

Cleveland Metropolitan School District
Request for Proposals
Pharmacy Benefit Management Services

July 16, 2020

About This Material

This material represents a complete set of specifications that your organization will need to prepare a proposal to provide Pharmacy Benefit Manager services for the Cleveland Metropolitan School District (CMSD), effective January 1, 2021.

Included in this package is additional information as follows:

- Prescription drug utilization data for repricing and disruption analysis. Your repricing response must be completed on this Excel attachment including all shaded information per claim line.

All responses should be prepared according to this RFP. The selected administrators will be held responsible for all items contained in the specifications.

Please address all correspondence regarding this request to:

Stephen P. Ligus
Vice President, Employee Benefits
Hylant
6000 Freedom Square Suite #400
Independence, Ohio 44131
Phone: (216) 674-2425
Fax: (216) 447-4088
Email: Stephen.Ligus@Hylant.com

I. Background

CMSD provides group medical benefits for nearly 5,500 covered employees.

CMSD employees are given the option of three plans: two self-insured PPO options administered by Aetna and Medical Mutual of Ohio and a self-insured EPO administered by Health Design Plus. The prescription benefit plans under the self-insured PPO plans & EPO plan is administered by Express Scripts.

Medical and prescription drug coverage is currently offered to all full-time active employees and part-time employees working at least 19 hours per week. There is no retiree coverage provided.

Please note that the plan operates on a calendar year basis for purposes of open enrollment, deductibles and annual limits. However, the plan operates on a July 1st through June 30th schedule for most contract and renewal purposes.

II. RFP Overview & Scope

This RFP outlines the plan design and financial/administrative requirements for the proposed plans. The following information is provided to assist you in preparing a response to this RFP.

1. The proposed effective date of the new contract will be January 1, 2021. The plan year will operate on a calendar year basis.
2. Administration of run-out claims should be assumed to be handled by the current provider(s).
3. Annual benefits reenrollment occurs in November of each year.
4. **No commissions, bonuses, overrides or contingent payments of any type will be payable.** Your rates and fees must take this into consideration, and your proposal should so indicate that it is net of any and all such payments.
5. CMSD will not be responsible for any expenses incurred in the preparation of any proposal or presentation.
6. All information presented in this RFP, including information subsequently disclosed by CMSD during the proposal process, should be considered confidential.
7. Contract situs state will be Ohio.
8. All information in this RFP will automatically become part of any future contractual obligation.

9. This RFP is for prescription benefit management services only. It does not include any other benefit claim administrative services.
10. **Given the collective bargaining agreements, it is imperative that the benefit plans be exactly duplicated in your proposal with no variations.**

III. Selection Process

The process of selecting a PBM requires the accumulation of comprehensive and accurate information to ensure that a knowledgeable, objective decision can be made. CMSD will gather this information through a combination of written information and interviews with vendors/administrators selected as finalists. CMSD reserves the right to:

- Accept or reject any of the proposals submitted,
- Modify or amend any proposal prior to acceptance, or
- Proceed to affect any agreement it may deem in CMSD's best interest

To familiarize each vendor with the complete selection process, a detailed explanation of the steps and timing involved in this project is presented below.

Vendor Selection Schedule

Step One: Development of Specifications

These specifications have been developed to specifically address the needs and objectives of CMSD. Certain issues are given particular emphasis because they represent special areas of concern or interest.

Step Two: RFP Review, Intent to Bid and Requests for Clarification or Additional Data

Please provide intent to bid via email to Stephen.Ligus@Hylant.com no later than 5:00 PM ET July 20, 2020.

All vendor requests for additional data or clarification must be submitted no later than July 22, 2020 5:00 PM ET. A summary response of all submitted questions will be provided to all confirmed bidders.

Step Three: Delivery of Proposals

Your response must be provided in electronic format only either via email to Stephen.Ligus@Hylant.com or via delivery of a USB drive containing your response received by 3:00 PM ET August 7, 2020. Physically delivered USB drives should be delivered to the following address:

Stephen P. Ligus
Vice President, Employee Benefits
Hylant
6000 Freedom Square Suite #400
Cleveland, Ohio 44131
Phone: (216) 674-2425
Fax: (216) 447-4088

Proposals should be prepared so that personal meetings to deliver them will not be required. A meeting may be required once CMSD is familiar with your proposal.

