

**Request for Proposals: Administrative Services for Prescription  
Drug Benefits  
RFP # OHB08-7  
Issued: September 15, 2008**

**ADDENDUM 1  
Issued: October 4, 2008**

**This Addendum incorporates certain general comments, general corrections to the RFP, and answers to questions posed before, during and after the mandatory pre-proposal conference held on September 29, 2008.**

**GENERAL**

**Verbal responses to questions at the Pre-Proposal Conference on September 29, 2008 are unofficial and are not binding. Only these written responses may be relied upon by offerors.**

**Participants at the Pre-proposal Conference were required to register their attendance and to provide their business cards and fax numbers. A list of all attendees at the conference is enclosed for informational purposes.**

**The submission date has been moved to 2:00pm local prevailing time on November 3, 2008. This additional time will allow the Commonwealth to identify finalists in the PPEA procurement OHB08-2.**

**As discussed in this pre-proposal meeting, DHRM will send attendees a word version of the RFP, as well as the RFP checklist and a copy of the “one” employee health benefits card.**

**General Changes to Released RFP:**

- 1. Please provide the RFP documents in word format. We are not able to respond in the necessary format (redline) with only the pdf files.**

[The RFP will be provided in word format](#)

2. Please identify any plan design changes that were made at any time between 07/01/06 and 06/30/08. Please provide the effective date of the change, what the change was and on which plan(s) the change were made on.

No substantive plan changes have been made to COVA Care during this period

3. RFP Section 1.6 – Please provide the attachments listed in this section as they were not included on the CD.

Attachments 3 and 4 were listed in error. Please ignore references to these attachments.

4. Please confirm the due date for the Pharmacy RFP is October 16, 2008 @ 2 PM. Page 1 of the RFP references October 20 as the due date.

The Due date has been changed to November 3, 2008 to allow the Commonwealth time to develop a short list of final candidate for the PPEA project OHB08-2.

5. Please provide detailed pharmacy claim data in the following format: Fill Date, NDC Number, Metric Quantity, and Days Supply for each prescription filled for at least the most recent 6 months of claim history available – preferably in an Access database.

No additional data will be provided. Please work with the data you have received

6. Does the current PBM administer disease management programs? If so, which diseases are currently covered by the PBM? If not, does COVA wish their PBM to provide such services in the future?

We are looking for the offerer to provide their solutions for disease management and how their solutions integrate with other program components

7. What do you feel is the PBM's role in disease management/wellness/health management programs?

We are looking for the offerer to provide their solutions for disease management and how their solutions integrate with other program components

8. Does the current PBM provide a gaps-in-care program to COVA members? If so, please describe the process. If not, does COVA wish their PBM to provide such a service in the future?

We are looking for the offerer to provide their solutions for these programs

9. What do you feel is your PBM's role in gaps-in-care?

We are looking for the offerer to provide their solutions for these programs

10. Can you please provide the current formulary that is in place with your current PBM. Do you wish your future PBM to match this formulary or is COVA open to alternate formularies?

The Commonwealth program does not have a formulary

11. Can you please provide the current retail network that is in place with your PBM?

We use the network of our current PBM

12. Who is your current Specialty drug provider? We use our current PBM for specialty drug services. What are your expectations regarding medical-pharmacy integration with specialty medications in high risk patients?

We are looking for the offerer to provide their solutions for these programs

13. Can you please clarify and expand on your expectations of a "dedicated customer service team" and clinical pharmacist role on that team.

We are looking for the offerer to provide their solutions to these services

14. As long as the Contractor meets the geo access requirements, is there opposition to a custom Rx network? Will you allow a customized (Virginia situs) retail network as an alternative option?

We are looking for the offerer to provide their solutions to these services

15. The financial sections lists two pricing options - full pass through and spread pricing sections - are you requesting both financial bid formats to be submitted?

Yes

16. Does COVA currently have a 90 day at retail option available to its members or is it something they are considering for the next contract?

We are looking for the offerer to provide their solutions to these services

17. Performance Guarantees:

a. Guarantee - The department will maintain current eligibility files for both the state employee group and the TLC program. Enrollee eligibility changes may be made electronically without restriction to time of day or day of week. The department will move these changes automatically to an electronic file for pickup by the contractors. It is expected that each contractor pick up changes on a regularly working basis, and in all cases, at least once daily.

- Will COVA send daily Add/Change files or daily Full files? What is the processing standard that COVA would like to see met (ex: 99% files loaded in 2 days)?

Daily change file and monthly audit (full) file. Daily change files are to be processed within 48 hours

b. RFP Document - 2.5.9 Payments/Denials must be mailed or generated within 5 business days of the date of claim processing.

