide outline of program, data collection, outcomes and results.

PBM Response:

C. 12.28. Do you have a patent review and restriction program? Does this include a lock in program? Provide a description of your PRRP/lock in program and any results.

PBM Response:

C.12.29. How closely do you monitor the OIG exclusion list and how often is this updated in your system?

PBM Response:

C.12.30. How do you proactively monitor CMS guidance to ensure client compliance and reporting needs are met?

PBM Response:

C.12.31. Describe any recent CMS sanctions against your EGWP product. What are the steps that your organization has taken to address these sanctions? What is your next significant date as far CMS review and re-evaluation of your EGWP product?

PBM Response:

C.13. PBM Specific Account Management and Customer Service

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.13.1. EGID requires that PBM offer a key personnel clause, which would require a minimum of sixty (60) days advance notice of any company-initiated (i.e., not terminations or resignations) changes to the account management team.

PBM Response:

C.13.2. EGID requires the key members of PBM's account management team to be available during EGID's business hours (8:00 a.m. – 5:00 p.m. CST).

PBM Response:

C.13.3. Provide requested information below for your designated EGID account team.

Role	Name of Person	Years with your organization	Years of PBM experience	Number of Accounts Supporting
Account Director				
Account Manager				
Clinical Pharmacist				
Executive Sponsor				
Financial/Reporting Analyst				
Implementation Manager (if applicable)				
IT Specialist				
EGWP / Medicare Part D Specialist				

C.13.4. How often is your website updated to reflect changes in the pharmacy network (i.e., daily, weekly, monthly or quarterly)?

PBM Response:

C.13.5. How often is your website updated to reflect changes in the formulary? Please describe both additions and deletions.

PBM Response:

C.13.6. Provide the address for your member service website, smartphone application and a temporary login and password for viewing its capabilities.

PBM Response:

C.13.7. Describe your platform's support of smartphone/mobile applications? Confirm there will be no additional fees associated with this application.

PBM Response:

C.13.8. Describe your platform's support text messaging designed to engage members in their medication compliance? Confirm there will be no additional fees associated with this application.

PBM Response:

C.13.9. Do you plan or have plans to support the use of telemedicine to engage members in medication adherence/compliance?

PBM Response:

C.13.10. Provide requested information below regarding your customer service capabilities for EGID.

Customer Service Capability	Internet Yes/No	Mobile App Yes/No
Retail pharmacy locator - Does locator include the ability to generate a map?		
EGID pharmacy plan information (e.g., drug coverage and cost share information)		
Cost share (i.e., copayment/coinsurance) calculator - Will the calculation linked real-time to your adjudication platform and the specific EGID pricing and plan setup in your system?		
Cost share comparison between brand/generic and preferred/non-preferred drugs		
Individual claims history		

Customer Service Capability	Internet Yes/No	Mobile App Yes/No
Family claims history		
EGID formulary look-up for step therapy options and alternatives		
EGID formulary look-up, including suggested alternatives for non-formulary drugs and associated member copayment for alternatives - Will the look-up linked real-time to your adjudication platform and EGID's formulary?		
Downloadable Explanation of Benefits (EOB)		
Downloadable PBM forms		
Initiate prior authorization		

C.14. PBM Specific Retail Network Management

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

Please provide the following information assuming your broadest national network.

C.14.1. **Exhibit #3** contains a list of all pharmacies utilized for EGID members during a specified date range. Complete **Exhibit #3** indicating which pharmacies are in- or out-of-network for the broad national networks proposed for EGID for its Commercial and EGWP populations.

PBM Response:

C.14.2. Please provide a percent disruption for EGID moving to your proposed networks for Commercial and EGWP populations separately.

PBM Response:

C.14.3. Are any regional or national chains excluded from your broad network for the Commercial and EGWP populations? If so, please identify the excluded chains.

PBM Response:

C.14.4. What percent of all participating providers is audited annually for the Commercial and EGWP populations?

PBM Response:

C.14.5. What percent of all claims are subject to audit annually for the Commercial and EGWP populations?

PBM Response:

C.14.6. How often are your organization's pharmacy network contracts negotiated? If you renegotiate better rates within your pharmacy network, are these more aggressive rates passed-through to EGIDs with a pass-through pricing arrangement (i.e., EGID's population)?

PBM Response:

C.14.7. How does the PBM determine the appropriate number and type of providers for a given population?

PBM Response:

C.14.8. Your bid should reflect the broadest retail network available and should not contemplate or underwrite any changes to those networks that diminishes member access.

PBM Response:

C.14.9. You agree to base your bid on your broadest retail network available that includes all major retail chains.

PBM Response:

C.14.10. If you propose a network change that impacts more than 5% of all pharmacies in the network (add, drop certain chains, etc.) and/or one of the top 5 pharmacy chains by store count before the effective date and or during the contract term, you will provide a detailed analysis describing member disruption and impact to pricing with all underlying assumptions disclosed to EGID at least 90 calendar days prior to the effective date of the proposed network change.

PBM Response:

C.14.11. Furthermore, should the number of retail pharmacies in your network be reduced by more than 3% of all pharmacies in the network (add, drop certain chains, etc.) and/or one of the top 5 pharmacy chains by store count before the effective date and or any point during the contract term, you will provide EGID with an improved pricing offer for the proposed reduced retail network at least 90 calendar days prior to the effective date of such change.

PBM Response:

C.14.12. If the revised pricing that results from a change in the pharmacy network is not acceptable to EGID, they reserve the right to renegotiate pricing or terminate for cause with 30 calendar days notice for the remaining term of the contract.

PBM Response:

C.14.13. If you elect to make a change in your pharmacy network, EGID's pricing cannot be negatively altered (current pricing must be honored or improved).

PBM Response:

C.14.14. Please input the number of pharmacies nationwide in your proposed Retail-90 and Mail at Retail Networks in the "RX-Pricing" Worksheets (Exhibit #1).

PBM Response:

C.15. PBM Specific Formulary and Rebate

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

Provide the name of each formulary you are proposing for EGID's Commercial and EGWP populations.

C.15.1. Confirm your financial proposal is assuming implementation of the formularies listed above.

PBM Response:

C.15.2. Confirm the rebate guarantees offered take into consideration anticipated movement of brand products to generic products throughout the contract term.

PBM Response:

C.15.3. What is the frequency of formulary additions and deletions, excluding atypical market events?

PBM Response:

C.15.4. Confirm your completion of **Exhibit # 4**, providing the formulary status (F=Formulary (covered as preferred), NF=Non-formulary (covered as non-preferred), NC=Not Covered on Formulary) for each drug listed based on the formulary proposed for the Commercial and EGWP populations.

PBM Response:

C.15.5. Provide a percentage disruption for moving to your proposed formularies for the Commercial and EGWP populations.

PBM Response:

C.15.6. How many of your Pharmacy & Therapeutics (P&T) committee members are employees of your organization?

PBM Response:

C.15.7. That EGID has the ability to grandfather incumbent PBM formulary exclusions and/or formulary status (including Clinical Prior Authorizations and Utilization Management programs) for up to ninety (90) days following the contract effective date with NO IMPACT

to the Manufacturer Payments quoted on the 'RX-Pricing MFP' tab.

PBM Response:

C.15.8. EGID continues to apply the same formulary strategy over the contract term. For instance, if EGID currently utilizes a formulary that excludes certain FDA products, your proposal reflects your organization's exclusion-based formulary and associated Manufacturer Payment guarantees.

PBM Response:

C.15.9. If you answer "Disagree" to the question above, please describe how your proposal will differ from the current formulary strategy for EGID.

PBM Response:

C.15.10. You, not EGID, will be responsible for maintaining this formulary and determining which products are preferred and non-preferred, at no additional cost to EGID.

PBM Response:

C.15.11. Formulary Exclusions - Should EGID elect to adopt a formulary with exclusions, you agree to the following:

C.15.11.1. Provide written notice to EGID at least 180 calendar days in advance of any formulary changes that narrow the formulary, with the exception of changes due to safety and FDA driven issues.

PBM Response:

C.15.11.2. Provide written notice to members 120 calendar days in advance of any formulary changes that narrow the formulary, with the exception of changes due to safety and FDA driven issues, for which notification must be provided to the EGID and plan members within five business days.

PBM Response:

C.15.11.3. Provide written notice to EGID and members within five business days for any formulary changes that narrow the formulary due to safety and FDA driven issues.

PBM Response:

C.15.11.4. Provide a medical necessity exception process for drugs excluded from your formulary.

PBM Response:

C.15.11.5. If EGID does not agree to such a formulary change as described directly above, EGID reserves the right to implement a custom formulary or terminate for cause, with 60 calendar days written notice.

PBM Response:

C.15.11.6. You will provide EGID with a client-specific analysis identifying the financial impact (i.e. ingredient cost before and after Manufacturer Payments) and member impact of the additional exclusions on a drug-by-drug basis and in total at least 120 calendar days in advance of any changes that narrow the formulary. If earned Manufacturer Payments for products remaining on the formulary increase as a result of the additional exclusions, your analysis will identify the financial impact (i.e. ingredient cost before and after Manufacturer Payments) of these improvements on a drug-by-drug basis. There will be no arbitrary or book of business adjustment applied to EGID's guaranteed Manufacturer Payments.

PBM Response:

C.15.11.7. How many products are excluded from your proposed exclusions-based formulary? Provide a complete list of the drugs excluded from this formulary. How many of these exclusions are Traditional drugs? How many of these exclusions are Specialty Drugs?

PBM Response:

C.15.11.8. You agree that your standard formulary will include at least two drugs in every therapy class and disease state and will provide clinically appropriate access to a sufficient number of pharmaceutical products available in the marketplace.

PBM Response:

C.16. PBM Specific Clinical and Utilization Management and Confirmation

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.16.1. Complete the table below to identify your ability to support the programs noted for the Commercial and EGWP populations. Define all costs associated with supporting all current clinical and utilization management programs.

PBM Response:

C.16.2. Describe your current program(s) for managing compound prescription claims in detail. Additionally, describe your strategy in detecting and managing 510K or other low value/high cost products on the market.

PBM Response:

C.17. Clinical Programs – Savings & Reporting

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.17.1. You agree that clinical programs included in your financial proposal will have no shared savings and the fee will not be based on EGID's average membership.

