



COMMONWEALTH of VIRGINIA

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

600 East Broad Street, Suite 1300

Richmond, VA 23219

July 20, 2016

ADDENDUM No. 3 TO VENDORS:

Reference Request for Proposal: RFP 2016-06, Pharmacy Benefit Management Solution

Dated: June 15, 2016

Proposal Due Date: August 5, 2016

Below are updates that may delete, add, modify or clarify certain aspects of the aforementioned RFP. Please incorporate as necessary.

1. Global change for references to Core Services Solution (CSS)

Unless otherwise specified in this addendum, all references to “Core Services Solution” and “CSS” are changed to “Modular Core Services Solutions” and “MCSS” respectively.

2. Update to Table 1 – MES Production Environment Phases

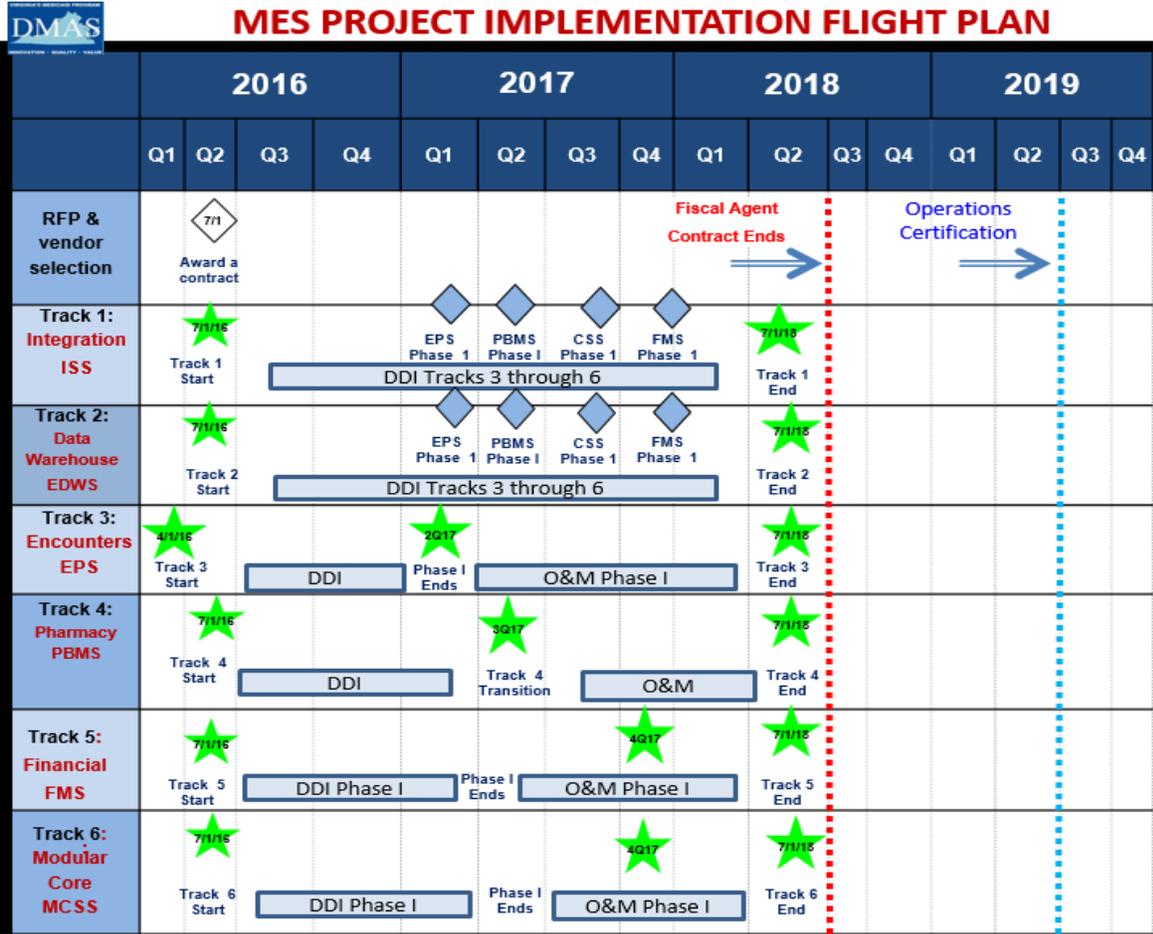
Table 1 – MES Production Environment Phases is updated for changes to “Core Services Solution” and to include the Business Process Areas for the Integrated Services Solution and Enterprise Data Warehouse Solution RFPs. The following table replaces what was previously in the RFP as table 1.