- Bulk mails to providers can have a hold of up to 14 calendar days. Does this request apply to the member and provider or just the member?

Member and provider

- c. RFP Document - Performance Guarantee Quality - Compliance with this standard shall be determined by internal audit, verified by external audit. Should the internal and external audits arrive at results which materially affect the amount of liquidated damages, the Contractor and the Department shall negotiate the actual amount of the damages. If these parties cannot reach an agreement through negotiation, they shall jointly pay for an independent audit whose determination shall be binding on both parties.
- Will the performance guarantee results be determined by an external audit?

All performance standard results are subject to verification by external audit, however, it is expected that the vendor will self-report based on their internal audit.

18. The technical questionnaire does not seem to contain the required data to complete several of the analyses. In particular, the Retail Pharmacy Analysis, Formulary Analysis, MAC Pricing, and Retail/Mail Prices tabs do not have any data to analyze. When will we receive this information?

We will provide the pricing data for the finalists.

19. In Section 6.0 of the RFP, there are specific instructions regarding how "proprietary" sections of our proposal should be marked. How are we to mark the proprietary sections in the technical questionnaire since it is in an Excel format?

Identify the sections you want protected in a separate document on a separate page at the beginning of your proposal.

20. Can we include an Executive Summary in our response? If so, where should it be placed?

Yes, brevity and clarity are encouraged. The location should follow the cover letter.

21. In the technical proposal there is a tab for Performance Standards. It requests that the 2008 results be reported. Since we have not closed out 2008, what specific time period should we report on? Also, are we to provide our Book of Business numbers in response to these questions?

First half of 2008. Results of the functions and personnel that will be specifically dedicated to the Commonwealth is preferred over book of business. If not possible, book of business will be accepted.

22. Where are the spreadsheets associated with Schedule 2-1 (Rate Build Up, Administrative Expense Build Up, and the Proposal Cost Summary) to be placed in our proposal?

See Section 6 of the Medical-Surgical RFP for placement instructions. This item is discussed in paragraph 6.5.

23. In Section 6.5 of the RFP, we are asked to include a copy of our audited financial report for the most recently completed fiscal year. However, question #10 of the technical proposal requests a copy of the most recent "three" years of audited financials. Please clarify which statement is correct.

The three most recent years of audited financial statements.

24. The Officer Certification form included in the technical questionnaire states at the top of the page "Request for PBM Proposal (RFP) for Qiagen". Should we change this to say "Request for PBM Proposal (RFP) for COVA"?

Delete Qiagen and replace with COVA. This portion is not protected.

25. The CD that we received indicated that claims data by service category was imbedded in the cost projection worksheet, however, we were unable to locate this data. Please confirm the location of the claims data or let us know how we can obtain this information.

See section 5 of Schedule 2-1 #1-8.

26. 5.2.1 references an original, a redacted and 6 copies ---- do we provide 6 copies of the original or 6 copies of the redacted proposal?

Please provide an original and six copies of that original. Additionally, please provide one "redacted" copy of your submission.

27. Is Page 2 of the RFP intended to serve as the Executed RFP Statement?

Yes

28. Is detailed utilization/claims data included on the CD containing files referenced in 1.8?

Yes

29. 2.4.8 Generate and mail a check or electronic payment, as required, and an explanation of benefits (EOB) or denial notice for subscriber submitted claims and a remittance advice for provider submitted claims. The form of the EOB, denial notice and remittance advice are subject to the Department's approval.

Question: How many subscriber submitted claims were submitted for payment in 2007? For YTD in 2008?

Please use the information provided to prepare your response.

30. 2.4.14 Provide, on a schedule to be determined, an electronic claim file to a designate data warehouse, or to other vendors as needed to perform integrated disease management services.

How many vendors for CoVA and TLC currently receive electronic claims from its current PBM?

Two

Are any of these entities Disease Management Companies?

Yes

32. 2.4.15 Who is the third party vendor requiring real-time access to claim information for purposes of performing consolidated customer service, health coaching and patient care coordination? (handle as part of the PPEA update)

2.6.3. Provide a legal defense against all claims arising out of this contract.

Question: Can CoVA and TLC extrapolate on this requirement and/or reasons for this requirement?

Please strike the current wording in 2.6.3 and replace with the following "Provide a legal defense against any claims arising out of this contract except as otherwise provided by law."

33. 2.8.5 Before issuing a contract, the plan must submit a paid claims test file containing at least 500 claims in a format that will be provided. The Department must be able to read and approve the file format. PLEASE NOTE: Standard vendor files are not acceptable to fulfill this requirement.