Your proposal must consist of two parts:

- Body of the Proposal: A PDF document containing your full proposal with the exception of the included repricing and disruption analysis Excel file. The body of your proposal must contain all elements of your response including the full responses to the questionnaire included within this request document. The body of your proposal response should be sectioned within the PDF document to clearly define the sections of your proposal.
- Completed Excel repricing and disruption file.

There will be no formal opening of competitive bids received.

Step Four: Evaluation of Proposals

Review of the proposals will be conducted August 7 – August 14, 2020. During this period, all proposals will be analyzed, and the vendors/administrators will be evaluated. During this period of evaluation, each vendor will be required to respond in a comprehensive and expedient fashion to inquiries relating to their proposals.

Please make certain that the appropriate personnel from your organization will be available for questions during this period.

Step Five: Vendor Interviews

CMSD may interview and/or conduct site visits of selected finalists. The anticipated timeframe for these interviews should they be necessary will be the weeks of September 14 and September 21, 2020.

Step Six: Final Selection of Administrator(s)

CMSD expects to select vendor/administrator by approximately October 1, 2020 for an effective date of January 1, 2021.

IV. Selection Criteria

To assist your organization in developing a comprehensive proposal to meet the needs of CMSD, important selection criteria are summarized below. We consider these elements to be essential:

- Financial Proposal
- Competitiveness
- Multi-year rate and fee guarantees
- Network Suitability
- Comprehensiveness
- Accuracy and promptness of claims payment
- Administrative Capabilities and Quality
- Customer service
- Data and Management Reporting
- Ability to capture accurately all relevant data
- Ability to provide service with minimal administration/system interfaces
- Cost Management Capabilities and Quality
- Positive Client References
- Member website tools
- Pricing and Contracting Transparency

V. Questionnaire

Overview

Please provide a written response to each of the questions in the following section. Please be as succinct as possible while still providing the necessary detail to reduce the need to refer to other parts of your proposal. You should avoid making references to other pre-printed material. Your response should answer each question directly and thoroughly.

Your responses should reflect both your current and expected organization and administrative capabilities. Anticipated changes that will be effective as of January 1, 2021, should be noted.

GENERAL

1. Please provide the full legal name of the responding organization.
2. Please provide the corporate structure of the responding organization.
3. Please provide an outline of the proposed service team, including specific team members and their assigned duties with respect to this account whenever possible. Please note the office location of those team members. Will these be dedicated CMSD team resources? If so, please describe in detail. Will you commit to having a dedicated individual meet on a regular basis with the District and its constituencies to review and interpret utilization, cost data and other issues regarding coverage and costs?
4. Are you willing to assist the District and its unions in answering questions and solving disputes?
5. How long has your organization provided prescription benefit management services?
6. Please provide the location of the proposed customer service office that would be utilized.
7. Provide references of three current clients. (Preference should be given to clients similar to CMSD in terms of size, location and large urban school districts, if available).
8. Provide references of three clients terminated within the past 24 months for reasons other than plan termination or bankruptcy. (Preference should be given to clients similar to CMSD in terms of size, location and municipal school districts, if available).
9. Please provide a proposed implementation timeline based upon the effective dates set out in this document.
10. Please provide number of clients and covered member lives that you currently provide prescription benefit administration. Please provide the same for Ohio and school district clients.
11. In the event of contract termination, discuss the transition process. Include penalties, number of days notice, etc.
12. Do you receive revenues or any other things of value from manufacturers (other than the rebates and discounted fees outlined in the questionnaire that are passed on to clients) or pharmacies or others that are not shared with your client? If so, provide details.
13. Please indicate whether you are currently working with any other clients that have medical administration provided by Aetna, Medical Mutual and/or Health Design Plus.