MES RFP	Business Process Areas
Modular Core Services Solutions: 1. Provider Services Solution 2. Care Management Solution 3. Plan Management Solution 4. Performance Management Solution 5. Operations Services Solution	<ul style="list-style-type: none"> ➤ DDI Phase I: Provider Services Solution with all related Portal access ➤ DDI Phase II: Care Management Solution, Operations Services Solution, Performance Management Solution, and Plan Management Solution
Financial Management Solution	<ul style="list-style-type: none"> ➤ DDI Phase I: Financial Accounting & Reporting ➤ DDI Phase II: General Ledger, Accounts Receivable Management, Accounts Payable Management, Fiscal Management, and Payment and Reporting

MES RFP	Business Process Areas
Pharmacy Benefit Management Solution	➤ DDI Phase: General/Claims Processing, Drug Utilization Review (DUR), Utilization Management, Service Authorization, Third Partly Liability (TPL), Encounters, Drug Rebate, Optional Services
Encounter Processing Solution (in-house)	➤ DDI Phase I: New Encounters Carve out ➤ DDI Phase II: All other Encounters
Integrated Services Solution	➤ DDI Phase I: Integrated Services Solution ➤ DDI Tracks 3-6: All other MES Solutions
Enterprise Data Warehouse Solution	➤ DDI Phase I: Enterprise Data Warehouse Solution ➤ DDI Tracks 3-6: All other MES Solutions

3. Update to Figure 1 – Integration Project Implementation Flight Plan Model

Figure 1 – Integration Project Implementation Flight Plan Model is updated to reflect the naming change for Track 6 from “Core CSS” to “Modular Core MCSS,” as shown below.



4. Update to Figure 3 – DMAS MES PBMS Business Domain View of the Future State

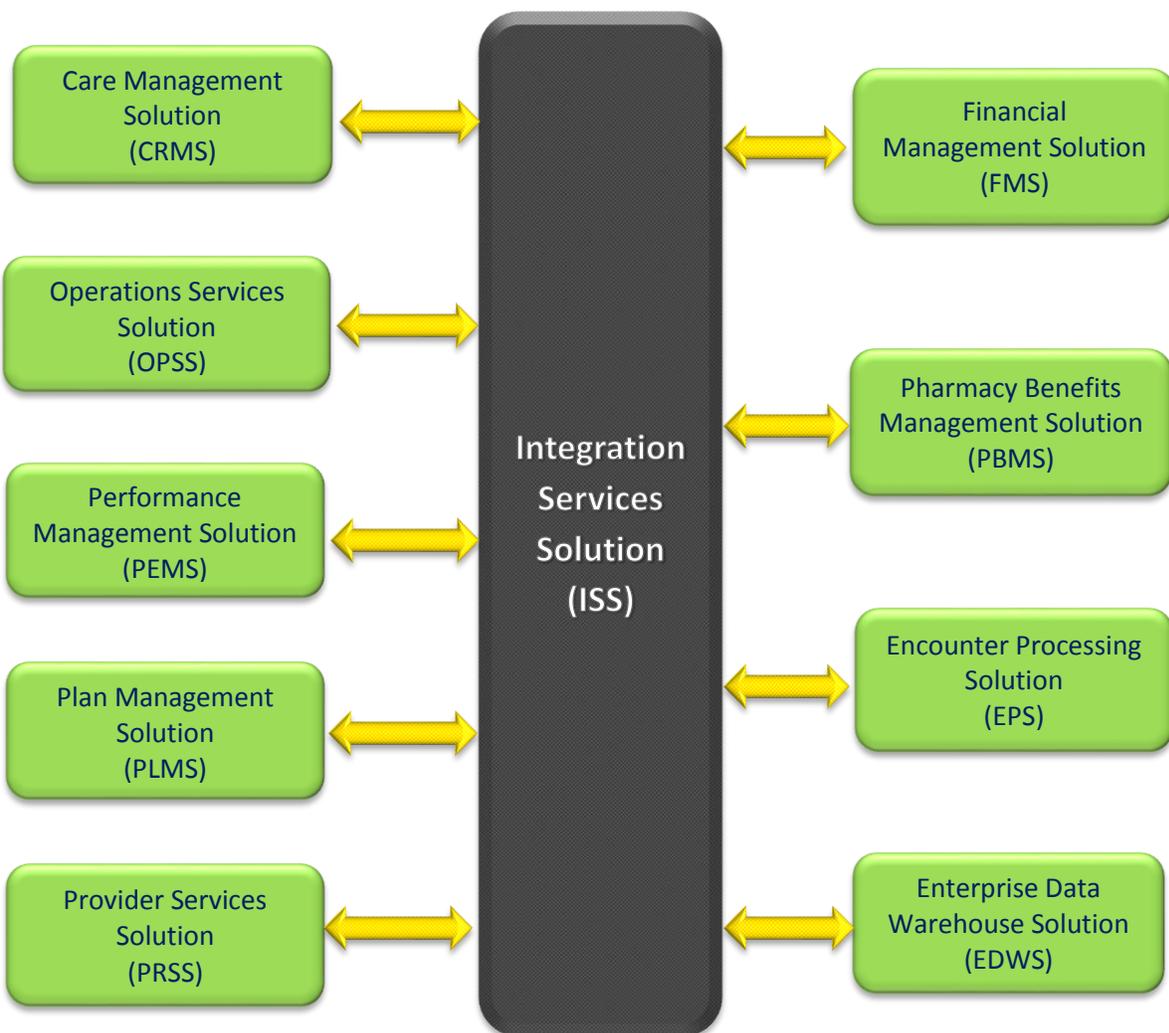
Figure 3 – DMAS MES PBMS Business Domain View of the Future State is updated to reflect the change from the Core Services Solution to the Modular Core Services Solutions. The revised Figure 3 diagram is shown below in Attachment 2.