PBM Response:

C.17.2. All proposed clinical programs will be guaranteed dollar-for-dollar, and EGID will receive 100% of any/all savings achieved in excess of any minimum guaranteed savings within 90 calendar days from the end of each contract year.

PBM Response:

C.17.3. All proposed utilization management programs will have a positive ROI for the entire time period they are in place.

PBM Response:

C.17.4. You will provide the methodology for calculating ROI prior to the start of the program and will not change methodology during the life of the program without prior EGID consent.

PBM Response:

C.17.5. Any savings achieved in excess from one clinical program will not be used to subsidize shortfalls in savings resulting from any other clinical program in any contract year.

PBM Response:

C.17.6. You will exclude savings from Concurrent DUR and administrative edits, including but not limited to "refill too soon", from any clinical savings guarantee.

PBM Response:

C.17.7. You will provide quarterly performance reporting (activity and savings/outcomes) for EGID for all clinical programs, including fraud, waste, and abuse, within 30 calendar days from the close of each quarter.

PBM Response:

C.17.8. The reporting must clearly outline the performance of each individual clinical edit separately in addition to summary level reporting.

PBM Response:

C.17.9. Savings assumptions must be based on EGID-specific utilization and not on book of business measures.

PBM Response:

C.17.10. Savings reported will be direct savings associated with the pharmacy benefit and will not include any inferred medical savings.

PBM Response:

C.17.11. You will provide a fixed fee per letter, if any, to provide and mail communications pieces to participants to help them lower costs (e.g., switching to generics, mail, etc.).

PBM Response:

C.17.12. There are no other programs for which the Plan will be charged that is not disclosed as "Other Program Fee(s)/Cost(s)" in the "RX-Pricing" Exhibits.

PBM Response:

C.18. PBM Specific Specialty Pharmacy

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.18.1. Provide the location, operational history and ownership details for the proposed specialty pharmacy(s).

PBM Response:

C.18.2. All current utilized specialty medications by EGID's members are listed in **Exhibit #3** for the Commercial and EGWP populations. Please provide an exclusive and open specialty drug pricing arrangement for EGID.

PBM Response:

C.18.3. Please provide your company's plan of action for high-cost specialty drugs which will be released to the market during the term of the Agreement.

PBM Response:

C.18.4. Please describe any programs, processes and procedures to identify FWA in specialty pharmacy spend.

PBM Response:

C.18.5. Please provide your company's plan of action for any programs to define patient populations and utilization of specialty medications. Including ROI, definition of targeted specialty population, prior authorization process, ICD-10, or medical claims data.

PBM Response:

C.18.6. Please provide your company's plan of action for any programs, processes, procedures to identify FWA in specialty pharmacy spend.

PBM Response:

C.18.7. Please provide your company's plan of action for any Physician Administered Drugs (PAD).

PBM Response:

C.19. PBM Specific Reporting, Data and Systems Management

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.19.1. Confirm electronic and hard copy reports are available if requested of your quarterly and annual report delivery options, including whether or not reports can be prescheduled and delivered in an automated fashion via e-mail or other means.

PBM Response:

C.19.2. EGID requires access to an online reporting tool for downloading, exporting and scheduling standard reports, as well as designing and customizing ad hoc reports and custom queries. Please include as **Attachment G** a demo CD or temporary login/password for web-based applications to allow evaluation of your online reporting tool.

PBM Response:

C.19.3. Does your organization own its own claims adjudication system? Is this a proprietary system or was this purchased from another organization? If purchased from another company, please provide when this was purchased and how long it has been in place with your company. How frequently are updates applied?

PBM Response:

C.19.4. Provide the amount of scheduled system downtime you plan for each year. What was your unexpected downtime for the past three years?

PBM Response:

C.19.5. Does your adjudication platform, for brand/generic identification purposes, utilize First DataBank or Medi-Span?

PBM Response:

C.19.6. Describe any part of the claim adjudication system that requires manual intervention or examiner adjustment. If possible, provide percentage of claims that are manual for a large drug plan.

PBM Response:

C.19.7. Do you update AWP prices daily in your adjudication system?

PBM Response:

C.19.8. Do you maintain multiple contracts with individual pharmacies at varying reimbursement rates? If yes, explain

PBM Response:

C.19.9. How many distinct MAC prices can exist for a given medication and how are EGID's prices determined?

PBM Response:

C.19.10. Does your organization share in any financial remuneration that retail pharmacies receive from drug manufacturers or other sources?

PBM Response:

C.19.11. Describe your ability to send and receive funds via Electronic Funds Transfer (EFT). Provide percentage of pharmacies currently reconciled via PBM's EFT setup.

PBM Response:

C.19.12. Your processes, systems and reporting will be in full compliance with federal and state requirements, and compliant with HIPAA for acceptance of claim transactions in the applicable industry standard NCPDP format. Any fines related to non-compliance will be your sole responsibility.

PBM Response:

C.20. PBM Specific Coordination of Benefits (COB)

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.20.1 EGID will require the selected PBM to provide COB services. Describe your current experience in administering COB, with an emphasis on point-of-sale capabilities.

PBM Response:

C.20.2. Describe your COB processes and options available for EGID (e.g., cost avoidance, pay-and-chase).

PBM Response:

C.20.3. Detail how COB data is maintained on your adjudication system to ensure the COB coverage provisions are current and result in accurate claims adjudication.

PBM Response:

C.20.4. Describe the process of notifying members and providers when a claim should adjudicate as the primary plan sponsor when EGID is the secondary payer, and how the processes differ, if at all, for retail and mail order claims.

C.20.5. How many clients in your book-of-business require COB administration?

PBM Response:

C.20.6. EGID currently provides COB rules and information such as member name, dependents, enrollment, effective date, and date of termination to PBM daily. Confirm PBM can accept and input this information accurately and timely.

PBM Response:

C.20.7. EGID will require the selected PBM to provide COB services. Describe your current experience in administering COB, with an emphasis on point-of-sale capabilities.

PBM Response:

C.20.8. Describe your COB processes and options available for EGID (e.g., cost avoidance, pay-and-chase).

PBM Response:

C.20.9. Detail how COB data is maintained on your adjudication system to ensure the COB coverage provisions are current and result in accurate claims adjudication.

PBM Response:

C.20.10. Describe the process of notifying members and providers when a claim should adjudicate as the primary plan sponsor when EGID is the secondary payer, and how the processes differ, if at all, for retail and mail order claims.

PBM Response:

C.20.11. How many clients in your book-of-business require COB administration?

PBM Response:

C.20.12. EGID currently provides COB rules and information such as member name, dependents, enrollment, effective date, and date of termination to PBM daily. Confirm PBM can accept and input this information accurately and timely.

PBM Response:

C.21. PBM Specific High-Deductible Health Plans (HDHPs)

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.21.1. Describe your ability to integrate medical and prescription claims to maintain accurate deductible/out-of-pocket accumulators, including the frequency of data exchanges (i.e., medical and prescription file updates).

PBM Response:

C.21.2. Confirm that there are no fees for integrating pharmacy and medical data.

PBM Response:

C.21.3. Indicate whether or not your organization can or will in the near future support real-time Point of Sale (POS) integration of prescription and medical claims.

PBM Response:

C.21.4. Describe your ability to integrate medical and prescription claims to maintain accurate deductible/out-of-pocket accumulators, including the frequency of data exchanges (i.e., medical and prescription file updates).

PBM Response:

C.21.5. Confirm that there are no fees for integrating pharmacy and medical data.
PBM Response:

C.21.6. Indicate whether or not your organization can or will in the near future support real-time Point of Sale (POS) integration of prescription and medical claims.
PBM Response:

C.22. Implementation

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.22.1. Name the point person in your organization assigned the responsibility for assuring the timeliness and success of any EGID conversion/implementation. Describe this individual's qualifications and provide a reference from a recently completed implementation (this reference should be similar in size and complexity as EGID, including how many EGWP implementations this individual has performed).
PBM Response:

C.22.2. Will the proposed Implementation Manager be solely dedicated to the EGID implementation? If not, please provide how many other implementation projects this proposed employee will have to coordinate simultaneously.
PBM Response:

C.22.3. Will the Implementation Manager be responsible for all implementation activities for EGID or will you provide separate implementation teams for Commercial and EGWP services?
PBM Response:

C.22.4. When do you begin claims testing? EGID requires access to your system for pre-implementation auditing and claims testing (as opposed to screen shots)?
PBM Response:

C.22.5. Describe your process for validating the accuracy of EGID's plan setup, both during the implementation process and post-implementation.
PBM Response:

C.23. Financial – General

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.23.1. The "RX-Pricing Exclusions" Worksheet (Exhibit #1) has been completed.
PBM Response:

C.23.2. The "RX-Pricing Other Costs" Worksheet (Exhibit #1) has been completed
PBM Response:

C.23.3. The "RX-Pricing MFP" Worksheet (Exhibit #1) has been completed.
PBM Response:

C.23.4. The "RX-Pricing Specialty Drugs" Worksheet (Exhibit #1) has been completed.
PBM Response:

C.23.5. The "RX-Pricing Projections" Worksheet (Exhibit #1) has been completed.

PBM Response:

C.23.6. You will provide a current and complete list of Specialty Drugs with pricing as of January 1, 2020. Your list will identify if each drug is a Brand/Generic, Biosimilar, and Limited Distribution Drugs, even if your firm does not have access to them. Please provide list in the "RX-Pricing Specialty Drugs" Worksheet (Exhibit #1).

PBM Response:

C.23.7. In the "RX-Pricing" exhibits, the percentage discounts you enter represent the guaranteed minimum annual ("Effective") AWP Discounts.

PBM Response:

C.23.8. In the "RX-Pricing" exhibits, the Dispensing Fees you enter at a Retail Pharmacy represent the guaranteed maximum average annual Dispensing Fees. The Dispensing Fees you enter at Mail Order Pharmacy and Specialty Pharmacy represent the guaranteed Dispensing Fee for each paid claim.

PBM Response:

C.23.9. In the "RX-Pricing" exhibits, the Manufacturer Payments you enter represent the guaranteed minimum Manufacturer Payments per dispensing channel.

PBM Response:

C.23.10. Confirm, your organization's financial proposal is for a period of three (3) years beginning January 1, 2021 with a two (2) year possible extension option. The Proposer's financial proposals must be valid for an additional six months should the effective date of the plan be delayed. EGID at its own discretion will have the option to extend the terms of this RFP for an additional two (2) years. All terms and conditions of the existing contract at the time of extension, including price, will be applicable.

