



COMMONWEALTH of VIRGINIA

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

600 East Broad Street, Suite 1300

Richmond, VA 23219

June 15, 2016

Dear Prospective Offeror:

The Department of Medical Assistance Services (DMAS) is soliciting proposals from qualified firms to replace the Virginia Medicaid Management Information System (VAMMIS) with a Medicaid Enterprise System (MES). This Procurement seeks to establish one of several partnerships with contractors who can provide solutions to achieve the ongoing and dynamic goals of the Department. Specific details about this procurement are in the enclosed Request for Proposal (RFP) 2016-06.

Offerors must check eVA VBO at <http://www.eva.virginia.gov> for all official addendums or notices regarding this RFP. DMAS also intends to post such notices on the DMAS website at http://www.dmas.virginia.gov/Content_pgs/rfp.aspx; however, eVA is the official and controlling posting site. The Commonwealth will not pay any costs that Offerors incur in preparing a proposal. As provided in the Virginia Public Procurement Act, the Department may reject any and all proposals received or cancel this RFP.

All issues and questions related to this RFP shall be submitted in writing to the attention of Chris Banaszak, DMAS Contract Manager, Division of Budget and Contract Management, Department of Medical Assistance Services, 600 East Broad Street, Suite 1300, Richmond, VA 23219. Offerors are requested not to call this office. In order to expedite the process of submitting inquiries, it is requested that contractors submit any questions or issues by email in MS Word format to RFP2016-06@dmas.virginia.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher Banaszak", written over a white rectangular background.

Christopher Banaszak
DMAS Contract Manager

REQUEST FOR PROPOSALS
RFP 2016-06

Issue Date: June 15, 2016

Title: Pharmacy Benefit Management Solution RFP

Period of Contract: Contract includes a Design, Development and Implementation (DDI) period and an initial base period of five (5) years for operations and maintenance, with provisions for three (3) one (1) year extensions.

Commodity Code: 92029 and 95823

Single Point of Contact: Chris Banaszak, DMAS Contract Manager

Phone No: (804) 225-4101

E-Mail Address: RFP2016-06@dmas.virginia.gov

Pre-proposal Conference: 10:00 A.M. ET, June 29, 2016

Deadline for submitting inquiries: 10:00 A.M. ET, July 15, 2016

Proposal Due Date: 10:00 A.M. ET, August 5, 2016

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, §2.2-4343.1 or against a Contractor because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by State law relating to discrimination in employment.

DMAS is committed to increasing procurement opportunities for small and micro businesses, including small or micro businesses that are owned by minorities, women, or disabled veterans, strengthening the Commonwealth's overall economic growth through the development of its IT contractors.

PRE-PROPOSAL CONFERENCE/TELECONFERENCE: An optional pre-proposal conference/teleconference will be held on June 29, 2016, 10:00 A.M. ET at the Department of Medical Assistance Services, 600 E. Broad Street, Conference Room 7B, Richmond, VA 23219. The purpose of this conference is to allow DMAS an opportunity to clarify various facets of this solicitation. DMAS will not respond to questions during the pre-proposal conference.

To participate in the pre-proposal conference/teleconference, Offerors need to register with the SPOC: Chris Banaszak by sending an e-mail to RFP2016-06@dmas.virginia.gov stating the name of Offeror and Offeror's participating representatives. Due to space limitations, Offerors who will be attending the conference in person are limited to three (3) representatives. Offerors for electronic attendance will receive a teleconference number for the call. It is strongly recommended that Offerors register no later than 1:00 pm local time on the day prior to the teleconference to ensure that Offeror receives a teleconference number.

Bring a copy of the solicitation with you. Any changes resulting from this conference will be issued in a written addendum to the solicitation. **NOTE:** Contractor acknowledges by submitting a proposal in response to this solicitation that it is ineligible to submit a proposal in response to the Integrated Services Solutions procurement released by the Department of Medical Assistance Services.

Commonwealth of Virginia
Department of Medical Assistance Services
600 East Broad Street,
Richmond, VA 23219



Phone: (804) 786-7933
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Request for Proposals (RFP)
**Virginia Medicaid Enterprise System:
Pharmacy Benefit Management Solution**
RFP No. 2016-06

Procurement Schedule	
Issue Date	June 15, 2016
Pre-proposal Conference	June 29, 2016 at 10:00 A.M. ET
Questions Due	July 15, 2016 by 10:00 A.M. ET
Proposals Due Date/Time	August 5, 2016 by 10:00 A.M. ET

Single Point of Contact (SPOC): Chris Banaszak, DMAS Contract Manager

Phone No.: (804) 225-4101

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1. PROCUREMENT OBJECTIVES

1.a. STATE VISION

The Commonwealth of Virginia, Department of Medical Assistance Services (DMAS) (also referred to throughout this RFP as “the Department”) is replacing its Virginia Medicaid Management Information System (VAMMIS) with a Medicaid Enterprise System (MES). This procurement seeks to establish one of several partnerships with contractors who can provide solutions to achieve the ongoing and dynamic goals of DMAS. The role of this RFP in the MES procurement strategy is described in the next section.

The Department desires to establish mutually beneficial partnerships with healthcare business-driven technology leaders for collaborating with the Department and other partners in this transitional journey to a more modern Medicaid Business and Technical environment. The Department is looking for collaborative, innovative, cooperative, flexible, and customer-oriented service organizations that are willing to work with the Department and each other to achieve common goals.

The Department’s healthcare-related business opportunities and challenges include:

- Providing services to populations that are shifting from a fee-for-service (FFS) model to a higher percentage of managed care
- Providing a customer-centric services environment
- Creating the ability to measure performance of programs in order to adjust for better results
- Creating environments that can be monitored for fraud and abuse incidents
- Promoting an environment that fosters the Department’s focus on servicing customers rather than overcoming technological development hurdles
- Creating a more nimble speed-to-market environment that is responsive to changes and innovation
- Creating an environment that promotes Department and Contractor relationships to achieve strategic plans
- Creating an environment that leverages State and Federal opportunities to improve healthcare on a national and statewide basis
- Creating a new environment that fosters a transition from a customization environment to one in which business needs are met through configuration of commercial off-the-shelf (COTS) and software as a service (SaaS) solutions

The Department has worked closely with the Centers for Medicare and Medicaid Services (CMS) representatives and other states to create a roadmap for transitioning from a monolithic system to a more modular, interoperable solution. To that end, the Department has established the following strategy to achieve a MES.

1.a.1. VIRGINIA MES PROCUREMENT STRATEGY

DMAS will issue the following five requests for proposals (RFP) to procure modular solutions that make up the Virginia MES:



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- Integration Services Solution (ISS)
- Enterprise Data Warehouse Solution (EDWS)
- Pharmacy Benefit Management Solution (PBMS)
- Core Services Solution (CSS)
- Financial Management Solution (FMS)

This strategy entails an ISS contractor to take the lead in formulating a Master Integration Plan to move DMAS to a more modular and interoperable environment. The transition will involve “staggered” implementations versus the traditional “big bang” implementation. The transition includes a DMAS hosted Encounter Processing Solution (EPS). DMAS staff, the ISS contractor, and the EDWS, PBMS, CSS, and FMS contractors will formulate a staged transition plan with a master schedule that ultimately results in a viable Virginia MES production environment.

The DMAS vision is to have the MES production environment to be built in phases. The Design, Development, and Implementation (DDI) phases are listed below. The following table outlines the proposed model to accommodate this vision:

Table 1: MES Production Environment Phases

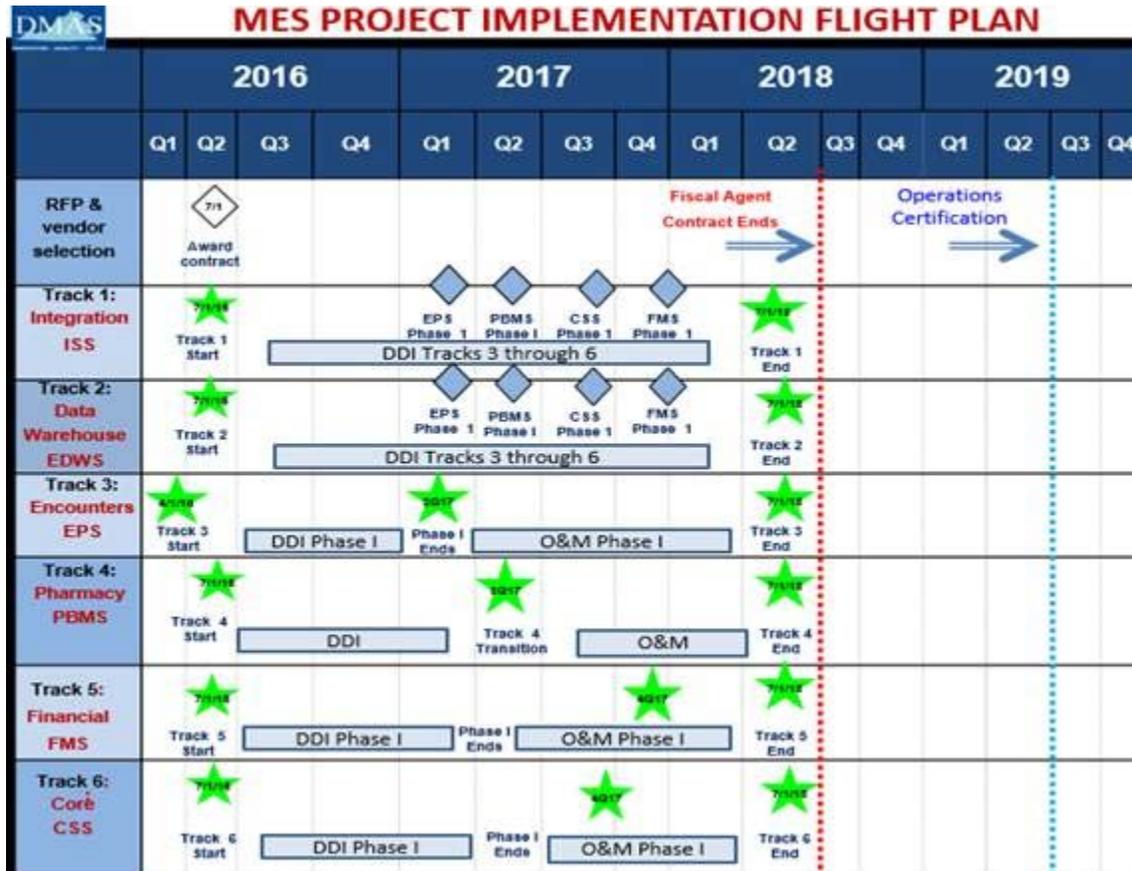
MES RFP	Business Process Areas
Core Services Solution	<ul style="list-style-type: none"> ➤ DDI Phase I: Eligibility & Enrollment (Provider) and Provider Management with all related Portal access ➤ DDI Phase II: Business Relationship Management, Care Management, Eligibility and Enrollment (Member), Financial Management, Member Management, Operations Management, Performance Management, and Plan Management
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
Pharmacy Benefit Management System	<ul style="list-style-type: none"> ➤ DDI Phase: General/Claims Processing, Drug Utilization Review (DUR), Utilization Management, Service Authorization, Third Party Liability (TPL), Encounters, Drug Rebate, Optional Services
Encounter Processing Solution (in-house)	<ul style="list-style-type: none"> ➤ DDI Phase I: New Encounters Carve out ➤ DDI Phase II: All other Encounters

It is important that the System Integrator promotes an unbiased innovation spirit to the project and that MES contractors embrace this innovative spirit. DMAS will provide an initial high-level 24-month model “flight plan” that will integrate the ISS Contractor’s and other MES contractors’ input through the RFP response process. Each of the contractors whose proposals are selected and awarded to complete the

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scope of work in each of the MES RFPs will be managed separately under the Virginia Department of Medical Assistance Services' MES program.

Figure 1: Integration Project Implementation Flight Plan Model



Using multiple contractors, each assigned to one of the modular solutions, this modular MES strategy is in alignment with the CMS goal of moving away from a large, tightly-coupled MMIS environment to a more loosely-coupled service-oriented architecture (SOA) environment.

The Department seeks the following outcomes:

- A customer service-centric environment that gives members, providers, and citizens easy access to healthcare services and information using multiple devices and channels
- A COTS or SaaS solution that includes a product with robust functionality and configurability; the solution inherently would have periodic baseline software releases that reflect investments in the Medicaid and healthcare industry's ongoing functional needs and improvements
- Solutions that offer software versions that are continuously enhanced by periodic releases and offer the Department alternatives for configuring the baseline software



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- Solutions that can be leveraged by other Medicaid agencies and are eligible to be funded by State and Federal dollars
- An environment that embraces innovation and change, allowing for better services while maintaining good stewardship of State and Federal resources
- Partnerships that co-manage risks through collaboration between healthcare and technology contractor experts and State Medicaid experts

The Department is certain that this undertaking will require the skills and talents of multiple stakeholders to achieve a successful MES outcome. We look forward to the opportunity to partner with the contractor community to better serve the State's most vulnerable citizens.

The following sub-section provides an example of one of the innovative policy changes being considered by the Department and which the MES environment will likely need to support.

1.a.1.1. MANAGED LONG TERM SERVICES AND SUPPORTS (MLTSS)

MLTSS is a managed care program designed to serve individuals with complex care needs across the full continuum of care and through a coordinated delivery model that focuses on improving access, quality, and efficiency. MLTSS will operate with a fully-integrated delivery model that includes primary, acute, nursing facility, behavioral health, and community-based waiver services and support, with very few carved-out services. Carved-out services for MLTSS-enrolled individuals will continue to be managed through the FFS program. This program will require the ability for real-time or near real-time data sharing between DMAS and MLTSS managed care organizations (MCO) to ensure continuity of care, especially for individuals who transition from FFS to MLTSS and for individuals transitioning between MLTSS MCOs. Pharmacy benefits will be provided by the MLTSS MCOs and DMAS requires the PBMS to manage encounter claim data to support continuity of care and rebate activity. As the program will include dual eligibles, MLTSS must have the ability to interface with a variety of data sources, including Medicare data for dual eligibles. In addition, MLTSS must provide enrollment flexibility to include or exclude populations, to carve in or carve out services, or to manually delay enrollment on a case by case basis. MLTSS is scheduled for implementation in 2017.

1.b. INNOVATION TO GOVERNMENT

DMAS will look to incorporate innovation into government practices in this procurement. As technological advances are realized in the healthcare industry, State government should strive to embrace advances and seek opportunities that provide Medicaid members with information and practices that promote better healthcare choices while maintaining member privacy rights.

State and Federal government advances must be recognized in tandem to fully utilize and leverage opportunities. Cross-pollination and collaboration through industry workgroups and standards organizations will ensure the proper State Medicaid environments can accommodate national and intrastate exchanges through standards and interoperability.

The Office of the National Coordinator for Health IT (ONC) is taking the lead on "steadily and aggressively" advancing progress on standards and interoperability.

ONC is committed to advancing this vision expeditiously, systematically, and sustainably. ONC first laid out this vision in "Connecting Health and Care for the Nation" with documents posted on the



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www.healthit.gov site that include: *A 10-Year Vision to Achieve an Interoperable Health IT Infrastructure*, followed by a draft of the *A Shared Nationwide Interoperability Roadmap Version 1.0* document.

As noted in the *Federal Health IT Strategic Plan 2015-2020* document, Federal entities will collaborate with other Federal agencies, States, territorial, tribal, local, and private stakeholders to:

- **Focus on Value** – Policies will continue to target solutions that improve healthcare, efficiency, safety, affordability, effectiveness, and access
- **Be Person-Centered** – Policies support electronic use and accessibility of healthcare information by individuals, caregivers, providers, and researchers across products and services so that everyone benefits from an environment in which all respect and value personal healthcare goals and values
- **Respect Individual Preferences** – Person-centered care embraces the values of individuals
- **Build a Culture of Health Information Access and Use** – Federal actions will help build an environment in which secure universal information is accepted and expected, and everyone benefits from accessing and sharing information
- **Create an Environment of Continuous Learning and Improvement** – Policies target to improve communications between research and healthcare communities
- **Encourage Innovation and Competition** – Government actions support continuous innovation and competition in the healthcare information technology (IT) market space
- **Be a Constant Steward of the Country's Money and Trust** – Government seeks to use its resources judiciously—this means relying on the private sector to accomplish important societal objectives

State and Federal collaboration is critical in making the vision become a reality. In addition, as healthcare informatics become more readily available and accessible, the Department will look to include innovative activities such as:

- Developing a healthcare management / wellness network that educates members
- Creating an environment that has a single portal entry point to conduct Medicaid business that allows navigation to all Medicaid service providers
- Establishing a Medicaid portal that services both members and providers through service exchanges connected to the portal
- Enabling self-service capabilities that allow members and providers to consume information on their own schedules
- Creating a nimble environment in which new services and innovations are added transparently to business owners and become accessible without having to revamp the entire Medicaid portal

The flow of State government business environments identified in the Virginia Information Technology Advisory Committee (ITAC) Business Plan and included in the **COVA Strategic Plan for IT: 2012-2018**, <http://www.vita.virginia.gov/library/default.aspx?id=6442471238> identifies the emerging technology areas that will play or will likely play a role in Technology Business Plan initiatives. They are:

- Social Media (SM)



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- Mobility (M)
- Cybersecurity (CS)
- Enterprise Information Architecture (EIA)
- Enterprise Shared Services (ESS)
- Cloud Computing Services (CCS)
- Consolidation/Optimization (C/O)

The Strategic Plan states a Virginia goal for leveraging each trend and identifies several strategic directions and specific activities that agencies can use to harness each trend to fulfill the initiatives. The description subsection includes a brief explanation of the technology, key business drivers for considering the technology, how the technology supports achieving the five ITAC initiatives, and the challenges to incorporating the technology into the Virginia or DMAS technology portfolio. The ITAC Business Plan is located at: <http://www.vita.virginia.gov/default.aspx?id=6442471239>.

1.c. OBJECTIVE

The overall business objective of this RFP is to enter into a contract with a contractor who will provide a solution that transforms select systems and business processes for DMAS programs. This objective will be met by procuring technical and business services to replace the existing legacy VAMMIS with a more modular and technologically-advanced solution that adheres to CMS' Medicaid Information Technology Architecture (MITA) 3.0 Framework. In Section 3 of this RFP, Statement of Work, DMAS refers to General Requirements and to PBMS requirements (the requirements are listed in Appendix J – Pharmacy Benefit Management Solution Requirements). The PBMS requirements are organized by functional area and may involve multiple MITA Business Processes to satisfy individual requirements for the PBMS services requested in this RFP. The selected Contractor will assist DMAS in achieving its overall strategic plans for the future while supplying a system that will be certified by CMS using its latest Medicaid Enterprise Certification Toolkit (MECT) checklists.

DMAS believes its objectives can best be defined and accomplished by approaching its systems and procedures in a manner that aligns with the MITA 3.0 Framework. This RFP addresses PBMS Contractor business and technical requirements from multiple MITA business areas as well as the Seven Conditions and Standards. The scope of this RFP addresses Medicaid PBMS functionality, processes, and interfaces that may be unique to the PBMS Contractor or may be required to support other MES contractors. Having recently completed a MITA State Self-Assessment (SS-A), DMAS has determined that it aspires to reach a MITA To-Be capability Level 3 or higher in virtually all areas of the business, information, and technical architectures.

DMAS is seeking a solution that positions the Department to achieve the highest practical MITA capability levels within today's landscape, while also positioning the Department to further enhance its capabilities as future technological advances present themselves.

DMAS expects that qualified contractors will present solutions that already support the functionality required to operate a State Medicaid Agency consistent with the MITA 3.0 Framework and the CMS vision for a MES, as well as support other best practices and functionality that have been identified through years of experience. In addition to meeting the required functionality, DMAS is seeking a



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solution that is both flexible and adaptable, and able to easily interface through an integration layer with other contractor systems, business intelligence, and analytics tools. In addition, as part of this RFP, DMAS is seeking operations support services with the expectation of excellent customer service and operational automation for providers, members, and DMAS.

DMAS' expectation is that the MES will support the following objectives:

- **Enterprise Solution** – DMAS enthusiastically embraces the concept of a MES, and is looking for a solution that goes beyond the traditional MMIS subsystems to service the Agency. This RFP will address specific aspects, primarily, the PBMS of the MES. Together with the other solutions sought through separate procurements, the solutions will become an integral part of the overall MES.
 - ✓ The Contractor's approach to the business processes that comprise the scope of this RFP is expected to help transform the way DMAS conducts its business – such that DMAS is positioned to operate effectively and in accordance with MITA Level 3 capability or higher wherever possible. This also includes the information and technical architectures that support the solution, and an overall conformance to both the MITA 3.0 Framework and CMS Seven Conditions and Standards.
- **Technical Design** – In accordance with the CMS Seven Conditions and Standards, the proposed solution shall be an existing system that is considered a COTS application or a SaaS solution. The solution shall be modular, able to exist as a package that runs with its own databases, and able to execute within a SOA environment in order to send and receive services through an Enterprise Service Bus (ESB).
- **Customer Service** – The MES shall meet the needs of our providers, members, and citizens by providing services and information in a user-friendly and state-of-the-art environment. Portals shall provide a “one-stop shop” and provide a means to access all needed functionality from a single point of entry.
 - ✓ DMAS is also looking to leverage new technology to provide users with features such as mobile applications.
- **Increased Automation** – DMAS is seeking to utilize automation to replace or enhance current manual processes performed by the business wherever possible. DMAS also looks to expand automated processes with a focus on rules engines, workflow, and electronic communications.
 - ✓ The MITA 3.0 Framework identifies business processes that have not historically been addressed by MMIS systems. DMAS expects to utilize automated modules provided by the Contractor to add efficiency, accuracy, and consistency to improve information gathering and reporting for many business processes.
- **Flexibility** – Through configurable business rules, workflow, and other features, DMAS would like maximum flexibility to easily accommodate and integrate Agency initiatives while expanding its usage of regional, statewide, and national information exchanges. The solution shall provide flexibility so that the need for customization is minimal in order to meet the initial requirements and simplify future changes. Knowledgeable DMAS users shall be able to make and test configuration changes.



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- ✓ The components that comprise the proposed solution shall deploy innovative solutions that support rapid, efficient, and accurate implementation of on-going state, federal, and industry mandates.
- **Information Exchanges** – A key criteria for the higher MITA capability levels is to engage in information exchanges to support a variety of business processes. The proposed solution shall promote the use of industry standards for information exchange. DMAS would like to expand its use of electronic transactions and participate in available information exchanges when our business processes and information can be enhanced. The proposed solution shall be able to utilize and provide standard electronic transactions in accordance with the Virginia MES Concept of Operations (COO) and Integration Plan.
- **Performance Measures** – In order to support continued improvement, the proposed solution shall provide information and reports that can be used to evaluate both Contractor and DMAS performance relative to the processes supported by this contract. This includes information related to productivity and accuracy that can be used to measure current performance as well as identify areas for improvement.
- **Project Management** – DMAS expects the selected contractors to employ and demonstrate a sound project management and governance methodology that meets State and DMAS standards and expectations. In addition, DMAS will emphasize the importance of coordination of efforts among its staff and all contractors, as no single contractor can perform its required responsibilities without coordination and cooperation with the other contractors. The selected contractors shall maintain communication with other contractors and DMAS management and staff as necessary to meet its responsibilities that pertain to this RFP's scope of work.
- **CMS Certification** – Once implemented, the components of the proposed solution shall meet the related requirements of the updated certification checklist and thus position the PBMS for CMS certification. In addition, the Contractor shall support all CMS requirements throughout the Design, Development, and Implementation (DDI) phases of the MES project, including providing deliverables needed for satisfying CMS' Independent Verification & Validation (IV&V) requirements.

In summary, through this RFP and the resulting contract, it is the objective of DMAS to acquire a system and establish a business partnership that includes services that will assist the Department in the transformation to a MES that leverages technology, experience, and innovation, and provides the foundation for a modern and effective solution to accomplish its mission.

1.d. PRESENT SITUATION

This section provides information on the current PBMS to help contractors understand the present situation and is intended to assist contractors in developing their proposed approach.

1.d.1. BACKGROUND

The current processing for DMAS pharmacy services is performed by multiple contractors, as well as by systems or functions operated within DMAS. These include the following:



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1.d.1.1. VAMMIS FISCAL AGENT

Pharmacy claim adjudication is carried out by the fiscal agent and is currently performed by Xerox in a combined medical and pharmacy claim processing engine. The existing contract includes claims adjudication for institutional, professional, and pharmacy claims, including provider payment and bank reconciliation. In addition, managed care encounters are currently adjudicated through VAMMIS and then distributed to the Medicaid Drug Rebate Contractor (OptumRx).

As the Provider Enrollment Services (PES) contractor, Xerox oversees the provider enrollment process for the Department, including operating a provider enrollment helpline. Xerox is also in charge of the automated storage and retrieval of new provider contracts and licenses.

The operations to support the Affordable Care Act (ACA) provider screening regulations requirements have been implemented under this contract.

1.d.1.2. MEMBER ELIGIBILITY AND ENROLLMENT

The Virginia Department of Social Services (VDSS) manages member eligibility determination and approvals necessary to become active Medicaid members in the Virginia Medicaid program. Once approved for Medicaid benefits, VDSS forwards enrollment information to DMAS. Most members approved for Medicaid benefits must subsequently enroll in Medicaid managed care. Members with other insurance or who reside in a nursing home may not be asked to enroll in managed care.

Enrollment in Virginia Medicaid Managed Care involves member choice both at initial enrollment, 90 days post MCO enrollment, and each year during open enrollment. MAXIMUS is the Department's current contracted managed care enrollment broker. MAXIMUS operates a call center for member managed care enrollment inquiries and MCO change requests.

1.d.1.3. BEHAVIORAL HEALTH SERVICE ADMINISTRATOR (BHSA)

The current contract for behavioral health services is an Administrative Services Only (ASO) contract with Magellan of Virginia. The BHSA administers DMAS' behavioral health programs for those members in FFS Medicaid, Family Access to Medical Insurance Security (FAMIS), and Governor's Access Program (GAP) as well as the community-based behavioral health programs for all members, including managed care participants. Magellan's contract includes provider enrollment, behavioral health utilization management, service authorization and care coordination, claims payments, customer service member and provider Help Desk functions, and information technology systems and support. Pharmacy benefits, including physician administered drugs, for BHSA members are currently managed through the FFS program with pharmacy service authorizations administered by Magellan.

1.d.1.4. COMMONWEALTH COORDINATED CARE (CCC)

CCC is an initiative to coordinate care for individuals who are currently served by both Medicare and Medicaid and who meet certain eligibility requirements. The program is designed to be Virginia's single program to coordinate delivery of primary, preventive, acute, behavioral, and long-term services and support. In this way, the individual receives high quality, person-centered care that is focused on their own needs and preferences.