FEES

1. Please provide a summary of proposed pricing including administrative fee, dispensing fee, guaranteed rebates, average discounts and any other miscellaneous fees that may apply at both retail and mail order. Rebates should be included based upon direct payment rather than as a credit to administrative fees.
2. Would there be any additional rebates payable based upon plan design changes?
3. Indicate if there are any other fees, in addition to those detailed above.
4. Please provide pricing for any reporting fees.
5. Please provide pricing for any claims transfer files.
6. Please indicate if there is a 100% pass through of all discounts and if all rebates are paid to CMSD, and if so, the method and frequency of documentation and reporting.
7. Please detail how proposed rebates will be paid – time of service, monthly, quarterly etc. Is there a minimum rebate guarantee?
8. Please indicate any plan design elements that may affect rebates.
9. How long are you willing to guarantee the fees that you are proposing?
10. Please provide a sample standard performance guarantee. What fees are you willing to put at risk under such a guarantee?
11. Please detail how enrollment changes may affect proposed pricing.
12. What other criteria, if any, may affect fees?

CLAIMS REPRICING

1. Please provide an electronic per line repricing file of the attached claims based upon the exact information provided, including date of service, 11 digit NDC number, pharmacy, days of supply and quantity. Please indicate if the retail pharmacy is in your proposed retail network as of the date of service. For mail order drugs please use your proposed mail order vendor. Please indicate if the drug is considered to be a formulary drug as of the date of service. Also, please include the dispensing fee, administrative fee and or rebate amount per line item completed on the included Excel file.

ELIGIBILITY ADMINISTRATION

1. CMSD utilizes Workday as its HRIS system and system of record for eligibility. Please describe your experience working with other Workday clients.
2. What is your time limit for retroactive adjustments for additions and terminations?
3. How do you resolve eligibility discrepancies?

ELIGIBILITY INTERFACE

1. Provide specifications of the format required for the interface.
2. Please provide your preference for frequency and mode of eligibility transmission.
3. Please describe your eligibility file intake process.
4. How do you reconcile new data with old data?
5. Do you track dependent eligibility? What information is required within your system?
6. Do you track eligibility history?
7. Once eligibility is received, how quickly is it updated?

MEMBER SERVICES

1. Describe the staffing for member services. What is your staffing to member lives ratios?
2. Will CMSD's members be handled by a dedicated team?
3. What are your member services hours?
4. Describe your member services team.
5. Please describe your member appeal process.
6. What percentage of claims was appealed in 2019? What was the outcome at 1st, 2nd, and final appeal stages?

7. How do you accommodate non-English speaking callers?
8. Please provide your average call center abandonment rate for 2019.

POTENTIAL LIMITATIONS/SPECIAL CONDITIONS

1. How are injectable drugs covered as proposed?
2. Are there any drugs that require prior authorization? If so, explain the drugs involved and the criteria used.
3. Are there drugs that have dosage limitations? If so, explain the drugs involved and the criteria used.
4. Are there any other limitations the organization imposes regarding an individual's access to any prescription medication? If so, explain the drugs involved and the criteria used.
5. Please provide an overview of any alternative savings programs you may offer (coupon, flex copayments etc). What are the costs associated with the program? What are the anticipated program savings.
6. Please describe your specialty pharmacy member support, outreach and education.

REPORTING

1. What standard reports are available to CMSD? How often and what time of year are they generated?
2. Please provide a sample of all standard reporting.
3. Please provide frequency and timeframe for refreshed reporting.
4. Is reporting available online for direct access? Please list any additional fees, and or number of user accounts permitted.
5. Explain the procedure, timing and fees for submitting data requests.
6. How do you charge for programming costs?
7. Are you willing to submit claim information to an outside vendor for reporting and/or analysis purposes? If so, would there be any additional cost? At what frequency are you willing to make such reporting available?

8. Please confirm your willingness to provide monthly claims level reporting for data analysis at no additional cost.

9. Please confirm your willingness to provide ongoing claims accumulator reporting for medical plan ACA plan limit integration at no additional cost.

NETWORK/FORMULARY

1. What retail network are you proposing? How many retail locations are in the network?

2. Is there an option to purchase mail order prescriptions at a retail pharmacy on the same terms as mail order?

3. Please provide name and location of the proposed mail order vendor(s). If not wholly-owned, please provide details of relationship to responding organization.

4. Please provide name and location of any proposed specialty drug vendor(s). If not wholly-owned, please provide details of relationship to responding organization.