PBM Response:

C.24. Pricing Changes

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.24.1. In the event one or more of the following occurs, you will have the right, upon notice, to request an equitable adjustment to the rates and guarantees in the respective "RX-Pricing" worksheets, solely as necessary to return the deal to its contracted economic position as of the effective date of such event:

C.24.1.1. A greater than a twenty five percent (25%) change in EGID's average plan membership (measured on a rolling twelve month basis)

PBM Response:

C.24.1.2. EGID changes its benefit designs (e.g., implements OTC plans, clinical or trend programs) in a manner for which for which pricing has not been negotiated in this Agreement or otherwise takes an action that has the effect of lowering the amount of Manufacturer Payments earned for EGID by more than 15%.

PBM Response:

C.24.1.3. Specify how your financial offer would change if EGID implements a full replacement CDH/HDHP.

PBM Response:

C.24.1.4. Please specify the maximum percentage of claims that constitutes your CDH/HDH plan threshold at which point your pricing guarantees stated in this bid will not change.

PBM Response:

C.24.1.5. More than 25% of EGID's claims are incurred in Massachusetts, Hawaii, Alaska, or Puerto Rico

PBM Response:

C.24.1.6. Revenue from Manufacturer Payments is materially decreased because Brand Drugs unexpectedly move off-patent to generic status. Unexpectedly means the movement of a top 100 Brand Drug (measured as top 100 GPI-10 associated with single source Brand Drugs in your book of business by AWP) to off-patent more than six (6) months prior to its established patent expiration date or where Generic Drugs or over-the-counter substitutes for a top 100 Brand Drug become available more than six (6) months prior to the Brand Drug's patent expiration date.

PBM Response:

C.24.1.7. Should any of the above occur, you will provide the request to EGID along with the reason for the change, a EGID-specific analysis of the financial impact and any Member impact. EGID will have forty-five (45) days to review and determine if the change is reasonably acceptable. If EGID, in good faith, determines that the change is not reasonably acceptable, except as required by law, it will not occur during the term of the contract.

PBM Response:

C.24.1.8. Except as explicitly set forth herein, pricing and financial guarantees will only change on an annual basis with the explicit written approval of EGID.

PBM Response:

C.25. Pricing Requirements

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.25.1. All applicable financial terms (including but not limited to adjudication formulas, AWP discounts, dispensing fees, administrative and clinical program fees, Manufacturer Payments, specialty discounts, and specialty dispensing fees) submitted by you will be guaranteed as specified for the full contract period and incorporated into the contract.

PBM Response:

C.25.2. The financial terms you propose are EGID-specific, and not book of business averages.

PBM Response:

C.25.3. The financial guarantees you propose do NOT require EGID to make any plan design changes or implement any programs that are different from the current plan design(s).

PBM Response:

C.25.4. You will provide reporting to validate compliance with each and every financial guarantee, and such reporting must tie to your standard management reports. (This includes separate Manufacturer Payment reports where prescription counts by dispensing channel and drug type must tie out to management reports).

PBM Response:

C.25.5. You will utilize the brand/generic indicator available from only one nationally recognized source (e.g., Medispan) unless a change in the indicator will lower the price for EGID or EGID agrees that the change is acceptable. In your response, please indicate which source will be used.

PBM Response:

C.25.6. Your proposed pricing guarantees (i.e. discounts, dispensing fees, admin fees, Manufacturer Payments) will not be based on minimum days supply at retail, mail order, or specialty (not including Retail 90 or "Mail at Retail" programs).

PBM Response:

C.25.7. Your quoted dispensing fees per claim are based on paid claims only, NOT claims that are reversed or rejected.

PBM Response:

C.25.8. U&C priced claims at retail will NOT be assessed a dispensing fee.

PBM Response:

C.25.9. Retail claims priced using the U&C price (or submitted price, etc.) will be NOT be included in the guaranteed maximum dispensing fee per claim.

PBM Response:

C.25.10. The dispensing fee per claim listed for mail, if any, is not an average but the guaranteed maximum amount that will apply per paid claim.

PBM Response:

C.25.11. Adjudication for Retail Pharmacy Claims: For each claim processed and dispensed to a member through a retail pharmacy, EGID shall pay PBM the Total Claim Cost less the member cost share plus any applicable administrative fees. The Total Claim Cost is defined to be the lowest of:

i. The AWP minus the Brand Drug discount + Dispensing Fee + sales tax (Brand Drugs);

ii. The AWP minus the non-MAC discount + Dispensing Fee + sales tax (Generic Drugs);

iii. MAC + Dispensing Fee + sales tax; or,

iv. The dispensing pharmacy's U&C + sales tax.

PBM Response:

C.25.12. Adjudication for Mail Order Pharmacy Claims: For each Claim processed and dispensed to a member through a mail order pharmacy, EGID shall pay PBM the Total Claim Cost less the member cost share plus any applicable administrative fees. The Total Claim Cost is defined to be the lowest of:

i. The AWP minus the Brand Drug discount + Dispensing Fee + sales tax (Brand Drugs);

ii. The AWP minus the non-MAC discount + Dispensing Fee + sales tax (Generic Drugs); or,

iii. MAC + Dispensing Fee + sales tax.

PBM Response:

C.25.13. Member Cost Share: At the point of sale, members will pay the lowest of:

i. The Total Claim Cost as defined by dispensing channel above; or,

ii. The applicable copayment as defined by the benefit plan.

PBM Response:

C.25.14. Confirm you will adjudicate multi-ingredient Compound Drug claims using the NCPDP D.0 standard.

PBM Response:

C.25.15. For any Compound Drug claims submitted for reimbursement under the pharmacy benefit plan, you will request a copy of the written recipe to verify that the claim has been submitted in accordance with contractual and NCPDP standards.

PBM Response:

C.25.16. You will collect the following elements for each Compound Drug claim from every pharmacy submitting a claim for a Compound Drug:

1. Compound Indicator
2. NDC, Quantity, Submitted ingredient cost for each individual component in the recipe
3. Total Quantity and the total Usual & Customary price
4. Level of Effort value

PBM Response:

C.25.17. Adjudication logic for each NDC in the Compound Drug claim recipe will be processed at the lowest of:

i. The AWP minus the Brand Drug discount;

ii. The AWP minus the non-MAC discount;

iii. MAC (if applicable); or,

iv. The dispensing pharmacy's submitted price.

PBM Response:

C.25.18. The lowest adjudicated price for each ingredient in the Compound Drug claim recipe will be combined to create a Total Compound Drug Claim Cost.

PBM Response:

C.25.19. EGID will reimburse you for each Compound Drug claim at the lowest of:

i. The Total Compound Drug Claim Cost;

ii. The pharmacy submitted Total Usual & Customary price;

PBM Response:

C.25.20. As a standard practice, you will review each and every Compound Drug claim greater than $200 and complete an audit of the recipe when claims appear aberrant.

PBM Response:

C.25.21. You will review all pharmacies that submitted a Compound Drug claim quarterly to be measured against peer groups to control for fraud, waste and abuse.

PBM Response:

C.25.22. Pricing for Specialty Drugs (excluding New to Market Limited Distribution Specialty Drugs) added to the list on or after 1/1/20 shall be equal to or greater than the respective brand or generic specialty Overall Effective Discount (OED) guarantee.

PBM Response:

C.25.23. New to Market Limited Distribution Specialty Drugs may be defaulted to an initial rate for the first 60 calendar days. After 60 calendar days of acquiring access to a Limited Distribution Specialty Drug, you will renegotiate the price on the specialty drug list with EGID to a market competitive rate.

PBM Response:

C.25.24. Split fills for specialty products will not be assessed two dispensing fees.

PBM Response:

C.26. Reconciliation of Discount and Dispensing Fee Guarantees

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.26.1. All pricing discounts and dispensing fees guarantees will be reconciled on an individual component basis in each delivery channel (Retail, Retail 90/Mail at Retail, Mail Order, Specialty) comparing actual discounts and dispensing fees achieved with guaranteed discounts and dispensing fees. The reconciliation will be guaranteed dollar for dollar, meaning that a surplus in one pricing component will not be allowed to make up for a shortfall in another component within or across delivery channels.

PBM Response:

C.26.2. You will calculate the achieved discounts with the following formula: [1-(total discounted AWP ingredient cost --excluding dispensing fees and penalties due to DAW claims and prior to application of copayments --of applicable prescription drug claims for the measurement period divided by total undiscounted AWP ingredient cost (both amounts will be calculated as of the date of adjudication) for the measurement/guarantee period)]. Discounted ingredient cost will always be the lowest of the AWP discount, MAC or U&C adjudication methodology.

PBM Response:

C.26.3. You will measure and report quarterly the discount and dispensing fee performance for each delivery channel against the guaranteed discount and dispensing fee guarantees.

PBM Response:

C.26.4. You will pay/credit EGID 100% of any shortfall for the brand, generic, specialty discount guarantees within ninety (90) calendar days from the close of each annual reconciliation period (with EGID retaining 100% of any additional savings achieved above each minimum guarantee and below each maximum guarantee).

PBM Response:

C.26.5. If the reconciliation of any guaranteed discounts or dispensing fees result in a shortfall owed to EGID, you will not use Zero Balance Due claims, savings associated with any drug utilization review and/or step therapy programs (including brands to generics), DAW penalty amounts if the penalty applies to the member or make any other additional adjustments to offset the shortfall amount.

PBM Response:

C.26.6. Brand Discount Guarantees. You will include all Brand Drugs in the brand drug discount guarantees. Brand drugs shall include single-source and multi-source brand drugs. You will not include any Generic Drugs (including but not limited to Single-Source Generics, House Generics, new to market generics, patent litigation generics, Authorized Generics and limited supply generics) in the brand discount guarantee nor reclassify any generics to adjudicate at the brand discount. If you do not fully agree to this requirement, your brand discounts will be reduced in the financial analysis of your offer.

PBM Response:

C.26.7. Generic Discount Guarantees. You will include all generics (including but not limited to generic drugs with an approved ANDA, Authorized Generics, House Generics, multi-source generics, generics subject to MAC pricing, new to market generics, Single-Source Generics, generics involved in patent litigation, and limited supply generics) in the overall generic discount and will not reclassify any Generics to adjudicate at the Brand Drug discount. You will not include any multi-source brand claims where a DAW penalty is assessed in the generic discount calculation. If you do not fully agree to this requirement, your generic discounts will be reduced in the financial analysis of your offer.