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Supplementary benefits include care coordination, interdisciplinary care teams, and person-centered care plans. Pharmacy benefits are administered by the health plans and appropriate products captured for Medicaid Drug Rebate. The participating health plans are Anthem, Humana, and Virginia Premier. This initiative will end in December 2017 and dual eligible individuals will be migrated into the MLTSS Program.

1.d.1.5. MANAGED CARE ORGANIZATIONS (MCO)

DMAS currently contracts with six (6) MCOs under the Medallion 3.0 program: Anthem HealthKeepers, Aetna Better Health of Virginia, INTotal Health, Kaiser Permanente, Optima Family Care, and Virginia Premier. The MCOs send full encounter data (837/NCPDP) to VAMMIS where it is edited, stored for reporting purposes, and provided to the Medicaid Drug Rebate Contractor. The current DMAS MCO Program will be posted for re-bid in 2017 with a new start date of January 1, 2018.

1.d.1.6. SERVICE AUTHORIZATION ADMINISTRATOR

The service authorization administrator Provider Synergies, a Magellan Rx Management company, collects, stores, and evaluates service authorization requests against the clinical criteria established for drug product access in the Virginia Medicaid program and renders a decision for each request. Provider Synergies also manages the service authorization reconsideration process and supports appeals of their decisions.

DMAS also maintains a special utilization program to manage atypical antipsychotic use in children less than 18 years of age. The service authorization administrator provides a Physician Consultant to review criteria, recommend changes, and review all service authorization request denials for atypical antipsychotics in children less than 18 years of age. In the event the Physician Consultant determines that the service authorization denial must be overridden, a service authorization will be entered allowing the claim to pay. The Physician Consultant is responsible for consultation with physicians serving this member population as well as attendance at Drug Utilization Review (DUR) Board and Pharmacy and Therapeutics (P&T) Committee meetings on a mutually agreed upon schedule.

1.d.1.7. MEMBER AND PROVIDER COMMUNICATIONS

Member and Provider communications related to Virginia Medicaid benefits are distributed by multiple contractors in the current VAMMIS configuration. Xerox is responsible for Provider communication related to the DUR Board. Provider Synergies is responsible for member and provider communication pertaining to pharmacy benefit service authorization activity as well as Preferred Drug List and Supplemental Drug Rebate activity.

1.d.1.8. COST REPORT AND PROVIDER REIMBURSEMENT SERVICES

Under contract, Myers & Stauffer (MSLC) audits cost reports and Disproportionate Share Hospital (DISH) payments. MSLC also provides reimbursement consulting services.

1.d.1.9. ACTUARIAL SERVICES

PricewaterhouseCoopers (PwC) develops capitation rates for various managed care programs and certifies the rates as actuarially sound. PwC also conducts various data analyses for DMAS.



The Department of Behavioral Health and Developmental Services (DBHDS) develops provider specific rates for certain waiver and early intervention services.

1.d.1.10. VIRGINIA DEPARTMENT OF HEALTH (VDH)

The VDH Emergency Preparedness plan involves state, regional, and local emergency response partners including the coordination of access to drug products required in an emergency impacting public health. VAMMIS supports activities related to capture and processing of prescription drug products used in response to all hazards including bioterrorism, infectious disease outbreaks or other public health emergencies.

1.d.1.11. VIRGINIA INFORMATION TECHNOLOGIES AGENCY (VITA)

DMAS currently receives and sends Social Security Administration (SSA) information through VITA as they are the single point of contact with SSA for Virginia and will be the conduit for any future State and Federal data exchanges.

1.d.1.12. MEDICAID DRUG REBATE PROGRAM

Federal Drug Rebate Program – The Department, through their current Medicaid Drug Rebate Contractor OptumRx, administers an aggressive drug rebate program pursuant to 42 U.S.C. § 1396r-8 that seeks out all available drug rebates and discounts available from all pharmaceutical manufacturers. The Department is currently collecting drug rebates on all covered outpatient drugs administered to members enrolled in the FFS and managed care programs.

State Supplemental Rebate Program – The Department aggressively seeks any cash rebate or other program benefit that offsets Virginia Medicaid expenditure and that supplements the CMS Federal Drug Rebate Program described above. The Department's current State Supplemental Rebate Program is supported by Magellan Rx Management for modeling and contracting.

1.d.1.13. DRUG UTILIZATION REVIEW (DUR) BOARD

The Department maintains a DUR Board comprised of physicians, nurses, and pharmacists who review new drugs to market, service authorization criteria, and identified topics that affect the Virginia Medicaid Pharmacy benefit. Additionally, the DUR Board reviews Contractor reports detailing ProDUR and RetroDUR activity as well as overall utilization, and other reports related to program performance and member safety. The current VAMMIS Contractor Xerox publishes the agenda, all documentation relevant to the discussions, and provides written and audio minutes of the meetings.

1.d.1.14. PHARMACY & THERAPEUTICS COMMITTEE (P&T COMMITTEE)

The Department maintains a P&T Committee comprised of physicians and pharmacists who are responsible for management of the Preferred Drug List (PDL). This includes review of new drugs to market and annual reviews of therapeutic classes. During the review of drug products and drug classes, interested parties are allowed to present scientific and clinical information for consideration by the Committee. The current Pharmacy Services Administrator publishes the agenda, all documentation relevant to the discussions, and provides minutes of the meetings. The P&T Committee currently



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reviews drugs for the fee for service program. In the future, the PDL may serve as a common core formulary for health plans participating in the Department’s managed care programs.

1.d.1.15. STATISTICS

The following information is included to provide a general understanding of the scope of Virginia Medicaid and other programs. This is the data as of January 2016.

Table 2: Virginia Medicaid Statistics

Item	Count
Distinct Billing Providers	94,749
Distinct Site Providers	195,474
Medicaid	139,868
FAMIS	139,808
Administrative – MCO only; contractors	51,626
Temporary Detention Order (TDO)	8,695
Ordering, Referring, Prescribing (ORP)	3,871
Client Medical Management (CMM)	1,367
CCC MCOs	201
Total Active Members	1,104,801
Enrolled in MCO	749,871
FFS only	354,930
Claims and Encounters Processed – 1/1/15-12/31/15	
FFS Claims	38,139,668
Paid FFS	25,960,920
Institutional	4,584,866
Practitioner	6,978,751
Pharmacy	2,633,573
Other (includes capitation claims)	11,763,730
Denied FFS	12,178,748
Institutional	5,726,734
Practitioner	3,307,373
Pharmacy	3,142,385
Other	2,256



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Item	Count
Encounter Claims Note: Encounters were not collected for Behavioral Health and CCC	43,447,982
Institutional	6,030,826
Practitioner	29,977,839
Pharmacy	9,005,662
Member and Provider Call Center Calls (2015) (Does not include Provider Enrollment Services calls; see Table 3 below)	304,408
Pharmacy Service Authorization Phone Calls	25,890
Pharmacy Service Authorization Faxes Received	23,811

Table 3: Current Provider Enrollment Services Contract Statistics

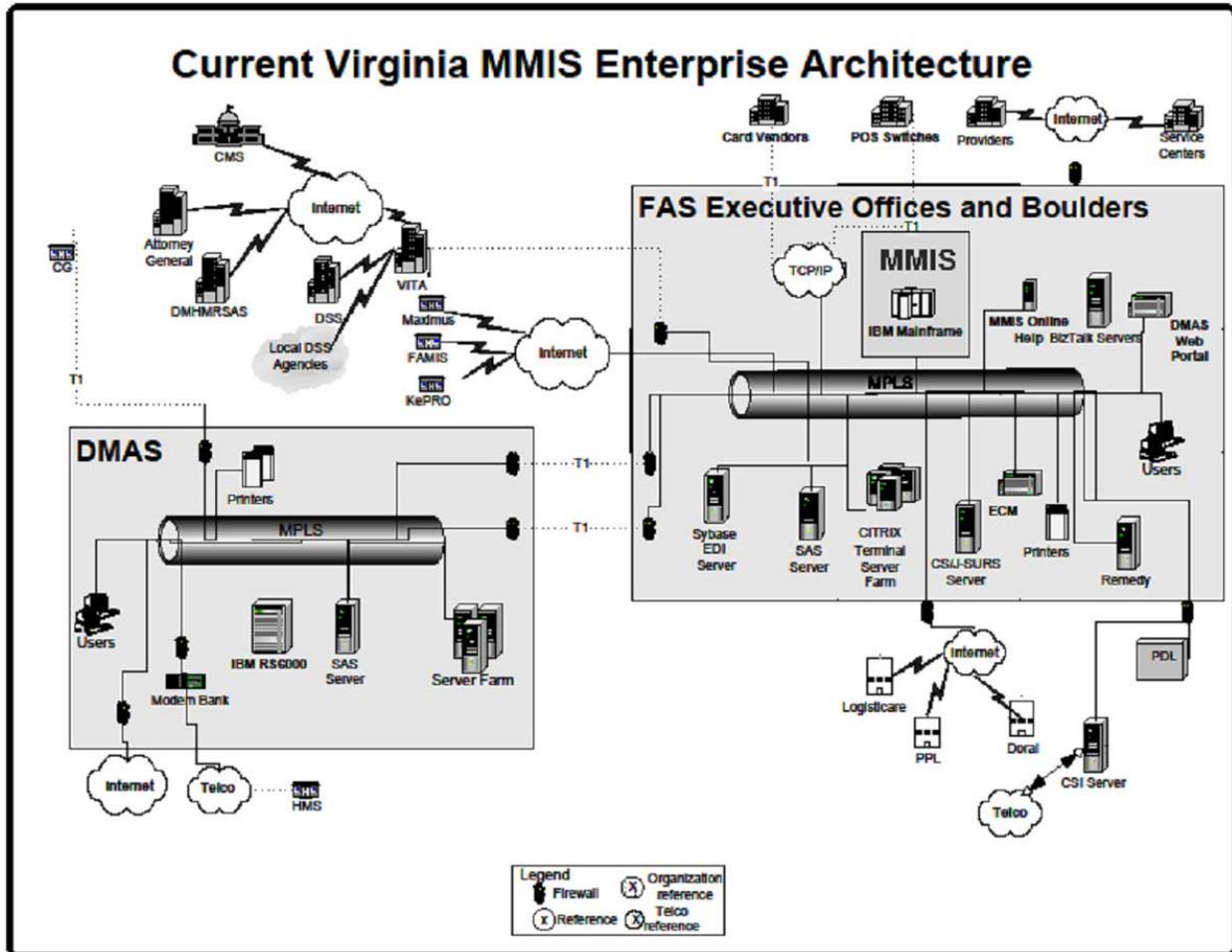
PES Task	Annual Receipt Counts	Weekly Average Receipt Counts
Enrollment requests	18,944	364
Provider Maintenance & provider rate requests (excluding online changes)	4,474	86
Provider termination requests	1,153	22
Recertification requests	11,762	226
Revalidations received	9,244	178
Return mail received	6,444	124
PES calls received	38,860	747

1.d.2. TECHNICAL OVERVIEW

Currently, PBMS Services are addressed in DMAS using VAMMIS. VAMMIS is a 12-year-old traditional monolithic solution. It consists primarily of eligibility, claims processing, provider, and financial subsystems.

This section provides a brief description of the technical environment in which VAMMIS operates.

Figure 2: Current Virginia MMIS Enterprise Architecture



The Information Management (IM) Division's in-house development team currently maintains a variety of internally developed ancillary applications. These applications are developed and maintained using the Oracle software products: Oracle APEX and Forms & Reports.



1.d.3. SYSTEMS OVERVIEW

The following provides information about the current software systems used to carry out Core Services requirements that support processing of member pharmacy benefit.

1.d.3.1. VAMMIS

CLAIMS PROCESSING SUBSYSTEM

The primary purpose of the Claims Processing Subsystem is to adjudicate payment requests. The subsystem adjudicates payment requests from all of the health benefit plans administered by DMAS. Included are payment requests from the Medicaid program, the Temporary Detention Order (TDO) Program, the Family Access to Medical Security Insurance Plan (FAMIS), and the Assessments Program.

The subsystem supports a number of different reimbursement models.

Included are the FFS and managed care models. In addition, specialized programs such as lock-in Client Medical Management (CMM) are supported. DMAS also administers several premium payment programs.

The subsystem is composed of processing components called modules, which represent one or more batch and real-time processes. The Claims Processing Subsystem includes the following modules:

- Input
- Service Authorization
- Adjudication
- Data
- Reporting

The Claims Processing modules are discussed below.

INPUT MODULE

The Input Module is responsible for accepting claims and service authorization requests from internal and external entities, and generating payment requests based on events within the VAMMIS. External payment requests accepted by the Input Module include the following:

- Paper claims
- Electronic claims
- Direct Data Entry (DDE) claims
- Special Batch paper claims
- Paper adjustment and voids
- Electronic adjustments and voids
- Electronic encounter forms
- Contractors Service Authorization requests



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- Payment requests generated by the Input Module include the following:
 - ✓ Capitation fees
 - ✓ Management fees
 - ✓ Assessment claims
 - ✓ Administrative fees
 - ✓ Mass adjustments, voids, and reprocessing

SERVICE AUTHORIZATION (SA) MODULE

The VAMMIS SA Module is responsible for the capture, maintenance, and processing of service authorization requests. Additionally, the module maintains a history file containing all changes made to the service authorization. When the condition or status of the service authorization changes, notification letters are automatically generated to providers and members from this module and other outside contractors.

The Pharmacy Services Administrator is responsible for the capture, determination and reconsideration of point of sale drug product service authorization requests. Additionally, all service authorization records generated by the Pharmacy Services Administrator are exchanged with VAMMIS. The Pharmacy Services Administrator manages all member and provider communication related to denials and appeals.

ADJUDICATION MODULE

The Adjudication Module is responsible for validating all payment requests, i.e., claims, adjustments, and voids, for all health benefit plans administered by DMAS, according to DMAS policy. To do this, the module must assign the correct benefit plan to a payment request and apply that plan's rules to the request, which include edits and pricing. Payment requests that are denied, or approved and priced are considered adjudicated. Payment requests that are pending manual review are adjudicated after that review.

DATA MODULE

The Data Module maintains the Claims Data Store, provides Input/Output (I/O) routines for Claims Processing and other subsystem users of the Claims Data Store, and provides high performance selection processing for other Claims Processing Subsystem's modules. The Claims Data Store contains pending payment requests, adjudicated but unpaid payment requests, and paid payment requests. The history cycle merges paid payment requests into the history portion of the Claims Data Store.

REPORTING MODULE

The Input, Service Authorization, Adjudication, and Data Modules produce reports that are byproducts of the modules' batch processes. The Reporting Module produces reports and screen displays of data from the Claims Data Store for the Claims Processing Subsystem and other VAMMIS subsystems. The module's Claim History Information Retrieval Processor (CHIRP) facility includes a Claims Data Store browsing function and a Claims Data Store standard reporting function.



PROVIDER SUBSYSTEM

The primary purpose of the Provider Subsystem is to maintain information on providers or contractors who are eligible to submit claims for services rendered to Medicaid members. This information is used for claims processing, administrative reporting, and surveillance/utilization review functions.

The Provider Module supports the capture and maintenance of information related to providing DMAS with the ability to track provider enrollments, determine eligibility, and identifies qualifications. It also provides for the capture and maintenance of data elements necessary to support the variety of complex reimbursement rate methodologies required in meeting DMAS guidelines.

The VAMMIS Provider Subsystem utilizes a combination of manual and automated procedures to accomplish the following:

- Maintain a timely and accurate automated file indicating providers' eligibility to render specific medical services at appropriate rates, for use by Claims Processing, Surveillance and Utilization Review (SUR), and (Management Administration Reporting) MAR Subsystems
- Produce reports for DMAS and Fiscal Agent (FA) to use in reviewing utilization patterns and availability of services, and for referring members to services

Major features of the automated Provider Subsystem include the following:

- Identifying the programs in which a provider participates
- Identifying prior dates of eligibility and rates for providers
- Accounting for providers' net balance relationship with the Program
- Tracking of provider applications from date of receipt to final disposition
- Identifying group affiliations and alternate mailing addresses
- Identifying managed care affiliations
- Identifying provider restrictions, including sanctions and exceptions
- Maintaining provider enrollment history
- Providing provider information as needed for Quality Management reviews or Program Integrity reviews

RECIPIENT SUBSYSTEM

The primary purpose of the VAMMIS Recipient Subsystem is to collect, edit, maintain, and report member eligibility data on a wide range of benefit packages established by DMAS to sustain the accurate and timely processing, payment, and reporting of Medicaid claims. This is achieved through the operation and development of the following eight (8) Recipient Subsystem processing modules.

BENEFIT DEFINITION DATABASE MAINTENANCE MODULE

The Benefit Definition Database Maintenance Module is responsible for the creation and ongoing maintenance of DMAS-defined benefit packages. These packages, or benefit plans, are utilized by the Recipient Subsystem for enrollment and reporting purposes.



When used for enrollment, this module defines the characteristics, edits, and benefit limits (i.e., restrictions) associated with DMAS approved benefit packages.

ENROLLMENT EDIT AND UPDATE MODULE

The Enrollment Edit and Update Module is responsible for the creation and ongoing maintenance of member records for individuals who receive medical services through the DMAS Programs.

ENROLLMENT IDENTIFICATION, NOTIFICATION, AND RE-CERTIFICATION MODULE

This module is responsible for providing members with identification documents required to receive services from Medicaid-certified providers, timely notification of current eligibility and benefits status, and initiation of monthly recertification of benefits.

ELIGIBILITY VERIFICATION MODULE

The Eligibility Verification Module supports the verification of a member's eligibility and enrollment in a DMAS program and/or benefit plan, for specified dates of service.

FEDERAL AGENCY INTERFACES MODULE

The Federal Agency Interfaces Module is designed to facilitate the two-way electronic transfer of DMAS Program member eligibility information between Federal agencies to ensure the coordination of member benefits.

The system supports data sharing with the CMS, the Social Security Administration (SSA), and the Department of Defense (DOD). There are a number of interfaces supported from these agencies, including the following:

- Beneficiary and Earnings Data Exchange (BENDEX)
- Medicare Part A Group Payer and Part B State Buy-In Program
- Income and Eligibility Verification System (IEVS)
- Department of Defense Eligibility and Enrollment Reporting System (DEERS)
- Supplemental Security Income (SSI) Termination File

STATE AND PRIVATE AGENCY INTERFACES MODULE

The State and Private Agency Interfaces Module is designed to facilitate the two-way electronic transfer of DMAS Program member eligibility information between other State and private agencies to ensure the coordination of DMAS member benefits. The interfaces supported from these agencies include the following:

- Enrollment agencies
- Other Private Agencies
- Department of Social Services (DSS)
- Department of Health



MANAGED CARE AND CLIENT MEDICAL MANAGEMENT (CMM) ASSIGNMENT MODULE

The Managed Care and CMM Assignment Module performs the automatic pre-assignment and assignment of members to certified Medicaid providers to coordinate and manage the medical care of selected DMAS members.

ELIGIBILITY REPORTING MODULE

The Eligibility Reporting Module provides for the system-generation and distribution of detailed and summary information directly related to enrollment and eligibility data.

REFERENCE SUBSYSTEM

The Reference Subsystem maintains data supporting the processing of requirements for other VAMMIS areas. The primary user of the Reference Subsystem data is the Claims Processing Subsystem.

Additionally, the Provider, Recipient, MAR, SUR, and EPSDT subsystems also access Reference Subsystem data, especially for the expansion of codes into narrative descriptions.

The Reference Subsystem includes the following modules:

- Medical Codes
- System Support

MEDICAL CODES MODULE

The Medical Codes Module maintains data describing services covered by the various health benefit plans administered by DMAS, the pricing of those services, and diagnoses entered by providers on payment requests.

Information related to medical procedures, dental procedures, drugs, surgical procedures, and revenue code data, including descriptive data, pricing data, and restrictions, are updated from external sources, as well as through online facilities.

Information related to diagnoses, including descriptive data, length of stay, and diagnosis related groups (DRGs), is updated from external sources and via online transactions.

The Medical Codes Module contains the following update processes:

- CPT and HCPCS Update
- Blue Book Update
- RBRVS Update
- Diagnosis/LOS Update
- DRG Update
- Online Procedure/Revenue Codes
- Online Drug Codes
- Online Diagnosis Codes



- Audit Trails
- DME Appendix B
- APDRG
- EPDAG
- RUGS

SYSTEM SUPPORT MODULE

The System Support Module provides general purpose support for other VAMMIS processing components. The module contains the following processes:

- The System Parameter tables contain miscellaneous single value parameters used throughout the VAMMIS
- The Value Set table contains named sets of values associated with various data elements
- The Error Text table contains messages used throughout the VAMMIS; in addition, the claims processing error messages in the table are coded with disposition and pend locations as well as edit criteria
- The HIPAA reason code tables contain data that is used in conjunction with the Error Text tables to support error messages returned on X12 transactions, like the Electronic Remittance Advice (835)

1.d.4. CONTRACTOR OPERATIONS OVERVIEW

1.d.4.1. FISCAL AGENT SERVICES

The Xerox Fiscal Operational Unit performs the following functions: enrolls providers and members supported by call center helplines; maintains call records of providers and members; processes and pays provider claims; allows providers to verify eligibility, claim status, and payment status via the call center help line or website; performs financial transactions and reporting; processes drug utilization review and drug rebates; stores and maintains claims history and financial records. Xerox also produces routine ad hoc reporting, provides a specialty EDI call center helpline that handles calls from providers and clearinghouses, and maintains reference files.

PROVIDER ENROLLMENT SERVICES (PES)

The Xerox Provider Enrollment Unit (PEU) oversees most of the provider enrollment process for DMAS, which includes: enrolling new providers; conducting provider screening and monthly exclusion monitoring and revalidation processing; operating a fully functioning call center; and producing routine and ad hoc reporting. The Xerox PEU also processes provider maintenance requests, loads provider rates, and produces 1099s for providers. The unit prepares a Survey bi-annually, creates and maintains a procedure manual for provider enrollment, and collects application fees.

Xerox is also in charge of the automated storage and retrieval of new provider contracts and licenses, in accordance with the Xerox-PES contract. (ASO Contractors are responsible for these functions in the networks under which they contract to enroll providers.)



GOVERNOR'S ACCESS PLAN (GAP)

Through a separate contract, Xerox enrolls members in an 1115 Medicaid demonstration waiver, known in Virginia as GAP. Enrollment is performed through the Cover Virginia Call Center. In this call center, Cover Virginia determines eligibility. Eligibility information via CommonHelp can be used to gather input and update VaCMS eligibility. Certain providers can complete and submit screening information to Magellan. Magellan will evaluate the information submitted to determine if the individual has a Serious Mental Illness (SMI). The outcome of that screening is sent to Cover Virginia. Eligibility and Screening outcome is then used by Cover Virginia to determine if the individual can be enrolled in the GAP.

1.e. FUTURE STATE

1.e.1. INTRODUCTION

The Virginia MES is a modular approach to replace the VAMMIS and includes contracting with an ISS contractor that will oversee the SOA/ESB environment. The MITA Framework and Business Process functionality will be addressed through multiple RFPs, including: CSS, PBMS, FMS, and EDWS, as well as a State-run Encounter Processing Solution (EPS) and ancillary applications that support the remaining MITA business processes. Project oversight for CMS certification will be conducted by an IV&V contractor procured by the Department.

The Virginia MES will be achieved through a staggered transitional approach. The Department has provided a conceptual model of the new MES environment in the diagram illustrated in Figure 3. A Master Integration Plan will include input from the Department's Transition Model (Flight Plan), ISS Contractor, MES-awarded contractors, IV&V contractor, and DMAS. DMAS seeks a multi-contractor partnership for transitioning to a modular environment, while minimizing the risks and disruptions to services that are provided to State customers.

This RFP includes requirements to meet DMAS' business process objectives. The general and detailed requirements are included in Section 3, Scope of Work, and Appendix J – Pharmacy Benefit Management Solution Requirements, respectively.

1.e.2. BUSINESS DOMAIN OVERVIEW AND DIAGRAM

This business domain overview narrative and diagram provides a high-level vision of and guidance on the future state and is not a mandatory set of requirements. The Contractor is encouraged to provide its best solution and is not restricted by the diagram shown in Figure 3.

The vision for the PBMS is that it consists of several COTS, custom built, ancillary, and/or third party support products combined together to function as one Solution, even though several subsystems comprise it. The further breaking down of these subsystems shall be taken up in future project phases for further improvement along the spectrum of MITA maturity. The PBMS provides the functionalities listed below by use of a single or combination of COTS products, custom built, or third party support products including, but not limited to:

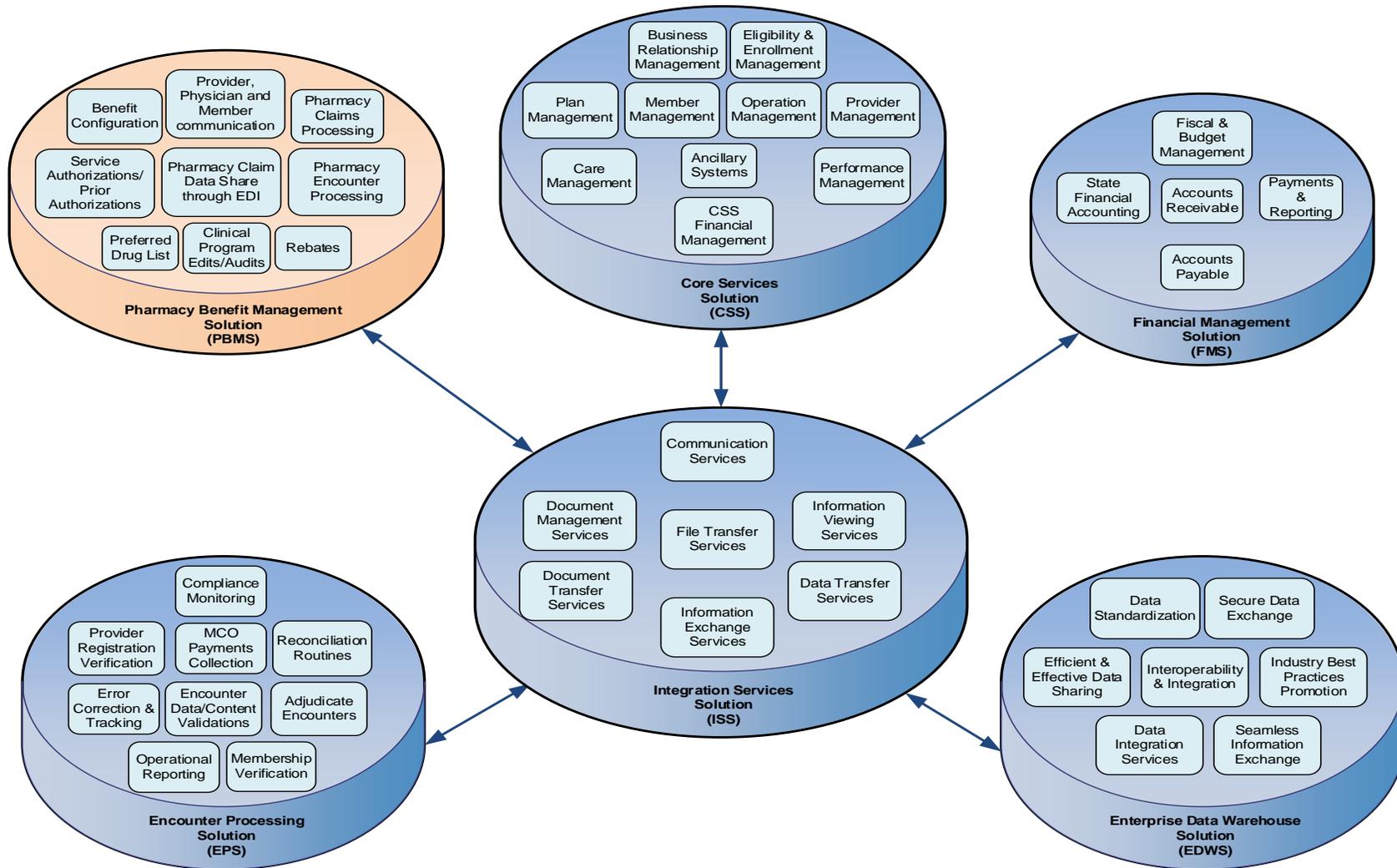
- Processing Pharmacy Claims
- Clinical Program Edits/Audits



- Service Authorizations
- Pharmacy Claim Data Share through EDI
- Drug Rebate
- Benefit Configuration
- Preferred Drug List
- Provider and Member Communication
- Encounter Claim Processing

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





1.e.3. TECHNICAL ARCHITECTURE OVERVIEW AND DIAGRAM

This technical overview narrative and diagram provides a high-level vision of and guidance on the future state and is not a mandatory set of requirements. The Contractor is encouraged to provide its best solution and is not restricted by the diagram on the following page.