5. Update to Figure 4 – DMAS MES PBMS Technical and Information Architecture View of the Future State

Figure 4 – DMAS MES PBMS Technical and Information Architecture View of the Future State is updated to reflect the change from the Core Services Solution to the Modular Core Services Solutions. The revised Figure 4 diagram is shown below in Attachment 3.

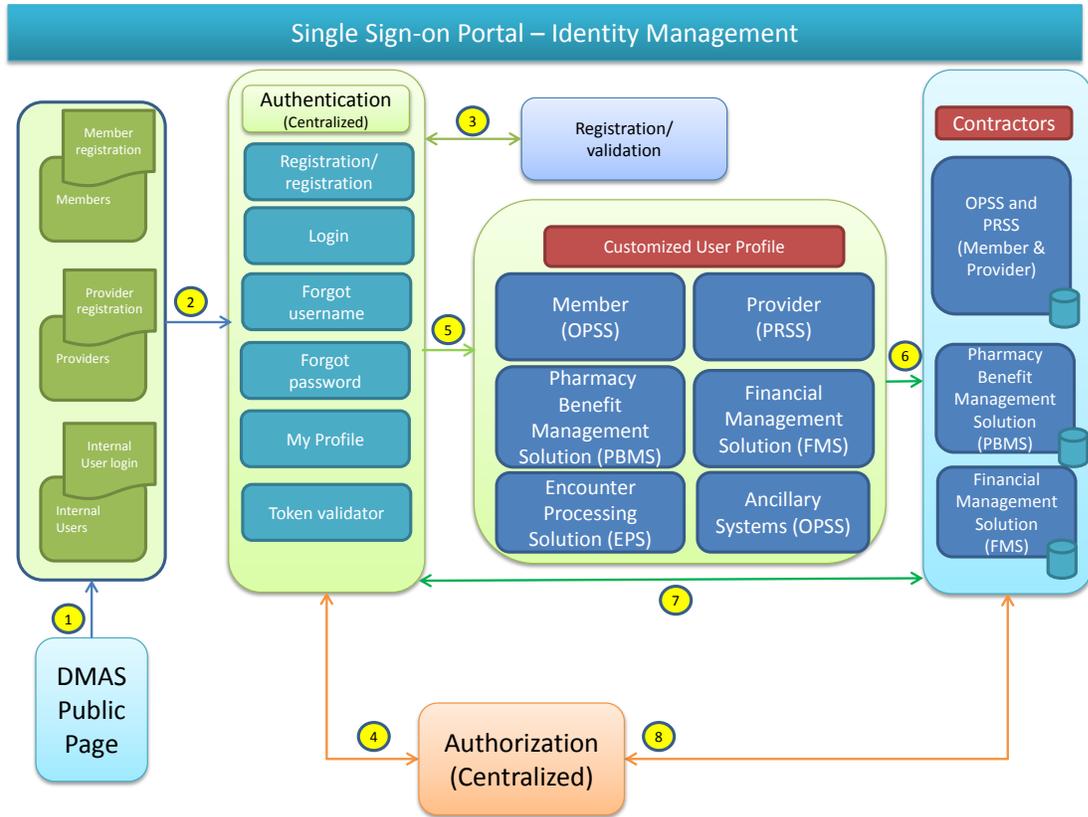
6. Update to Figure 7 – Schematic Representation of Future State Vision of the new MES