PBM Response:

C.26.8. Specialty Brand Discount Guarantees. You will include all Specialty Brand Drugs dispensed through your preferred Specialty Pharmacy (including but not limited to Biosimilars, new to market Specialty Drugs, Exclusive/Limited Distribution Specialty Drugs) in the Overall Effective Discount (OED). You will not include any specialty generic drugs in the OED calculation.

PBM Response:

C.26.9. In addition, your proposed specialty pricing will include varying ingredient cost discounts by Specialty Drug. The ingredient cost discount proposed for each specialty drug shall be guaranteed and you will adjudicate specialty claims filled in your preferred specialty pharmacy using the lesser of MAC or the "locked-in" drug discount.

PBM Response:

C.26.10. You will include all specialty generic drugs dispensed through your preferred Specialty Pharmacy in the non-specialty Retail Pharmacy Generic Drug discount and dispensing fee guarantees.

PBM Response:

C.26.11. You agree to include all Specialty Drugs dispensed at a Retail Pharmacy will be included in the reconciliation of the non-specialty retail 30 minimum Brand and Generic discount and dispensing fee guarantees in the "Rx-Pricing" Worksheet (Exhibit #1).

PBM Response:

C.26.12. All Zero Balance Due claims (regardless of the delivery channel) will be reconciled at the adjudicated ingredient cost discount and will not be counted as AWP – 100%. EGID shall not be billed for any Zero Balance Due claims.

PBM Response:

C.26.13. Calculation of the discount and dispensing fee guarantees shall only exclude the following types of claims:

a. Compounds, bulk chemicals, powders;
b. Secondary COB claims;
c. Subrogation claims
d. Prescriptions filled at VA Hospitals
e. Claims processed at 340b pricing
f. In-house pharmacy claims if in-house pharmacy is not part of retail network
g. Out of Network Paper claims

PBM Response:

C.26.14. You will provide a separate Generic Dispensing Rate guarantee at Retail and Mail channels, backed by a dollar for dollar guarantee for each component. You will reimburse EGID 100% of any shortfall.

PBM Response:

C.26.15. Your will not pass on future increases in postage/mailing fees for your Mail Order Pharmacy and your preferred Specialty Pharmacy to EGID during the contract term.

PBM Response:

C.26.16. You will adjudicate non-MAC generics with a discount that is higher than the minimum guaranteed discount for Brand Drugs in the same channel. Please specify your Non-MAC discount and dispensing fee guarantees in the "Rx-Pricing" worksheet (Exhibit #1).

PBM Response:

C.26.17. Regardless as to whether an Agreement has been executed by a EGID, Vendor will measure, report, reconcile and pay any discount, dispensing fee shortfall as well as minimum guaranteed manufacturer payments in accordance with the terms specified below.

PBM Response:

C.27. Reconciliation and Payment Manufacturer Payment Guarantees

For this section, respond with "Fully Agree", "Partial Agree", or "Disagree". If your answer is anything but "Fully Agree", provide a brief explanation on your deviation.

C.27.1. Your offer will include guaranteed minimum Manufacturer Payments per Brand paid prescription at Retail 30, Retail 90, "Mail at Retail"/Mail Order and Specialty. You may provide different minimum Manufacturer Payment guarantees in each year of the contract. Your guaranteed Manufacturer Payments should represent at least 98% of the expected 100% pass through of Manufacturer Payments at the time of underwriting.

PBM Response:

C.27.2. Your proposed guaranteed minimum Manufacturer Payments are guaranteed minimums for the term of the agreement.

PBM Response:

C.27.3. Your firm represents and warrants that it will not enter into any agreement with a pharmaceutical manufacturer for Manufacturer Payments with the impact to reduce or otherwise circumvent monies received from pharmaceutical manufacturers as being considered Manufacturer Payments. Furthermore, you will not require EGID to enroll in programs to receive Manufacturer Payments.

PBM Response:

C.27.4. Your offer of Manufacturer Payments will be the greater of the minimum guaranteed amounts or 100% pass through of Manufacturer Payments.

PBM Response:

C.27.5. Your offer assumes the Manufacturer Payment guarantees are NOT based on an average days' supply or pro-rated in any fashion.

PBM Response:

C.27.6. Calculation of the Manufacturer Payment guarantees shall only exclude the following types of claims:

a. Member submitted claims older than 180 days;

b. 100% Member Cost Share Program Claims

c. Subrogation claims

PBM Response:

C.27.7. Please confirm the following:

You agree to pass-through 100% of Inflation Payments

You agree to pass-through 100% of Manufacturer Administrative Fees

You agree to pass-through 100% of Rebates

You agree to pass-through 100% of Data Fees

You agree to pass-through 100% of Other Pharma Revenue

You will provide an annual reconciliation of the 100% pass-through of Manufacturer Payments and pharma revenue and minimum guaranteed Manufacturer Payments.

PBM Response:

C.27.8. You will report and pay guaranteed Manufacturer Payments amounts to EGID on a quarterly basis within 60 calendar days after the end of the quarter, regardless of when the Manufacturer Payments are invoiced or collected.

PBM Response:

C.27.9. At year end, you will reconcile the Manufacturer Payment pass-through percent against the guaranteed Manufacturer Payments and provide documentation of your calculation and the result to EGID within 120 calendar days from the end of each contract year.

PBM Response:

C.27.10. You will pay any resulting credit to EGID automatically within 150 calendar days after the end of each contract year without written request.

PBM Response:

C.27.11. Any Manufacturer Payments received from manufacturers after the reconciliation will be applied to the next annual reconciliation and will be clearly noted in the next annual reconciliation.

PBM Response:

The PBM must affirm its understanding of all EGID contractual provisions in Section C and agree to comply with those provisions for the duration of the contract.

D. EVALUATION

D.1. Evaluation and Award

D.1.1. Bids shall be evaluated on the “best value” determination.

D.1.2. The State reserves the right to request demonstrations and clarifications from any or all-responding Bidders.

D.2. Proposal Clarification Questions

The State reserves the right, at its sole discretion, to request clarifications of technical Bids or to conduct discussions for the purpose of clarification with any or all Bidders. The purpose of any such discussions shall be to ensure full understanding of the Bid. If clarifications are made because of such discussion, the Bidder(s) shall put such clarifications in writing. The clarification shall not alter or supplement the Bid.

D.3. Competitive Negotiations of Offers

The State reserves the right to negotiate with one, selected, all or none of the Bidders responding to this Solicitation to obtain the best value for the State. Negotiations could entail discussions on products, services, pricing, contract terminology or any other issue material to an award decision or that may mitigate the State’s risks. The State shall consider all issues negotiable and will not be artificially constrained by internal corporate policies. Negotiation may be with one or more Bidders, for any and all items in the Bid.

Firms that contend that they lack flexibility because of their corporate policy on a particular negotiation item shall face a significant disadvantage and may not be considered. If such negotiations are conducted, the following conditions shall apply:

D.3.1. Negotiations may be conducted in person, in writing, or by telephone.

D.3.2. Negotiations shall only be conducted with potentially acceptable Bids. The State reserves the right to limit negotiations to those Bids that received the highest rankings during the initial evaluation phase.

D.3.3. Terms, conditions, prices, methodology, or other features of the Bid may be subject to negotiations and subsequent revision. As part of the negotiations, the Bidder may be required to submit supporting financial, pricing, and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the Bid.

D.3.4. The requirements of this Solicitation shall not be negotiable and shall remain unchanged unless the State determines that a change in such requirements is in the best interest of the State Of Oklahoma.

D.3.5. BEST and FINAL – The State may request best and final Bids if deemed necessary, and shall determine the scope and subject of any best and final request. However, the Bidder should not expect an opportunity to strengthen its Bid and should submit its best Bid based on the terms and condition set forth in this solicitation.

D.4. Evaluation Process

D.4.1. Determination of Solicitation Responsiveness

A responsive Bid is a Bid that meets all the following Solicitation requirements:

- Complete Responding Bidder Information Page Form 076
- Complete Certification for Competitive Bid and Contract (Non-Collusion Certification) Form 004
- Signed Amendments Form 011
- Business Associate Agreement Attachment A
- Statement of Compliance Attachment B
- Pricing Exhibit 1
- Response to Section C.
- IS Security Certification & Accreditation Assessment Attachment D
- Issues Log Attachment F
- Online Reporting Tool Demo Attachment G
- Clinical UM Programs Attachment H

D.4.2. Meeting all requirements outlined above allows the offer to proceed in the evaluation process. Failure to meet all the above may result in the proposal being disqualified from further evaluation.

Note: The following evaluation process is not presented in any sequence as any selection process may overlap the other in the evaluation.

D.4.3. Evaluation of Response to Section C

The technical section of the Bid is evaluated based on the Solicitation specifications.

D.4.4. Evaluation of Cost Proposal

Cost comparisons are performed.

D.4.5. Demonstrations

If desired by the evaluation committee, the Bidder may be required to provide product/services demonstrations.

D.4.6. Best Value Evaluation of Product/Services

D.4.6.1. The award of Contract pursuant to this Solicitation to a Bidder is based upon which Bidder best meets the needs of the State.

D.4.6.2. The State reserves the right to negotiate with one or more Bidders, at any point during the evaluation and may negotiate any and all content of the Bid.

D.4.7. Each Bidder should be prepared to participate in oral presentations and demonstrations to define the Bid, to introduce the Bidder's team, and to respond to any and all questions regarding the Bid if requested by the State prior to award.

E. INSTRUCTIONS TO BIDDER

E.1. Introduction

Prospective Bidders are urged to read this Solicitation carefully. Failure to do so shall be at the Bidder's risk. Provisions, terms, and conditions may be stated or phrased differently than in previous solicitations. Irrespective of past interpretations, practices or customs, Bids shall be evaluated and any resultant contract(s) shall be administered in accordance with the plain meaning of the contents hereof. The Bidder is cautioned that the requirements of this Solicitation can be altered only by written Amendment approved by the State and that verbal communications from whatever source are of no effect. In no event shall the Bidder's failure to read and understand any term or condition in this Solicitation constitute grounds for a claim after award of the Contact.

E.2. Preparation of Bid

E.2.1. Any usage amounts specified are estimates only and are not guaranteed to be purchased.

E.2.2. Information shall be entered on the form provided or a copy thereof.