Per CMS Enhanced funding guidelines outlined in Medicaid IT Supplement (MITS-11-01-v1.0), the Contractor providing the PBMS shall comply with the CMS Seven Conditions and Standards.

The PBMS shall use Service Oriented Architecture to effectively communicate the data or information requested by other sources through the Integration Services Solution (ISS). The PBMS shall have a communication service bus, which shall serve as a single point of contact that interacts with the ISS. The system's communication bus shall use Web Services, Queues, FTP, SFTP for various types of information formats like XML, JSON, HIX, plain text, HTML etc.

When the PBMS shall require data or information that is owned or persisted in another system, this request is made through the ISS. The requesting system is solely responsible for performing its own data mapping, parsing and translation as per their business rules.

The PBMS shall provide an application services layer, if applicable, consisting of a Portal dashboard to monitor system health, access audit logs, transaction details, and support troubleshooting activities.

The PBMS shall provide a web based User Interface (UI) to facilitate access to information/data pertaining to its respective business processes and functionalities. The UI shall also support additions or modifications to information or data required to support PBMS core activities.

The PBMS shall provide a Reporting UI which provides permissioned users the ability to download or email report attachments pertaining to information they are entitled to access in the PBMS. These reports shall provide multi-dimensional data views of the information related to the system.

The PBMS shall provide a database system, either a NoSQL or a traditional Relational Database Management System (RDBMS), which contains information that is specific to this system's business domain and data ownership. The data persisted can also contain details like transaction logs, file transfer job status, user activity logs etc., which can be queried to be displayed on the dashboard.

The PBMS shall contain a combination of COTS products, custom built products or third party supported products. In this kind of topology scenario, when the system is comprised of smaller subsystems which are self-contained in the PBMS, the system optionally shall use a Hub Server that shall serve as a main communication service to pass data or information within these subsystems.

The PBMS shall have the ability to perform synchronous, asynchronous, or scheduled data or communication exchange with other systems by working through the ISS.

The PBMS shall send relevant data as periodic hourly/daily/weekly/monthly feeds to ISS, for distribution to the EDWS as per defined requirements.



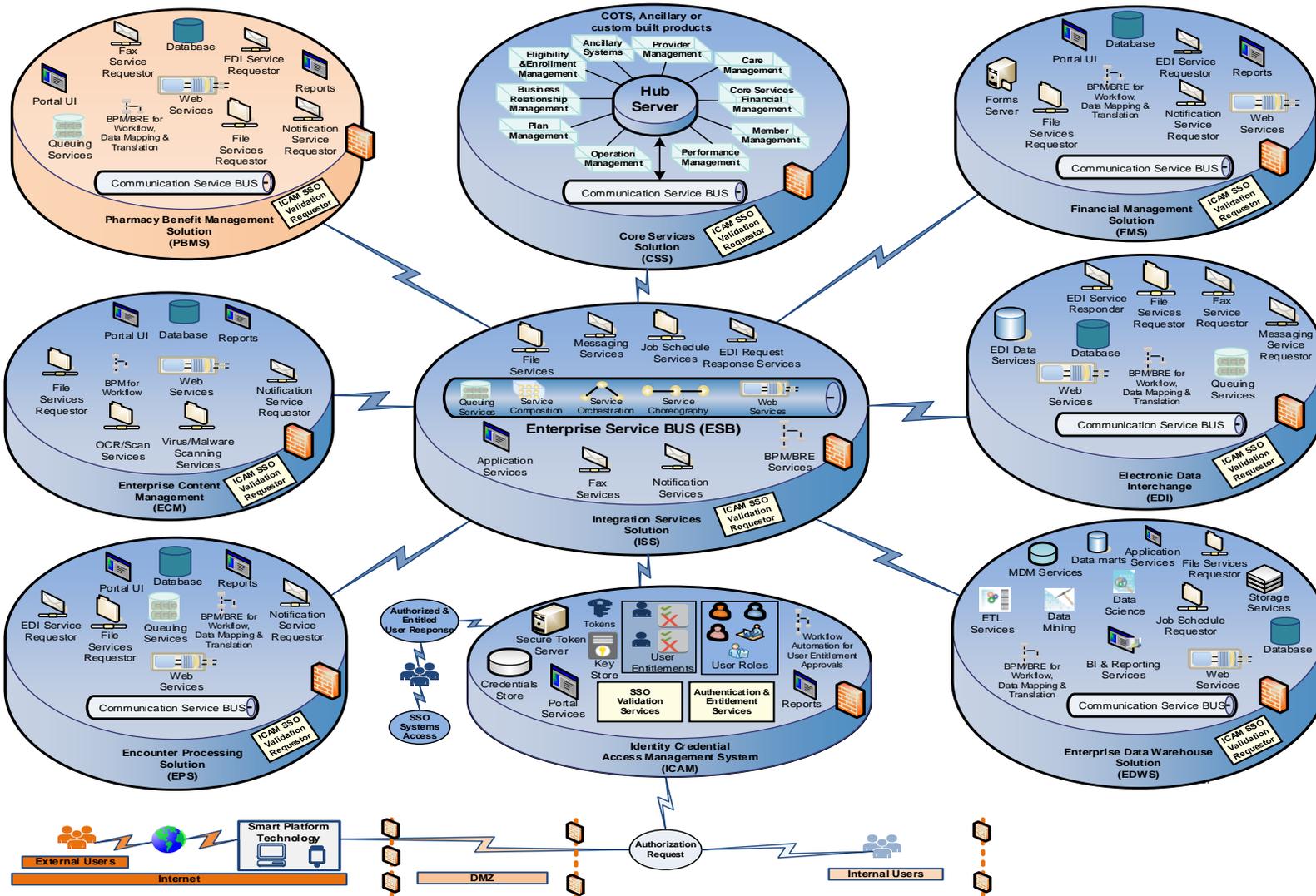
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The PBMS shall provide a component or a service that will allow seamless integration with MES Portal and the Identity, Credential, and Access Management (ICAM) system for authorization to allow single sign-on capability.

The PBMS shall provide a component or a service that shall validate the session token, entitlements, and authentication status of an incoming request by communicating with the ICAM system. This validation shall happen in cases where the request didn't come into this system through the ISS, periodic random checks, and if the session token has surpassed the 'token expiration' time period.

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





1.e.4. EXPECTATION OF ROLES AND RESPONSIBILITIES

The following is an overview of roles and responsibilities, but is not intended to be all inclusive.

MES ISS CONTRACTOR ROLES AND RESPONSIBILITIES

MES ISS Contractor roles and responsibilities include the following:

- Establish a Master Integration Plan during the DDI phases and support staggered implementations
- Fill the role of an Integrator in the MES by providing secure data exchange between the application modules within an agreed upon Service Level Agreement (SLA), using canonical data format, standards, and protocols
- Develop real-time and batch services to exchange HIPAA transactions, HL7, Provider, Member, Claims, Encounter, Financial, Pharmacy, and Reference data between the MES modular source systems and the consuming Contractors, data exchanges, and EDWS
- Facilitate the exchange of data through files, message queues, and Web services
- Convert the format of the data exchanged based on the needs of the producer/consumer of the data by using industry standards
- Maintain the service contracts of all the real-time and batch services hosted in the integration platform
- Provide project leadership as a single point of contact who shall own all issues related to integration of ISS with other systems/solutions. Coordinate with other contractors or sub-contractors to ensure these issues are taken all the way until closure or resolution within acceptable project timelines.
- Procure, own and implement a COTS product for Identity, Credential, and Access Management (ICAM) system as per the requirements highlighted in Appendix J.9 and J.10.

MES ISS Contractor roles and responsibilities **exclude** the following:

- ISS Contractor will NOT own the application data
- ISS Contractor will NOT permanently store the application data
- ISS Contractor will NOT apply edits (rules) on the application data

MES CONTRACTOR (CSS, FMS, PBMS) FOR COTS OR SAAS ROLES AND RESPONSIBILITIES

MES Contractor for COTS or SaaS roles and responsibilities include the following:

- Provide a solution that is “uncoupled” from other solutions
- Have the necessary databases to run the COTS package or SaaS
- Provide outbound data as required for the EDWS and other COTS contractors through the ISS



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- Provide product base standard and customized reports that are sent to the Enterprise Content Management solution
- Maintain code lists and reference files needed only by the Contractor's application; provide DMAS with recommendations regarding the most cost effective licensing options

DEPARTMENT ROLES AND RESPONSIBILITIES

Department roles and responsibilities include the following:

- Authorize approvals, related deliverables, and implementation for MES Contractors and enterprise change management requests
- Oversee contractual relationships to ensure the environment and solutions adhere to the MITA 3.0 Framework and Seven Conditions and Standards

EDWS CONTRACTOR ROLES AND RESPONSIBILITIES

EDWS Contractor roles and responsibilities include the following:

- The EDWS integrates disparate data sources (both internal and external) and will be a central repository for all of DMAS' relevant information
- The EDWS will provide easy access to timely and accurate data consistently
- The EDWS will be run by the DMAS Office of Data Analytics (ODA) which will manage service requests for internal and external reporting, data sharing, visualization, and advancing research and analysis
- The EDWS will manage "data at rest" and will receive data from COTS application through the ISS Contractor
- The EDWS will enable data access to users at different levels, including Executive Management Team, Business Managers, External Stakeholders, Statistical Analysis System (SAS) Analysts, and other users

EDWS Contractor roles and responsibilities **exclude** the following:

- The EDWS will NOT load application transactional data and will not support real-time reporting
- Letter generation process will NOT be managed by the EDWS
- EDWS will NOT modify the source data; it will only apply transformation rules identified by the Data Governance committee

1.e.5. CONTRACTOR OPERATIONS OVERVIEW

The DMAS Pharmacy Unit is responsible for oversight of outpatient pharmacy services provided to members enrolled in the FFS program. Currently, the Department is contracted with three (3) entities to assist with the provision of pharmacy services. In the present situation, OptumRx is the Agency's rebate Contractor, Xerox is the claims processor and fiscal agent, and Provider Synergies is the Pharmacy Services Administrator overseeing the Preferred Drug List and service authorizations.



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The pharmacy programs described below represent several of the various aspects of the DMAS program that are designed to increase the effectiveness of the Department's pharmacy benefit, both from a qualitative and quantitative prospective. Support and deployment of the items below, as well as those detailed in Appendix J – Pharmacy Benefit Management Solution Requirements are required of the selected PBMS Contractor.

- **Drug Utilization Review (DUR) Board** - The Department maintains a DUR Board comprised of physicians, nurses, and pharmacists who review new drugs to market, service authorization criteria, and identified topics that affect the Virginia Medicaid Pharmacy benefit. Additionally, the DUR Board reviews Contractor reports detailing ProDUR and RetroDUR activity as well as overall utilization, and other reports related to program performance and member safety. The Contractor shall produce and distribute materials for review by the DMAS DUR Board and shall attend and lead DUR Board Meetings in support of DMAS edits, audits, and programs.
- **Pharmacy & Therapeutics Committee (P&T Committee)** - The Department maintains a P&T Committee comprised of physicians and pharmacists who are responsible for management of the Preferred Drug List (PDL). This includes review of new drugs to market and annual reviews of therapeutic classes. During the review of drug products and drug classes, interested parties are allowed to present scientific and clinical information for consideration by the Committee. The Contractor shall publish agendas, gather and distribute all documentation relevant to the discussions, and provide required clinical and financial modeling in support of DMAS' PDL and service authorization programs.
- **Mandatory Generic Drug Program** – The Department has a mandatory generic drug use program that requires generic substitution of brand name drugs when the generic drug is therapeutically equivalent to the brand name drug unless otherwise instructed by the DMAS PDL.
- **Maximum Quantity Limits** – Establishing maximum quantity limits involves identifying high cost products where a 34-day supply is defined by a set number of tablets. This strategy establishes quantity limits based on commonly acceptable clinical dosing practices.
- **Dose Optimization Program** – The dose optimization program identifies high cost products that are candidates for once daily dosing, instead of taking lower doses multiple times each day. By providing the appropriate strength single daily dose, the number of units in a 34-day supply is minimized in addition to lowering the risk of missed doses and increasing overall member compliance.
- **Atypical Antipsychotic Utilization in children less than 18 years of age** – DMAS deploys a special utilization program to manage Atypical Antipsychotic use in children less than 18 years of age. DMAS requires a Physician Consultant to review criteria, recommend changes, and review all Service Authorization request denials for atypical antipsychotics in children less than 18 years of age. In the event the Physician Consultant determines that the Service Authorization denial shall be overridden, a Service Authorization shall be entered allowing the claim to pay. The Physician Consultant shall be available for consultation with physicians serving this member population as well as attendance at Drug Utilization Review (DUR) Board and Pharmacy and Therapeutics (P&T) Committee meetings on a mutually agreed upon schedule.



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- **Prospective Drug Utilization Review (ProDUR) Program** – The Pro-DUR program is designed to utilize claims data to develop and implement point of sale claims edits to inform providers and prevent drug to drug interactions, drug-disease interactions, drug-pregnancy interactions, early refills, therapeutic duplication and other edits. Pharmacists must use their professional judgment in determining when to use the override codes.
- **Call Center Operations** – Call center services that support Provider technical support related to claim submission, response, or processing issues as well as service authorization activities including reconsideration and appeal support are expectations of the Contractor. A call center that operates 24/7/365 in support of the DMAS Pharmacy Benefit Management Solution and program administration is required to meet the needs of Virginia Medicaid.
- **Retrospective Drug Utilization Review (RetroDUR) Program** – The Contractor’s RetroDUR program examines a history of medication used to identify certain patterns of use. After a computer analysis of claims data, an expert panel of reviewers evaluates a sampling of records and, in consultation with the Contractor’s Clinical Manager, requests the generation of educational intervention letters in appropriate circumstances.
- **Member Lock-in Program** – The DMAS Program Integrity Division administers a program that identifies members eligible for lock-in to a pharmacy or prescriber. Once their decision is final, the relevant information is applied to the member record. The Department requires their pharmacy benefit manager to accept and apply this information to the member record in the PBMS to effectively manage the member’s health.
- **Preferred Drug List (PDL) Program** – The DMAS PDL is a list of drugs adopted by the Department that may be prescribed and dispensed in the Virginia Medicaid fee-for-service program without prior authorization. Non-preferred drugs may be prescribed but require prior authorization or trial of a preferred agent prior to dispensing to the member. DMAS has a standing Pharmacy and Therapeutics (P&T) committee made up of volunteer doctors, pharmacists and other providers who make recommendations to DMAS as to which drugs will be included on the PDL based on sound clinical research. In the future, the PDL may serve as a common core formulary for health plans participating in the Department’s managed care programs; applicable encounter claim utilization must also be evaluated by the PBMS Contractor when making recommendations and evaluating the impact of P&T activity related to the preferred/non-preferred status of drugs.
- **Drug Rebate Program** – DMAS administers an aggressive drug rebate program pursuant to 42 U.S.C. § 1396r-8 that seeks out all available drug rebates and discounts available from all pharmaceutical manufacturers. DMAS is currently collecting drug rebates on all covered outpatient drugs administered to members enrolled in the FFS and managed care programs.
- **State Supplemental Rebate Program** – The Department aggressively seeks any cash rebate or other program benefit that offsets Virginia Medicaid expenditure and that supplements the CMS Federal Rebate described above.
- **Maximum Allowable Cost (MAC) Program** – The Department has implemented a MAC program which is currently defined as costs that shall not be less than 110 percent of the lowest published wholesale acquisition cost for products widely available for purchase in the state. The products must be available from a minimum of three different manufacturers that are able to



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supply sufficient quantities of the drug, which pharmacies may purchase. The drugs considered must be listed as therapeutically and pharmaceutically equivalent in the FDA's most recent version of the "Orange Book" and the MAC price should be applied to all NDCs within the Generic Code Number (GCN). The Department intends to sunset the existing MAC Program by deploying a claim pricing algorithm that incorporates the NADAC benchmark price type as a component of the lesser of pricing methodology. This change, in concert with an adjustment to the Professional Dispensing Fee will ensure that the program maintains a fiscally responsible provider reimbursement position.

- **Specialty Maximum Allowable Cost (Specialty MAC) Program** – This program works in conjunction with the current DMAS Maximum Allowable Cost (MAC) program and the Preferred Drug List (PDL) to ensure members receive quality products in a cost-effective manner. Specialty drugs are a category of prescription medications that have grown out of advances in drug development research, technology, and design. These drugs are used to treat specific chronic or genetic conditions. Specialty drugs may include biological drugs, blood-derived products, complex molecules, and select oral, injectable, and infused medications. They typically require tailored patient education for safe and cost-effective use, patient-specific dosing, close patient monitoring, administration (via injection, infusion or orally), and refrigeration or other special handling. With the deployment of the NADAC benchmark pricing algorithm, DMAS will also sunset the Specialty MAC Program and is requesting potential Contractors provide a description of their recommended Specialty Drug Management Solution as an optional service in this solicitation.



2. TECHNOLOGY STANDARDS

2.a. CMS REQUIREMENTS: SEVEN CONDITIONS AND STANDARDS

The Contractor will be required to provide a solution that complies with and supports the CMS Seven Conditions and Standards, including alignment with the MITA 3.0 Framework, as well as future MITA advances.

Under sections 1903(a)(3)(A)(i) and 1903(a)(3)(B) of the Social Security Act, the CMS has issued what is identified as the Seven Conditions and Standards that must be met by the states in order for Medicaid technology investments (including traditional claims processing systems, as well as eligibility systems) to be eligible for the enhanced match funding. The Seven Conditions and Standards include the following: Modularity Standard, MITA Condition, Industry Standards Condition, Leverage Condition, Business Results Condition, Reporting Condition, and Interoperability Condition.

These requirements can be found in Appendix J.8 – Seven Conditions and Standards.

2.b. STATE TECHNOLOGY STANDARDS

Virginia's Enterprise Architecture is a strategic asset used to manage and align Virginia's business processes and Information Technology (IT) infrastructure/solutions within Virginia's overall strategy. The Enterprise Architecture is also a comprehensive framework and information repository which makes available the information necessary to perform the State's mission, and the technologies necessary to support that mission in response to the changing business policies and needs.

The following link provides access to the document, "**ITRM Standards EA225-10**", which defines the Commonwealth of Virginia (COV) Enterprise Architecture Standard, as governed by VITA.

http://www.vita.virginia.gov/uploadedFiles/VITA_Main_Public/Library/PSGs/EA_Standard.pdf

The Contractor will address and adhere to the requirements relating to Virginia's Technology Standards, and any subsequent updates. These requirements can be found in Appendix J.1 – Technology Standards.



3. SCOPE OF WORK

3.a. CONTRACTOR GENERAL REQUIREMENTS

3.a.1. PROJECT DESIGN, DEVELOPMENT, AND IMPLEMENTATION (DDI)

INTRODUCTION TO PROJECT DDI AND OPERATIONS / MAINTENANCE

Contractors are required to provide a clearly defined project management methodology that follows the Project Management Institute's (PMI) Project Management Body of Knowledge (PMBOK® Guide) and other project management industry best-practices, as appropriate. Whether a traditional waterfall software development life cycle (SDLC) or agile methodology is used, the requirements to support the MES Program Management objectives are the same. The Contractor will have sole responsibility and accountability for the functionality and services provided by this contract.

The Contractor will define a Documentation Management Plan that will identify all of the documentation and deliverables that will be produced to support its DDI methodology as well as on-going Operations and Maintenance. The documentation that is defined must provide what is needed by the Contractor to successfully implement and operate the proposed solution. The documentation must also provide DMAS with the information it requires to understand and approve the details of the solution as well as provide the information it needs to fulfill its business requirements with respect to the PBMS.

The selected Contractor is expected to work in collaboration and partnership with the DMAS PMO, the MES ISS Contractor, Department conversion team, and other MES Solution providers. The integrated MES work plan will include tasks and dependencies from each of these project stakeholders.

MAJOR MILESTONES AND DELIVERABLES

Appendix I – Milestones and Deliverables, contains the major milestones and deliverables model.

In addition, the selected Contractor will be required to adhere to a project management status reporting schedule and report on certain project management criteria that can be used to monitor and assess the health of the project.

OPERATIONS AND MAINTENANCE

Once implemented, the PBMS will move into the Operations and Maintenance phase, and the Contractor shall provide a detailed project plan for any new projects or releases.

DMAS desires to move to an environment where the Contractor values customer input into product release updates through a defined user group that identifies business practices and functional enhancements to meet DMAS business needs. The Major Milestones and Deliverables requirements can be found in Appendix J.2 – Major Milestones and Deliverables.



3.a.2. TESTING OVERVIEW

Testing is an integral part of a complete SDLC or agile methodology, which means that in-depth, process-driven, fully documented testing processes are required for all implementations and configuration changes in the MES throughout the life of the contract.

3.a.2.1. REQUIRED TESTING METHODS

Owing to the reach and importance of testing, the Contractor shall describe in detail the testing methodology that will become the foundation for its test plans. The methodology shall include a description of the testing that will be performed at all stages of the SDLC, including but not limited to the following:

UNIT TESTING

Unit testing is at the lowest testing level and tests the basics of a unit of software. Prior to the initiation of System Integrated Testing, it is what was used to find defects.

INTEGRATION TESTING

Integration Testing is performed when two or more units have been tested and are combined into a larger, single structure. It refers to the testing being done on the interfaces between the components and the larger structure being constructed. Prior to the initiation of System Integration Testing (SIT), adequate integration testing is what is used to find defects.

SYSTEM INTEGRATION TESTING

System Integration Testing occurs when the system has been handed over from the developers to the Contractor's Testing Unit. SIT tends to affirm the end-to-end quality of the entire system by including quality attributes such as reliability, security, and maintainability.

SIT verifies that related groups of functionality are correct and that the MES is free from defects and functions as required by approved requirements and system design documents.

Upon completion of SIT, the Contractor shall ensure the MES functions as required by the approved design prior to DMAS' initiation of User Acceptance Testing.

NOTE: System Integration Testing for initial implementation shall include the use of converted data.

USER ACCEPTANCE TESTING (UAT)

User Acceptance Testing (UAT) occurs before implementation into the production environment and after a completed project has been released by the Contractor's Testing Unit to the intended users. UAT's primary purpose is to allow users to test the system in a pseudo production environment to verify that it is performing to all established specifications, and that its infrastructure works within the defined constraints.

NOTE: The UAT process is required throughout the life of the contract for enhancements and modifications.



INTERFACE TESTING

Interface Testing is performed by the Contractor to ensure providers, EDI service centers, business partners, and other agencies can submit transactions over appropriate channels, and can send and receive both proper acknowledgements and negative responses, including the testing of timeframes between the receipt of a transaction and the notification/response to the submitter for all modes of transmission.

STRESS/PERFORMANCE TESTING

Stress/Performance Testing is performed by the Contractor to demonstrate that the software and hardware will provide the intended functionality and meet SLA requirements under production conditions, and to ensure technical, application, data, and network architectures meet the anticipated transaction volume or workload.

REGRESSION TESTING

Regression Testing is performed by the Contractor and allows a consistent, repeatable validation of each new release of the MES component(s) or COTS version. Such testing ensures reported defects have been corrected for each new release and that no new quality problems were introduced in the maintenance process.

OPERATIONAL READINESS TEST

The Operational Readiness Test (ORT) is performed by DMAS and shall be fully supported by the Contractor to ensure that the application and infrastructure have been installed and configured for successful operation within the production environment. It will verify that all users are prepared to operate the system at initial implementation.

3.a.2.2. TEST CASES, SCRIPTS, AND MANAGEMENT TOOLS

The Contractor shall develop test cases and scripts that thoroughly test the functionality of the system for all test phases. Additionally, the Contractor shall utilize a management tool that integrates seamlessly among all areas of the MES, has the ability to consolidate and structure the test process, and is capable of automated test and manual test processes to easily manage multiple environments.

- **Cases** – The Contractor will develop comprehensive positive and negative test cases for all phases of testing. The Contractor shall develop robust (negative) test cases that address stressing the system with bad or invalid data to ensure that the system properly rejects negative data.
- **Scripts** – The scripts shall provide step-by-step instructions for executing the tests and the expected results. Test scripts may take the form of either documented textual instructions that are executed manually or computer readable instructions that enable automated test execution.

The scripts shall address all data scenarios that the system will process in accordance with business processes.