Figure 7 – Schematic Representation of Future State Vision of the new MES is updated to reflect the change from the Core Services Solution to the Modular Core Services Solutions. The revised Figure 7 diagram is shown below.



7. Update to Figure 8 – High Level Diagram for ICAM SSO Flow

Figure 8 – High Level Diagram for ICAM SSO Flow is updated to reflect the change from the Core Services Solution to the Modular Core Services Solutions. The revised Figure 8 diagram is shown below.



8. Update to Figure 9 – Data Quality Monitoring

Figure 9 – Data Quality Monitoring is updated to reflect the change from the Core Services Solution to the Modular Core Services Solutions. The revised Figure 9 diagram is shown below.



9. Update to section 9.b.2.1 Volume 1 – Technical Proposal

A new numbered item section (#3) is added in section 9.b.2.1 Volume 1 – Technical Proposal, sub-section File 3: Scope of Work, as follows:

3. DMAS Defined Options: Contractor shall provide a detailed response to each of the following sections of RFP Section 3.c., *DMAS Defined Options*, using the heading titles provided below.

3.1 Mandatory Pricing Options

3.2 Optional Pricing Options

See Attachment 1 (below) for additional questions posed by Offerors and the Department of Medical Assistance Services (DMAS) responses.

Please note some questions may take additional time to generate an adequate response. If you do not see a response to a question you have submitted, please monitor the DMAS and eVA website for future addendums.

A signed acknowledgment of this addendum must be received by this office, either prior to the proposal due date and hour required or attached to your proposal response. Signature on this addendum does not substitute for your signature on the original proposal document. The original proposal document must be signed.

Sincerely,

Christopher M. Banaszak
DMAS Contract Manager

Name of Firm: _____

Signature and Title: _____

Date: _____

Attachment 1
RFP 2016-06, Addendum 3
Offerors Questions and DMAS Responses

RFP	Question #	RFP Cite	Offeror Question	DMAS Response
PBMS	26	9.b.2	RFP Section 3.c DMAS Defined Options identifies optional requirements to be included in proposal response. In Appendix J.27 these requirements are also identified. However, in the DMAS proposal format instructions that begin on page 89, the Options are not included in the dictated format. Please clarify and identify where 3. DMAS Defined Options should be included in the proposal response and the format to be used?	<p>The RFP has been amended for the referenced item in section 9.b.2.1, File 3 with the addition of item #3, as follows:</p> <p>3. DMAS Defined Options: Contractor shall provide a detailed response to each of the following sections of RFP <i>Section 3.c., DMAS Defined Options</i>, using the heading titles provided below.</p> <p>3.1 Mandatory Pricing Options</p> <p>3.2 Optional Pricing Options</p>
PBMS	27	Appendix A - SLA-001	Is it DMAS' intention to measure response time of the round trip from the Commonwealth's firewall to the contractor's systems and back, including the public internet over which we have no control?	The vendor is expected to provide the service in a timely fashion, under normal circumstances (with consideration to issues outside of vendor control such as DDOS, tier 1 provider failures etc.). The vendor is expected to have sufficient bandwidth and redundancy to meet this SLA.
PBMS	28	Appendix A - SLA-004	Can more detail be provided as to how response time will be measured at the contractor's router?	The response time is from the contractor's web server to the contractor's demarcation to public internet.
PBMS	29	Appendix C	The Contract Stage Pricing Table indicates that DDI for PBMS ends on June 30, 2017 (Contract Stage 1), but that O&M does not begin until July 1, 2018. Does that effectively make the DDI for PBMS begin on July 1, 2016 then end on June 30, 2018?	<p>No. It is DMAS' desire to have the PBMS be part of an early staggered implementation. O&M will start immediately after DDI.</p> <p>DMAS expects Offerors to submit a realistic proposed implementation schedule to meet the early implementation objective.</p>