E.3. Minimum Requirements

E.3.1. Experience

- PBM must be in operations as a pharmacy benefit management company for a minimum of seven (7) year.
- PBM must be able to administer both an EGWP and commercial pharmacy benefits program, or its EGWP subcontractor must be in the top three (3) nationally in terms of covered lives.
- PBM's, or subcontractors, EGWP product must be in operations for the past two (2) years with clients actively participating in its EGWP product.
- The claims processing system and related operations that will be utilized by the PBM in providing the services requested in this RFP shall currently have a minimum of two (2) million covered lives for which it provides commercial (non-Medicare Part D) PBM services and the PBM, or its subcontractor, shall currently have a minimum of 100,000 covered lives for which it provides Medicare Part D PBM services.
- PBM, its wholly owned subsidiary, or its EGWP subcontractor shall be a direct registered agent with CMS.

E.3.2. References

Provide contact names of at least three (3) non-affiliated clients, addresses, telephone numbers, email addresses, fax numbers, types of services provided, and the number of clients for which you provide services. If applicable provide contacts for EGWP services.

Client Name	Length of relationship/ reason for termination	Number of covered lives	Types of services provided	Contact name, title, location, email address and phone number

E.4. Submission of Bid

E.4.1. All Bids must be submitted to OMES – Central Purchasing to the attention of the Procurement Specialist as identified in the attached Solicitation. It is the Bidder's sole responsibility to submit information in the Bid as requested by this Solicitation. The Bidder's failure to submit required information may cause its Bid to be rejected.

E.4.2. Bids shall be in strict conformity with the instructions to Bidder, and shall be submitted with a completed "Responding Bidder Information" OMES Form 076, and any other forms completed as required by this Solicitation.

E.4.3. The required certification statement, "Certification for Competitive Bid and/or Contract (Non-Collusion Certification)", OMES Form 004, must be made out in the name of the Bidder and must be properly executed by an authorized person, with full knowledge and acceptance of all its provisions.

E.4.4. All Bids submitted shall be consistent with the Oklahoma Central Purchasing Act and associated Rules and subject to the Information Services Act and other statutory laws and regulations as applicable.

E.4.5. By submitting a Bid, Bidder agrees not to make any claims for damages or have any rights to damages, because of any misunderstanding or misrepresentation of the specifications or because of any misinformation or lack information.

E.4.6. If a Bidder fails to notify the State of an error, ambiguity, conflict, discrepancy, omission or other error in this Solicitation, known to the Bidder, or an error that reasonably should have been known by the Bidder, the Bidder shall submit a Bid at its own risk; and if awarded the Contract, the Bidder shall not be entitled to additional compensation, relief, or time by reason of the error or its later correction. If a Bidder takes exception to any requirement or specification contained in this Solicitation, these exceptions must be clearly and prominently stated in the Bid.

E.4.7. Bidders should note that this Solicitation reflects changes in the existing operation to increase efficiencies and streamline business environments in the State of Oklahoma. All previous solicitations or resultant contracts should not be either depended upon, perceived or interpreted to have any relevance to this Solicitation.

E.5. Bid Change

If the Bidder needs to change a Bid prior to the Solicitation Closing Date and Time, a new Bid shall be submitted to the State with the following statement: "This Bid supersedes the Bid previously submitted" In an E-Mail.

E.6. Solicitation Amendments

E.6.1. If an "Amendment of Solicitation", OMES Form 011 (or other format as provided), is issued, then the Bidder shall acknowledge agreement with each such Amendment of Solicitation by signing and returning the Solicitation Amendment. An executed Amendment may be submitted with the Bid or may be forwarded separately. If forwarded separately, the executed Amendment must contain this Solicitation number and Closing Date and Time on the front of the envelope. The State must receive the executed Amendment by the Closing Date and Time specified for receipt of bids for the Bid to be deemed responsive. Failure to agree to a Solicitation Amendment may be grounds for rejection.

E.6.2. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in this Solicitation. All Amendments to this Solicitation shall be made in writing by the State.

E.6.3. It is the Bidder's responsibility to check the State's website frequently for any possible Amendments to this Solicitation that may be issued. The State is not responsible for the Bidder's failure to download any amendment documents required to complete its Bid.

E.7. Oklahoma Open Records Act

Bids are subject to public disclosure in accordance with the Oklahoma Open Records Act. To the extent permitted by such Act, the Bid will not be disclosed, except for purposes of evaluation, prior to approval by the State CIO of the awarded Contract. All material submitted becomes the property of the State. Bids will not be considered confidential after award of the Contract except that information in the Bid determined to be confidential by the State CIO shall continue to be considered confidential.

E.8. Proprietary and/or Confidential

E.8.1. Unless otherwise specified in the Oklahoma Open Records Act, Central Purchasing Act, or other applicable law, documents and information a Bidder submits as part of or in connection with a Bid are public records and subject to disclosure. If a Bidder claims any portion of its Bid as financial or proprietary confidential information, the Bidder must specifically identify what documents or portions of documents are considered confidential **AND** identify applicable law supporting the claim of confidentiality. In addition, the Bidder may submit the information separate and apart from the Bid and mark it Financial or Proprietary and Confidential. Pursuant to the Oklahoma State Finance Act, the State CIO shall make the final decision as to whether the submitted information is confidential.

E.8.2. If the State CIO does not acknowledge the information as confidential, OMES – ISD will return or destroy the information with proper notice to the Bidder and the information will not be considered in the evaluation. A Bid marked, in total, as financial or proprietary and/or Confidential shall not be considered.

E.9. Administrative Review

Bidders who believe solicitation requirements or specifications are unnecessarily restrictive or limit competition may submit a request for administrative review, in writing, to the Contracting Officer listed on the front of the solicitation. To be considered a request for review, it must be received no later than 3:00 P.M. Central Time on January 14, 2020. The State shall promptly respond in writing to each written review request, and where appropriate, issue all revisions, substitutions or clarifications through a written amendment to this Solicitation. Requests for administrative review of technical or contractual requirements shall include the reason for the request, supported by information, and any proposed changes to the requirements.

E.10. General Solicitation Questions

Bidder may submit general questions concerning the specifications of this Solicitation. All questions and answers regarding this Solicitation shall be posted to the IT procurement wiki at:

https://wiki.ok.gov/display/itprocurement/0900000422

E.10.1. Questions received via any other means will not be addressed. To register with the State of Oklahoma for wiki access, please follow the link below to request access:

https://www.ok.gov/triton/modules/formbuilder/form.php?form_id=d432ccf8aabf5d6355bd1771fabb357ca246cd410bcf1394fb7a08606bbcf627

E.10.2. In order to guarantee that wiki access is created prior to closing date for submitting questions for a solicitation, please request access at least five (5) business days prior to the closing date for questions. The State of Oklahoma cannot be responsible for a Bidder's lack of access if the request is not made within this timeline.

E.10.3. When posing questions, every effort should be made to:

a) be concise;

b) include section references, when possible; and

c) avoid use of tables or special formatting (use simple lists).

E.10.4. These questions shall be answered directly on the wiki and in the form of an amendment and posted on the OMES - ISD website and linked on the wiki. Bidders are advised that any questions received after **3:00 P.M. Central Time on January 21, 2020** shall not be answered.

E.11. Bid Deliverables

Each Bidder must submit two (2) complete copies of the Bid on two (2) separate thumb drives for a total of two (2) electronic documents in a "machine readable" format meaning the document must accessible by inserting it into a computer either unprotected or if protected must be sent with the correct password. One (1) thumb drive shall be marked as the original and one (1) thumb drive shall be marked as a copy.

E.11.1. Section One – Introduction

a) Letter of Introduction

b) Completed "Responding Bidder Information" OMES Form 076.

c) Completed "Certification for Competitive Bid and Contract" OMES Form 004.

d) Signed Amendment(s), if any.

e) Standard Business Associate Agreement (Attachment A)

f) Statement of Compliance (Attachment B), and any exceptions to solicitation terms and conditions.

E.11.2. Section Two – Response to Solicitation Specifications

E.10.2.1 Provide a detailed response to specifications where it is requested the Bidder affirm, agree, attach, confirm, describe, disclose, identify, provide, specify, supply, and answer questions where asked in this solicitation.

E.10.2.2. The Supplier should restate the service, requirement, or question and then state its response.

E.10.2.3. The Supplier's compliance with the requirements in this section shall be determined according to the sole unrestricted discretion of EGID.

E.10.2.4. Exhibit 1 - Pricing.

E.11.3. Section Three – Bidder Agreements

E.11.3.1. Bidder shall provide any required software licenses, maintenance, service agreements and any other similar applicable agreements.

E.11.3.2. Note: Any agreements not submitted with Bidder's original bid shall not be considered.

E.11.4. Section Four – EITA Compliance

Provide adequate information defining your products level of EITA compliance by providing a Voluntary Product Accessibility Template (VPAT) that indicates compliance of all products offered with the provisions of Section 508 of the Rehabilitation Act Amendments included in the Workforce Investment Act of 1998.

Supplier may provide a URL link to a website providing VPAT for products deliverables through resulting Contract.

E.11.5. Section Five – Security Certification and Accreditation Assessment

Bidder shall provide a completed Security Certification and Accreditation Assessment if Bidder is offering a hosted solution as part of its Bid response, Attachment D.

E.11.6. Section Six – Disabled Veterans Preference

Please provide additional information in regard to if this is a Disabled Veterans Owned Business as requested in OMES Form 076.

E.11.7. Section Seven – All other information not listed above.

F. CHECKLIST

F.1. Proposal Checklist

Listed below is a checklist of items that are to be completed and returned with the proposal. This is not an all-inclusive list and it is the Supplier's responsibility to ensure that they submit all required/requested documentation:

F.1.1. OMES Form 076 – Responding Bidder Information

F.1.2. OMES Form CP 004 – Certification for Competitive Bid and/or Contract

F.1.3. Response to Section C.4

F.1.4. All Amendments signed (if any)

F.1.5. Attachment A: Business Associate Agreement

F.1.6. Attachment B: Statement of Compliance

F.1.7. Attachment D: Security Assessment

F.1.8. Attachment F: Issues Log

F.1.9. Attachment G: Online Reporting Tool Demo

F.1.10. Attachment H: Clinical UM Programs

F.1.11. Exhibit 1: Pricing

G. PRICE AND COST

G.1. Each Bidder shall submit their cost proposal on Exhibit 1.