- **Management Tool** – The Contractor will use this tool as a single application for managing test cases, environments, automated tests, manual test processes, defects, and project tasks. The



test management tool shall allow the Contractor the ability to streamline the testing process, tie test cases directly back to requirements, and allow quick access to data analysis, collaborative tools, and tracking of bugs and defects.

3.a.2.3. INTEGRATED TEST FACILITY

The Contractor shall provide support for an Integrated Test Facility (ITF) that will be used by DMAS staff and Contractor staff to test system processing and ensure that quality control is maintained. In addition to environments for all test phases, the ITF shall include a 'mock production' test environment with online and batch programs and system files that are identical to the production environment.

NOTE: The ITF will allow the Department to monitor the accuracy of the MES during all phases of the contract and test the production system by processing test data and other transactions without affecting normal operations.

The Contractor shall have processes in place to routinely load production and other data into the ITF, at DMAS' request, to perform its automated processes (e.g., reference values such as security tables, system parameters, system lists, edits, dispositions, and reference tables and data).

NOTE: The Contractor shall protect privacy by the use of an industry standard data anonymization package while providing accurate test data.

- **Test Results** – The Contractor shall provide comprehensive documentation for all requested test results for DMAS approval prior to any software or COTS product being implemented or upgraded in the production environment. Comprehensive documentation of all requested test results for configuration changes to PBMS production environments pursuant to change management activity shall be provided to DMAS for review and approval. The documentation shall delineate the results of each testing phase by identifying any problems and explaining their resolution. DMAS test case reviewer comments and approval shall be captured and stored by the Contractor in a readily retrievable manner and made available to DMAS upon request.

3.a.2.4. DMAS AND CONTRACTOR TESTING INTERACTION

The Contractor shall support the testing initiatives of DMAS and Contractor staff in the testing environment.

- **Test Management Plan Review and Approval** – All test plans shall be reviewed and approved in accordance with DMAS' standard deliverable submission and review procedure detailed in RFP Section 5.a.1 – DMAS Deliverable Submission and Review Process.
- **Scheduling and Coordinating Test Activities** – The Contractor will be responsible for scheduling and coordinating all testing activities to ensure that each test is prepared and performed in accordance with the Test Management Plan. The Contractor will train DMAS personnel as appropriate to participate in the testing effort.
- **Providing Testing Tools, Materials, and Resources** – Unless otherwise specified, the Contractor will be required to provide all tools, testing materials, and resources necessary to effectively perform the required tests.



3.a.2.5. TEST MANAGEMENT PLAN

In addition to the Contractor's overall testing methodology, the Contractor shall develop a Test Management Plan and approach to the initial PBMS implementation. The specific requirements for the Test Management Plan deliverable can be found in Appendix J.3 – Testing.

3.a.3. CHANGE MANAGEMENT

Contractors are required to provide a clearly defined and comprehensive change management methodology that follows the PMBOK® Guide and project management industry best practices. This methodology shall be documented in a Change Management Plan that is approved by DMAS.

There shall be a Change Management Plan for the DDI phase of the project, as well as for the on-going Operations and Maintenance phase. The respective plans shall be submitted and approved in accordance with the schedule defined in Appendix I – Milestones and Deliverables.

The purpose of a Change Management Plan for the DDI phase is to protect the achievability of the required project scope and the integrity of the project schedule and budget. The Change Management Plan will define a formal process to address any requested changes to requirements or scope defined in this RFP. The proposed change management approach shall address the initiation, submission, impact assessment, review, and approval or rejection of all changes within realistic and agreed upon time periods that are reflective of the solution for the proposed change. Changes to requirements or approved DDI deliverables, including components of the Project Management Plan, shall only be made based on an approved change request.

In addition to the Change Management Plan the Contractor provides that is native for the MES module configuration and updates, the Contractor will participate in an Enterprise Integration Change Management Process. This Change Management provision is coordinated by the Department PMO and the MES ISS Contractor and involves changes that impact other MES contractors that are deemed to have a dependency on a change, or if a change impacts the MES module of the Contractor. For example, if an exchange exists where an MES Contractor is providing new data that is exchanged with one of more contractors, an Enterprise Integration Change Management process is invoked that ensures the changes are accurate and tested end-to-end.

The purpose of the Change Management Plan for the Operations and Maintenance phase is to document and control changes made to any component of the approved production environment, including but not limited to software, hardware, data, and documentation. The proposed change management approach shall address submission, review, and approval or rejection of all changes within realistic and agreed upon time periods that are reflective of the solution for the proposed change. Any requested change shall be processed using a methodology that is appropriate for the type and scope of change being requested, and shall include acquisition and documentation of necessary approvals throughout the process.

The Change Management Plans shall provide the steps that will be taken to assure that the project has adequate control over changes to the items necessary for creating or supporting all DDI deliverables and Operations and Maintenance components. The Change Management Plans shall include both written and diagrammatic representation of the processes and procedures undertaken to initiate, evaluate, review, manage, and implement any needed changes, including the approach for resolving any conflicts regarding change requests that occur both before and after the proposed solution is implemented. An



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Enterprise Integration Change Management provision will need to account for integrated changes that occur in the Operations and Maintenance phase. Change Management requirements can be found in Appendix J.4 – Change Management.

3.a.4. IV&V/CMS REVIEWS AND CERTIFICATION

CMS requires that States procure a contract to conduct Independent Verification and Validation (IV&V) services for the MES Planning and DDI activities. An IV&V Contractor brings technical, managerial, and financial independent evaluation expertise to assess the MES project. MES contractors will be subject to IV&V reviews along with the Department. The following section outlines the IV&V scope of work and areas where the Contractor's project management practices may need to be adjusted based on the IV&V reports to the Department and CMS.

A focus by the IV&V Contractor on “verification” and “validation” of project processes and system modules is conducted to ensure the solution satisfies defined requirements.

The Department will procure an IV&V Contractor that will act in accordance with Federal regulation 45 CFR 95.626 and provide the following to meet compliance:

- IV&V assessment and analysis of the State's system development effort may be required in the case of Advanced Planning Document (APD) projects.
- IV&V efforts shall be conducted by an entity that is independent from the State (unless the State receives an exception from CMS), and the IV&V Contractor selected shall:
 - ✓ Develop a project work plan. The plan shall be provided directly to the CMS at the same time it is given to the Department.
 - ✓ Review and make recommendations on the management of the project, both State and Contractor, and the technical aspects of the project. The IV&V contractor shall give the results of its analysis directly to CMS at the same time it reports to the Department.
 - ✓ Consult with all stakeholders and assess the user involvement and buy-in regarding system functionality and the system's ability to support program business needs.
 - ✓ Conduct an analysis of past project performance sufficient to identify and make recommendations for improvement.
 - ✓ Provide risk management assessment and capacity planning services.
 - ✓ Develop performance metrics which allow tracking project completion against milestones set by the Department.

The IV&V Contractor will review three (3) main areas, along with subtopics to include but not limited to:

PROJECT MANAGEMENT

- Progress against budget and schedule
- Risk management
- Feasibility and quality of the Implementation Advance Planning Document



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- Inclusion of State goals / objectives and all Federal MMIS requirements in requests for proposals and contracts
- Adherence to the State's SDLC
- Incorporation of the Seven Conditions and Standards into design and development
- Reasonability, thoroughness, and quality of the MITA SS-A, including business architecture, concept of operations, information architecture, and technical architecture
- Reflection of the Department's MITA goals and plans into actual MES design and development
- Configuration management that is robust and includes Department or developer configuration audits against a starting configuration baseline
- Change management
- Adherence to service level agreements

SYSTEM/MODULAR DEVELOPMENT

- Completeness and reasonability of MES concept of operations, architecture, and designs
- Accuracy of capture of interfaces and data sharing requirements with systems external to the MES
- Viability and completeness of the data transition plan
- Traceability of requirements through design, development, and testing
- Adequacy of system security and privacy policies, plans, technical designs, and implementations
- Coverage and integrity of all system testing, including stress testing and testing of interfaces between modules and with external partner systems
- Capacity management, including consideration of future contractors' support and release plans for underlying databases, software, and hardware
- Adequacy of disaster recovery planning

The Department PMO will be responsible for communicating specific IV&V requirements in project planning.

CMS CERTIFICATION PROCESS

The Contractor will be responsible for providing and maintaining a solution that meets all applicable Medicaid Enterprise Certification Toolkit (MECT) checklist items, and supporting the review and validation of those items by the Department, IV&V Contractor, and CMS. The Contractor shall provide a CMS Certification Plan as a deliverable on a mutually agreeable schedule that allows for input from the Department and IV&V Contractor. Certification will be conducted in a modular fashion or by CMS' direction, so the Contractor will be assessed on products and services provided. The Contractor shall become knowledgeable of all MECT-related items associated with the solution offered.

The Point of Contact for CMS certification is the IV&V Contractor. The Contractor will provide certification support tasks including:



- Assisting with certification planning activities
- Providing draft adjudication of certification criteria that shows acceptance or rejection
- Providing certification review progress reports
- Supporting risks, recommendations, and MITA updates

CMS will review and provide final decisions on certification. The DMAS PMO will work closely with the Contractor, CMS, and the IV&V Contractor to ensure all certification checklist items have been satisfied and certification can be achieved. The Contractor will ensure the solution meets MITA 3.0 Framework and Seven Conditions and Standards requirements. The IV&V and CMS Certification Requirements are provided in Appendix J.5 – IV&V and CMS Certification.

3.a.5. AUDIT SUPPORT

Audit Support Requirements pertain to business processes associated with the daily operations of the DMAS Internal Audit Division.

Primary categories of requirements include external audit of the Contractor and its subcontractors, audit trails and logs, access to records for audit, record retention, and corrective action plans for audit findings. Audit Support Requirements can be found in Appendix J.6 – Audit Support.

3.a.6. TURNOVER AT CONTRACT CONCLUSION

Prior to the conclusion of the contract with the Department, the Contractor will provide assistance in turning over the MES Solution to DMAS or a successor Contractor. The Turnover objectives require that the Contractor provide an orderly, cooperative, comprehensive, and controlled transition to the Department or subsequent Contractor. The Turnover shall result in minimal to no disruption of processing or interaction with services provided to members, providers, or Department operations staff. In the event disruption of services is required to support Turnover activities, Contractor shall provide an Impact Analysis and obtain DMAS approval prior to executing any disruptive Turnover activity.

The Department's responsibilities for the Turnover include:

- The Department will notify the Contractor of DMAS' intent to terminate and transfer the data, custom interfaces, and any reusable developed code funded by CMS and the Department at least 12 months in advance of the end of the Contractor's contract in a document known as the Turnover Notification Letter.
- The Department will review and approve or deny the deliverables identified in Appendix I – Milestones and Deliverables. If denied, the Contractor will need to remedy the defects in the Turnover Plan until approved.
- The Department will report and coordinate the resolution of issues between the current Contractor and the new Contractor.
- The Department will chair a weekly meeting with the Contractor, provide feedback on the Contractor's plan and weekly reporting status, and participate in risk management, issues management, and any corrective action plans for late deliverables.



- The Department will participate in a post-turnover review period and obtain post-turnover support from the current Contractor for up to 6 weeks following the end of the Medicaid Drug Rebate cycle that contains any claims processed by the current Contractor.

Additional information regarding Turnover Requirements can be found in Appendix J.7 – Turnover.

3.a.7. TECHNOLOGY

3.a.7.1. SEVEN CONDITIONS AND STANDARDS

The CMS Seven Conditions and Standards focus on key elements of development and deployment to improve the likelihood of successful system implementation and operation. The goal is to build a common framework for Medicaid to plan, architect, and engineer modern Medicaid IT systems that are more stable and uniform, supporting more efficient, cost-effective, and modern processes and systems.

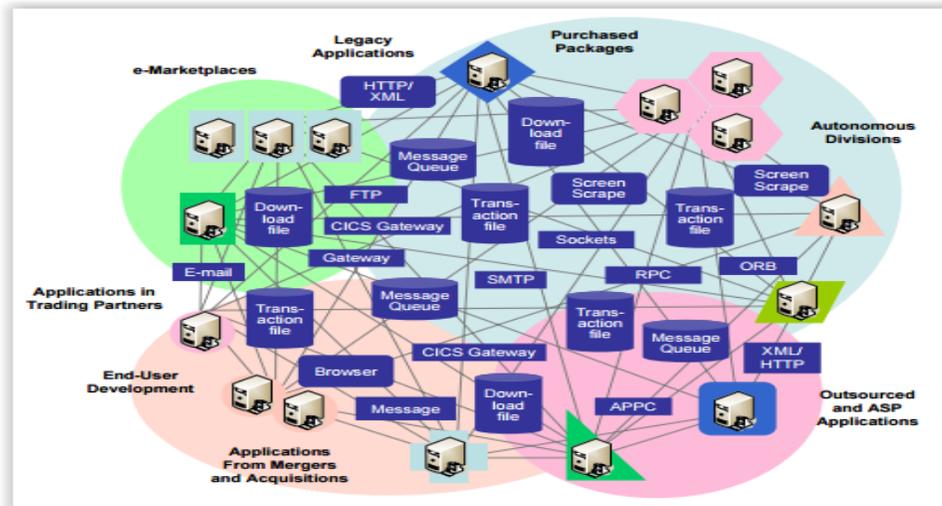
A typical legacy MMIS has the following limitations:

- Highly interconnected systems using point-to-point interfaces require pervasive modifications to accommodate changes to business requirements, making them difficult to change
- Users navigate through multiple functional systems to perform a single task
- A typical legacy MMIS, to a large extent, is platform dependent, and does not communicate easily across functional or technical boundaries, which makes it difficult to share information or reuse functionality
- Finally, the rate of policy change within Medicaid continues to increase from both Federal and State perspectives, as legislators continue to make adjustments to the program. Legacy development systems suffer from a lack of modularity and may slow the development and deployment process. Development and coding requirements that may compete across functional areas of the Medicaid program produce delays due to resource contention, additional testing requirements, and increase overall program costs associated with change and growth.

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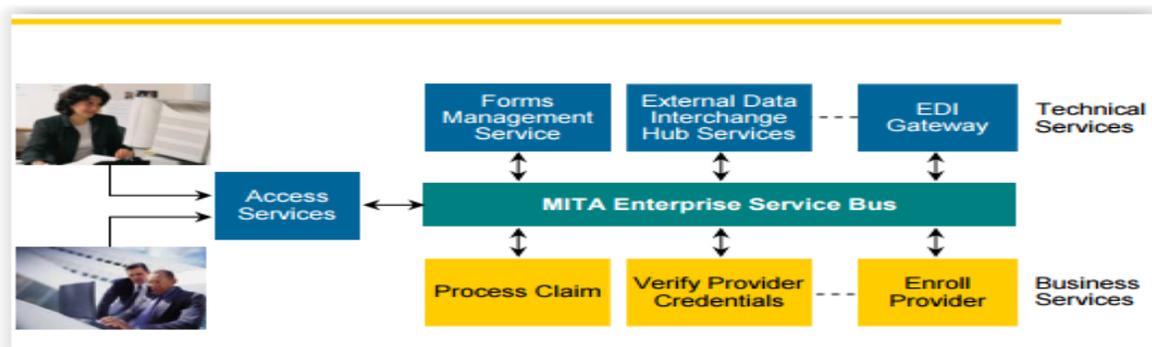
Following is a typical legacy MMIS architecture that demonstrates typical complexity and limitations.

Figure 5: Typical Legacy MMIS Architecture



CMS' MITA 3.0 Framework as illustrated in Figure 6 advocates SOA with modularized applications, pertaining to business processes, to reduce system complexity. Business functions such as "check the eligibility of a member", and "checking the status of a claim", can be exposed as modularized services in an SOA environment, which will help to: increase business agility, use business needs to drive the enterprise, facilitate greater reuse of components, increase operational flexibility, and allow for the downstream insertion of new technologies when needed.

Figure 6: A Service Oriented Medicaid Enterprise System (MES) Architecture

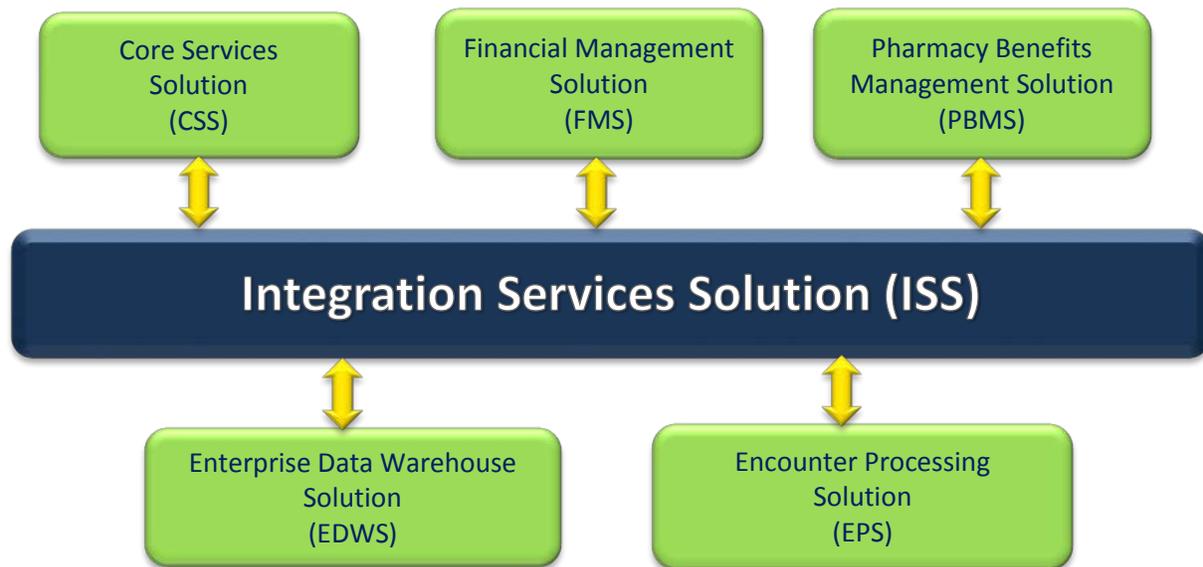


MODULARITY STANDARDS

The MES is envisioned to consist of a modular architecture, pertaining to major business domains, such as Core Services, Pharmacy Benefit Management, Encounter Processing, Member Management, Provider Management, Financial Management, and Data Analytics. The business processes within the major business domains will also be developed as modular, configurable applications. The role of the ISS Contractor is to incorporate these loosely coupled modular systems into a cohesive MES. An ESB will be used as the integration vehicle through which all communication must flow and the ISS Contractor will

orchestrate the secure data exchanges between the modular components. Following is a high-level schematic representation of the concept of operations of the new MES.

Figure 7: Schematic Representation of Future State Vision of the new MES



MITA CONDITION

The strategic initiatives and objectives identified in the recently completed MITA 3.0 SS-A serve as the input to the MITA Roadmap. This Roadmap identifies several initiatives that are targeted to advance DMAS capabilities as described in the MITA 3.0 Framework. As documented in the MITA SS-A, DMAS is committed to move toward and achieve a Level 3 maturity within the business, information, and technical architectures.

INDUSTRY STANDARDS CONDITION

The MES will use standard HIPAA transactions like NCPDP, X12, HL7, and CAQH-CORE standards wherever applicable for data exchanges. The applications and services shall be deployed on flexible infrastructure, where resources can be provisioned in real time to meet spikes in user demand. All modules and applications within the MES must comply with the following mandated standards and protocols: (1) accessibility standards established under Section 508 of the Rehabilitation Act, or standards that provide greater accessibility for individuals with disabilities, and compliance with Federal civil rights laws; (2) standards adopted by the Secretary under Section 1104 of the Affordable Care Act; and (3) standards and protocols adopted by the Secretary under Section 1561 of the Affordable Care Act.

LEVERAGE CONDITION

COTS and cloud-based SaaS are being sought over custom built solutions for the MES solutions. For example, it should be possible for the EDI Solution, developed as part of the MES, to be leveraged by other Medicaid agencies and Federal agencies to securely exchange standard HIPAA transactions.



BUSINESS RESULTS CONDITION

MITA's Business Results Condition mandates accurate and timely processing of claims (including claims of eligibility), adjudications, and effective communications with providers, beneficiaries, and the public. The Contractor is expected to consistently meet or exceed operational performance standards over the life of the contract.

REPORTING CONDITION

The EDWS, developed as part of the MES, will develop the necessary Federal reports, such as T-MSIS, MARS, Program Integrity (SURS), and other ad hoc reports. Each Contractor is required to maintain all the transactional reports and any Department-specific reporting requirements for effective and efficient program management, and to promote effective customer service and better clinical management and health services to beneficiaries. In addition the PBMS Contractor shall produce or support the completion of State or Federal reporting requirements defined as the Contractor's responsibility in Appendix J; this shall include, but is not limited to, CMS Drug Utilization Review Annual Report and Medicaid Drug Rebate reporting requirements necessary to complete the CMS 64.9 Report.

INTEROPERABILITY CONDITION

The MES shall ensure seamless coordination and integration across applicable State and Federal systems, including eligibility, Medicaid systems, Health Insurance Marketplaces, and Health Information Exchanges. It shall also allow interoperability with public health agencies, human services programs, and community organizations providing outreach and enrollment assistance services. The integration platform (i.e., Enterprise Service Bus) will be leveraged to connect the heterogeneous system using standard protocols in data exchanges and security.

The Contractor is expected to consistently meet or exceed the above CMS's Seven Conditions and Standards over the life of the contract. The requirements related to the Seven Conditions and Standards can be found in Appendix J.8 – Seven Conditions and Standards.

3.a.7.2. HOSTING THE SOLUTION

The Contractor shall provide two hardware hosting options:

1. The Contractor is required to offer and price the Solution hardware hosted at a location determined by the Contractor. The Contractor will need to demonstrate that costs associated with the hardware hosting, outside of VITA and DMAS, will be cost effective relative to the VITA hosting solution, yet meet all of the security and operational requirements.
2. The Contractor shall also offer and price a second option for hosting the Solution hardware at VITA in the Chesterfield, VA offices. The Contractor is required to comply with VITA standards and meet VITA-approved SLAs. Please refer to Security/Compliance Audit Management



3.a.7.3. SECURITY/COMPLIANCE AUDIT MANAGEMENT

SECURITY

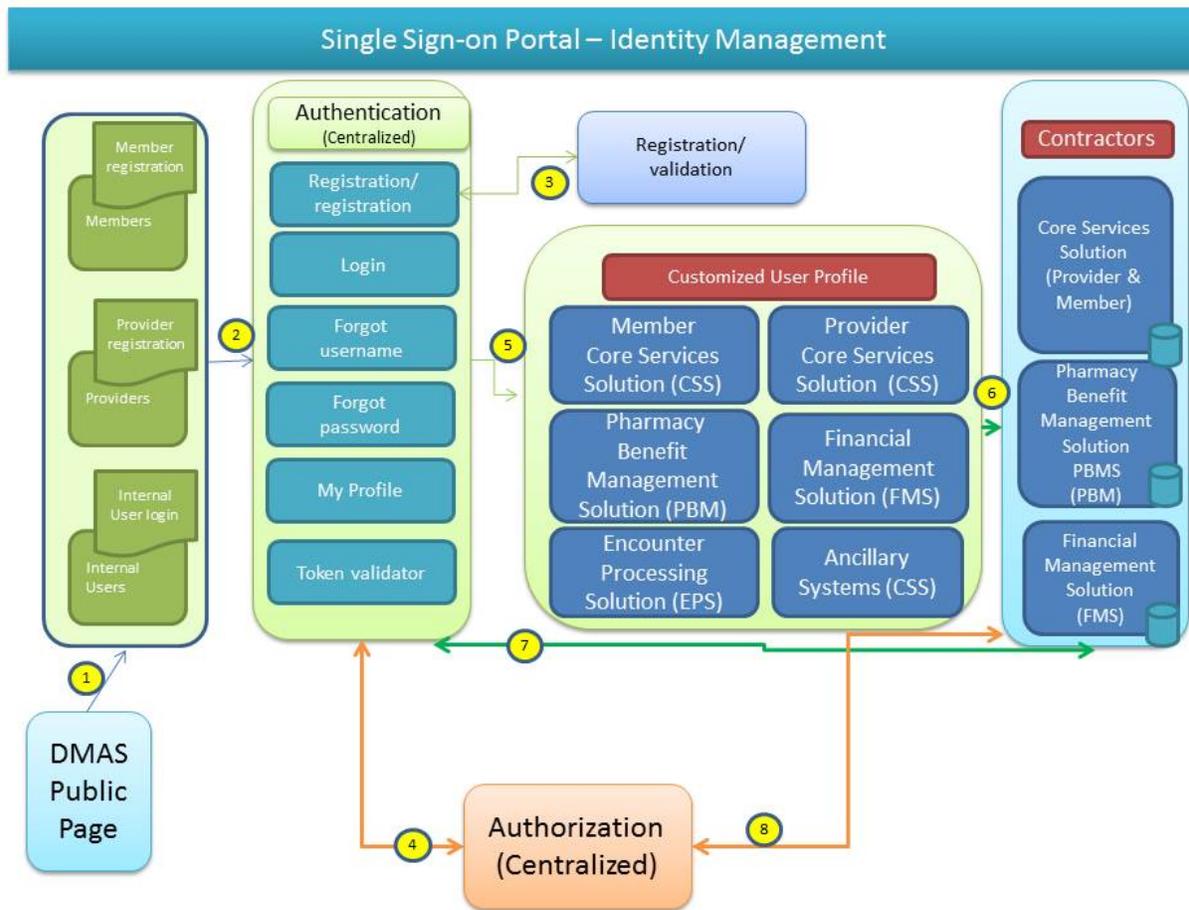
MES security provides a COTS identity management system and utilizes automated processes (e.g., workflows, certificates, credentialing, etc.) to provision and manage user accounts. The MES Solution will be a collection of modular component systems whose locations can vary in terms of the hosting facility. Each component system will need to engage in secured communications, exchanging transactions with a centralized Enterprise Service Bus.

DMAS, and its business partners, have a shared responsibility to meet the HIPAA and Commonwealth requirements relating to the protection of Electronic Protected Health Information (ePHI). To meet this responsibility, DMAS has identified the need for contractors to provide compliance tools which will aid in managing users across these various component systems, monitor system activity for unusual behavior, and support individual rights as specified in the HIPAA and Commonwealth regulations. Additionally, these compliance tools will use data analytics functionality to alert security management of unusual trends, and the violations of defined thresholds.

MES SINGLE SIGN-ON SOLUTION

The MES single sign-on components for authentication and authorization rely on identity, credential, and access management accomplished through central ICAM/SSO web services. Figure 8 depicts the concept.