Attachment 1
RFP 2016-06, Addendum 3
Offerors Questions and DMAS Responses

RFP	Question #	RFP Cite	Offeror Question	DMAS Response
PBMS	30	General	<p>Our organization has a list of questions to submit for this RFP. Am I to understand this is somewhat of a rolling Q&A period? For instance, if we were to submit a batch of our questions this week, am I still able to submit more questions next week, as long as it's before the question deadline of 7/15?</p> <p>And is there a format you preferred the questions to be submitted in?</p>	Currently all PBMS vendor questions must be submitted by the established 7/15/16 deadline. There is no preferred format.
PBMS	31	9.a.14 - 9.a.15	Will DMAS please confirm that all Must Have factors evaluated by the state are included in Section 9.a.15, Evaluation Factors?	Yes that is correct.
PBMS	32	General	Will DMAS please advise where proposers should provide a signature for the cost proposal?	<p>There is no signature requirement on the Cost proposal forms for Offerors to sign. Offerors attest to the validity of their proposal submission, to include technical and cost, in Table 7 (page 78) by indicating a Y (Yes) or N (No) in Contractor's Response column for Item 1 which states, "Do you agree that the contents of your response to this RFP may become part of any contract that may be entered into as a result of this RFP?".</p> <p>The Offerors Transmittal Letter submission, as defined under RFP Section 9.b.2.1., legally binds the Contractor to the terms and conditions of the RFP. In addition, the cost proposal will be discussed in negotiations and memorialized in the agreed upon contract as Exhibit B before executed by the parties.</p>

Attachment 1
RFP 2016-06, Addendum 3
Offerors Questions and DMAS Responses

RFP	Question #	RFP Cite	Offeror Question	DMAS Response
PBMS	33	PBMS-REB-007	As future CMS regulation changes or the costs to modify systems to remain compliant with CMS regulations cannot be foreseen, please confirm that DMAS will except change orders or contract amendments to cover system or process changes mandated by CMS.	Reference Requirement PBMS-REB-007, "The Contractor shall provide, at no additional cost to DMAS, all technical and system maintenance or enhancements required to maintain drug rebate operations per the RFP specifications and CMS regulations or guidance". Other mechanisms for contract modification are available for changes/updates outside this scope.
PBMS	34	PBMS-REB-020	Will DMAS require a specific unit of measure when the claim is submitted by the medical provider to MES transmitted to the drug rebate management system?	See Medicaid Memo: "General Billing Instructions for the New CMS-1500 (02-12) Form", dated 3/21/2014 and "National Drug Code (NDC) and Unit of Measure (UOM) Required for All Drug Related HCPCS Code" dated 6/11/2014.
PBMS	35	Appendix H	Will DMAS please confirm if Appendix H: Exhibits D – G are for review and acknowledgement only or are they required to be included in proposer's submission?	If Exhibits D and G are part of your proposed solution, they should be included in your proposal submission. Exhibits E and F are for review and will be developed during negotiations and incorporated into the final contract.
PBMS	36	PBMS-GN-074	Will DMAS please clarify the intent of this requirement?	DMAS will pay for products that do not meet the requirement of approved outpatient approved drugs, e.g. compounds, syringes, and vaccines.