G.2. Performance Guarantees and Allowances

Table 1. Performance Guarantees and Allowances

	PBM Input	
Administrative Allowance		
	Commercial	**EGWP**
• **What administrative allowance are you prepared to offer to cover EGID's expenses incurred as a result of transitioning to your organization?**		

• **Provide examples of the eligible expenses that may be covered by the administrative allowance**
  • **Postage**
  • **Member communications**
  • **Prescription drug cards**
  • **Eligibility conversion**		

• **Detail the procedure required for payment.**		
• **Confirm consulting fees associated with implementation oversight and post-implementation validation efforts (e.g., plan setup audit) qualify as allowable expenses for the administrative allowance.**		
Funding of Pharmacy Related Programs		
• **Are you offering funding for programs specifically related to reducing pharmacy trend? If yes, describe the amount available each contract year and your funding requirements.**		
• **Are you offering EGID any audit credit for each plan year? If yes, describe the amount available each contract year and your audit credit requirements.**		
• **Section H.2 (PBM Specific Performance Guarantees) details EGID's minimum performance guarantees. Confirm your agreement with the guarantees.**		
• **What dollar amount are you willing to risk for performance guarantees specific to successful implementation as defined in H.2 (PBM Specific Performance Guarantees)?**		
• **What annual dollar amount are you willing to risk for ongoing performance guarantees as defined in H.2 (PBM Specific Performance Guarantees)?**		

	PBM Input
• Confirm your acceptance that tracking and reporting must be reported quarterly and payment of any penalty is required within sixty (60) days of the end of each fiscal year quarter. Provide a sample report as Attachment #4 to your proposal. Confirm that all performance guarantees will be self-tracked and self-reported by your organization quarterly and confirmable by EGID's consultant	

Table 2. Miscellaneous Fees (also see RX-Pricing Other Costs Commercial and EGWP tabs in pricing workbook)

Item	Charge	
	Commercial	EGWP
Paper/Member Submit Claims (In addition to base per Rx/PMPM Admin. Fees)		
Specialty Clinical or Case Management Fee		
Annual Communications (Benefit Change Announcements)		
Targeted Communications (Member Disruption, Benefit Changes, Generic Promotion, etc.)		
Reporting and Analytical Services		
• Ad hoc Analytical Services		
• Customized Reporting		
• Implementation Fees		
Clinical Support (Pharmacist Support, Drug Monographs, Therapy Class Reviews, etc.)		
Medicare (Part D) Services • Specify each program and its associated fee.		
Enrollment Materials (Mail Order Materials, Internet-based Member Services Communication)		
Prior Authorizations		
• Administrative		
• Clinical		
• Physician Specific Review		
• Step Therapy		
• Quantity Limits		
Clinical/Utilization Management (UM) • Specify each program and its associated fee.	Please Include as Attachment H. Be sure to include ROIs along with proposed fees.	
Member Compliance/Adherence Programs		
Other Services and Fees Not Included Elsewhere in your Proposal:		

Table 3. EGWP Services

Core EGWP Services	Confirmation Provided by PBM	Included in EGWP Admin Fee?
Installation and support for up to two plan designs		
Installation and support for one additional plan design		
Data interface with CMS for group enrollment and reconciliation processes		
Contracting of retail, LTC and home infusion networks to conform to CMS access requirements		
Establishment of a CMS-approved PBM formulary and P&T committee support		
Formulary management and change notification communications		
Administration of manufacturer rebate contracts in compliance with CMS requirements		

Core EGWP Services	Confirmation Provided by PBM	Included in EGWP Admin Fee?
Development and transmission of applicable files to CMS as part of program administration (e.g., network, pricing)		
Coordination with CMS for all EGID CMS billing, reconciliation, and reporting for: • Receipt and reconciliation of all CMS capitation payments on a monthly basis based upon EGID's specific risk adjustment factors for each member • Government reinsurance for member utilization above annual TrOOP thresholds • Low income premium subsidies on a monthly basis, as received by CMS • Annual low income cost share subsidies based on final reconciliation with CMS • All CMS reporting requirements related to rebates, network access, TrOOP, clinical program management, claims administration, operational compliance and other reports as required by CMS		
Maintenance and support of CMS Prescription Drug Event (PDE) (claim) process: • Maintenance and distribution of PDE files • Process to manage CMS responses • Resolution of PDE rejects		
Tracking of member TrOOP accumulator according to CMS requirements, including delivery of required reporting and any data feeds required to communicate TrOOP balances to members		
Support of up to one regulatory audit CMS might perform on behalf of sponsor, if applicable		
Identification enrollment and administration of members eligible for MTM program and enrollment of members into the MTM program		
Mail service customer service, including satisfying CMS call handling requirements and corresponding CMS-required reporting		
Development and delivery of EOBs (during every month in which a prescription is dispensed)		
CMS-required appeals and prior authorization, edits and coverage reviews for transition supply and therapeutic coverage overrides		
Customer service and website support for open enrollment services		
Standard website development and maintenance consistent with CMS regulations; custom website development will incur additional costs		
Pre-enrollment notification letters		
Management of the CMS voluntary coverage gap discount program		
CMS-approved welcome kits and Annual Notice of Change (ANOC) for all renewing enrollees and the Explanation of Coverage (EOC) for all newly covered benefit eligible members and renewing members		
Paper claim processing, claim reversals and reprocessing		
MTM, transition supply, 60-day notice, Concurrent Drug Utilization Review (CDUR), Retrospective Drug Utilization Review (RDUR), Part B/D coverage determination, copay/administrative appeals and refill too soon as required by CMS		
UM and clinical edits: • Dispensing quantity limits • Quantity duration rules • Prior authorization rules		
Provide any other additional EGWP services and fees:		

Table 4. Self-Funded EGWP + Wrap Estimated Savings

	EGWP + Wrap
Anticipated Lives	
***All rates below are on a PMPM basis.**	
Drug Cost Before Member Share	
Rebates	
Member Cost Share	
Subsidy	
CMS Reinsurance	
Coverage Gap Discount	
Plan Cost After Subsidies and Member Cost Share	
Estimated PMPM Savings EGWP+Wrap versus RDS	
Estimated First Year Savings	

H. PERFORMANCE STANDARDS

H.1.1. The PBM shall adhere to the performance standards included in this RFP. Failure to meet the minimum performance standards shall constitute a breach of this contract and may result in termination, liquidated damages and/or disqualification from bidding on any future ITBs and RFPs issued by the State of Oklahoma for a period of time not to exceed three (3) years.
Failure to meet the minimum performance standards shall result in an assessment of actual damages, provided actual damages can be calculated; otherwise, liquidated damages shall be assessed in accordance with this agreement and for the sole purpose of compensating EGID an amount of money sustained by the PBM's breach of contract. EGID shall incur no damages, including but not limited to interest payments to providers and/or members, for the PBM's failure to meet the minimum performance standards.

H.2.1. All liquidated damages pursuant to the contract shall be reported and assessed on a quarterly basis. EGID shall withhold the amount of damages amount from the administration fee then payable to the PBM. However, EGID, or its designated representative, reserves the right to periodically conduct audits to verify that the performance standards are being met. The findings of the audits performed by EGID, or its designated representative, shall be conclusive.

H.2.1.1
Does the PBM agree to this requirement?

H.3.2. Performance standards shall be measured on a client-specific basis and penalties assessed on a quarterly basis.

H.3.2.1
Does the PBM agree to this requirement?

Member Service			PBM Disagree / Agree	Penalty Amount at Risk
Satisfaction Survey	97% membership completely satisfied	For each Contract Year, PBM will fulfill its obligations under this a manner as to obtain a favorable rating from a survey conducted by PBM Agreement in such of a random sample of Subscriber Contracts. The survey will be in a mutually agreed format and will be conducted by a mutually agreed PBM. A favorable rating is achieved when, for each Contract Year, 97% or more of the Subscriber Contracts responding to PBM's monthly surveys report		

Member Service			PBM Disagree / Agree	Penalty Amount at Risk
		that they are satisfied or very satisfied with the customer service provided by PBM, based upon the scoring system mutually agreed upon by PBM and EGID ("Favorable Rating").		
Phone Inquiry Timeliness	95% of all telephone inquiries should be resolved within the first two (2) business days of contact.	PBM agrees that 95% of all telephone inquiries will be resolved within the first two (2) business days of the contact.		
Written Inquiry Timeliness	95% of written inquiries are resolved within five (5) business days.	PBM agrees that 95% of written inquiries will be resolved within five (5) business days.		

Enrollment Eligibility			PBM Disagree / Agree	Penalty Amount at Risk
Timeliness of eligibility updates	100% of changes updated within 24 hours	PBM agrees that 100% of all additions or deletions of eligibility will be performed no later than 24 hours after PBM receives an updated eligibility file from EGID's Vendors. ("Eligibility Update Rate").		
Enrollee Plan Material	100% of Plan materials mailed on or before effective date or within four (4) days of Enrollee request	PBM agrees to deliver 100% of Plan materials on or before an enrollee's effective date or within four (4) days of enrollee request.		
Total Turnaround Time – Paper Claims	98% of total claims processed within five (5) business days	PBM agrees that 98% of all paper claims will be processed within five (5) business days.		

Network Stability			PBM Disagree / Agree	Penalty Amount at Risk
Changes to Provider Network	100% of all provider changes will be reported on plan's website/telephone services within five (5) business days.	Any deletion or addition to PBM's Provider Network will be reflected on PBM's Customer Service Telephone Number and Web site used by Enrollees no later than five (5) business days following the date that the deletion or addition takes effect.		

Eligibility Performance			PBM Disagree / Agree	Penalty Amount at Risk
Member-Level Accuracy	100% of membership records are accurately updated according to membership transmissions.	PBM agrees that 100% of membership records are accurately updated according to monthly eligibility files.		
Eligibility Comparison	100% accuracy	PBM must accurately reflect eligibility information transmitted from EGID and eligibility information for Medicare Part D members should be accurately transmitted to CMS.		
Eligibility Acknowledgement	100% response to each membership file received.	PBM agrees that EGID will receive 100% response to each EGID membership file received.		
Unprocessed Eligibility Transactions	100% of all unprocessed transactions will be reported to the membership processor within 24 hours and corrective measures identified and re-processed within 24 hours upon receipt of revised transaction.	PBM agrees that 100% of all unprocessed transactions will be communicated to the membership processor within 24 hours and corrective measures identified and re-processed within 24 hours of receipt of revised transaction.		