Figure 8: High Level Diagram for ICAM SSO Flow



Informational Only (Steps 1-5)

1. User comes from DMAS public page and selects the type of user they are (Member, Provider, or Internal User).
2. If the user is already registered they can log in using their credentials. If not registered then they fill out the fields required for registration for their user type.
3. Information provided by the user as part of registration is validated with internal and external sources based on user type.
4. Upon successful validation of registration, user information is sent to the centralized authorization to trigger the DMAS role/access level authorization process. A DMAS workflow process shall be used to assign DMAS users to contractor role identifiers.
5. Upon successful login, the user shall be directed to customized user profile (secured page). After the role/access level has been set in the authorization system, users shall see the available applications on their customized user profile (secured page).



Contractor Responsibilities (Steps 6-8)

6. When users select an application from the customized user profile (secured page), they will be directed to the corresponding contractor's application. At that time, the customized user profile (secured page) shall send the secured token and user information to the contractor's application.
7. The contractor application shall verify the secured token with the token validator service. Once it is validated by the token validator service, the service sends the user role/access level identifiers back to the contractor application.
8. The contractor's application synchs periodically with the user role/access level as set up by DMAS in the authorization system.

The Contractor shall address and meet the detailed requirements relating to Security as described in Appendix J.9 – Security/Compliance Audit. Additionally, the contractor shall address and meet the detailed requirements relating to Single Sign-on as described in Appendix J.10 – MES SSO Global Security.

COMPLIANCE AUDIT

The Contractor's system will include audit logs of all change and configuration activities on the production systems. These logs will be available online, behind a front-end presentation toolset providing queries, reports, and analytics on any log selected. Log retention will be seven years based on Library of Virginia standards, which exceeds the HIPAA requirement of six years.

Each participating Contractor provides DMAS with annual penetration and quarterly vulnerability reports. The proposed solution schedules management reports covering key areas of concern and addressing typical control questions required by *VA IT Security Standard COV SEC501-09* (available on the VA VITA website) and *NIST 800-053 REV 4* (or latest) with online reporting. Outside audit tools for guest auditors from the Federal Office of the Inspector General (OIG), CMS, Virginia Auditor of Public Accounts (APA), or any other authorized auditors as determined by DMAS Internal Audit will be permitted to be installed at DMAS request. Security audits will be provided by independent audit firms every two years; the Auditor of Public Accounts will audit every year.

The Contractor conducts risk assessments and other required deliverables, e.g., a CMS annually updated Security Plan (or more often as major system changes occur), which includes an annual CMS System Security Plan (SSP) Workbook FINAL Version 1.5 July 31, 2012 (or latest), and a System Security Plan Template with required and updated annual attachments. These documents are submitted to DMAS Chief Information Security Officer (CISO) or Information Security Officer (ISO) for annual review and are required to be updated quarterly.

Once DMAS has reviewed and accepted as complete, the SSP Workbooks and Templates will be shared with its sister agency, the Virginia Department of Social Services (VDSS), for their review and acceptance. Subsequently, VDSS will review, approve, and provide assurance to CMS that DMAS and VDSS have reviewed and accepted these SSP Workbooks and Templates. More detail pertaining to the Security/Compliance Audit Requirements can be found in Appendix J.9 – Security/Compliance Audit.



BUSINESS CONTINUITY AND DISASTER RECOVERY

AVAILABILITY

The Contractor's Solution shall be available for transaction processing 24/7/365. Contractor will maintain the proposed solution in a highly redundant manner that supports rolling updates. Rolling updates will allow for the Contractor to maintain 24/7/365 functionality. The following Recovery Time Objective (RTO) and Recovery Point Objective (RPO) guidelines shall apply to the proposed solution:

- **RTO:** In the event of an incident that causes the system to become unavailable or unable to process transactions, Contractor will restore services within 120 clock minutes, regardless of the time the incident occurred. Service unavailability is defined as the point in time at which transaction processing ceases. Service restoration is defined as the point in time which transaction processing recommences.
- **RPO:** The system shall preserve committed transactions in a manner that ensures no greater than 10 minutes of committed transaction data is lost as the result of an unplanned outage.

BUSINESS CONTINUITY (BC)/DISASTER RECOVERY (DR)

The Contractor shall provide a BC/DR Plan for the technology and infrastructure components, as well as for the business area operations continuity and contingency plan. The Contractor, together with the Department, shall affirm the BC/DR plan, including the essential roles, responsibilities, and coordination efforts necessary to support recovery and business continuity.

The Contractor shall address a wide range of infrastructure and services recovery responsibility associated with, and/or arising from, partial loss of a function or of data for a brief amount of time to a worst-case scenario in which a man-made or natural disaster results in data center equipment or infrastructure failure or total system failure. It is the policy of the State that a Business Continuity/Disaster Recovery Plan is in place and maintained at all times. The plans contain procedures for data backup, disaster recovery including restoration of data, and emergency mode operations. The plans shall include a procedure to allow facility access in support of restoration of lost data and to support emergency mode operations in the event of an emergency. Also, access control will include procedures for emergency access to electronic information.

The Contractor shall provide adequate protection to DMAS against hardware and software failures, human error, natural disasters, and other emergencies which could interrupt services. The plan shall address recovery of business functions, business units, business processes, human resources, and the technology infrastructure.

The Contractor shall develop a Business Continuity Plan which includes the following:

1. Identification of the core business processes involved in the solution
2. For each core business process:
 - a. Identification of potential system failures for the process
 - b. Risk analysis
 - c. Impact analysis



- d. Definition of minimum acceptable levels of outputs
3. Documentation of contingency plans
4. Definition of triggers for activating contingency plans
5. Discussion of establishment of a business resumption team
6. Maintenance of updated Disaster Recovery Plans and procedures

The Contractor shall prepare a Disaster Recovery Plan which addresses the following:

1. Retention and storage of backup files and software
2. Hardware backup for critical system components
3. Facility backup
4. Backup for telecommunications links and networks
5. Staffing plan
6. Backup procedures and support to accommodate the loss of online communications
7. A detailed file backup plan and procedures, including the offsite storage of crucial transaction and master files; the plan and procedures shall include a detailed frequency schedule for backing up critical files and (if appropriate to the backup media) their rotation to an offsite storage facility. The offsite storage facility shall provide security of the data stored there, including protections against unauthorized access or disclosure of the information, fire, sabotage, and environmental considerations
8. The maintenance of current system documentation and source program libraries at an offsite location

The Disaster Recovery Plan and results of periodic disaster readiness simulations shall be available for review by State or Federal officials on request. This report and test results shall be filed annually with the Department ISS Contractor Point of Contact and any other agency authorized by the State or the Federal government. This report and test results shall be approved by the Department.

The Contractor will conduct annual, comprehensive technical and operational tests of the Business Continuity and Disaster Recovery plans. The Contractor will conduct role plays and update the Business Continuity and Disaster Recovery plans based on the results of testing with findings for improvement after each annual test and train on the Department approved changes.

Additional details regarding Business Continuity and Disaster Recovery can be found in Appendix J.19 – Disaster Recovery.

INTEGRATION SERVICES

CMS's MITA 3.0 Framework advocates service oriented architecture within the modularized applications pertaining to business processes. The key advantage of service oriented architecture is its technology and platform independence, which provides the ability to integrate the best of the breed solutions. These solutions have to communicate with each other to exchange data and messaging, thereby facilitating a cohesive MES that will comply with the Seven Conditions and Standards. To achieve this



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overall system, a rule based, modularized, highly decoupled, service oriented software architecture is essential.

The role of an ISS Contractor in the MES is to provide secure data exchange between the application modules within an agreed upon SLA using canonical data format, standards and protocols.

Subject to the implementation period of performance, a Contractor may send or receive data through the MES ISS Contractor to a different MES Contractor in the Transition Phases of moving toward a MES environment. Every effort will be made to standardize the interchange upfront. However, the Contractor may be called upon to change to an exchange-based interface when onboarding new solutions.

Contractor shall facilitate the secure exchange of data with other applications in the MES within the agreed upon SLA through synchronous real time web services and/or asynchronous services using Queues. The Contractor shall have the ability to produce/consume Simple Object Access Protocol (SOAP), Representational State Transfer (RESTful) web services. More information regarding the specific system integration requirements can be found in Appendix J.11 – Integration Services.

RULES ENGINE

A business user configurable rules engine, in association with the Contractor's solution software, will provide the needed flexibility, configurability, and capacity to support diverse and complex DMAS programs. The Department requires the implementation of a rules engine to control domain based business logic configuration that provides authorized users, permissioned through role-based security access, with the ability to make Department directed and approved configuration changes to the greatest extent practical while still maintaining system integrity.

Additional details regarding Rules Engine Requirements can be found in Appendix J.12 – Rules Engine.

WORKFLOW

To increase operational efficiencies and the clinical quality of the DMAS Program, the Department seeks a robust and evolving Solution that facilitates deployment of meaningful change activity as well as program and process improvement. The Contractor shall provide a solution that leverages increased automation of business and technical processes with the integration of workflow management tools to deliver the future state PBMS.

More information regarding Work Flow requirements can be found in Appendix J.13 – Workflow.

PORTAL

The MES will use web-based user interfaces for new and existing users to facilitate support and use of current and future Medicaid related services. Any and all websites and/or portals under the MES environment will be required to provide appropriate and expedient access for Virginia residents, providers and support staff, other participants of services provided under the MES authority, and DMAS Staff. The portal shall support token based secure single sign-on. This access will be required 24 hours a day, 7 days a week, and 365 days a year.

The Contractor will address the additional requirements relating to the Website Technical Requirements as described in Appendix J.14 – Portal.



3.a.8. ELECTRONIC DATA INTERCHANGE

The Contractor shall exchange with the DMAS EDI Gateway all information that is needed to support any electronic standard healthcare transactions that are mandated by DMAS, as well as any other transactions required to operate its solution. The Contractor shall send and accept batch representations of applicable HIPAA-mandated and other standard health care transactions. The information exchanged will support a variety of formats, including but not limited to X12, NCPDP, XML, and JSON formats.

It is the objective of DMAS to mutually participate with the Contractor to support a versatile process for sending and receiving all batch HIPAA-mandated and other Standards compliant transactions that flow through an EDI exchange operated by DMAS.

See Appendix J.15 – Electronic Data Interchange for more details on the EDI Requirements.

3.a.9. DOCUMENTATION MANAGEMENT

The Contractor shall provide a Documentation Management system that stores both operational artifacts, such as hard-copy inputs, report outputs, and any documents received, as well as system documentation, such as design documents, operations manuals, and training materials.

Implementation of the Contractor's Solution must include conversion of all of the contents currently stored in the legacy Enterprise Content Management (ECM) solution that are required by DMAS and the Contractor to support the PBMS. The proposed solution must include an integrated automated workflow process and provide comprehensive document storage with online access to all documents from the user's desktop.

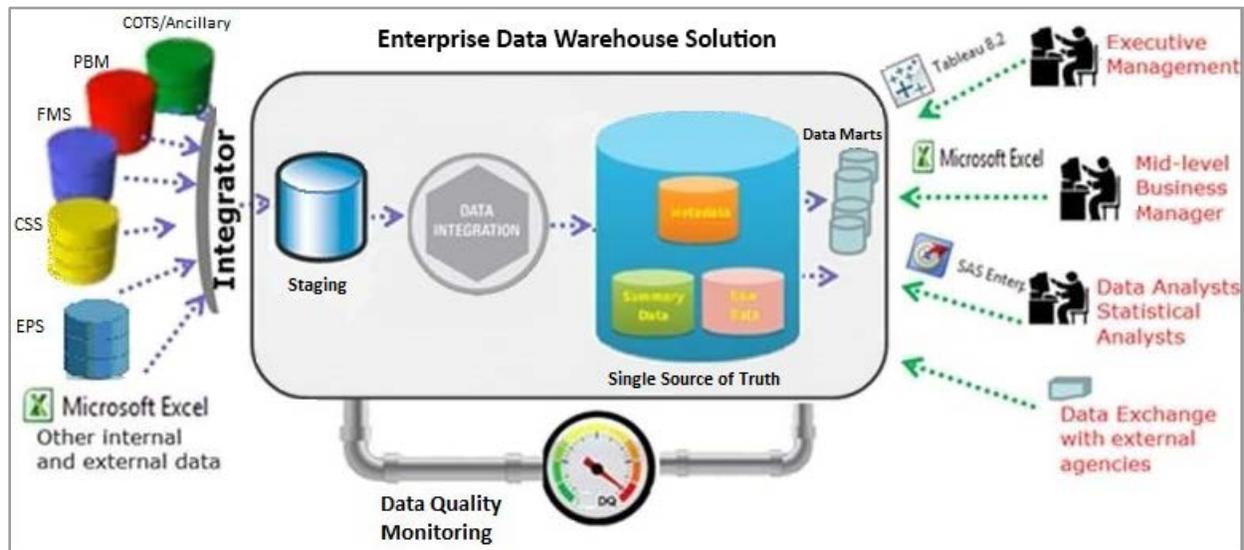
The Contractor must meet the requirements relating to Document Management as described in Appendix J.16 – Documentation Management.

3.a.10. ENTERPRISE DATA WAREHOUSE SOLUTION (EDWS)

DMAS, as a part of the new MES initiative, will establish a centralized EDWS and business intelligence platform where disparate data sources will be integrated, transformed, cleansed, and stored in a centralized repository. This single source of truth will enable timely and consistent reporting and provision data access for all user levels across DMAS, including Executive Management, Business Managers, External Stakeholders, and Data Analysts. The intent is to provide decision support to all Medicaid business processes and deliver enterprise reporting.

Ultimately, the Department's goal is to enable advanced analysis, such as continuity of care studies, enhanced provider reviews and education, specialty drug management, integration of medical and pharmacy claims data, and related social data. EDWS requirements are outlined in Appendix J.17 – Enterprise Data Warehouse.

Figure 9: Data Quality Monitoring



3.a.11. CONVERSION

INTRODUCTION TO CONVERSION

The conversion task involves planning, identifying, and analyzing conversion specifications, as well as preparing and executing a conversion plan with specifications for developing and testing conversion programs and converting the data.

CONVERSION CHALLENGES

Note that the following conversion circumstances have a tendency to lead to project failures:

- Unexpectedly high data volume
- Complexities inherent in defining the relationship between source and target data structures
- Differences in the data required for processing between legacy and new systems
- History of changes to processing requirements and valid codes that may result in data inconsistencies and missing data conditions

CONVERSION PLAN REQUIREMENTS

The Conversion Plan shall define the strategy, preparation, and specifications for converting data from the source system(s) to the target system(s). Additional detail pertaining to Conversion Plan Requirements can be found in Appendix J.18 – Conversion.

DATA QUALITY ASSESSMENT

The Conversion Plan shall also describe the Contractor's approach to data quality assessment and error correction, before data is moved to the new (or converted) system—meaning that the plan shall:



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- Explain the manual and/or automated controls and methods that will be used to validate the conversion including Contractor communication activity related to load balancing and conversion SLA performance
- Describe the process for data error detection and correction, and the process for resolving the causation of anomalies
- Identify the types of data quality problems that may occur, including but not limited to the following considerations:
 - ✓ **Data type redefinitions** (e.g., alphas in dates and numbers, embedded information in codes and intelligent keys, implied content)
 - ✓ **Garbled content** (e.g., multiple uses for a single field, freeform text values, corrupted data, un-initialized data)
 - ✓ **Invalid record relationships** (e.g., broken chains in set relationships, orphan records (on natural key), mismatched keys (set vs. natural key))
 - ✓ **Invalid content** (e.g., values out of defined range, code fields not on a valid list of values or lookup table, blank fields (optionality), inconsistent use of defaults)
 - ✓ **Context changes** (e.g., import of external data, historic changes to operational parameters (system upgrades), synchronization timing of duplicated de-normalized data)
 - ✓ **Behavior issues** (e.g., variations in actual data from planned constraints of size, data type, validation rules, and relationships)

SECURITY AND PRIVACY

The Conversion Plan shall also address all security or privacy considerations associated with the conversion and shall detail the Contractor's policies and procedures in place to meet the privacy and security protections established under HIPAA and the HITECH Act.

EXPECTATIONS OF THE CONTRACTOR

The Contractor shall convert historical and active data, including all reports, letters, and imaged documents that are needed by and applicable to the PBMS solution. In addition to support the needs of the Department, the PBMS shall convert paid and denied pharmacy claims and all Medicaid Drug Rebate Data to electronic format. Reports, letters, and imaged documents shall be accessible and made available in the Contractor's solution upon implementation as described in Section 3.a.9 Documentation Management.

The Contractor shall describe its proposed conversion methodology that will become the foundation for the Conversion Plan. The conversion methodology shall clearly identify and define the strategies, activities, and workflow required by the conversion task, including those requisite for contingency planning in the event that it is determined that conversion cannot be accomplished as scheduled.

Additional detail pertaining to Conversion Requirements can be found in Appendix J.18 – Conversion.



3.b. STATEMENT OF WORK – PHARMACY BENEFIT MANAGEMENT SOLUTION (PBMS)

3.b.1. OVERVIEW

This section of the RFP introduces the PBMS specific business requirements. The Department is defining the PBMS requirements in a manner that aligns with the primary business functions that support the PBMS Module and its role in the larger MES.

The Requirements Table (Appendix J – Pharmacy Benefit Management Solution Requirements) provides descriptions of the specific requirements to be addressed by potential contractors. This RFP presents the requirements with the expectation that the Contractor’s Solution will integrate existing software components that require little or no development, and that the development and implementation of business requirements are primarily achieved through configuration and testing.

3.b.1.1. GOAL

The Department is seeking a single Contractor to provide the services described in Appendix J – Pharmacy Benefit Management Solution Requirements. Qualified organizations shall demonstrate prior ability to administer comprehensive pharmacy services in full compliance with all Federal, State, and DMAS requirements, regulations, and policies. The selected Contractor will provide the services required in this RFP in an efficient and effective manner, while also ensuring the highest standards of performance, program integrity, and customer service are maintained at a reasonable cost to the Commonwealth.

The Department is soliciting proposals that meet the following overall objectives:

- Assure that the pharmacy programs are fully integrated with existing Medicaid operations and support DMAS’ (MES) vision as well as the Department’s 5 year Medicaid Information Technology Architecture (MITA) maturity roadmap
- Reflect an understanding of, and dedication to, the special needs of a diverse Medicaid population as well as the evolving landscape in federal policy related to Medicaid, Children’s Health Insurance Program (CHIP), and the Basic Health Program
- Provide adaptable, flexible and interoperable solutions that leverage integrated business and information technology transformation across the MES to improve the State’s Medicaid program
- Provide environments that support flexible and adaptable operations capable of responding quickly to changes in technology and programs
- Reduce the administrative burden on providers, pharmacists, and members
- Ensure Medicaid and FAMIS FFS members receive high quality, appropriate, and cost-effective pharmacy services
- Ensure that the pharmacy programs are based on the safety and therapeutic efficacy of the drug first, and then cost-effectiveness



- Minimize program administrative costs and reduce state benefit expenditures for pharmaceuticals without negatively impacting the members and their access to needed prescription medications
- Provide to DMAS data that is timely, verified, and actionable in order to support analytic activities and decision making for Medicaid program management and administration

3.b.1.2. MITA BUSINESS AREAS

This PBMS RFP contains requirements that define Contractor activity supporting many of the MITA business areas. The Contractor must consider and support MITA Business Processes beyond those defined in the MECT POS Checklist to properly support the MES.

There are several system attributes that define DMAS' expectations for all business areas. These are addressed in a broad requirement that is defined for each business area. This requirement provides the Contractor with the opportunity to describe the functionality and features of their solution, and in particular how it meets many of the capabilities expected in a mature MITA environment. These include:

REPORTING

All automated processes shall include standard reports that provide information needed to operate, control, manage, and monitor the process. In addition to responding to the general requirement pertaining to reporting the Contractor shall also identify, in its response to specific business requirements, the reporting that is included with its Solution. Also, the data processed and generated shall be accessible to DMAS and other designated users through a user-friendly, ad hoc reporting facility.

LOGGING AND AUDIT TRAILS

All online and batch inquiries, additions, updates, and deletions shall be logged and included on audit trails. Audit trails shall be easily accessible and in a format that is understandable to DMAS users.

RULES ENGINE

DMAS expects a configurable, automated rules engine to be included in business process solutions to provide increased flexibility and efficiency in conducting the process, in accordance with the technical requirements described in RFP Section 2. In addition to responding to the general requirement of providing a rules engine, the Contractor shall identify in its response to specific business requirements, where and how a rules engine is incorporated.

The rules engine and associated software for the PBMS will require flexibility and the capacity to support DMAS' diverse and complex programs. The proposed rules engine shall provide authorized business users the ability to enter configuration changes to the greatest extent practical.

Additional details regarding Rules Engine Requirements can be found in Appendix J.12 – Rules Engine.

WORKFLOW

DMAS expects configurable, automated workflow to be included in business process solutions to provide increased operational efficiency in conducting the process, in accordance with the technical requirements described in RFP Section 2.



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In addition to responding to the general requirement of providing an automated workflow Solution, the Contractor shall identify in its response to specific business requirements where and how workflow is incorporated.

More information regarding Workflow requirements can be found in Appendix J.13 – Workflow.

3.b.2. PBMS GENERAL PROCESSING

The general processing requirements establish the overall goal of the procurement and define systems and business processes required to deliver a modern system and service delivery model. DMAS expects Contractors to provide flexible and adaptable solutions that support the dynamic exchange of data by leveraging technological advancements throughout the life of the contract.

The following principles should be present in the Contractor's responses and demonstrate a commitment to evolving MITA Maturity Levels:

- Adaptability
- Service Oriented Architecture
- Accurate Real-Time Data Exchange and Reporting
- Integration with MES Contractors
- Federal and Industry Standards Compliance
- Federal Certification and Maximized Enhanced Federal Funding

More information regarding PBMS General Processing Requirements can be found in Appendix J.20 – PBMS General Requirements.

3.b.3. DUR/CLINICAL/UTILIZATION MANAGEMENT

DMAS requires a PBMS that manages ProDUR and Concurrent DUR edits and audits through the POS rules engine and allows efficient interventions between pharmacists and prescribers to improve the member experience, while providing improved quality of care and appropriately conserving program funds.

DMAS is seeking a flexible solution to manage the identification of potential drug interactions along with the capture of provider activity, counseling, and outcomes. Enhanced capabilities related to DUR, such as review and deployment of programs or edits related to drug abuse, calculation of accumulated dosage for pain medications, and the ability to identify interactions that reflect clinical guidance specific to a member disease state will be viewed as points of distinction among Contractor responses.

In concert with prospective and concurrent drug utilization reviews, DMAS values a more effective retrospective drug utilization review (RetroDUR) program. This shall include improving on existing means of communication to effect a higher prescriber rate of review, response, and remediation. Improved RetroDUR and case management activities including educational components or campaigns targeted at reducing medication overutilization, waste, or inappropriate therapies is the goal of DMAS. Innovative and evolving utilization management algorithms and analytics that maintain currency with an ever changing clinical landscape to deliver enhanced patient outcomes, mitigate risk of overutilization, and ensure member safety must be a cornerstone of the Contractor's RetroDUR program.



More information regarding Drug Utilization Review, Clinical, and Utilization Management Requirements can be found in Appendix J.21 – Drug Utilization Review and Appendix J.22 - Utilization Management.

3.b.4. SERVICE AUTHORIZATION

Pharmacy Service Authorization/Prior Authorization requirements include automated and manual determinations of approvals and denials based upon pre-defined criteria, step therapy, or professional evaluation of each request for authorization. DMAS requires the Contractor to maintain and preserve a full history of all activity related to authorization requests. The Contractor will also be required to support a clinician mediated reconsideration process, when requested, for any denied authorizations. Reconsiderations shall be escalated through appropriate physician review including the use of specialists.

The Contractor's scope additionally includes the creation and distribution, at the Contractor's expense, of communication letters to members and providers regarding service authorization determinations that result in an adverse decision for the member. This must occur in full compliance with the Department's rules and regulations.

DMAS expects the Contractor to deliver innovative, automated, and leverageable service authorization processes that ensure accurate, repeatable outcomes regardless of the authorization submission source or requestor.

The Contractor will also make available, via electronic media and web portal content, DMAS program policies, guidelines, rules and forms that support the Department's service authorization activity. DMAS expects the Contractor to provide innovative and integrated methods to ease the administrative burden on providers while preserving the integrity of the DMAS Pharmacy programs.

More information regarding Service Authorization Requirements can be found in Appendix J.23 – Service Authorization.

3.b.5. THIRD PARTY LIABILITY (TPL)

DMAS is seeking a Contractor with the ability to move beyond the simple assurance that Medicaid is the appropriate payer of last resort. The application of NCPDP compliant edits to "other" payer information received on the submitted claim is critical to a PBMS. The application of these edits ensure that an appropriate "other" payer outcome is determined and incorporated in the claim pricing and adjudication rules process.

In addition to managing the efficient and timely identification and exchange of TPL resources and obtaining the maximum cost avoidance for Medicaid members with other health insurance, the Contractor must support DMAS recovery activity related to post-adjudication identification of member other coverage. The Contractor shall support Medicaid Subrogation activities and the application of recovered funds to individual claim records.

Contractor reporting capabilities shall include sophisticated matching and identification of claim records when calculating the Fiscal impact of the Contractor's TPL and Cost Avoidance performance.

More information regarding Third Party Liability Requirements can be found in Appendix J.24 – Third Party Liability.



3.b.6. ENCOUNTERS

Encounter claims contain detailed information about claims and services provided to members in various DMAS programs. In addition to Managed Care Encounters, the Department administers other programs that provide a pharmacy benefit to eligible members including the MLTSS, CCC, and GAP programs. Received encounters for medical pharmacy claims processed under a member's Medical Benefit are also critical to the effective management of population health and outcomes.

Additionally, the Contractor shall provide a PBMS that ensures the complete and accurate capture of all claims eligible for manufacturer rebate invoicing under Federal, State Supplemental, or other rebate models such as supplies or equipment.

More information regarding Encounters Requirements can be found in Appendix J.25 – Encounters.

3.b.7. DRUG REBATE

The Medicaid Drug Rebate (MDR) Program provides a means to offset the federal and state costs of a significant portion of the outpatient drugs dispensed to Medicaid members. Over 600 manufacturers participate in the program which requires that manufacturers enter into, and maintain, a national rebate agreement with the Department of Health and Human Services (HHS) as well as pricing agreements with Health Resources and Services Administration (HRSA) in the Section 340B Drug Pricing Program and the Secretary of Veterans Affairs for the Federal Supply Schedule.

Manufacturers participating in the Medicaid Drug Rebate Program are required to report all covered outpatient drugs in their labeler code to the program. In addition, they are required to report any new covered outpatient drugs through the Drug Data Reporting for Medicaid (DDR) system and they are also responsible for notifying states of a new drug's coverage under Section II (g) of the Rebate Agreement. In this way, Medicaid agencies are informed when newly covered agents become available and can react quickly to include the product(s) in their program drug coverage.