Attachment 1
RFP 2016-06, Addendum 3
Offerors Questions and DMAS Responses

RFP	Question #	RFP Cite	Offeror Question	DMAS Response
PBMS	37	General	Which MES sub system does DMAS envision the PBM contractor to interface with to transmit adjudicated claims and encounters and are there any requirements related to that interface?	<p>The PBM vendor will interface with the Integration Services Solution (ISS) to transmit adjudicated claims and encounters. Requirements associated with this interface are described in Appendix J.11 and in Section 3.a.7.</p> <p>Yes, the Financial Management Solution (FMS) will be responsible for generating EDI X12 835 and/or paper remittances.</p>
PBMS	38	3.b.5	The contractor assumes the VA MES core or finance system will be responsible for generating EDI X12 835 and/or Paper Remittance. Please clarify if this assumption is correct."	There will be aspects of the process that will require the contractor to track and match responses received in order to facilitate the resubmission of the unpaid subrogated claims. Financial recoveries will be managed by another entity.
PBMS	39	Appendix J.16	Is the contractor expected to track and match payments received for subrogated claims against what was indicated in the subrogation response file, or will this function be handled by an entity designated by VA?	All the electronic documentation (technical, operational and business processes) should be maintained.
PBMS	40	9.b.2.1	Can the Department please clarify what it would like to see for the eVA registration? Is there a certificate the vendor should obtain or is a screen shot of our eVA information sufficient?	Offerors may submit whatever documentation they possess to verify they are eVA registered. A screen shot from the eVA website will suffice.
PBMS	41	Appendix J.26	Does the current Rebate vendor have a complete data set for all invoices, payments, adjustments, claims and disputes from 1991 Q1 forward? If not, please provide the date range for each program type that the data sets are complete.	Yes DMAS has all data for Federal FFS since 1991, for Supplemental rebates from 2004, and MCO data from 2010 in either hard copy documentation or electronic form.