Quality			PBM Disagree / Agree	Penalty Amount at Risk
Mail order turnaround time for all prescriptions requiring administrative or clinical intervention.	98% within five (5) business days or less	Mail order turnaround time for all prescriptions requiring administrative or clinical intervention is 98% within five (5) business days or less. Measured in business days from the date a prescription drug claim is received by the Vendor (either via paper, phone, fax or internet) to the date it is mailed.		
Mail order turnaround time for new prescriptions requiring no intervention (this metric may not include any refill prescriptions).	95% within two (2) business days	Mail order turnaround time for new prescriptions requiring no intervention is 95% within two (2) business days (this metric may not include any refill prescriptions)- is measured in business days from the date a new prescription drug claim is received by the Vendor (either via paper, phone, fax or internet) to the date it is mailed.		
Plan Design/Benefit set-up Changes	Within seven (7) business days	Plan design and benefit set-up changes are made within seven (7) business days and measured by PBM's ability to set up and test new or revised plan design changes after receipt of signed documentation from EGID. For each day late, PBM will be assessed a penalty amount to be determined based on your total amount at risk.		

Quality			PBM Disagree / Agree	Penalty Amount at Risk
		Any change considered non-standard (requiring system coding) would be per mutually agreed upon timeline.		

EGID Account Management			PBM Disagree / Agree	Penalty Amount at Risk
EGID satisfaction with Account Management and PBM service performance. This metric requires PBM to survey EGID via a survey or scorecard the PBM develops and distributes.	100% responses of "6" or better on a scale of 1 to 7	EGID satisfaction with PBM Account Management and PBM service performance is 100% of an overall Account Team rating of "6" or better on a scale of 1 to 7. This metric requires the PBM to survey EGID via a survey or score card PBM develops and distributes. Results will be based on overall results of all EGID contacts surveyed. Contacts must be those with direct contact with PBM's Account Management team. Results are measured based on responses to questions such as: "Overall, how satisfied are you with the service delivered by your Account Team"? Responses shall include a scoring system of 1 (being the worst) through 7 (being the best).		

Reporting			PBM Disagree / Agree	Penalty Amount at Risk
Standard Management Reports	Section C.9.	PBM agrees to deliver all reports listed in Section C.9 within the turnaround times requested. Failure to provide such requested reports will result in a penalty amount for each delinquent day.		

Claims Processing			PBM Disagree / Agree	Penalty Amount at Risk
Claims Processing Financial Accuracy	99% of POS claims will be processed and paid accurately.	99% of POS claims will be processed and paid accurately.		

Implementation			PBM Disagree / Agree	Penalty Amount at Risk
NOTE: Implementation Guarantees are separate and are not part of ongoing performance guarantees.				
Enrollment accuracy	100% of initial eligibility data will be loaded and tested as accurate according to the implementation project plans deliverable dates.	Enrollment Accuracy will have 100% accuracy. Results will be measured by the documented completion dates in the project plan and EGID sign-off on documented output of validation of membership counts and documentation of zero rejects following eligibility load.		

Implementation			PBM Disagree / Agree	Penalty Amount at Risk
Benefit Plan set up	100% of benefit plans and plan designs must be set up, tested and signed off by the EGID as accurate according to the implementation project plan deliverable dates.	Benefit plan set-up will have 100% accuracy. Results will be measured by the documented completion dates in the project plan and EGID sign off on documented output of accurate test case scenarios.		
Membership Materials	100% of membership materials will be tested and documented accurate and mailed to participants (or sites as defined by EGID) according to the implementation project plan deliverable dates.	Membership material will have 100% accuracy. Results will be measured by the documented completion dates in the project plan and EGID sign off on documented output of accurate materials and mailing details.		
Implementation Satisfaction	100% responses of satisfied or very satisfied	Implementation satisfaction will be 100%. Results will be based on overall results of all EGID contacts surveyed. Contacts must be those with direct contact with the PBM Implementation team. Results are measured based on responses to the following question: "Overall, how satisfied are you with the management and results of your implementation? Responses can include Very Satisfied, Satisfied, Neutral, Dissatisfied, and Very Dissatisfied."		

H.3.3. The PBM must affirm its understanding of all EGID contractual provisions in section H and agree to comply with those provisions for the duration of the contract.

PBM Response:

If the PBM is offering additional services at additional costs, those costs must be disclosed here.

Responding Bidder Information

*"Certification for Competitive Bid and Contract" **MUST** be submitted along with the response to the Solicitation.*

1. **RE: Solicitation #** 0900000422

2. **Bidder General Information:**

FEI / SSN : _____ Supplier ID: _____

Company Name: _____

3. **Bidder Contact Information:**

Address: _____

City: _____ State: ____ Zip Code: _____

Contact Name: _____

Contact Title: _____

Phone #: _____ Fax #: _____

Email: _____ Website: _____

4. **Oklahoma Sales Tax Permit[1]:**

☐ YES – Permit #: _____

☐ NO – Exempt pursuant to Oklahoma Laws or Rules – Attach an explanation of exemption

5. **Registration with the Oklahoma Secretary of State:**

☐ YES - Filing Number: _____

☐ NO - Prior to the contract award, the successful bidder will be required to register with the Secretary of State or must attach a signed statement that provides specific details supporting the exemption the supplier is claiming (www.sos.ok.gov or 405-521-3911).

6. **Workers' Compensation Insurance Coverage:**

Bidder is required to provide with the bid a certificate of insurance showing proof of compliance with the Oklahoma Workers' Compensation Act.

☐ YES – Include with the bid a certificate of insurance.

☐ NO – Exempt from the Workers' Compensation Act pursuant to 85A O.S. § 2(18)(b)(1-11) – Attach a written, signed, and dated statement on letterhead stating the reason for the exempt status.[2]

[1] **For frequently asked questions concerning Oklahoma Sales Tax Permit, see https://www.ok.gov/tax/Businesses/index.html**
[2] **For frequently asked questions concerning workers' compensation insurance, see https://www.ok.gov/wcc/Insurance/index.html**

7. Disabled Veteran Business Enterprise Act

☐ YES – I am a service-disabled veteran business as defined in 74 O.S. §85.44E. Include with the bid response 1) certification of service-disabled veteran status as verified by the appropriate federal agency, and 2) verification of not less than 51% ownership by one or more service-disabled veterans, and 3) verification of the control of the management and daily business operations by one or more service-disabled veterans.

☐ NO – Do not meet the criteria as a service-disabled veteran business.

Authorized Signature	Date
Printed Name	Title

Certification for Competitive Bid and/or Contract (Non-Collusion Certification)

NOTE: *A certification shall be included with any competitive bid and/or contract exceeding $5,000.00 submitted to the State for goods or services.*

Agency Name: EGID Agency Number: 09000

Solicitation or Purchase Order #: 0900000422

Supplier Legal Name: _____

SECTION I [74 O.S. § 85.22]:

A. For purposes of competitive bid,

1. I am the duly authorized agent of the above named bidder submitting the competitive bid herewith, for the purpose of certifying the facts pertaining to the existence of collusion among bidders and between bidders and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to said bid;
2. I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of such bid; and
3. Neither the bidder nor anyone subject to the bidder's direction or control has been a party:
    a. to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding,
    b. to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of such prospective contract, nor
    c. in any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the letting of a contract, nor
    d. to any collusion with any state agency or political subdivision official or employee as to create a sole-source acquisition in contradiction to Section 85.45j.1. of this title.

B. I certify, if awarded the contract, whether competitively bid or not, neither the contractor nor anyone subject to the contractor's direction or control has paid, given or donated or agreed to pay, give or donate to any officer or employee of the State of Oklahoma any money or other thing of value, either directly or indirectly, in procuring this contract herein.

SECTION II [74 O.S. § 85.42]:

For the purpose of a contract for services, the supplier also certifies that no person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed by the supplier to fulfill any of the services provided for under said contract.

The undersigned, duly authorized agent for the above named supplier, by signing below acknowledges this certification statement is executed for the purposes of:

☒ the competitive bid attached herewith and contract, if awarded to said supplier;

OR

☐ the contract attached herewith, which was not competitively bid and awarded by the agency pursuant to applicable Oklahoma statutes.

Supplier Authorized Signature	Certified This Date
Printed Name	Title
Phone Number	Email
Fax Number	

Vendor/Payee Form

Agency: OMES Vendor Management requires the following information for all new non-registered vendors (payees) before payments may be processed. Information is used to establish the payee in the State's PeopleSoft vendor file for payment and procurement activities.

DO NOT use this form for:

- **Garnishment Payees:** Use **OMES Form GarnVendor**
- **State Employees:** Use **OMES FORM Employee Vendor Request**
- ***Vendors pending contract award*** *to a solicitation released by the division of Central Purchasing or another Oklahoma state agency MUST first register online with the state unless exempt per statute. For additional information, please refer to* ***Central Purchasing Vendor Registration***.

AGENCY SECTION (To be completed by state agency representative):
State agency should email completed and signed form to vendor.form@omes.ok.gov or fax to 405-522-3663.
VENDOR/PAYEE SECTION (To be completed by vendor/payee)
Please print legibly or type this information. Form must be completed and signed by authorized individual. Email or fax to requesting state agency.

Agency Name	OMES-EGID			**Contact Name**	Vanessa Young
Phone #	405-202-3850	**Fax #**		**Email**	Vanessa.young@omes.ok.gov

Agency Request To – Please select all applicable request types

☐ Add New Vendor	☐ Update Existing Vendor	PeopleSoft 10-digit Vendor ID	
☐ Add New Address	☐ Change Address/Location	PeopleSoft Address #	PeopleSoft Location #
☐ Change Vendor Tax ID	☐ Change Vendor Name	☐ Add Alternate Payee Name	PeopleSoft Location #
☐ Other	Explain		

Vendor 1099 Reportable Status

☐ **Add:**
☐ **Remove:**

Attention Paying Agency: Please check the ***Add*** box on the left if payments to this vendor/payee are represented by Account Codes listed on page 3 of this form. If the vendor is incorrectly showing as 1099 Reportable, check the ***Remove*** box. The PeopleSoft system requires specific details regarding the type of transaction. Please check the box that applies to this vendor:

☐ 1 - Rents	☐ 2 - Royalties	☐ 3 – Other Income
☐ 6 - Medical & Health Care	☐ 7 - Non-Employee Compensation	☐ 10 - Crop Insurance Proceeds
☐ 14 - Gross Proceeds to an Attorney		

VENDOR/PAYEE SECTION (To be completed by vendor/payee)

Please print legibly or type this information. Form must be completed and signed by authorized individual. Email or fax to requesting state agency.