Although CMS performs the Unit Rebate Amount (URA) calculation using supplied drug manufacturer pricing data and makes this information available to States as a courtesy, the drug manufacturer remains responsible for correctly calculating the URA for their covered outpatient drugs.

The Contractor shall propose a drug rebate system with services and functionality to maintain compliance with all state and federal requirements. A detailed description of the proposed solution should include specific attention to the following items:

- Interface capabilities (CMS, MCOs, manufacturers) that support federal, supplemental, and other DMAS drug rebate programs
- Integration with the current and future MES including access or use of claims data, drug data, provider data, data warehouse and reporting functionality
- Data conversion and integration of existing system data
- Integration of supplemental rebate invoicing and utilization from current or previous Contractors



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- Supplemental Rebate negotiation methodology and approach including the integration of applicable encounter claim utilization with P&T Committee activities that support Preferred Drug List recommendations
- Integration and maintenance of historical rebate data
- Claim reconciliation process to ensure all expenditure data is captured for invoicing with particular attention to reconciling managed care claim activity
- Electronic document management
- Workflow management
- Call management
- Interest calculations
- Reporting capabilities, including federally mandated and DMAS defined standard and ad hoc report generation
- Invoice processing and mailing or online delivery including Statement of Accounts
- Payment reconciliation activities including dispute resolution, prior period adjustments, and separate accounting for interest monies received from manufacturers
- User guides, both operational and technical, and training for Department users
- Approach to data conversion for historical and existing rebate system data including proposed timeline for loading historical data
- Staffing approach to meet the required operational services

More information regarding Drug Rebate Requirements can be found in Appendix J.26 – Drug Rebate.

3.c. DMAS DEFINED OPTIONS

Virginia Medicaid is an Agency that values Contractors who maintain relevancy and strive to deliver solutions that advance population health. Improving health care quality and patient safety through member and provider engagement, while reducing the growth of health care costs through the incorporation of the best ideas of partners in the healthcare community, promises a better experience for both members and providers.

DMAS has identified several requirements that it will consider optional, meaning DMAS will maintain the option to include the related requirements in the Pharmacy Benefit Management Solution. There are two types of DMAS defined options.

MANDATORY PRICING

DMAS defined options with mandatory pricing must be described in the Contractor’s proposal and a price must be submitted in Appendix C, Price Schedule J. This section describes the DMAS defined options that have mandatory pricing, and identifies the related requirements in Appendix J.



OPTIONAL PRICING

DMAS defined options with optional pricing may be described in the Contractor's proposal at the discretion of the Contractor. If the Contractor chooses to address a DMAS defined option with optional pricing, the price must be submitted in Appendix C, Price Schedule J. This section describes the DMAS defined options that have optional pricing, and identifies the related requirements in Appendix J.

Contractors shall provide detailed descriptions of their Solutions for each defined option. The Contractor must also include the following information regarding each defined option to which they respond: timeline to implement or deploy, software or licenses required to deliver the solution, monitoring and reporting capabilities, pricing structure - implementation cost, ongoing operational costs, pricing model (pass-through, shared-risk, etc...), and any additional staff or resources that will be required to support the Solution.

When completing Appendix C, Price Schedule J the Contractor shall enter the full cost to deploy and maintain the Solution throughout the life of the contract.

The price for mandatory and optional pricing options will not be considered as part of the baseline price proposal used for evaluation.

3.c.1. MANDATORY PRICING OPTIONS

There are four (4) PBMS options with mandatory pricing.

3.c.1.1. SPECIALTY DRUG MANAGEMENT

Specialty Drug Management activities that ensure proper member access to therapies and additional support mechanisms that deliver enhanced member outcomes is an item critical to the Department goals of ensuring members receive high quality, appropriate, safe and effective pharmacy services. DMAS seeks a Contractor solution, broad in scope that does not negatively impact members or their access to needed drug therapies while continuing to minimize program administrative costs and benefit expenditures.

Contractors should provide detailed descriptions of their programs and Solutions and deliver cost-effective Solutions to an expanding landscape of specialty drug products given the projected product pipeline and escalated FDA approval process. Meeting the goals of a DMAS deployed specialty drug management program may encompass multiple activities, controls, or member programs. DMAS seeks a solution greater than a specialty drug pricing program or development and application of Service Authorization criteria. It is the intent of DMAS that any proposed specialty drug management Solution demonstrates a dedication to the diverse Medicaid population while maintaining the highest standards of program integrity and customer service.

3.c.1.2. IDENTIFICATION OF OTHER HEALTH INSURANCE

DMAS seeks innovative and accurate means of identifying any other coverage for prescriptions dispensed to Virginia Medicaid members. Though the Department of Social Services and the Third Party Liability Unit provide known other health insurance information for enrolled members, the Department is interested in Contractor solutions that leverage available data sources to discover, validate and incorporate other coverage information to proactively mitigate the need for recovery services.



3.c.1.3. E-PRESCRIBING SUPPORT

E-Prescribing is a valued element in the delivery of accurate and error-free prescription delivery from prescribers to pharmacy providers. The adoption and support of this optional service can have great impact on the improvement of not only the quality of member care but also the member healthcare experience. In addition to facilitating the distribution of new and refill prescription information between healthcare professionals, E-Prescribing supports the exchange of member eligibility data, program benefit design, and member profile review and reconciliation activities.

The Department understands the financial implications of a traditional E-Prescribing support solution in the Public Sector and requests that the Contractor propose a delivery model that leverages the existing landscape as well as any Contractor specific functionality or relationships to control program cost while preserving the value to point-of-care healthcare professionals.

3.c.1.4. PHARMACY PROVIDER ENROLLMENT SERVICES

DMAS understands that PBMS Contractors are uniquely positioned to address pharmacy provider enrollment activity and potentially offer enhanced pharmacy provider management activities. As new regulations expand the depth of pharmacy and pharmacist registration requirements, DMAS is keenly aware that an entity specializing in pharmacy claim adjudication, network management, and validation activities related to pharmacy registrants may offer an advantage over traditional integrated provider and prescriber enrollment services. The Contractor should propose an established, pharmacy provider and pharmacist centric solution that will manage initial enrollment, credentialing, and verification of registrants. The Contractor solution should address routine provider management functions such as network enrollment and re-enrollment as well enhanced services such as evaluation of individual pharmacist registrants for alternate reimbursement models such as the provision of Medication Therapy Management services in their professional practice.

3.c.2. OPTIONAL PRICING OPTIONS

There are two (2) PBMS options with optional pricing.

3.c.2.1. INTEGRATION OF LABORATORY VALUES OR OTHER MEMBER DATA

DMAS seeks to leverage the evolving data sharing landscape and incorporate additional member clinical data points into the application of edits in the pharmacy benefit. The Office of the National Coordinator for Health Information Technology continues to define and refine Meaningful Use stages, objectives and policy priorities while ensuring that Privacy and Security are not compromised. The Contractor should describe existing and planned activity or framework deployed to exchange and manage health information that promotes Care Coordination, Patient Engagement, or the application of items in the Common or Criterion-Specific Data Sets that can support DMAS programs and goals.

3.c.2.2. MEETING SPACE

The PBMS Contractor shall provide appropriate space to conduct meetings during the DDI phase that require DMAS staff attendance, including but not limited to JADs, walkthroughs, and team meetings. The space would ideally be within walking distance of the DMAS offices, but must be no more than 3 miles from 600 East Broad Street. Include the number of sessions, length of sessions, and capacity in



your proposal. The proposed meeting space should be fully functional to ensure productivity, including but not limited to accommodate teleconferences, connectivity for WebEx meetings, projector equipment and white boards.

More information regarding Optional Services Requirements can be found in Appendix J.27 – DMAS Defined Options.



4. PRICING INFORMATION

Offerors shall submit all pricing data in their Pricing Proposal (see RFP Section 9.b, Proposal Format, for detailed instructions) using the Microsoft Excel Pricing Proposal spreadsheet provided in Appendix C – Pricing. Altered formats or blank data will be considered incomplete and may be eliminated from further consideration.

The Offeror's Pricing Proposal shall include Virginia's Procurement Portal (eVA) fees and all charges of any kind associated with the Solution. DMAS will not be liable for any fees or charges for the Solution that are not set forth in the Pricing Submittal spreadsheet. Any attempt to add these fees to submitted pricing will not be considered.

The Offeror shall be willing and able to successfully implement the Solution for their proposed price(s) and to complete the project on a firm, fixed-price basis.

The Pricing Proposal information in the Offeror's Pricing Proposal shall be valid for at least 180 calendar days from the Proposal submission date. If the Offeror is reserving the option to withdraw the pricing during that period, it shall state so clearly in its Pricing Proposal.

The Offeror shall provide detailed pricing for each of the pricing methods set forth. Pricing shall be comprehensive. Additional information and backup detail shall be attached as appropriate. Any scheduled price change shall be identified, and actual new prices and proposed effective dates shall be stated.

Offeror shall disclose pricing assumptions where possible. For example, if unit price is based on a certain volume, that assumption shall be indicated. Offeror shall clearly identify any discount targets/ranges available.



5. PROJECT MANAGEMENT AND GOVERNANCE

5.a. STATE PROJECT GOVERNANCE

Under the direction of the Secretary of Technology and the State Chief Information Officer (CIO), the VITA Project Management Division (PMD) implemented an enterprise strategy for the effective and efficient management of information technology investments. The selection, control, and evaluation of State business-driven IT investments by the Secretary and CIO are framed by IT Investment Management (ITIM) principles, ITIM "best practices" from both the public and private sectors, and legislative mandates in the Code of Virginia.

Project Management governance involves participation from the following groups: VITA, the DMAS MES PMO Director, IV&V, and a PMO assigned Project Manager.

VITA Oversight: VITA PMD manages state project oversight and project governance requirements. The VITA PMD assigns representatives to each agency in order to oversee IT project management. VITA makes recommendations to the State CIO for approvals. Each agency conducts monthly intra-agency oversight committee (IAOC) meetings with a VITA PMD representative, where the agency reports on the project's status. Also, projects are tracked and monitored through the State Technology Portfolio online management tool.

DMAS PMO Oversight: The DMAS Agency Project Sponsor, Agency CIO, MES PMO Director, Project Managers, and Business Owners participate in a monthly IAOC meeting with a dedicated VITA PMD representative in accordance with Commonwealth Project Management guidelines and practices. The MES Program Director establishes the program status reporting and standards for the MES program. The MES Program Director oversees weekly and monthly reporting on the project's status. The program status reporting to stakeholders reflects a summary of individual project status reports, as well as oversight activities, and includes the following plans:

- Program Governance Quality Management Plan
- Program Integration and Architectural Plan
- Program Communications Management Plan
- Program Risks and Issues Management Plan
- Program Resource Management Plan
- Program Financial Management Plan
- Program Procurement Management Plan
- Program Change and Configuration Management Plan
- Program Implementation and Transition to Operations Management Plan
- Program Post Implementation Review Plan

CMS required IV&V oversight: The Department will contract with an IV&V contractor to provide the required oversight as required by CMS. The IV&V contractor will comply with 45 CFR 95.626 –



Independent Verification and Validation. The IV&V contractor provides oversight of the MES DDI. This oversight assures the following:

- Compliance with the CMS Seven Conditions and Standards
- Project alignment to the MITA 3.0 Framework
- Development and testing
- Readiness for CMS certification milestone reviews

The IV&V contractor performs the following services during development:

- Oversees and reports on development activities
- Conducts SDLC reviews
- Supports CMS certification milestone reviews
- Provides reports to CMS on the project's progress.

PMO Assigned Project Manager Oversight: The PMO provides qualified project managers who are responsible for individual MES Solution implementations. The Department will follow defined VITA project management governance requirements to include the following areas for each project: Investment Business Case Approval, Project Initiation Approval, Detailed Planning, Execution and Control, and Closeout approval. The PMO will establish standards for project performance. The Department Project Manager will provide the VITA PMD with project plans that include input derived from the Contractor's project plans and include, but are not limited to, the following:

- Project Quality Management Plan
- Project Work Plan
- Project Performance Reporting Summary
- Project Communications Management Plan
- Project Risks and Issues Management Plan
- Project Staff Acquisition Plan
- Project Hardware and Equipment Acquisition Plan
- Project Software Acquisition and Installation Plan
- Project Documentation Management Plan
- Training Plan
- Project Change and Configuration Management Plan
- Project Implementation and Transition to Operations Management Plan
- Disaster Recovery Plan
- Business Continuity Plan
- Project Evaluation Plan



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Department project managers are responsible for monitoring and resolving issues and risks, as well as their escalation, when needed. Risks and issues will be tracked and reported weekly, and monthly status is provided to the IAOC. Projects are entered by the Department Project Manager into the State Technology Portfolio, and they are tracked and monitored by the VITA PMD and the MES PMO.

The Department will provide an implementation project team that will consist of a business owner(s), subject matter experts, information technology systems analysts, and technical team members. The Department may call upon other Department or contracting resources if needed.

The Department will also provide an Enterprise Systems Architect responsible for technical standards to be used for project integration. The Enterprise Systems Architect will work closely with VITA and the ISS Contractor. The DMAS Integration Project Team will support the Enterprise Systems Architect. Enterprise security will be the responsibility of the DMAS Integration Project Team.

5.a.1. DMAS DELIVERABLE SUBMISSION AND REVIEW PROCESS

Contractor shall follow the deliverable submission and review process outlined below for both DDI and Operations deliverables requiring DMAS approval.

DESIGN, DEVELOPMENT, AND IMPLEMENTATION

Using an agreed upon version control process, deliverables shall be sent by the Contractor to the MES PMO Deliverable Coordinator for review and approval by DMAS authorized staff. Unless otherwise specified in a DMAS approved work plan or schedule, below is the DMAS standard deliverable review timetable:

- DMAS has 10 business days from the first day following receipt of a deliverable to approve or reject the deliverable.
- Upon receipt of a rejected deliverable, Contractor shall have five (5) business days to make corrections and return the revised deliverable to DMAS for review.
- Until the deliverable is approved, DMAS has five (5) business days from first day following receipt of the revised deliverable to approve or reject the deliverable.

OPERATIONS

Using an agreed upon version control process, deliverables shall be sent by the Contractor to the DMAS Change Management Office for review and approval by DMAS authorized staff. Unless otherwise specified in a DMAS approved work plan or schedule, below is the DMAS standard deliverable review timetable:

- DMAS has 10 business days from the first day following receipt of deliverable to approve or reject deliverable.
- Upon receipt of rejected deliverable, Contractor shall have five (5) business days to make corrections and return the revised deliverable to DMAS for review.
- Until the deliverable is approved, DMAS has five (5) business days from first day following receipt of the revised deliverable to approve or reject the deliverable.



5.b. CONTRACTOR PROJECT MANAGEMENT

For the Virginia MES, it is expected that the Contractor shall propose a standard project management methodology with existing project templates and tools used to implement a proposed solution. The Contractor's project team shall consist of a dedicated Project Manager, along with the necessary supporting project team. The Contractor's Project Manager shall collaborate with the Department PMO and support any Department project plans as needed. A project resourcing plan will be required, and the Contractor's staff will be required to have the necessary knowledge, skills, and abilities to complete the tasks associated with the project's scope.

Master Work Plan: The Contractor shall submit an implementation milestone schedule for the proposed solution as part of their response to this RFP. Contractor shall provide an initial Master Work Plan with their proposal, utilizing Appendix I to inform due dates and timeframes for deliverable submission.

The schedule will incorporate proposed Department dependent activities and milestones. A detailed work plan using Microsoft® Project will be jointly established with the Department PMO during the project planning phase. The Contractor shall propose a schedule that assumes a combined (Department and Contractor) master work plan. The detailed project master work plan will be maintained on a weekly basis.

MES Implementation Roadmap and Status: The Contractor shall participate in Department Program Management meetings every other week and Project Management meetings each week to discuss cross project impacts. The Department PMO will monitor the Contractor's progress utilizing State technology standards. This monitoring effort may require the Contractor to provide technology updates and proof of use of standards. The DMAS PMO Director will provide a status of the overall progress with the MES implementation roadmap on a monthly basis.

Associate Supplier Agreement: The Contractor shall interact with Department contracting entities, the IV&V contractor, Department staff, and other prime contractors. Since a MES is dependent on collaboration, the Department will expect the Contractor to create and execute an Associate Supplier Agreement.

Design, Development and Implementation (DDI) project measurement: Once requirements are finalized, a scope document shall be agreed to. The Contractor shall propose a baseline milestone table for the DDI which shall incorporate Department milestones. The Contractor shall also provide a proposed deliverable chart and once approved, the deliverable chart, the baselined milestone table, and the work breakdown structure shall be used to manage the project's progress.

A joint Release Management methodology shall be agreed to by the Department and the Contractor and incorporated into Change Management.

Operations and Maintenance project measurement: Post DDI completion, for any defined release or project, status reporting shall be continued on a weekly basis. A joint Release Management methodology shall be agreed to by the Department and the Contractor and incorporated into Change Management.

Escalation Process: The Contractor shall propose an escalation chain of command for elevating risks and issues to begin with the Department Project Manager and include the reporting structure for the organization. The chain of command shall indicate a point of contact to communicate with the



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stakeholder leadership and shall include the DMAS CIO, DMAS Deputy Director, DMAS Medicaid Director, the State CIO, and the Secretary of Health and Human Resources.

IV&V: The Department will contract with an IV&V contractor. CMS requires the IV&V contractor to provide periodic reports on the project's health and alignment with the MITA 3.0 Framework, as well as adhering to the Seven Conditions and Standards. The Contractor will work with the Department, the IV&V contractor, and CMS representatives throughout the life of the DDI phase, as well as during the beginning of the operational phase. A Medicaid Enterprise Certification Toolkit (MECT) checklist will be used as one of the tools for the periodic assessment reporting conducted by the IV&V contractor. The IV&V Contractor serves as the CMS point of contact as the MES moves toward achieving certification. The Contractor shall ensure the solution provided meets CMS's certification requirements.

For more detail on the Project Management Requirements, see Appendix J.2 – Major Milestones and Deliverables.



6. CONTRACTOR PROFILE AND KEY PERSONNEL

6.a. CONTRACTOR PROPOSAL COMPLIANCE

Before submitting its proposal, the Contractor shall verify the following: (i) the proposal is accurate and complete; (ii) the proposal is prepared in accordance with the solicitation requirements, including providing all information, content, responses, and appendices requested; and (iii) all required communication, format, and submission instructions are followed.

The Contractor shall submit an affirmation of the above compliance requirements (i)-(iii), signed by an authorized representative.

6.b. CONTRACTOR CORPORATE OVERVIEW

6.b.1. BUSINESS (NOT TO EXCEED 5 PAGES)

State your company's core business/service offerings, background, and relevant experience in the market.

If you are proposing the use of a subcontractor(s) to perform 10% or more of the contract value, provide the same information for each company.

6.b.2. CORPORATE IDENTITY (NOT TO EXCEED 1 PAGE)

Provide the address, phone and fax numbers, FEIN or tax ID number, company web site, and contact email, including for any parent corporation or any subsidiaries, as applicable.

If you are proposing the use of a subcontractor(s) to perform 10% or more of the contract value, provide the same information for each company.

6.b.3. ORGANIZATION AND STRUCTURE

Provide an overview of your organizational operating structure that includes the following:

- A written description and accompanying corporate organization chart that demonstrates the relationship(s) between the operational and functional business units of your company and how they relate to providing the Pharmacy Benefit Management Solution requested in this RFP.
- Indicate whether you propose the use of a subcontractor(s) to carry out the scope of work requested in this RFP. If you do propose the use of a subcontractor, describe your process for onboarding and integrating into the team that will be carrying out the scope of work requested in this RFP.

6.b.4. LOCATIONS

Describe the geographical location of your firm at the national, regional, and local levels, as applicable.

- Identify all locations that will be used to support a resultant contract and the operations handled from these locations.



- Clearly identify any overseas locations which may be used to support the resultant contract or any related data transactions.

6.b.5. STRATEGIC RELATIONSHIPS

Identify strategic relationships, either past or current, with other related Contractors who perform similar work to that described in this RFP, or the other four (4) MES RFPs (described in Section 1.a.1)—for example, an ISS Contractor or Enterprise Data Warehouse.

State all subcontractors expected to be employed and the outsourced service/solution to be used in implementing the proposed Solution. DMAS reserves the right to request that the Contractor provide all the information described in this section for any and all major (i.e., over 10% of the contract value) subcontractors proposed.

6.b.6. ISO 900X CERTIFICATION

Please indicate if your firm is ISO certified. Yes or no is sufficient. If “yes,” identify the area(s) certified (e.g., services, manufacturing, etc.), the expiration dates for certification, and also include proof of certification.

6.b.7. COUNCIL FOR AFFORDABLE QUALITY HEALTHCARE CERTIFICATION

The Contractor shall indicate if it is Council for Affordable Quality Healthcare (CAQH) certified. Yes or no is sufficient. If “yes,” the Contractor shall identify the area(s) in which it is certified, the expiration dates for certification, and also include proof of certification.

6.c. FINANCIAL INFORMATION

6.c.1. TOTAL ANNUAL REVENUE

Please state your firm’s total annual revenue and indicate how much of this revenue is derived from the provision of services/solution relevant to the scope of work requested in this RFP.

6.c.2. DUN AND BRADSTREET SUPPLIER QUALIFIER REPORT

Include your firm’s current, full Dun and Bradstreet (D&B) Supplier Qualifier Report (SQR), if D&B has issued the SQR on your company.

6.c.3. ANNUAL REPORTS

Please provide certified, audited financial statements (i.e., income statements, balance sheets, cash flow statements) for the most recent three (3) years. (Contractors having been in business for a shorter period of time are requested to submit any available certified, audited annual financial statements.) DMAS may request copies of, or access to, current and historic annual reports. DMAS reserves the right to access a Contractor’s publicly available financial information and to consider such information in its evaluation of the Contractor’s proposal.

For Contractor’s convenience, these statements may be included as an Appendix to the Volume 1 – Technical Proposal, or included only electronically on the Volume 1 – Technical Proposal CD-ROM.



6.d. FUTURE, LONG TERM VISION, AND STRATEGIC PLANS

Provide information on your company's future, long-term vision, and strategic plans as they relate to the proposed Solution.

- This shall include a description of how your company plans to support emerging technologies and industry standards.

6.e. CONTRACTOR EXPERIENCE LEVEL AND CUSTOMER REFERENCES

The Contractor shall demonstrate a proven record of providing Solutions of similar scope and complexity to those defined in Section 3, Scope of Work. Provide three (3) customer references, preferably from within the past five (5) years, with the requested information contained below in Table 5. DMAS will make such reasonable investigations as deemed proper and necessary to determine the ability of a Contractor to perform a resultant contract. These may include, but may not be limited to, reference checks and interviews. The references shall be from organizations where the Contractor is providing (or has provided) Solutions that are similar in type and scope to those identified in Section 3, Scope of Work. DMAS shall not be listed as a reference by the Contractor.

On the following page, DMAS provides a table to utilize for each customer reference (**table to be repeated three (3) times, one (1) per reference**). The Contractor may adjust the table for purposes of formatting (e.g., Project Description row may break across multiple pages), but the actual content shall not be changed.

The Contractor is strongly encouraged to provide more than one point of contact for each reference. However, if necessary, the same contact information may be used.



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Table 4: Customer Reference Information Table

Requested Information	Contractor Response
Customer Name	(e.g., Company, State Department, etc.)
Project Name:	
Contract Number:	
Customer Point of Contact and Contact Information:	[Name] [E-mail] [Phone]
Customer Project Manager and Contact Information:	[Name] [E-mail] [Phone]
Customer Contract Manager and Contact Information:	[Name] [E-mail] [Phone]
Project Dates:	MM/YYYY – MM/YYYY
Project Description:	
Case Study Results:	[Provide a synopsis or case study of project results related to increased quality, increased operating efficiency, etc. This is requested to demonstrate the added value the Contractor offered and to indicate the typical on-going cost reductions and Solution efficiencies DMAS could similarly expect to realize.]

****Contractor shall use one table per customer reference.***



6.f. SUPPORT MANAGEMENT AND PERSONNEL

6.f.1. STEERING COMMITTEE

By submitting a proposal, the Contractor agrees that it shall, if awarded a contract pursuant to this RFP, participate in Steering Committee meeting(s) which are described in the Steering Committee section of the contract template found in Appendix H – Contract Template of this RFP.

Please identify the titles and areas of responsibility of persons your firm would commit to serve on this Steering Committee.

6.f.2. PROJECT TEAM

The Contractor is responsible for proposing “key” personnel in accordance with DMAS’ roles defined in Section 6.f.3, Contractor Personnel. The Contractor may propose additional personnel as it sees fit.

The Contractor shall provide the following information related to its proposed team:

RESUMES

- Provide the resumes of all key members of the Contractor’s team; resumes for non-key personnel are preferred, should they add value to the evaluation of the proposed Solution, but are not required.
- DMAS reserves the right to request replacement candidates for any role proposed by the Contractor; replacement candidates’ qualifications should meet or exceed those of the originally proposed candidate, as demonstrated via resume.

REFERENCES

- Provide at least two (2) references each for all key personnel. References should include: name; title; company/organization; e-mail; phone number; and a brief description of the professional relationship of the reference to the proposed team member.

TIME COMMITMENT

- Provide the percentage of time proposed personnel are expected to be assigned to this contract. The Contractor will be required to involve DMAS in the selection and rotation of any key team members assigned.
- For each proposed project team member, indicate the percentage of time that the team member will be dedicated onsite.

PROJECT ORGANIZATION

- Describe the level of access to company leadership that the proposed project team members have within your organization, and describe the decision-making authority they have to commit resources to meet unexpected surges in activity and/or to respond to service issues.



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- Include a project organization chart (for both DDI and Operations teams) that demonstrates the project team’s reporting relationship to company leadership.