Question: Can you please clarify notation that excludes standard vendor files.

The data must be submitted in the required format.

34. 2.8.7 The plan shall work with the Department and other vendors in the creation and distribution of a single, COVA-specific ID card.

Question: Is PBM responsible for the ID card production? No

35. 4.1.7: IBNR typically relates to medical plans. Under the pharmacy plan, we will report all claims submitted to the organization via POS or direct member reimbursement as applies to non-network claims. Could you please provide further clarification regarding this item?

A lag triangle must be provided.

36. 8.4.2: We bill semi-monthly vs. weekly, will this be an option?

This would be a negotiating point with finalists.

37. Can you confirm that we only need to complete section 5 of the “COVA\_Cost\_OHB08-7.xls” file?

Confirmed

38. In the technical questionnaire tabs “MAC”, “Retail & Mail Prices” and “Formulary Analysis”, will you be providing the drug names, or should we use our top 50?

We will provide them in a CD issued to finalists.

39. In the technical questionnaire, the tab “Retail Pharmacy Analysis” requests a pharmacy network disruption. Will you be supplying the pharmacies that the Commonwealth of Virginia currently uses in order for us to complete the form?

Finalists will be asked to complete this worksheet.

40. We have requested the data CD. Will we receive that prior to the conference?

If you have not yet received it, a CD will be available at the conference

41. We have thoroughly reviewed Section 3.0 "Pharmacy Drug Standards of Performance." Upon review we find that there are additional guarantees that we would be willing to offer that are not contained in this section. Some of the standards lack performance targets and specific methodology. We will attempt to meet the requirements outlined in Section 3.0; however, we would like to submit our own Performance Guarantee document to offer additional guarantees and provide clarification of guarantee methodology. Is this acceptable?

Our expectation is that requirements outlined in Section 3.0 will be met, however, we welcome additional guarantees and standards from the offerer.

42. Is there an incumbent?

These services are currently provided by a vendor. You may find a complete listing of current contracts at the following link:  
<http://www.dhrm.virginia.gov/customers/vendors.html>

43. What type of pricing model are you looking for, traditional (rebates are guaranteed and no admin fees) or pass thru/transparent (all rebates are passed thru, and we charge a per claim fee)?

We are interested in your proposals.

44. Section 2.4 regarding Mail Order Prescriptions, do you have a preference for this company to be based in Virginia?

Contractors that are registered with the Department of Minority Business Enterprises (DMBE) as certified SWaM may receive scoring preference under the category of SWaM utilization. This certification is available to companies that meet the criteria, Virginia base, or ownership is not one of the criteria.

45. Section 2.8.2 regarding the Member Satisfaction Survey, is that a pharmacy specific survey you want?

It is comprehensive across the program

46. Section 6.5 regarding Cost Proposal, are you looking for per employee or per member and does that include claims?

PMPM, does not include claims

47. If there is a typo or misleading information in the questionnaire and related worksheets, should we correct it?

A. Regarding changes to the questionnaire and related worksheets, please do not attempt to change the text. The document should not permit this. If there is an error (e.g., Lynchburg twice, no Charlottesville on one of the provider access worksheets), use the "Explanation" worksheet to describe what should be changed (e.g. "Row 11, column C of {worksheet label} should read Charlottesville, not Lynchburg.)

48. Express Scripts has been given access to the "Ariba Supplier Network;" however, the RFP refers to the "Ariba Commerce Services Network Vendor Registration Systems." Are these systems the same?

Yes

49. Requirement 2.4.2 states, "Receive, date, and control claims within 24 hours of the day received." Please clarify and/or elaborate on this requirement.

The Commonwealth is interested in your approach to tracking claims

50. Is it COVA's intent that the successful vendor will be subject to both the premium projection and the discount guarantees? If the premium projection is met, but a discount guarantee is not, is a penalty due to COVA? YES Conversely, if all pricing guarantees are met, but premium projection is not met due to changes in demographics or PMPM volume, is the intent that the 1% penalty scale will still apply?

Yes, However, very stable population with little variation in demographics or PMPM volume

51. In the COVA\_Cost\_OHB08-7 worksheet, eligible charges are defined to be gross AWP. Is this gross AWP as of a specific date, or is it gross AWP as of date filled? Does AWP assume actual package size filled? Additionally, what is the source of AWP (e.g., Medispan, FDB)?

Use industry standards for your proposal

52. Is COVA requesting a lag triangle for the self funded prescription drug benefit? It is our experience that there is a very low incidence of incurred but not reported volume in the self-funded prescription drug benefit.

Yes

53. In section 7.10, payment terms are specified as net 30. Should we assume the payment terms outlined in Appendix 7, part B. (weekly net 2) will apply to claims payment terms?