5. Please describe the ID card requirements for the proposed network.

6. Please describe any performance retail network options you have available. What are the costs and expected savings?

CLAIMS MANAGEMENT

1. Please describe your standard claims process.

2. What technology is in place to capture potential drug interaction?

3. What technology is in place to detect potential prescription abuse or mis-prescribing? How are those cases investigated?

4. Please describe your standard cost containment programs. Please provide the expected cost impact of each program based upon the claims experience included within this RFP.

5. Please describe all other available cost containment programs. What additional costs would apply? Please describe the expected impact of each program based upon the claims experience contained within this RFP.

6. Please provide a copy of your current formulary. How often is the formulary evaluated? Please describe your formulary review and selection team and the process by which selections are made. How are impacted members identified and notified of formulary changes? How many drugs have been moved on and off the formulary in the last year? How far in advance is this change communicated to participants and doctors? What issues have arisen regarding individuals on a drug that was on the formulary then moved off? How is this change dealt with at the retail level? At the mail order level?

7. Can you administer a client-defined formulary? Is there any additional cost for administration?

8. What if any claims data mining do you provide to counteract potential adverse outcomes, prescription misuse/mis-prescribing and/or prescription adherence?

9. How often does “off label” use occur? When a doctor prescribes “off label” drugs and the PBM seeks to disqualify the drug’s use for that purpose, what is the process of resolving this issue?

10. Please provide an overview of your fraud detection and investigation processes. How are fraudulent claims detected? How and when is CMSD notified of potentially fraudulent claims? How does the process differ based upon suspected prescriber versus pharmacy impropriety? What percentage of the total claims processed in 2019 were subject to investigation? Please confirm you will promptly share reports regarding audit investigations, or any other investigations, completed that include CMSD paid claims.

COMMUNICATION

1. What communication is included with your fees? Initially and ongoing?
2. Upon implementation, are you willing to conduct employee meetings at no cost to CMSD? If yes, how many sites can you visit?
3. Will you attend health fairs on an annual basis?
4. Please include samples of member communication regarding cost containment programs such as mandatory generic, step therapy etc.
5. Please describe your communication process when member interruption such as formulary changes occur.

6. Will your organization assign a dedicated individual with whom union officials can communicate to have questions answered?
7. Do you conduct member satisfaction surveys? If so, please provide a sample.
8. Do you conduct client satisfaction surveys? If so, please provide a sample and the overall results for the two most recent periods surveyed.
9. Please describe your ability, process and fees to support interface with other vendors such as medical and wellness. Do you support two-way communication amongst such providers? If so, what is the recommended frequency?

LEGAL CONCERNS

1. Can your organization certify compliance with Ohio Revised Code Sections 102.03, 102.04 and 3517.13? (The Selected Company will be required to certify with its signature on the provider agreement that it is aware of and is in compliance with the Ethics provisions of Ohio Revised Code Sections 102.03 and 102.04, and the provisions of Ohio Revised Code Section 3517.13 as they pertain to Campaign Contribution Limitations under Ohio law, and to affirm that, as applicable, no principal of the Selected Company nor the spouse of any principal, if any, has made, as an individual, any time during the previous two (2) calendar years, one (1) or more contributions totaling in excess of \$1,000.00 to the Governor or to his campaign committee.
2. Can you provide the plan fiduciary responsibility for our plan? Is this included in our fees?
3. Do you carry a fidelity bond as required by ERISA for any arrangements where you serve as a fiduciary?
4. Please describe your liability insurance and coverage level.
5. Provide a sample contract, including typical indemnification and hold harmless language.
6. Does your organization have any ownership interest, equity interest, or other financial interest in any pharmacy included in your network?
7. Are you willing to represent and warrant that you comply and will continue to comply with all federal and state laws applicable to the services you are proposing to perform?

8. Are you willing to agree that all documents, records, reports and data, including data recorded in your processing systems, related to the receipt, processing and payment of claims, including all claims histories will be the property of CMSD?

9. Are you willing to agree that CMSD shall have access to contracts of all direct service provider relationships that shall be utilized in administration of the benefits under this RFP?

10. Please identify any pending disputes with pharmacies and or drug manufacturers.