6.f.3. CONTRACTOR PERSONNEL

The roles and related qualifications listed in the table below represent preferred requirements for the Contractor personnel proposed for this engagement. Additional relevant experience may be substituted for educational requirements. In proposed personnel resumes, the Contractor shall demonstrate how each proposed team member fulfills the following requirements specified for their role (Tables 5 and 6) as well as general expectations for the position, including but not limited to:

- Ability to effectively communicate with appropriate levels within the Contractor’s organization and MES program team
- Experience with MITA 3.0 Framework including the Seven Conditions and Standards
- Experience with CMS programs and policies related to PBMS operational activities
- Ability to solve problems and resolve conflicts

Table 5: DDI Key Personnel Requirements

DDI Role	Years of Medicaid or Health Plan Experience	Preferred Minimum Years of Experience in Role	Richmond Based	Education/ Certification
Account Director or Executive Sponsor	10	5	Optional	College degree
PMO Director	3	5	Optional	College degree; PMP
Implementation Project Manager (100% DMAS Dedicated)	10	5	Y	College degree; PMP
QA Manager	3	5	Optional	College degree
Conversion Manager	7	3	Optional	College degree
Testing Manager	7	5	Optional	College degree
Technical Configuration Manager	3	5	Optional	College degree
Business Configuration Manager (100% DMAS Dedicated)	7	4	Optional	College degree



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DDI Role	Years of Medicaid or Health Plan Experience	Preferred Minimum Years of Experience in Role	Richmond Based	Education/Certification
Medicaid Drug Rebate Program Manager	7	4	Optional	College degree
Medicaid Drug Rebate Program Analyst	7	4	Optional	
Supplemental Drug Rebate Program Director	5	5	Optional	College degree; Pharmacy degree preferred
Certification Manager (required through CMS Certification completion)	5 (Medicaid specifically)	3	Optional	College degree

Table 6: Operations Key Personnel Requirements

Operations Role	Years of Medicaid or Health Plan Experience	Preferred Minimum Years of Experience in Role	Richmond Based	Education/Certification
Account Director or Executive Sponsor	10	5	Optional	College degree
Clinical Account Manager (100% DMAS Dedicated)	7	4	Y	Pharm. D degree or equivalent experience (DMAS Approved)
Operations/System Manager (100% DMAS Dedicated)	5	5	Y	College degree
Business Analyst – Testing and Quality Assurance	5	5	Optional	College degree
PMO Director	3	5	Optional	College degree; PMP
Medicaid Drug Rebate Program Pharmacist (100% DMAS Dedicated)	5	5	Optional	College degree



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Operations Role	Years of Medicaid or Health Plan Experience	Preferred Minimum Years of Experience in Role	Richmond Based	Education/ Certification
Medicaid Drug Rebate Program Business Analyst (100% DMAS Dedicated)	5	5	Optional	College degree or equivalent experience (clinical background preferred)
Supplemental Drug Rebate Program Director	5	5	Optional	College degree; Pharmacy degree preferred
Business Analyst – Change Management (100% DMAS Dedicated)	7	4	Optional	College degree or equivalent experience (clinical background preferred)
Technical Analyst – Change Management	7	4	Optional	College degree
Director – Change Management	7	4	Optional	College degree
Director – Call Center Operations	5	5	Optional	College degree
Call Center Pharmacist – Virginia licensed (100% DMAS Dedicated)	5	5	Optional	Pharm.D degree or equivalent experience (DMAS Approved)

Note: “Optional” for **Richmond Based** will still require that the individual filling the role be onsite as needed, such as for specific phases and periodic meetings.



7. PERFORMANCE STANDARDS

The Department will set standards for the Design, Development and Implementation (DDI) Project Stage and the Operations and Maintenance (O&M) years for the solution.

The Department will implement Quality Management standards for the design, development and Implementation stages of the project. The Performance Standards will be linked to Quality Maintenance Payments under the Contract. The Contractor shall receive a Quality Maintenance Payment following the successful completion of the Contract Requirement and by meeting mutually agreed upon deliverables and milestones with associated payments. Quality Maintenance Payments do not provide the Contractor any additional reimbursement. Instead, the Contractor shall maintain the Performance Standards established under the Contract to receive the entire payment amount under the Contract.

The Department will set standards for the Operations and Maintenance quality management. The current Operations and Maintenance Service Level Agreements (SLAs) are designed for the contractor to meet the agreed upon requirements for the operational product and services. SLAs define the service delivery time and performance expectations that respondents to this Request for Proposal (RFP) will address in their proposals.

Throughout the contract and in close cooperation with the Department, the Contractor will be called upon to propose additional SLAs that appropriately address the developing business and service needs to support the system's future performance and operations, allowing for a clear understanding of priorities when handling service problems, and manage customer expectations for levels of service to be delivered. Through a contract modification process, the operations and administration of the contract are performed to the Department's satisfaction. The resulting future SLAs will support the various operations, maintenance, and technical requirements, as well as any applicable hosting and system migration requirements. The current SLA standards are identified in Appendix A.



8. CONTRACT STANDARDS

Any resulting agreement shall be defined by a written contract, which shall be binding only when fully executed by both parties. A copy of DMAS' standard Solution contract is provided as part of this RFP as a separate MS Word document in Appendix H – Contract Template titled, "Pharmacy Benefit Management Solution."

In the event Contractor is a software reseller, DMAS will consider the software publisher's license agreement language if the software publisher requires an End User License Agreement (EULA). In such case, Contractor is advised that DMAS will require Contractor to obtain DMAS' License Agreement Addendum to such EULA to address terms and conditions in such EULA with which DMAS, as a government entity, by law or by policy, cannot agree.

If a Contractor's proposed Solution requires DMAS to execute an EULA, Contractor shall contact the Single Point of Contact (SPOC), who will provide Contractor with DMAS' License Agreement Addendum terms.

The final terms and conditions of the contract shall be agreed upon during negotiations; however, DMAS' business requirements are embodied in its standard agreements, and Contractor is to give them the same careful review and consideration as the other requirements set forth in this RFP.

Provide your comments regarding any exceptions in the form of margin notes/comments and redline the document with your suggested language, where required. Contractors are encouraged to utilize the SPOC to address any questions you may have regarding any part of the DMAS Contract Template during the question and answer period.

Include the completed table below in your response to this RFP.

Table 7: Standard Requirements

Item	Contractor's Response (Y or N)
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?	
Will you agree to begin measuring the service-level (Appendix A – Service-Level Agreements) within 30 days of the start of the implementation of the Solution?	
The contract will include performance standards, measurement criteria, and significant corresponding financial remedies. Do you agree to include the Service-Levels and remedies for non-compliance as defined in Appendix A – Service-Level Agreements in the final contract?	
Do you agree to include mutually agreed upon cost reduction initiatives, which may be periodically updated during the term of the contract?	
Do you agree that all provisions of the DMAS Contract (Appendix H – Contract Template) NOT redlined or so noted are acceptable?	



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Item	Contractor's Response (Y or N)
Do you acknowledge that you will submit a Small Business (SWaM) Procurement Plan stating whether or not and how you will be utilizing small businesses in your proposal? (See Section 9.c., Small Business (SWaM) Procurement Plan)	
Contractor acknowledges that no Federal funds may be used to obtain any Solution under a contract awarded, pursuant to this RFP, to any Contractor who appears on any excluded lists on the Federal government's System for Award Management (SAM) at www.sam.gov .	
If Contractor proposes a solution that will require the State to execute a EULA, either as a signed agreement or as "clickwrap", with a software manufacturer, Contractor shall, for each such software manufacturer, obtain the written consent of such software manufacturer to the terms and conditions of DMAS' License Agreement Addendum. Contractor shall contact the SPOC, who will provide Contractor with DMAS' License Agreement Addendum terms.	
Do you affirm that your response meets all of the Mandatory requirements listed in section 9.a.16?	
Do you affirm that your organization is properly registered with the Virginia State Corporation Commission to conduct business in the State? Contractor is to complete Appendix D – State Corporation Commission Form and submit with its proposal.	
Do you affirm that your organization and all affiliates are current with all sales tax obligations to the State as of the due date of the proposals in response to this RFP?	
Do you agree to accept the following provisions? ➤ http://www.vita.virginia.gov/uploadedFiles/SCM/StatutorilyMandatedTsandCs.pdf ; ➤ And the eVA provisions at: http://www.vita.virginia.gov/uploadedFiles/SCM/eVATsandCs.pdf ➤ And the contractual claims provision §2.2-4363 of the Code of Virginia	
Do you affirm by submitting a proposal in response to this solicitation that you are not eligible and have/will not submit a proposal in response to other MES procurements released by the Department of Medical Assistance Services?	



9. STATE PROCUREMENT PROCESS

9.a. PROPOSAL INSTRUCTIONS AND ADMINISTRATION

9.a.1. OVERVIEW

This RFP was developed to provide potential Contractors (referred to as “Supplier(s)” and “Offeror” in State law citations) with the information required to prepare proposals. This section outlines the administrative procedures and guidelines for preparing a proposal. Nothing in this RFP constitutes an offer or an invitation to contract.

9.a.2. VIRGINIA PUBLIC PROCUREMENT ACT (VPPA)

This RFP is governed by the VPPA, § 2.2-4300 et seq. of the Code of Virginia, and other applicable laws.

9.a.3. ANTI-DISCRIMINATION - §2.2-4343(1)(E), §2.2-4310 AND §2.2-4311

By submitting their proposals, Offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and §2.2-4311 of the Virginia Public Procurement Act.

9.a.4. ETHICS IN PUBLIC CONTRACTING - §2.2-4367

By submitting their proposals, Offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other bidder, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

9.a.5. ANNOUNCEMENT OF AWARD - §2.2-4300 ET SEQ.

Upon the award or the announcement of the decision to award a contract, as a result of this solicitation, the purchasing agency will post such notice on the Department of General Services (DGS), Division of Purchases and Supply (DPS) eVA web site (<http://www.eva.virginia.gov>) for a minimum of 10 days. No award decision will be provided verbally. Any final contract, including pricing, awarded as a result of this RFP shall be made available for public inspection.



9.a.6. AUTHORIZED TO TRANSACT BUSINESS IN THE COMMONWEALTH - § 2.2-4311.2

Any Contractor that is organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Offeror is to include with its proposal either (i) Contractor's identification number issued to it by the State Corporation Commissioner (ii) a statement explaining why Offeror is not required to be registered. No award can be made to a Contractor without this information unless this requirement is waived. Appendix D – State Corporation Commission Form of this RFP includes a space for Contractor to provide the information required in (i) or (ii) of this subsection.

9.a.7. PROHIBITED CONTRIBUTIONS AND GIFTS - § 2.2-4376.1

No Offeror who submits a proposal in response to this RFP, and no individual who is an officer or director of the Offeror, shall knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Secretary of Technology during the period between the submission of the proposal and the award of any resulting contract award with an expected value of \$5 million or more dollars. Offerors shall complete and submit Appendix E – Certificate of Compliance with Prohibition of Political Contributions and Gifts During the Procurement Process of this solicitation.

9.a.8. LIABILITY

The issuance of this document and the receipt of information in response to this document will not cause DMAS to incur any liability or obligation, financial or otherwise, to any Contractor. DMAS assumes no obligation to reimburse or in any way compensate a Contractor for expenses incurred in connection with development of its proposal.

9.a.9. NONDISCLOSURE

All proposal information will be treated as confidential prior to posting the Notice of Intent to Award contract and will not be disclosed except as required by law or by court order. Prior to Award of the contract, proposal information may be disclosed as allowed under Virginia Code § 2.2-4342.D. After award of the contract, proposal information will be available to public inspection under § 2.2-4342 of the Virginia Public Procurement Act and the Virginia Freedom of Information Act.

9.a.10. PROPRIETARY INFORMATION

DMAS reserves the right to use, copy, and reproduce all documents, data, and other information submitted in response to the RFP in any manner DMAS may deem appropriate in evaluating the fitness of the solution(s) proposed, and in complying with applicable law. All data, materials, and documentation originated and prepared for DMAS pursuant to the RFP shall be subject to public inspection in accordance with §2.2-4342 of the Virginia Public Procurement Act and the Virginia Freedom of Information Act.

Consistent with § 2.2-4342(F) of the Code of Virginia, DMAS will, as permitted by law, hold confidential Suppliers trade secrets or proprietary information submitted by a Supplier in connection with a



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procurement transaction or prequalification application submitted pursuant to subsection B of §2.2-4317 if the Supplier, to DMAS's satisfaction:

- i). invokes the protections of section 2.2-4342(F) of the Code of Virginia in writing prior to or upon submission of the data or other materials,
- ii). identifies specifically the data or other materials to be protected, and
- iii). states the reasons why protection is necessary.

FAILURE TO COMPLY WILL RESULT IN THE DATA OR OTHER MATERIALS BEING RELEASED TO SUPPLIERS OR THE PUBLIC AS PROVIDED FOR IN THE VIRGINIA FREEDOM OF INFORMATION ACT.

The Supplier should submit a completed Administrative Appendix F (Proprietary/Confidential Information Identification Form) with its proposal that lists all pages in the Supplier's proposal that contain proprietary information and the reason it deems such information proprietary. **The classification of an entire proposal as proprietary or trade secret is not acceptable.**

Also refer to Section 9.b.2 for additional information regarding proposal format, including the location for Contractor's completed Appendix F and instructions on how to provide a redacted copy of the proposal.

9.a.11. PROPOSAL PROTOCOL

Protocol for the format and submission of the Contractor's Proposal is detailed in RFP Section 9.b., Proposal Format.

9.a.12. SINGLE POINT OF CONTACT

Submit all inquiries concerning this RFP in writing by email, subject: "Questions for RFP #2016-06" to:

SPOC: Chris Banaszak

Email: RFP2016-06@dmas.virginia.gov

DMAS cannot guarantee a response to questions received less than fifteen (15) days prior to the proposal due date. No questions will be addressed orally.

To ensure timely and adequate consideration of proposals, **Contractors are to limit all contact**, whether verbal or written, pertaining to this RFP to the designated SPOC for the duration of this proposal process.



9.a.13. PRE-PROPOSAL CONFERENCE/TELECONFERENCE

An optional pre-proposal conference/teleconference will be conducted at 10:00 A.M. ET on June 29, 2016 at the DMAS 7th Floor Conference Room, 600 E. Broad Street, Richmond, VA 23219. The purpose of this conference is to give DMAS an opportunity to clarify any facets of this solicitation. DMAS will not respond to questions during the pre-proposal conference.

To participate in the pre-proposal conference/teleconference, Offerors need to register with the SPOC: Chris Banaszak by sending an e-mail to RFP2016-06@dmas.virginia.gov stating the name of Offeror and Offerors participating representatives. Due to space limitations, Offerors who will be attending the conference in person are limited to three (3) representatives. Offerors for electronic attendance will receive a teleconference number for the call. It is strongly recommended that Offerors register no later than 1:00 pm local time on the day prior to the teleconference to ensure that Offeror receives a teleconference number.

9.a.14. EVALUATION PROCESS

DMAS will review each proposal received by the due date and time to determine whether it meets the Must Have (“M”) factors of this RFP. All Must Have factors included in Section 9.a.16, Evaluation Factors, are evaluated on a met or not-met basis. Any proposal that does not meet all of the Must Have factors will be set aside and receive no further consideration.

The proposals that meet all the Must Have criteria will be distributed to the evaluation team who will assess and score each Contractor’s response to RFP Section 3, Scope of Work, Section 6, Contractor Profile and Key Personnel, Section 8, Contract Standards, and Section 9.c, Small Business (SWaM) Procurement Plan, based on a review of the submitted materials.

DMAS may elect to continue the evaluation of the most qualified proposal(s) and may request that the Contractor(s) clarify or further explain certain aspects of the proposal(s).

At any point in the evaluation process, DMAS may employ any or all of the following means of evaluation:

- Reviewing industry research
- Requesting contractor presentations
- Conducting site visits
- Reviewing Contractor’s status as a small business or micro business, including small or micro businesses that are owned by minorities, women, or disabled veterans, and certified by the Department of Small Business and Supplier Diversity (SBSD)
- Considering Contractor’s planned subcontract value with certified SWaM or micro business subcontractors
- Contacting Contractor's references and customers
- Product demonstrations/pilot tests/detailed demonstrations
- Review of pricing
- Interviewing key personnel and/or contacting key personnel references



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- Requesting Contractors to elaborate on or clarify specific portions of their proposal

DMAS may limit all of the above to the most qualified proposals. No Contractor is guaranteed an opportunity to explain, supplement, or amend its initial proposal. **Contractors shall submit their best proposals and not assume there will be an opportunity to negotiate, amend, or clarify any aspect of their initial submitted proposals.** Therefore, each Contractor is encouraged to ensure that its initial proposal contains and represents its best offering.

Contractor shall be prepared to conduct product demonstrations, pilot tests, presentations, or site visits at the time, date, and location of DMAS' choice, shall DMAS so request.

DMAS will select for negotiation those proposals deemed to be fully qualified and best suited based on the factors as stated in the RFP. Negotiations will be conducted with these Contractors. After negotiations, DMAS may select the proposal(s) which, in its opinion, is the best proposal(s) representing best value and may award a contract to that Contractor(s). For purposes of this RFP, DMAS will determine best value based on the value relative to the cost of the Solution, giving consideration to the project's budget objectives.

If any Contractor fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, DMAS may terminate negotiations with that Contractor at any time.

DMAS SHALL NOT BE CONTRACTUALLY BOUND TO ANY CONTRACTOR PRIOR TO THE EXECUTION OF A DEFINITIVE WRITTEN CONTRACT.

9.a.15. EVALUATION FACTORS

The evaluation factors involved in this RFP are as follows:

1. Must Have (M) factors identified in the table below:

Table 8: Must Have Factors

No.	Must Have (M) Factors
1	(M) Proposal must be received by the due date and time. No late proposals will be reviewed.
2	(M) Contractor affirms that its organization and all affiliates are current with all sales tax obligations to Virginia as of the due date of the proposals in response to this RFP.
3	(M) Contractor accepts the statutorily provisions at the following URLs: http://www.vita.virginia.gov/uploadedFiles/SCM/StatutorilyMandatedTsandCs.pdf ; and the eVA provisions at: http://www.vita.virginia.gov/uploadedFiles/SCM/eVATsandCs.pdf as well as the contractual claims provision §2.2-4363 of the Code of Virginia.
4	(M) Contractor acknowledges by submitting a proposal in response to this solicitation that it is ineligible to submit a proposal in response to the Integrated Services Solutions procurement released by the Department of Medical Assistance Services.

2. The extent to which the Contractor's proposal satisfies the requirements identified in Section 3, Scope of Work, and Section 8, Contract Standards.



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3. Contractor’s viability and past performance (see Section 6, Contractor Profile and Key Personnel), which will include Contractor’s diligence and thoroughness in following and completing the requirements of this solicitation.
4. Contractor’s status as a SBSB-certified small business or micro business, including small businesses or micro businesses that are owned by minorities or women, and Contractor’s proposed Small Business (SWaM) Procurement Plan (see Section 9.c, Small Business (SWaM) Procurement Plan).
5. Cost, which may include submitted price, negotiated price, discounted price, total cost of ownership, etc.

9.a.16. PROCUREMENT WEBSITE

Virginia’s procurement portal, <http://www.eva.virginia.gov>, provides information about State solicitations and awards. Contractors are encouraged to check this site on a regular basis and, in particular, prior to submission of proposals to identify any amendments to the RFP that may have been issued.

The Department of Medical Assistance Services Procurement Library for this RFP, http://www.dmas.virginia.gov/Content_pgs/mmis_replacement_lib.aspx, provides reference materials to assist in the response to the RFP.

9.a.17. TIMETABLE

The following provides the timeline for this procurement.

Table 9: Procurement Timeline

Activity	Target Completion Date
RFP posted to eVA	06/15/2016
Registration deadline for pre-proposal conference/teleconference	06/28/2016 by 1:00 P.M. ET
Contractor pre-proposal conference/teleconference	06/29/2016 at 10:00 A.M. ET
Deadline for all questions	07/15/2016 at 10:00 A.M. ET
Proposals due	08/05/2016 at 10:00 A.M. ET
Presentations and site visits (should DMAS elect)	TBD
Contract(s) awarded	TBD

The timetable above is provided for planning purposes only.



9.a.18. EVA REGISTRATION REQUIRED

By the date of award, the selected Contractor(s) is required to be registered and able to accept orders through eVA. If a Contractor is not registered with eVA, select the “Supplier” tab at the following website, <http://www.eva.virginia.gov>, for registration instructions and assistance.

9.a.19. EXCLUDED PARTIES LIST

Your organization, all affiliates and all subcontractors may not be awarded a contract if they are excluded on the Federal government’s System for Award Management (SAM) at www.sam.gov or the Virginia’s Debarment List as provided by Code of Virginia §2.2-4321 at the time of award.

9.a.20. BEST AND FINAL OFFER

At the conclusion of negotiations, the Contractor(s) may be asked to submit in writing, a Best and Final Offer (BAFO). After the BAFO is submitted, no further negotiations shall be conducted with the Contractor(s). The Contractor’s proposal will be rescored to combine and include the information contained in the BAFO. The decision to award will be based on the final evaluation including the BAFO.

9.b. PROPOSAL FORMAT

In their proposals, Contractors shall adhere to the specific format set forth below in Sections 9.b.1 and 9.b.2 to aid the evaluation team in its efforts to evaluate all proposals fairly and equitably. Proposals that deviate from the requested format will require additional time for review and evaluation. DMAS may reject any proposal that is not in the required format, or does not address all the requirements of this RFP. Contractor shall be prepared to incorporate all statements made in its proposal in response to this RFP into the final contract.

Proposals shall be written specifically to answer this RFP. General “sales” material shall not be used within the body of the proposal and any additional terms or conditions on the “sales” material will be considered invalid. If desired, Contractor may attach such material in a separate appendix. It is essential that the proposal be thorough and concise. Contractor shall avoid broad, unenforceable, or immeasurable responses, and shall include all requested information in each section as indicated below.

9.b.1. CONTRACTOR’S PROPOSAL SUBMISSION FORMAT

DUE DATE

In order to be considered for selection, a Contractor must submit a complete response to this RFP that is received no later than 10:00 A.M. ET on Friday, August 5, 2016.

SUBMISSION LOCATION

Proposals sent by USPS, UPS, FedEx, or other commercial carrier shall be addressed to:

Attention: Chris Banaszak
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, VA 23219



Proposals submitted by Hand Delivery shall be addressed to:

Attention: Chris Banaszak
Department of Medical Assistance Services, 7th Floor DMAS Receptionist
600 East Broad Street
Richmond, VA 23219

PACKAGE LABELING

Proposals shall be clearly marked on the outside cover of all boxes, packages, envelopes, etc. with the following:

Contractor Name
Pharmacy Benefit Management Solution RFP No. 2016-06
Proposal Due: August 5, 2016 at 10:00 A.M. ET
Attention: Chris Banaszak
Department of Medical Assistance Services
600 East Broad Street
Richmond, VA 23219

PROPOSAL VOLUMES

The Contractor's complete response to the RFP shall consist of the following three (3) proposal volumes. **Detailed instructions for what must be included in each volume** are provided below in Section 9.b.2, Contractor's Proposal Format

- Volume 1 – Technical Proposal
- Volume 2 – Cost Proposal
- Volume 3 – Redacted Proposal

PROPOSAL VOLUMES SUBMISSION FORMAT

The three (3) proposal volumes **shall each be submitted in a separate, sealed envelope** according to the following instructions. Each Volume shall be signed by an authorized representative of the Contractor.

- **Volume 1 – Technical Proposal**
 - ✓ Two (2) original, signed hard copies in binders with tabs delineating each major section
 - ✓ Six (6) electronic copies on CD-ROMs in a Microsoft Word file format (file naming conventions are defined below in RFP Section 9.b.2)
- **Volume 2 – Cost Proposal**
 - ✓ Two (2) original, signed hard copies in binders with tabs delineating the Pricing section and the SWaM Procurement Plan
 - ✓ One (1) electronic copy on a CD-ROM in a Microsoft Excel file format, as provided in RFP Appendix C and in the Procurement Library (file naming conventions are defined below in RFP Section 9.b.2)



➤ **Volume 3 – Redacted Proposal**

- ✓ Two (2) original, signed hard copies in binders with tabs delineating each major section
- ✓ One (1) electronic copy on a CD-ROM in Adobe PDF file format (file naming conventions are defined below in RFP Section 9.b.2)



9.b.2. CONTRACTOR'S PROPOSAL FORMAT

In order to provide optimal readability and efficient evaluation of proposals, Contractors shall organize their response to this RFP as indicated below, addressing each requirement in the sequence provided.

For the electronic copies of each Volume, Contractors shall provide the requested information in the following format:

- Contractor shall place its name in each file name (e.g., ABC Company – Pharmacy Benefit Management Solution RFP No. 2016-06– Transmittal.docx)

9.b.2.1. VOLUME 1 – TECHNICAL PROPOSAL

Contractor shall provide the following documents both in hard copy and as separate electronic files, per the instructions above in Section 9.b.1, Contractor's Proposal Submission Format.

For ease of formatting Contractor's response, the following pages provide the required outline for Volume 1 – Technical Proposal. Contractor's responses shall follow both the numbering and naming conventions of this outline.

FILE 1: TRANSMITTAL LETTER

1. **Transmittal Letter:** Contractor shall provide a transmittal letter, signed by an individual authorized to legally bind the Contractor to the terms and conditions of this RFP and identifying the individuals authorized to negotiate on behalf of the Contractor. This letter shall also include contact information for these individual(s).
2. **eVA Registration Confirmation:** Contractor shall provide a copy of Contractor's completed eVA registration confirmation.

FILE 2: EXECUTIVE SUMMARY

1. **Executive Summary:** Contractor shall provide a high level summary of the most important aspects of the proposal, containing a concise description of the proposed solution(s).

FILE 3: SCOPE OF WORK

Contractor shall address each item in RFP Section 3, Scope of Work, in the order provided below.

1. **Contractor General Requirements:** Contractor shall provide a detailed response to each section in RFP Section 3.a., Contractor General Requirements, using the heading titles provided below.
 - 1.1. Project Design, Development, and Implementation (DDI)
 - 1.2. Testing Overview
 - 1.3. Change Management
 - 1.4. IV&V/CMS Reviews and Certification
 - 1.5. Audit Support
 - 1.6. Turnover



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- 1.7. Technology
 - 1.8. Electronic Data Interchange
 - 1.9. Documentation Management
 - 1.10. Enterprise Data Warehouse
 - 1.11. Conversion
- 2. Statement of Work – Pharmacy Benefit Management Solution:** Contractor shall provide a detailed response to each of the following sections of RFP Section 3.b, Statement of Work – Pharmacy Benefit Management Solution (PBMS), using the heading titles provided below.
- 2.1. Overview
 - 2.2. PBMS General Processing
 - 2.3. DUR/Clinical/Utilization Management
 - 2.4. Service Authorization
 - 2.5. Third Party Liability (TPL)
 - 2.6. Encounters
 - 2.7. Drug Rebate

FILE 4: CONTRACTOR PROFILE AND KEY PERSONNEL

Contractor shall address each item in RFP Section 6, Contractor Profile and Key Personnel, in the order provided below.

Contractor Proposal Compliance: Contractor shall provide an affirmative statement in response to RFP Section 6.a., Contractor Proposal Compliance.

