

York State Department of Health  
Office of Health Insurance Programs  
Division of OHIP Operations

IFB No. 16134

Supply and Distribution of Incontinence Products to NYS Medicaid Enrolled Providers

April 20, 2015

***Responses to Written Questions***

1. Is there any difference between this version of the bid and the previous version?

Answer. Bidders should review this IFB No.16134 on its own. Please make sure your bid is based on the current IFB No.16134.

2. Why was the original bid for Incontinence Products (#15792) canceled?

Answer. This question is not applicable to this solicitation.

3. Are the responses to the questions dated Dec 10, 2014 applicable to this version of the bid or will any responses change?

Answer. No. Bids are to be based on the current IFB No. 16134 only.

4. Will all providers be required to purchase from the awarded contract vendor or can they purchase from any distributor of their choosing?

Answer. No. It will not be mandatory. Enrolled Medicaid providers may purchase incontinence products from other wholesalers or distributors provided that the products meet the established quality standards in Section C. 10 of the IFB

5. Will providers have access to the pricing of the selected "preferred wholesale distributor"?

Answer. All enrolled Medicaid providers will have access to purchase incontinence products from the preferred wholesale distributor at the contracted price.

6. How will this new preferred wholesale distributor selected pricing effect the Fee for Service fees in place with NY Medicaid DME fee schedule for Providers?

Answer. Once the contract is established, the Department may re-evaluate the Medicaid Reimbursement Amount (MRA) for each HCPCS code and adjust accordingly.

7. How will this new preferred wholesale distributor selected pricing effect the Fee for Service fees that are currently in place with Managed Medicaid plans for Providers?

Answer. Managed Care Plans can choose to continue with their own contracts and pricing, as long as the products offered meet the minimum quality standards established in Section C. 10 of the IFB.

8. Will this new preferred wholesale distributor selected change the manner in which providers obtain products from the wholesale distributor today? Currently (Provider X) has direct agreements with wholesalers for products and distribute these products directly to NY Medicaid participants.

Answer. Changes to an enrolled Medicaid provider's agreements are not required as long as the products meet the minimum quality standards established in Section C. 10 of the IFB. The IFB provides a preferred wholesale distributor that has vetted products meeting the minimum quality standards at a contracted price. If a provider chooses to maintain current agreements, it must maintain documentation that the incontinence products purchased from other wholesale vendors meet the established minimum quality standards.

9. Does this new preferred wholesale distributor when selected change (Provider X) ability to continue to service NY Medicaid participants? If so, in what way?

Answer. No.

10. Will the selected vendor need to break product down to each level, or can we keep in bag quantity?

Answer. No. The enrolled provider will be responsible for dispensing incontinence products in the quantities specified in the physician's order. The nearest bag quantity is acceptable for dispensing.

11. Is there a sample limit? If yes, please explain further.

Answer. There is no sample limit. Samples are provided in a quantity sufficient for the enrolled Medicaid provider to use for fitting or demonstration of the product to the beneficiary prior to dispensing. Sample products are not meant to be given to the beneficiary. We anticipate that sample volume will be in the single digits for each provider using the preferred wholesale distributor.

12. Do all orders have to ship from a New York warehouse? In the event of a backorder inside our New York warehouse can we utilize out of state warehouses to fill the order in the interim, or do all orders need to ship out of a New York warehouse?

Answer. No, a warehouse within NYS is not required. The preferred wholesale distributor may ship from out of state warehouses and distribution centers, but must

have the distribution infrastructure within New York State to provide incontinence products to all enrolled Medicaid providers throughout New York State.

13. Is pricing that is to be submitted with bid for direct shipment to the provider only?

Answer. Yes. Bid pricing is for direct shipment to enrolled Medicaid providers only.

14. In the event that a manufacturer product becomes discontinued or obsolete, what is the procedure for updating pricing and the item on the formulary?

Answer. The substitution must be approved by the Department and meet all the testing standards specified in Section C. 10 of the IFB. The substitution will be offered at the same contracted price.

15. Will the T-Code limits change once the bid is awarded? And would there be any exceptions on an order that might change these fees (i.e. a doctor's prescription)?

Answer. No. The dispensed quantity limits to beneficiaries will not change at this time. The Department periodically reviews dispensing limits and may adjust limits in the future based on medical necessity or advancements in medical treatments. Other factors, such as a doctor's prescription, have no effect on established reimbursement fees (MRAs) or service limits.