Payee Information: *Please provide the requested information for the payee receiving funds from the Oklahoma state agency. All information should match U.S. Internal Revenue Service filing records for the business, individual or government entity receiving payment.*

Name		**Contact Name**	
Payee Legal Name for Business, Individual or Government Entity as filed with IRS		**Contact Title**	
DBA Name		**Phone #**	
Doing Business As "DBA", or Disregarded Entity Name if different than Legal Name		**Fax #**	
Tax Identification Number (TIN) and Type:		☐ Federal Employer ID (FEIN) ☐Social Security Number (SSN)	

Business Address -- *Please provide primary business address as filed with the U.S. Internal Revenue Service*

Address				**City**	
State		**Zip+4**		**Remittance Email**	

Optional Addresses – *Please select address type as applicable*

Type:	☐ Remitting	☐ Ordering	☐ Pricing	☐ Returning	☐ Mailing	☐ Other:	
Address						**City**	
State		**Zip+4**			**Remittance Email**		

Financial Registration: *Please provide contact information for the Authorized Individual who can provide financial information used for ACH Electronic Funds Transfer payment processes.* **An email will be sent providing instructions for accessing the State of Oklahoma online registration system.**

Name		**Title**		**Email**	

W-9 SUPPLEMENTAL INFORMATION – ALL VENDORS OR PAYEES

The information below is requested under U.S. Tax Laws. Failure to provide this information may prevent you from being able to do business with the state, or may result in the state having to deduct backup withholding amounts from future payments.

U.S. Taxpayer Identification Number (TIN)

Federal Employer Identification Number (FEIN) _____ If none, but applied for, date applied _____

U.S. Social Security Number (SSN) _____ If none, but applied for, date applied _____

Entity Filing Classification:

☐ Domestic (U.S.) Sole Proprietor or Individual ☐ Domestic (U.S.) Partnership ☐ Domestic (U.S.) Corporation Type: _____

☐ Limited Liability Company Type: _____

LLC Disregarded Entity: ☐ YES ☐ NO **Must be verified by LLC's tax division. If applicable, parent name/tax id is required.**

☐ Domestic (U.S.) Other Explain: _____

☐ Foreign (Non-U.S.) Sole Proprietor or Individual* ☐ Foreign (Non-U.S.) Partnership* ☐ Foreign (Non-U.S.) Type: _____

☐ Foreign (Non-U.S.) Other* Explain: _____

FOREIGN VENDOR INSTRUCTIONS: *** ADDITIONAL DOCUMENTATION IS REQUIRED.**

Please submit the proper U.S. Internal Revenue Service (IRS) Form W-8, Certificate of Foreign Status. Select form below matching the payee's entity or individual description. Please refer to IRS for additional instructions (http://www.irs.gov/pub/irs-pdf/iw8.pdf).

- **Form W-8BEN**: *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals).* http://www.irs.gov/pub/irs-pdf/fw8ben.pdf
- **Form W-BEN-E**: *Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities).* http://www.irs.gov/pub/irs-pdf/fw8bene.pdf
- **Form W-8ECI**: *Certificate of Foreign Person's Claim That Income is Effectively Connected With the Conduct of a Trade or Business in the United States.* http://www.irs.gov/pub/irs-pdf/fw8eci.pdf
- **Form W-8EXP**: *Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding and Reporting.* http://www.irs.gov/pub/irs-pdf/fw8exp.pdf
- **Form W-8IMY**: *Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding and Reporting.* http://www.irs.gov/pub/irs-pdf/fw8imy.pdf

This may exempt you from backup withholding. Form W-8 does not exempt you from the 30% (or lower percentage by treaty) non-resident withholding taxes. To claim this exemption, you must file IRS Form 8233 with us. For more information, refer to IRS Publication 519.

SIGNATURE - AND SUBSTITUTE IRS FORM W-9 CERTIFICATION

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and

2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and

3. I am a U.S. citizen or other U.S. person (defined below), and

4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement account (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN.

_____ _____

Signature of Vendor Representative or Individual Payee Date

_____

Title of individual signing form for company

_____

Vendor/Payee (Must be the same as Payee Name from page 1)

Account Codes for 1099 Reporting - By Category *(TO BE COMPLETED BY AGENCY REPRESENTATIVE)*

☐ 1 - RENTS

532110 Rent of Office Space
532120 Rent of Land
532130 Rent of Other Building Space
532140 Rent of Equipment and Machinery
532150 Rent of Telecommunications Equip
532160 Rent of Electronic Data Processing Equipment
532170 Rent of Electronic Data Processing Software
532190 Other Rents

☐ 1- RENTS (continued)

532141 Rent of Motor Vehicles
532142 Lease of Motor Vehicles

☐ 2 – ROYALTIES

553170 Royalties

☐ 3 – OTHER INCOME

552120 Incentive Awards – Monetary & Material
552160 Incentive Payments – Oklahoma Horse Breeders & Owners
552170 Incentive Payments – Oklahoma Film Enhancement Rebate
553165 Current/Former Employee Reportable Court Ordered or Legal Settlements
553220 Other IRS Reportable Income

☐ 6 - MEDICAL & HEALTH CARE PAYMENTS

515530 Veterinary Services
515700 Offices of Physicians (except Mental Health Specialists)
515710 Offices of Physicians, Mental Health Specialists
515720 Offices of Dentists
515730 Offices of Chiropractors
515740 Offices of Optometrists
515750 Offices of Mental Health Practitioners (except Physicians)
515760 Offices of Physical, Occupational & Speech Therapists, & Audiologists
515770 Offices of Podiatrists
515780 Offices of all other Miscellaneous Health Practitioners
515790 Family Planning Centers
515800 Outpatient Mental Health & Substance Abuse Centers
515810 Other Outpatient Care Centers
515820 Medical and Diagnostic Laboratories
515830 Home Health Care Services
515840 Ambulance Services
515850 All other Ambulatory Health Care Services
515860 General Medical & Surgical Hospitals
515870 Psychiatric & Substance Abuse Hospitals
515880 Specialty Hospitals (except Psychiatric & Substance Abuse)
515890 Nursing Care Facilities
515900 Residential Services for People with Developmental Disabilities
515910 Residential Mental Health & Substance Abuse Facilities
515920 Community Care Facilities for the Elderly
515930 Other Residential Care Facilities
537210 Laboratory Services & Supplies
551230 Medical Services to Indigents (from agencies other than DHS)
551240 Hospital Services to Indigents (from agencies other than DHS)
551250 Other Health Services to Indigents (from agencies other than DHS)

☐ 7 - NON-EMPLOYEE COMPENSATION

515010 Office of Lawyers
515020 Offices of Notaries
515030 Other Legal Services
515060 Accounting, Tax Preparation, Bookkeeping & Payroll Services
515210 Payments for Contract Mentor Services
515220 Architectural Services
515230 Landscape Architectural Services
515240 Engineering Services
515250 Drafting Services
515260 Building Inspection Services
515270 Geophysical Surveying & Mapping Services
515280 Surveying and Mapping (except geophysical) Services
515290 Testing Laboratories
515300 Interior Design Services
515310 Industrial Design Services
515320 Graphic Design Services
515330 Other Specialized Design Services
515350 Custom Computer Programming Services
515360 Computer Systems Design Services
515370 Computer Facilities Management Services
515380 Other Computer Related Services
515400 Administrative Management & General Management Consulting Services
515410 Human Resources & Executive Search Consulting Services
515420 Marketing Consulting Services
515430 Process, Physical Distribution, & Logistics Consulting Services
515440 Other Management Consulting Services
515450 Environmental Consulting Services
515460 Other Scientific & Technical Consulting Services
515470 Research & Development in the Physical, Engineering, & Life Sciences
515480 Research & Development in the Social Sciences & Humanities
515490 Advertising and Related Services
515500 Marketing Research & Public Opinion Polling
515510 Photographic Services
515520 Translation & Interpretation Services
515540 All other Professional, Scientific and Technical Services
515550 Management of Companies & Enterprises
515560 Office Administrative Services
515570 Employment Placement Services
515580 Business Support Services
515590 Document Preparation Services
515600 Telephone Call Centers
515610 Business Service Centers
515620 Collection Agencies
515630 Credit Bureaus
515640 Other Business Support Services
515650 Investigation & Security Services
515660 Educational Services
515940 Individual & Family Services
515950 Community Food, Housing & Emergency & Other Relief Services
515960 Vocational Rehabilitation Services
515970 Child Day Care Services
515980 Arts, Entertainment and Recreation
515990 Other Services (except Public Administration)
517110 Moving Expense – Employee Transfer
531150 Printing and Binding Contract
531160 Advertising
531170 Informational Services
531190 Exhibitions, Shows and Special Events
531220 Burial Charges
531330 Jury and Witness Fees
531500 Moving Expenses – General
533100 Maintenance & Repair – Other Items
533110 Maintenance & Repair of Buildings & Grounds (outside vendors)
533120 Maintenance & Repair – Equipment (outside vendors)
533130 Maintenance & Repair of Telephone Equipment (outside vendors)
533140 Maintenance & Repair of Data Processing Equipment (outside vendors)
533150 Maintenance & Repair of Data Processing Software (outside vendors)
533190 Maintenance & Repair – Employee Uniforms
545110 Purchase of Land Improvements
545210 CIP (Construction in Progress) – Land Improvements
546210 Buildings and Other Structures – Construction and Renovation
546220 Major Maintenance and Repair of Equipment
547110 Highway and Bridge Construction Expense – Contractual
547120 Maintenance and Repairs to Highways and Bridges
547210 Major Maintenance and Renovation – Bridges
552100 Stipends – Other
552120 Teacher Stipends (“Incentive” payments)
552130 Oklahoma Police Corps Stipends
553160 Non-Employee Reportable Court Ordered or Legal Settlements
554190 Voter Registration Services
561140 Pollution Remediation

☐ 14 - GROSS PROCEEDS TO AN ATTORNEY

553180 Settlements – Paid To/Thru Attorney