Attachment 1
RFP 2016-06, Addendum 3
Offerors Questions and DMAS Responses

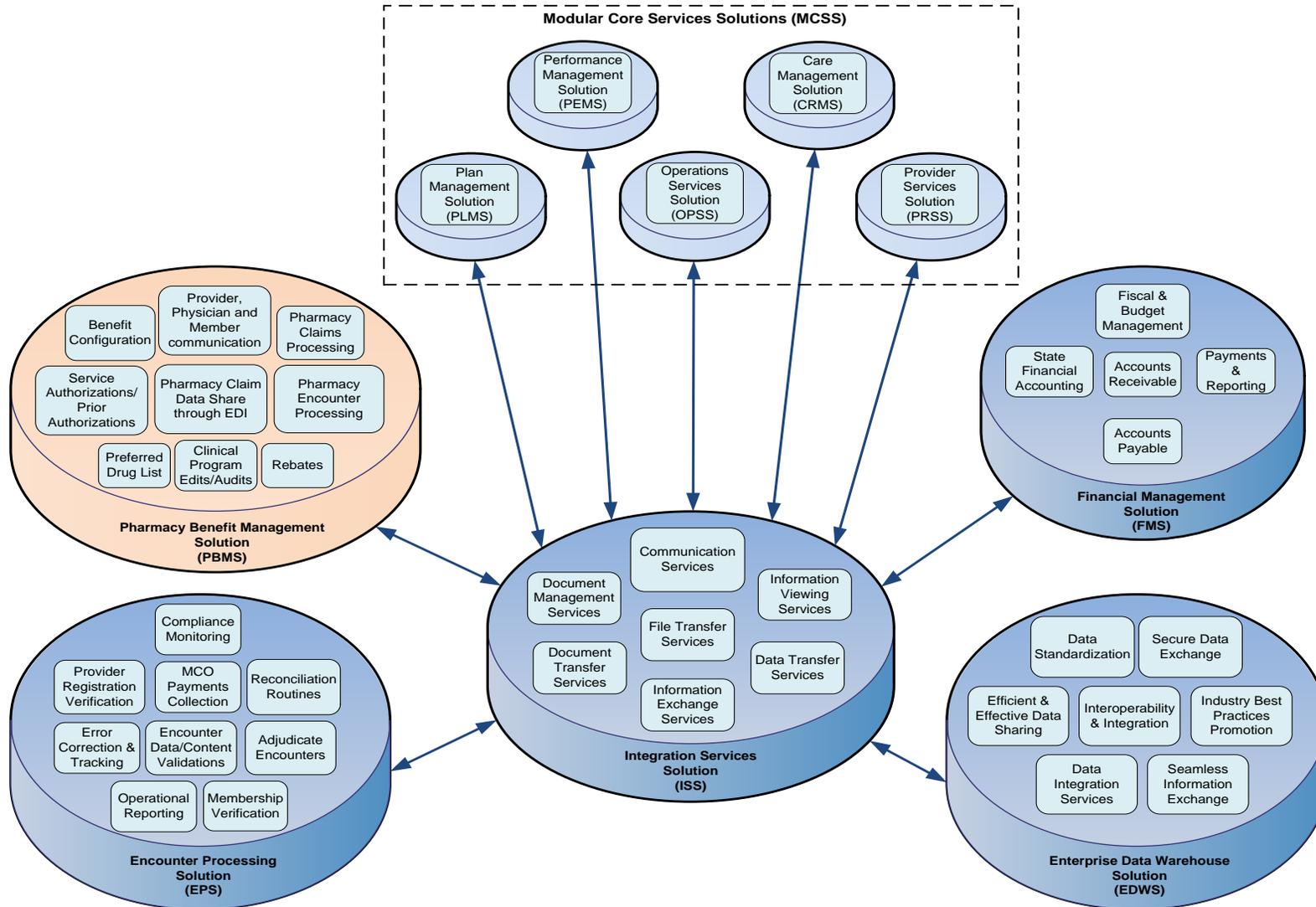
RFP	Question #	RFP Cite	Offeror Question				DMAS Response			
PBMS	42	3.b.7 Drug Rebate	Can the Department provide rebate program volumes - rebates collected, invoiced, etc.				The rebate program volumes are listed below.			
			Federal	Invoices	MCO	Invoices	Supplemental	Invoices		
			Qtr	FFS Invoiced	Collected	Mailed	Invoiced	Collected	Mailed	
			1Q14	\$22,306,566	\$22,206,545	466	\$60,056,574	\$59,023,258	481	
			2Q14	\$18,272,520	\$17,998,496	451	\$57,884,053	\$57,422,419	476	
			3Q14	\$23,094,663	\$20,687,845	458	\$65,338,052	\$62,485,515	476	
			4Q14	\$19,889,136	\$17,923,653	448	\$70,608,812	\$67,125,247	484	
			1Q15	\$19,359,872	\$18,577,355	446	\$74,630,541	\$69,378,820	482	
			2Q15	\$19,659,931	\$17,136,516	446	\$75,535,688	\$73,734,926	508	
			3Q15	\$21,113,677	\$19,985,637	459	\$74,803,758	\$68,215,236	496	
			4Q15	\$22,424,591	\$20,023,082	450	\$76,090,806	\$64,308,945	505	
PBMS	43	9.b.2.1	If an offeror wishes to provide descriptions of the optional solutions described in RFP section 3.c, should these descriptions be provided in RFP response Appendix section 7 under "optional information the contractor may wish to submit" or would the Department prefer to see these solutions provided somewhere else in the response?				RFP Section 9.b.2.1., File 3, has been modified to add a Section 3 for Offerors to include their response(s) to RFP Section 3.c.			
PBMS	44	Appendix J.21	Does the Department maintain the access to this website and is there a process for posting material to it?				DMAS' current Pharmacy Services Administrator maintains, on behalf of the DMAS, a pharmacy website at https://www.virginiamedicaidpharmacyservices.com . Ownership of this web address will be relinquished upon termination of the current contract at which time DMAS shall take title to the web address and its contents. DMAS expects the awarded PBMS contractor to maintain the web site for the duration of the contract.			

Attachment 1
RFP 2016-06, Addendum 3
Offerors Questions and DMAS Responses

RFP	Question #	RFP Cite	Offeror Question	DMAS Response
PBMS	45	Appendix J.26	Please provide a list of the rebate programs for which you produce separate invoices and CMS64.9R each quarter.	Federal FFS Pharmacy, Managed Care Organization (MCO), and State Supplemental Rebates. Other programs may be added in the future such as MLTSS

**Attachment 2
RFP 2016-06, Addendum 3**

Figure 3 – DMAS MES PBMS Business Domain View of the Future State



Attachment 3
RFP 2016-06, Addendum 3

Figure 4 – DMAS MES PBMS Technical and Information Architecture View of the Future State