That section is boiler plate, terms may vary with negotiations

54. In sections 8.2.3 and 8.2.4, COVA references indexing the contract price to CPI-W. In a self-funded arrangement, what should we assume to be the 'contract price'?

Administrative costs

55. In order to appropriately develop our offering, can COVA elaborate on instances when it is expected check float may accrue to the Department (outlined in section 2.4.10 and 8.4.6)?

The instances cited in these sections are representative

56. Section 5.1.1 states that price is a factor when selecting finalists. Are they willing to reveal the weighting price will receive in the proposal evaluation?

See section 6.7 of the RFP for overall evaluation criteria

57. Section 6.5 requests a firm fixed contract price. Is this intended to apply to the self-funded prescription drug benefit?

Yes, on administrative costs

58. We understand that COVA does not use a formulary, so in what way does your PBM work with you to determine which drugs are on your first tier?

We are interested in your proposals/solutions

59. What clinical programs does COVA currently have in place?

We are interested in your proposals/solutions

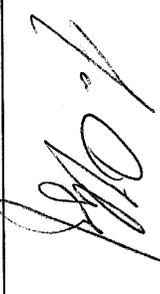
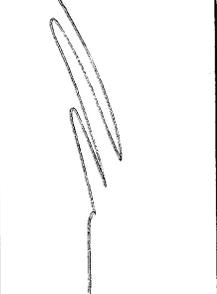
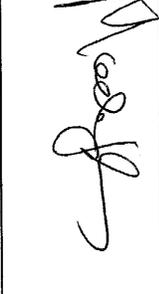
60. What type of P&T support does your PBM currently provide? What would you like to be different?

We are interested in your proposals/solutions

61. The Technical Questionnaire states, “You will provide an ‘Rx Performance Guarantee’ Excel worksheet, which includes your specific offer for the client. Confirm this has been completed.” Will an excel template be provided to vendors for completion or will vendors create their own document.

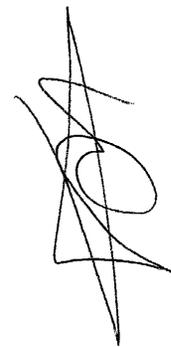
This will be provided at appropriate time

**OHB08-7 Prescription Drug Benefits**

Name/address/email	Data Disk Delivery Date	Signature
Attn: James Huntzinger CIGNA HealthCare Mid-Atlantic, Inc. 7501 Boulders View Drive, Suite 500 Richmond, Virginia 23228 james.huntzinger@cigna.com Phone: 804.267.5104	Yes Requested 9/15 Sent 9/17	
Michael Currie Sales Vice President - Mid Atlantic UnitedHealthcare 6095 Marshalee Drive, Ste. 200 Elkridge, MD 21075 Phone: 410/379/3411	Yes Requested 9/15 Sent 9/17	
<del>jen-guilbeau</del> <i>Madison Groves</i> Commonwealth of Virginia Account Anthem Blue Cross and Blue Shield Mail Point VA1003-S143 2015 Staples Mill Road, Richmond VA 23230 Phone (804) 354- <del>2284</del> <i>3915</i> Fax (804) 354-4884 <i>magregor, jowitt</i> jennifer.guilbeau@anthem.com	Yes Requested 9/15 Sent 9/17	
Jennifer McCoy Optima Health Plan 4417 Corporation Lane Virginia Beach, VA 23462	Yes Requested Sent 9/25	
Jack Groseclose ProCare Rx 12654 Arthur Graves Jr Ct. Bristow, Va. 201	Yes Requested 9/15 Sent 9/17	
Kelly Preiss 1 Express Way St. Louis, MO 63121 Mail Stop HQ1N-01	Yes Requested 9/15 Sent 9/17	