16. Will we be given the opportunity to present our bid in person?

Answer. Bidders may hand deliver the bids to the designated location noted in the IFB. Bidders will not be able to provide a presentation of their bid.

17. If the agreed upon financial terms are breached by provider does the awardee have the right to withhold shipment until the payment is received, without penalty or breach of contract between awardee and state?

Answer. The contract preferred wholesale distributor would use their standard business practices.

18. How does it affect our contract if the provider takes the awarded Medicaid price and redistributes it to a non-Medicaid recipient?

Answer. This is not applicable to the IFB and would have no impact on the contract.

19. While there is no minimum order size, are we allowed to charge a small order fee for orders valued under a negotiated threshold?

Answer. No extra fees are allowed.

20. We are not the manufacturer of the products and, as such, can only pass along the manufacturer's warranty. Is there any issue with this?

Answer. No, however, the preferred wholesale distributor is responsible for verifying the quality standards of products included in the bid through an independent testing laboratory.

21. Given that the awardee is preferred and not mandatory will providers be able to purchase these items from alternative suppliers?

Answer. Yes, but all products purchased from alternative suppliers must meet the minimum quality standards outlined in Section C. 10 of the IFB.

22. Will the ship dates within the month be concentrated or spread over the month?

Answer. A set shipping schedule is not included in the IFB. Section C.1 provides that "the contractor will ensure that the enrolled providers will receive the product within 3 business days".

23. What is the date of the award announcement?

Answer. There is no scheduled date for the award announcement at this time.

24. For T-Codes that encompass both briefs and underwear are two options required for both, or will one of each suffice?

Answer. A minimum of two options are required for each HCPCS code for all incontinence products listed in Table 1. There is no minimum number of products that must be submitted for each diaper style (brief or protective underwear.) The codes used are generic in description and include all products that are inclusive the broad incontinence category of diapers. Briefs and protective underwear are examples of specific types of diapers and the Department uses one HCPCS code and reimbursement rate for all products in the broad classification.

25. How will the Department enforce the requirement that "all incontinence products meet clear minimum quality standards" for providers not purchasing bid winning products through the preferred supplier?

Answer. An enrolled Medicaid provider does not have to verify incontinence product quality standards if products are purchased from the contract preferred wholesale distributor. If an enrolled Medicaid provider chooses not to purchase incontinence products from the preferred wholesale distributor, they will be responsible for ensuring that any product dispensed meets the same standards as found in C. 10 of the IFB. The Department will incorporate review of incontinence products minimum quality standards into routine pre and post payment reviews and other routine audit processes. The Department will also investigate any complaints received from beneficiaries or other

parties concerning enrolled Medicaid providers dispensing products which do not meet the established minimum quality standards.

26. If awarded the bid, will the Contractor selected be required to operate solely as a wholesale distributor and discontinue any direct billing as a provider?

Answer. The contractor will not be required to discontinue as a direct billing provider.

27. How will the incentives be provided to the providers, what will the incentive be, and who is responsible for providing the incentive?

Answer. No incentives will be offered from the Department to enrolled Medicaid providers in conjunction with this IFB. Any incentive from the preferred wholesale distributor must be included in the bid price for the incontinence products.

28. Are exceptions allowed (is the State willing to negotiate the terms and conditions of the bid/contract)?

Answer. No.

29. Is the State willing to extend the question deadline?

Answer. No.

30. Is there a date requirement for the product testing information? Can testing information that was obtained for the last bid be submitted for this bid?

Answer. All product testing from an independent testing laboratory must be completed prior to bid submission and included in the bid submission. Product testing from the last submission may be used if submitting the same products, provided that they are submitted according to this IFB's specifications.

31. On page 31 of the bid it states, "The Bidder must attach the original copy of the independent laboratory test results..." Does this mean that we need to attach an actual original (mailed from the testing lab or manufacturer) or is an electronic/photocopy document acceptable?

Answer. No, this means that rosters showing comparable tests results from source materials are not acceptable. Each product must be submitted for independent testing. Photocopies of original test results are acceptable.

32. Is there any kind of guarantee of business that the State is offering to the "preferred wholesale distributor" that is awarded a contract?

Answer. No.

33. Are manufacturers allowed to bid or is this Invitation for Bid only for distributors?

Answer. Yes. Manufacturers are allowed to bid on the IFB.

34. If a vendor bids and loses or does not bid at all, can participating providers still purchase qualified products from these vendors?

Answer. Yes, however, it will be the responsibility of the enrolled Medicaid Provider to maintain records that products purchased from another vendor meet the minimum quality standards established in the IFB.