

RFP - MEDICAID PHARMACY MANAGEMENT SERVICES
Questions & Answers - Set 3
March 11, 2004

1. **In response to Q/A Set 1, Question 6, DOH identified the EPIC Program as an "other State pharmacy program" that the Contractor would be responsible for negotiating supplemental rebates. Doesn't the EPIC Program currently hold contracts with manufacturers for rebates? Please explain the role the Contractor will have in regard to rebates in the EPIC Program. (II-5)**

A: The EPIC Program holds contracts with manufacturers for Federal rebates, however they do not currently hold contracts for supplemental rebates. The Contractor's role regarding supplemental rebates in the EPIC Program would be the same as its role for the Medicaid program.

2. **Will DOH require that the file for current supplemental rebate amounts be provided on a certain type of medium (i.e., diskette, compact disc, tape cartridge)? If so, please identify the type of medium required. (II-8)**

A: The DOH requires that the successful bidder provide an efficient electronic medium, in the correct format, that is compatible with our rebate processing contractor's needs, including any future technology that our rebate processing contractor may use. The DOH also expects that the successful bidder will provide a medium that will be compatible with the drug manufacturer's file.

3. **Will DOH require that the file for current supplemental rebate amounts be delivered to DOH in a particular manner? If so, please specify how the contractor will be required to deliver the file to DOH. (II-8)**

A: The DOH anticipates electronic delivery, at a minimum, to the DOH and the rebate processing contractor.

4. **Prior Authorization (PA) specifications in Part II of the RFP relates to PA requests via phone calls to the call center. Would the State accept a PA system that relies primarily on the submission of PA's via fax, instead of using a call line? (II-18)**

No. Proposals that utilize primarily a fax-based PA system, even with some call line support will be considered non-responsive.

- 5. Is a digital recording of call center calls a satisfactory form of “electronic record” as referred to here? How long must the electronic record be maintained? II-23, Section II.D.2.a.7 (Contractor’s Responsibilities for Provider and Recipient Call Center)**

A: No. The RFP requires that the contractor maintain a database that includes the information regarding each PA transaction, including the nature of the resolution. See II - 19, (7) for specifics. This data must be in a format that can be incorporated into the DOH’s data warehouse. The contractor must also maintain a call tracking and reporting system which provides operating data used to monitor call center performance, which is available for the complete review of all pertinent communications regarding a provider’s request. Records must be maintained for a period of six years.

- 6. Can the DOH explain the rationale for including “facility cost for space” as a reimbursable expense? Aren’t reimbursable expenses generally limited to items that are unpredictable, such as postage, where neither the agency nor the contractor has control over the volume or unit price of the commodity being sought? (II-34, D.11)**

A: The DOH has classified facility costs as a reimbursable expense, which is not subject to profit and overhead.

- 7. Please elaborate on the means by which a potential contractor will be reimbursed for its “facility costs for space for the call center operations and other functions”. For example, in a shared facility where other operations are occurring, is the State requiring the contractor to provide documentation on all facility costs in order to allow proportional (on a square foot basis?) reimbursement of call center occupied space only? (II-34)**

A: In the case where a facility (i.e. call center) is also used for other clients, the contractor is required to include in the bid cost proposal the amount of costs proposed for this bid, and the assumptions used in assigning a percentage/proportion of total facility cost to this bid. The DOH will only be responsible for reimbursing the contractor for the proportion of office space used in support of this contract, and has the right to a final approval of the actual payment amount to be made for facility costs. Payment to the contractor will be based on the provisions set forth in PART V Section 1.8 of the contract, following approval by the DOH.

8. **Since there are many other indirect costs for facility (lease administration, maintenance, security, taxes, power, light, etc.), must all of these expenses be detailed in order to arrive at the proportional reimbursement? (II-34)**

A: Yes, sufficient detail should be provided to assure that the reviewers could determine that the proposed facility cost is accurate, complete and reflects an appropriate assignment of costs to DOH versus other clients using the facility.

9. **In regards to J-code billed drugs, please explain what DOH means by the "problem" referenced in PART III, Section C.3.a. (III-20)**

A: "Problem" is a general phrase referring to the tasks themselves and any difficulties that may result with the design, development, implementation and evaluation of these tasks.

10. **In regards to J-code billed drugs, please explain what DOH means by the "potential for expansion" referenced in PART III, Section C.3.d. (III-20)**

A: The tasks included in this section are basic responsibilities that the DOH is requiring the contractor to execute. The "potential for expansion" refers to the ability of the contractor to enhance any of the basic responsibilities associated with each required task using the bidder's prior experience.

11. **For the purposes of designing the call center infrastructure, should we base the annual call volume on the chart on page III-28? If yes, are we to assume that the ratio of Medicaid claims to call center phone volume is 10:1? (III-28)**

A: It is expected that the bidder will project the anticipated total volume of calls that would result from the new programs based on the estimated PA volume and their own assumptions based on previous experience operating similar programs.

12. **Would there be e-mail and fax PAs above the volume on page III-28 or are e-mails and faxes included in those volumes? (III-28)**

A: The primary mechanism for PA requests for this contract is via a call center, however some PAs may be faxed or mailed via land mail. The State does not anticipate approving a process utilizing e-mail PA requests. The estimates represent the total number of PA requests that will be used in the evaluation of each of the proposals submitted.