*Maruk Johnson*  
*See backside*  
*CRAD*  
*Express Samples*

*105*

Name/address/email	Data Disk Delivery Date	Signature
<del>Beckie Baratta</del> Medco Health Solutions 100 Parsons Pond Road Franklin Lakes, NJ 07417 Mail Stop - E3-21	Yes Requested 9/15 Sent 9/17	<i>John Miller</i> <i>Bill Lags</i>  <i>Army St. Bousgoyne</i>
<del>Director, Government Sales</del> <del>Aehta</del> <del>1000 Middle Street</del> - 1100 Bowdoin Point Mail Drop MAIL Middletown, CT 0645 Stephanie Bleseden CVS Caremark 2211 Sanders Road Northbrook, IL 60062	Yes Requested 9/23 Sent 9/23 See TSD	<i>VP Client mgmt</i>  <i>Bill Lags</i>  <i>See business card</i>  <i>John Miller</i>
Mark Ciaramra Vice President, Opportunity Management SXC Health Solutions, Inc. 2441 Warrenville Road, Suite 610 Lisle, IL 60532-3642	Yes Requested 9/17 Sent 9/17	
Steve Lovings Southern Health Services, Inc. 9881 Mayland Drive Richmond, Va. 23233	Yes Requested 9/17 Sent 9/17	
Vincent D. Carpenter, President Chesapeake Financial Services 2200 Dunbarton Drive, Suite E Chesapeake, VA 23325 (757) 523-2233 Telephone (757) 523-2236 Fax vincent@dfsya.com Email	Yes Requested 9/18 Sent 9/19	

163

OHB 08-7 Prescription Sign-In Sheet

Name/address/email	Data Disk delivery Date	Signature
Debra Everett - Piedmont 2512 Langston Rd Lynchburg Va 24501 Comm: Health Plan		
Cheryl Rickle PC HP 2572 Langston Rd Lynchburg Va 24501		
LINDA BUTZ OPTIMA HEALTH (pl. see business card)	Yes	Linda M. Butz 
Diane Metheny Optima Health (pl. see bus. card)	Yes	
Steven T. Smith Catalyst Rx 19109 W. Columbia Ave Ste. 134 Cornelius, NC 28031 Smith, Steven	Yes	
Henry W. Horn McDonald Richmond, VA	Yes	

OHB 08-7 Prescription Sign-In Sheet

Name/address/email	Data Disk delivery Date	Signature
Patty Marshall Anthony Blue Cross and Blue Shield 2015 Staples Mill Road Richmond, VA 23230 804-354-7657 pmarshall@anthem.com	YES ✓	
Brett Lewis Anthem Blue Cross and Blue Shield 2015 Staples Mill Rd Richmond, VA 23230 804-354-7600, Brett.Lewis@anthem.com	YES ✓	
Ken Rose Walpoit Next Bx 4361 Irwin Simpson Rd Mason, OH 45040 Ken.Rose@anthem.com	YES ✓	
Matthew Beckley Kaiser Permanente 210 East Jefferson St Knoxville TN 37902	YES 9/29/08	
Erin and Ken H Kaiser Permanente See above	YES ✓	
TIM OGD KP	YES ✓	

OHB 08-7 Prescription Sign-in Sheet

Name/address/email	Data Disk delivery Date	Signature
Jim Giesler Prescriptions Solutions 3855 Spaulding Bluff Dr. Norcross, GA 30092 jim.giesler@rxsol.com	<del>No.</del> Yes 9/22/08	[Signature]
Joy Burchard Medico / Capital Results 50 Pear St. 23223	No.	[Signature]
Linda Pace Anthem	no	[Signature]

### Card Type 1 - COVA Care





BC 423/BS 923      BIN #610014  
 Rx Grp CWLTHVA




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Member:  
**JANE B. DOE**  
 ID Number:  
**YTX1234567XU**  
 (Use YTX on medical claims only.)  
 Group Number:  
**12000000**  
 PCP/Specialist Copay:  
**\$25/35**

  
**Commonwealth of Virginia  
 Health Benefits Program**

### Card Type 2 – TLC Key Advantage Plans





BC 423/BS 923      BIN #610014  
 Rx Grp CWLTHVA




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Member:  
**JANE B. DOE**  
 ID Number:  
**YTX123M56739**  
 (Use YTX on medical claims only.)  
 Group Number:  
**48XXXXXX**  
 PCP/Specialist Copay:  
**\$15/25**

**Key Advantage  
 Expanded**  


**Customer and Claim Services**

- **Medical:** Anthem 800-552-2682, BlueCard 800-810-2583
- **Drug:** Medco 800-355-8279
- **Dental:** Delta Dental of Virginia 888-335-8296
- **Behavioral Health/EAP:** ValueOptions 866-725-0602

These services are offered by independent contractors, who assume no risk or financial obligation for claims.

**Provider Services and Authorizations**

- **Medical:** Anthem 800-533-1120, BlueCard 800-676-2583
- **Drug:** Medco 800-922-1557
- **Behavioral Health/EAP:** ValueOptions 866-725-0602

Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Virginia, Inc. an independent Licensee of the Blue Cross and Blue Shield Association.

**Customer and Claim Services**

- **Medical:** Anthem 800-552-2682, BlueCard 800-810-2583
- **Drug:** Medco 800-355-8279
- **Dental:** Delta Dental of Virginia 888-335-8296
- **Behavioral Health/EAP:** ValueOptions 866-725-0602

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