- 1. Contractor Corporate Overview:** Contractor shall provide a response to each of the following sections of RFP Section 6.b., Contractor Corporate Overview, using the heading titles provided below.
 - 1.1. Business
 - 1.2. Corporate Identity
 - 1.3. Organization and Structure
 - 1.4. Locations
 - 1.5. Strategic Relationships
 - 1.6. ISO 900X Certification
 - 1.7. Council for Affordable Quality Healthcare Certification
- 2. Financial Information:** Contractor shall provide a response to each of the following sections of RFP Section 6.c., Financial Information, using the heading titles provided below.
 - 2.1. Total Annual Revenue



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- 2.2. Dun and Bradstreet Supplier Qualifier Report
- 2.3. Annual Reports
3. **Future, Long Term Vision, and Strategic Plans:** Contractor shall provide a response to RFP Section 6.d., Future, Long Term Vision, and Strategic Plans.
4. **Contractor Experience Level and Customer References:** Contractor shall provide three (3) customer references in the format provided in RFP Section 6.e, Contractor Experience Level and Customer References.
5. **Support Management and Personnel:** Contractor shall provide a detailed response to each of the following sections of RFP Section 6.f., Support Management and Personnel, using the heading titles provided below.
 - 5.1. Steering Committee
 - 5.2. Project Team
 - 5.3. Contractor Personnel

FILE 5: CONTRACT TERMS AND CONDITIONS AND SERVICE LEVEL AGREEMENTS

Contractor shall address each item in RFP Section 8, Contract Standards, RFP Appendix A – Service Level Agreements, and RFP Section H – Contract Template, in the order provided below.

1. **Contract Standards:** Contractor shall complete the table provided in RFP Section 8, Contract Standards. If a Contractor’s proposed Solution requires DMAS to execute an EULA, Contractor shall contact the Single Point of Contact (SPOC), who will provide Contractor with DMAS’ License Agreement Addendum terms.
2. **Service Level Agreements:** Contractor shall include the full text of RFP Appendix A – Service Level Agreements, in this section and provide a statement of affirmation and agreement to be bound by the SLAs contained therein.
3. **Contract Template:** Contractor shall provide the full text of RFP Appendix H – Contract Template, in this section. Contractor shall include comments and, if necessary, specific alternative language utilizing tracked changes for discussion during contract negotiations.

FILE 6: APPENDICES

Contractor shall include the following appendices in the order provided below.

1. Appendix D – State Corporation Commission form
2. Appendix E – Certificate of Compliance with Prohibition of Political Contributions
3. Appendix F – Proprietary/Confidential Information Identification Form
4. Appendix G – Offeror Certification
5. Initial Master Work Plan as requested in Section 5, Project Management and Governance



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6. Completed Microsoft Excel Requirements Traceability Matrix (RTM), provided in the Procurement Library, as referenced in Appendix J – Pharmacy Benefit Management Solution Requirements
7. Any optional information Contractor may wish to submit, not including pricing data

9.b.2.2. VOLUME 2 – COST PROPOSAL

In a separately sealed envelope, Contractor shall provide the following files, per the instructions above in Section 9.b.2, Contractor’s Proposal Submission Format.

For ease of formatting Contractor’s response, the following pages provide the required outline for Volume 2 – Cost Proposal. Contractor’s responses shall follow both the numbering and naming conventions of this outline.

FILE 1: PRICING

Contractor shall provide a completed Pricing Submittal Workbook according to the instructions laid forth in RFP Section 4, Pricing Information. The Pricing Submittal Workbook is included in RFP Appendix C and on the Procurement Library in its native Microsoft Excel format.

FILE 2: SMALL BUSINESS (SWaM) PROCUREMENT PLAN

Contractor shall provide a completed SWaM Procurement Plan, which is included in RFP Appendix B, according to the instructions laid forth in RFP Section 9.c, Small Business (SWaM) Procurement Plan.

9.b.2.3. VOLUME 3 – REDACTED PROPOSAL

Contractor shall provide a complete redacted copy of the Technical Proposal and/or Cost Proposal, as applicable, in accordance with RFP Section 9.a.11, Proprietary Information, and the outlines laid forth in RFP Sections 9.b.2.1 and 9.b.2.2.

9.c. SMALL BUSINESS (SWaM) PROCUREMENT PLAN

It is the policy of the Virginia to contribute to the establishment, preservation, and strengthening of small businesses and micro businesses including those small or micro businesses owned by women, minorities or service-disabled veterans and to encourage their participation in State procurement activities. Virginia encourages all Contractors (Suppliers) to provide for the participation of these small businesses through partnerships, joint ventures, subcontracts, and other contractual opportunities.

A Contractor which is a small business, a small woman-owned business, a small minority-owned business or a small service disabled veteran-owned business, as defined in § 2.2-4310 or 2.2-1401 of the Code of Virginia, or a certified micro business as defined in Executive Order Number 20 (2014), is a SWaM business. If Contractor is a SWaM business, the Contractor shall include a copy of all Virginia SWaM certifications with its proposal. No Contractor shall be considered a small business, a woman-owned business, a minority-owned business, a service-disabled veteran business or a micro business unless certified by SBS. For information, go to: <http://www.sbsd.virginia.gov/>.

Please provide a Small Business (SWaM) Procurement Plan as set forth in Appendix B – SWaM Procurement and Subcontracting Monthly Report and Small Business Procurement Plan. In the



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submitted Small Business (SWaM) Procurement Plan, please state the percentage of the contract's value that will be spent with SWaM subcontractors. Please also include in your plan a list of all subcontractors you plan to utilize who are not Virginia-certified SWaM businesses. If Contractor does not plan to use small business subcontractors in executing a contract resulting from this RFP, so state. Appendix B shall be included within Volume 2 – Cost Proposal as indicated in RFP Section 9.b.2.2.



APPENDIX A – SERVICE LEVEL AGREEMENTS

INTRODUCTION TO SERVICE-LEVEL AGREEMENTS

A successfully implemented service-level management discipline ensures that information systems function efficiently while fulfilling the desired business needs. SLAs relate to operational requirements including data quality thresholds to increase efficiency, enhance customer service, and control costs. Additionally, SLAs measure system performance through availability, accessibility, performance, and response times. SLAs also support business continuity response times (disaster recovery), problem management and resolution response times (preventative measurements and minimizing impacts of incidents).

PHARMACY BENEFIT MANAGEMENT SOLUTION SERVICE-LEVEL AGREEMENTS

Over the life of the contract, it is the Contractor’s responsibility to develop measurement tools and manage the following processes and SLAs defined in Table 10 below, to meet the performance management objectives for the PBMS.

The remedy amounts defined in Table 10 reflect the relative importance and value of the SLAs to DMAS.

Table 10: Pharmacy Benefit Management SLAs

ID	Description	Measurement	Remedy
PBMS-SLA-001	Online user interface response time	> 4 seconds at the demarcation of the Commonwealth firewall	2% of monthly contract value
PBMS-SLA-002	Point of Sale claim adjudication system availability	100% availability (excluding pre-approved scheduled downtime)	1% of annual contract value per hour or partial hour
PBMS-SLA-003	Service Authorization 24 hour response compliance	All Service Authorization requests receive a Contractor response in less than 24 hours measured from date/timestamp of receipt to date/timestamp of response	1% of monthly contract value per Service Authorization Contractor response > 24 hours
PBMS-SLA-004	Website response times (Website response time is measured at the Contractor’s router)	< 2 seconds ninety-nine percent (99%) of the time.	2% of annual contract value



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ID	Description	Measurement	Remedy
PBMS-SLA-005	<p>Complete all scheduled batch or file load jobs (schedule to be determined and mutually agreed upon)</p> <p>The definition of the batch jobs to be included in each category will be defined during the requirements phase.</p> <p>Category 1: Mission critical processes, such as drug file, provider file(s), encounter transactions</p> <p>Category 2: Reports</p>	<p>< 100% on time in category</p> <p>System generated batch job complete per schedule</p>	<p>Category 1: 2% of monthly contract value</p> <p>Category 2: 1% of monthly contract value</p>
PBMS-SLA-006	<p>All Pharmacy Benefit Management Solution defined reports shall be available online or delivered to the ECM system by scheduled time as defined and mutually agreed upon</p>	<p>< 100% on time</p> <p>System generated start and end date/time</p>	<p>1% of monthly contract value per incident</p>
PBMS-SLA-007	<p>Send out mailings:</p> <ul style="list-style-type: none"> ➤ Service Authorization Letters/Notifications ➤ DUR Board documentation ➤ P&T Committee documentation 	<p>< 100% on time mailed</p> <p>> 1 business day after transaction triggers letter generation</p>	<p>2% of monthly contract value per incident</p>



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ID	Description	Measurement	Remedy
PBMS-SLA-008	<p>Compliance with Federal and State Drug Utilization Review policies and procedures</p> <ul style="list-style-type: none"> ➤ Deliver Contractor’s standard ProDUR and RetroDUR reports, that demonstrate compliance throughout the life of the contract with 42 CFR Part 456, Subpart K - Drug Use Review (DUR) Program and Electronic Claims Management System for Outpatient Drug Claims Sections 456.700 through 456.711 and any subsequent modifications to CMS guidance or regulation of the DUR program. ➤ Deliver DUR Board and P&T Committee materials (agenda, therapeutic class reports, etc...) to DMAS for review, comment and approval ➤ Deliver Contractor’s content required to complete the Medicaid Drug Utilization Review Annual Report Survey as defined in 42 CFR Part 456, Subpart K - Drug Use Review (DUR) Program and Electronic Claims Management System for Outpatient Drug Claims Section 456.712 and any subsequent modifications to CMS guidance or regulation of the DUR program on the schedule defined in requirement PBMS-DUR-032. 	<p>Per error, inaccuracy, or failure to meet Federal guidance related to 42CFR Part 456, Subpart K identified in Contractor report(s) or failure to deliver Contractor standard ProDUR or RetroDUR reports for DMAS review on timelines established in Appendix J.</p> <p>Delivery of draft materials < 30 days prior to meeting date and delivery of DMAS approved final materials < 7 days prior to meeting date.</p> <p>Delivery to DMAS of Contractor content required to complete the Medicaid Drug Utilization Review Annual Report Survey on the following schedules:</p> <ol style="list-style-type: none"> 1. Draft content delivered <120 calendar days prior to CMS submission due date 2. Final content delivered <60 calendar days prior to CMS submission due date. 	<p>1% of annual contract value per incident</p> <p>1% of annual contract value per incident</p> <p>1% of annual contract value per incident</p>



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ID	Description	Measurement	Remedy
PBMS-SLA-009	MES critical batch transactional data exchange delivery during agreed upon uptime	< 100% of time	2% monthly contract value
PBMS-SLA-010	Post of real-time transaction data to the ISS Contractor shall not exceed specified time frame based on the category of the service. The definition of the transactions to be included in each category will be defined during the requirements phase. Category 1: less than or equal to 1 second Category 2: less than or equal to 3 seconds Category 3: less than or equal to 6 seconds Category 4: less than or equal to 20 seconds	All transactions in a category meet the measurement in a clock hour	2% of monthly contract value
PBMS-SLA-011	Posting of batch files to the ISS Contractor shall not exceed specified time frame based on the category of the service. The definition of the batch files to be included in each category will be defined during the requirements phase. Category 1: mission critical processes less than or equal to 60 minutes Category 2: low priority processes less than or equal to 4 hours	Any batch file in a category exceeds the measurement time frame	2% of monthly contract value
PBMS-SLA-012	Call Center/Help Desk by Split: Average Speed of Answer	Daily average speed to connect to a CSR from the time the call is connected to the ACD > 180 seconds (this includes front messaging)	1% of monthly contract value
PBMS-SLA-013	Call Abandonment Rate	Daily average abandonment rate > 5%	1% monthly contract value



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ID	Description	Measurement	Remedy
PBMS-SLA-014	<p>DDI Key Positions:</p> <ul style="list-style-type: none"> ➤ Executive Account Director ➤ Business Configuration Manager ➤ Implementation Project Manager ➤ QA Manager ➤ Conversion Manager ➤ Testing Manager ➤ PMO Director ➤ Certification Manager <p>Operations Key Positions:</p> <ul style="list-style-type: none"> ➤ Executive Account Director ➤ Clinical Account Manager ➤ Operations/System Manager ➤ Business Analyst – Change Management ➤ VA Licensed Call Center Pharmacist ➤ Medicaid Drug Rebate Program Pharmacist ➤ Supplemental Drug Rebate Program Director ➤ PMO Director 	<ul style="list-style-type: none"> ➤ > 15 calendar days from vacancy for interim fill ➤ > 60 calendar days from vacancy for permanent key position 	<ul style="list-style-type: none"> ➤ 1% of monthly contract value ➤ 1% of monthly contract value
PBMS-SLA-015	Adhere to applicable State and Federal laws, rules, regulations, guidelines, policies, and procedures relating to information systems, information systems security and privacy, physical security, PHI confidentiality and privacy.	The Contractor will assume all liabilities including any incurred cost to the Department for the violation of applicable State and Federal laws, rules, regulations, guidelines, policies, and procedures relating to information systems, information systems security and privacy, physical security, PHI confidentiality and privacy.	Incurred costs



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ID	Description	Measurement	Remedy
PBMS-SLA-016	Process claims in a timely manner	<ul style="list-style-type: none"> ➤ Average Monthly Point of Sale claim processing time > 2 seconds (measured as time between Contractor receipt of transaction from Switch/VAN to Contractor response posted to Switch/VAN) ➤ Individual Point of Sale claim transaction processing time > 4 seconds ➤ Clean Paper claims processed from receipt through adjudication in less than 24 hours ➤ Encounter claims processed/loaded from file receipt to PBMS applications in less than 48 hours 	<ul style="list-style-type: none"> ➤ 2% of annual contract value ➤ 1% of monthly contract value/claim ➤ 1% of monthly contract value/claim ➤ 1% of monthly contract value
PBMS-SLA-017	Erroneously processed claims <ul style="list-style-type: none"> ➤ Notification to DMAS of error ➤ Correction of erroneously processed claims 	<ul style="list-style-type: none"> ➤ Notification > 1 business day following discovery of the error ➤ Contractor mediated correction of erroneously processed claims > 5 business days from discovery of the error 	<ul style="list-style-type: none"> ➤ 1% of monthly contract value/incident ➤ 1% of monthly contract value/claim not corrected



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ID	Description	Measurement	Remedy
PBMS-SLA-018	Medicaid Drug Rebate Program Compliance <ul style="list-style-type: none"> ➤ Invoice Manufacturers as directed by law ➤ Deliver CMS 64.9R content in defined format and timeline specified in Appendix J 	<ul style="list-style-type: none"> ➤ Date/Timestamp of delivery > 1 day past CMS established timeline ➤ Content delivered > 10th day of the month following invoicing for the quarter 	<ul style="list-style-type: none"> ➤ 1% of annual contract value per incident where date/timestamp is > 1 business day past established timeline ➤ 1% of annual contract value per day past 10th day
PBMS-SLA -019	Must meet all published VITA security requirements	Once identified > 1 day	2% of monthly contract value
PBMS-SLA-020	Configuration requests must be applied in the DMAS test region with 2 business days	> 2 business days	2% of monthly contract value
PBMS-SLA-021	All COTS packages must be no less than current release -1 version	Upon Release of COTS version	2% of annual contract value



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ID	Description	Measurement	Remedy
PBMS-SLA-022	<p>The Contractor will prioritize all issues into severity levels as defined by DMAS and resolve them according to the established timeframes for the production system defects</p> <p>Severity Level One (1) Defects: within 60 minutes of notification to or from Contractor</p> <p>Severity Level Two (2) Defects: within 4 hours</p> <p>Severity Level Three (3) Defects: within 8 hours</p> <p>Severity Level Four (4) or higher: within an agreed upon schedule between the Contractor(s) and the Department after the defect was identified</p>	< 100%	1% of the monthly contract value
PBMS-SLA-023	On the occurrence of a disaster, the Contractor will restore essential services irrespective of the time the incident occurred	> 120 clock minutes	2% of the annual contract value
PBMS-SLA-024	A comprehensive technical and operational test of the Disaster Recovery (DR) Plan and Business Continuity Plan	Failure to pass the annual test in a contract year	2% of the annual contract value
PBMS-SLA-025	Loss of an Appeal related to contractor inability to produce documentation	Not retrievable through system	Award amount
PBMS-SLA-026	<p>Appeals – Member:</p> <ul style="list-style-type: none"> ➤ Contractor shall meet deadline of 21 days @ 5:00 P.M. ET from the date of the notification by DMAS to submit the Case Summary. ➤ Contractor shall attend State Fair Hearing <p>(Attendance can be either by telephone or in person, at the discretion of the DMAS Hearing Officer conducting the State Fair Hearing)</p>	Postmark date if mailed. Receipt date if sent by any other method	1% of the monthly contract value
PBMS-SLA-027	The Contractor's solution must be certified by CMS	Solution is not certified by CMS	Reimbursement to the Department for the difference in FFP funds received from CMS for the period of time the system is not certified.



APPENDIX B – SWAM PROCUREMENT AND SUBCONTRACTING MONTHLY REPORT AND SMALL BUSINESS PROCUREMENT PLAN

A. SMALL, WOMEN-OWNED, AND MINORITY-OWNED BUSINESS (SWAM) PROCUREMENT AND SUBCONTRACTING QUARTERLY REPORT

On a quarterly basis, Contractor shall submit to DMAS evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. Upon completion of the contract, the Contractor agrees to furnish the purchasing office at a minimum the following information: name of firm with the SBSB certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. The agency or institution reserves the right to pursue other appropriate remedies for non-compliance to include, but not be limited to, termination for default.

Contractor’s quarterly report shall include spend on all Contractor’s contracts with second-tier small business suppliers which provide products or Service/Solution under this Contract. The report shall specify the amount of such spend provided to SWaM vendors, by SWaM category, regardless of such SWaM vendors’ certification status. Contractor shall submit the report to BCM@dmass.virginia.gov.

B. SWAM PROCUREMENT PLAN

All small businesses must be certified by the Virginia Department of Small Business and Supplier Diversity (SBSD) by the due date for receipt of bids Certification applications are available through SBSB online at <http://www.sbsd.virginia.gov/>.

Offeror Name: _____

Preparer Name: _____ Date: _____

INSTRUCTIONS

- A. If you are certified by the SBSB as a small business or as a micro business, complete only Section A of this form. This shall not exclude SBSB-certified women, minority or service-disabled veterans-owned businesses when they have received SBSB small business certification.
- B. If you are not a SBSB-certified small business, complete Section B of this form.



SECTION A

If your firm is certified by the SBSD are you certified as a (check all that apply):

- Small Business
- Small and Women-owned Business
- Small and Minority-owned Business
- Small Service Disabled Veteran-owned Business
- Small Service Disabled Veteran-owned Business
- Micro Business
- Micro Business and Women-owned Business
- Micro Business and Minority-owned Business
- Micro Service Disabled Veteran-owned Business

Certification Number: _____

Certification Date: _____



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SECTION B

Populate the table below to show your firm's plans for utilization of SBSB-certified small businesses in the performance of this contract. This shall not exclude SBSB-certified micro businesses or women, minority, or service disabled veteran-owned businesses when they have received the SBSB small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, etc.

Small Business Name & Address DMBE Certificate #	Status if Small Business is also: Women (W), Minority (M) Service-Disabled Veteran (D), Micro Business (MB)	Contact Person, Telephone & Email	Type of Goods and/or Services	Planned Involvement During Initial Period of the Contract	Planned Contract Dollars During Initial Period of the Contract
Totals \$					



APPENDIX C – PRICING

C.1 PRICE PROPOSALS

This section provides the instructions for the Price Proposal preparation. Use of the Microsoft Excel spreadsheet titled “Appendix C – Pricing Schedules.xls” in the form and content provided with this RFP is **MANDATORY**. Failure to use the schedules as provided shall result in disqualification. It is included as an attachment to this RFP in the Procurement Library.

OVERVIEW

The Contract Term is defined in stages. A Design, Development and Implementation (DDI) Phase is initiated for each project. The DDI Phase will start from contract signing date through the end of the state fiscal year. A total of eight (8) Operations and Maintenance Phases (five fixed and three optional) that begin on July 1 and end June 30, for each state fiscal year will make up the additional stages. Please see the Pricing Stage Chart for periods by RFPs. DMAS, in its sole discretion, may extend this Contract with up to three (3) one-year option periods that would run from July 1 through June 30 for each period. The prices included in the Price Proposal will become the sole basis for Contractor reimbursement, except for authorized direct cost items identified in Price Schedule K – Configuration and Customization. The dollar values included in the Offeror’s Price Proposal become the basis for determining best value as described in RFP Section 9.a.15, Evaluation Process.

PRICING SCHEDULE A – DESIGN, DEVELOPMENT, AND IMPLEMENTATION (DDI) PHASE PRICE INSTRUCTIONS

The Design, Development and Implementation (DDI) Pricing Schedule for this solution is based on a “Flight Plan” concept and includes all planning, joint application design sessions, design conversion, construction, testing, implementation, and certification pricing. The DDI Phase for the Solution will be costed separately and included in the Offeror’s proposed Total Pricing on Pricing Schedule N.

Section 1.a.1 VIRGINIA MES PROCUREMENT STRATEGY of the RFP contains Figure 1 that is a Model of a proposed Flight Plan for a staggered implementation to support the pricing methodology.

PRICING SCHEDULES B-I, OPERATION AND MAINTENANCE (O&M) PHASE PRICE INSTRUCTIONS

The Schedules used in this section include Schedule B – Ongoing Pharmacy Benefit Management Solution for State FY 2017-18 through Schedule I – Ongoing Pharmacy Benefit Management Solution for State FY 2024-25.

In Pricing Schedules B thru F, Offerors must specify a fixed price to operate the proposed solution for each year of the initial five year base period of the contract Operational and Maintenance Phase. Pricing Schedules G thru I specify the fixed price to operate the proposed solution for each of the three (3) one year optional extensions. The Contractor awarded a contract will be paid the monthly amount as determined in final negotiations.

PRICING SCHEDULE J – OPTIONAL ENHANCEMENTS

This schedule is to allow the Offeror to account for optional enhancements not requested or included in the mandatory RFP requirements that are included in the base price (no additional cost) as well as



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Offeror proposed enhancements and their associated prices that are not included in the Offeror base price. Optional enhancements will not be included in the initial scoring but may be discussed during negotiations.

PRICING SCHEDULE K – CONFIGURATION AND CUSTOMIZATION

This schedule will include pricing for the Offeror to account for requests that are either included in the base price or are priced as an option for system configuration and customization.

PRICING SCHEDULE L – LICENSES

The Pricing sheets will also include a License Pricing Sheet. This sheet will be used by the Offeror to account for licenses used during all periods of DDI and O&M.

PRICING SCHEDULE M – SUPPLEMENTAL STAFFING PRICE

This Schedule is for the Offeror to submit the fixed hourly rates for each labor category utilized and calculated into the fixed monthly payments line item for ongoing operations and maintenance for Schedules B-I. All cost associated with this Schedule is for informational purposes only but may be used during the performance of the contract to calculate Offeror reimbursement rates for other projects identified and approved by the Department.

PRICING SCHEDULE N – SUMMARY OF ALL PRICING SCHEDULES

This schedule is a summary pricing worksheet for Offerors to include the proposed prices from the DDI and O&M pricing schedules. The final negotiated price will be used for determining best value relative to the evaluation process as described in the RFP and the basis for which the awarded Contractor will be paid in the performance of the contract.

PROPOSAL QUALITY MANAGEMENT PAYMENT CALCULATION EXAMPLE

This example is a worksheet for Offerors to calculate the Quality Management Payment for the DDI stage of the project. The quality management payment calculation (7%) is a holdback. It will be paid upon completion of the milestones for the DDI stage. If Contractor is not able to complete implementation milestones as scheduled, the Quality Management Payment will be paid when the milestones become current. If a Contractor finishes all scheduled milestones ahead of the DDI stage fiscal year end, it will trigger the payment regardless if the 12 months are complete or not. A second Quality Management Payment is tied to CMS Certification. The quality maintenance payment calculation for CMS certification (3%) is a holdback and will be paid after CMS certification is received. See Table C-2 below.

ACTUAL VERSUS PROPOSAL PAYMENT CALCULATION FOR DDI

The payments are listed as monthly payments for pricing purposes and comparisons for DDI. In practice, Virginia and the contractor will agree upon a milestone / deliverable schedule. Based on the identified milestones or deliverables, an approval will result in a payment portion of the overall Fiscal Year payment. See the Payment Table C-3 below.



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CONTRACT STAGE PRICING

The contract will be broken into stages tied to the state fiscal year. Stages will consist of DDI or Operations & Maintenance.

Table C-1: Contract Stage Pricing Table

Contract Stage	Period	RFPs
1) DDI Phase I	July 1, 2016 – June 30, 2017	PBMS, ISS, EDWS, FMS, CSS
2) DDI Phase II	July 1, 2017 – June 30, 2018	ISS, EDWS, FMS, CSS
3) O&M SFY -1	July 1, 2018 – June 30, 2019	Full O&M All RFPs
4) O&M SFY -2	July 1, 2019 – June 30, 2020	Full O&M All RFPs
5) O&M SFY -3	July 1, 2020 – June 30, 2021	Full O&M All RFPs
6) O&M SFY -4	July 1, 2021 – June 30, 2022	Full O&M All RFPs
7) O&M SFY -5	July 1, 2022 – June 30, 2023	Full O&M All RFPs
8) O&M SFY -6 (Optional)	July 1, 2023 – June 30, 2024	Full O&M All RFPs
9) O&M SFY -7 (Optional)	July 1, 2024 – June 30, 2025	Full O&M All RFPs
10) O&M SFY -8 (Optional)	July 1, 2025 – June 30, 2026	Full O&M All RFPs



PROPOSAL QUALITY MANAGEMENT PAYMENT CALCULATION EXAMPLE

This example is a worksheet for Offerors to calculate the Quality Management Payment for the DDI stage of the project.

Table C-2: Quality Maintenance Payment Example

Contract Stage	A License Price	B Total Stage Price	C DDI Quality Maintenance Payment (=B x 7%)	D Total Stage Payments =(B-A-C)	E Quality Maintenance Payment for CMS Certification DDI Project Phase(s) (=B times 3%)	F Adjusted Stage Price in Pricing Schedule (=B - E)
DDI SFY1 (7%)	\$10K	\$2M	\$140K	\$1.85M	\$60K	\$1.94M
O&M Years 1-8	\$700K	\$48M	NA	\$47.3M	NA	\$48M
Total Price	\$710K	\$50M	\$140K	\$49.15M	\$60K	\$49.94M

Step 1: Offerors estimate Licenses Price for the Contract Stage based on their proposal and internal pricing processes.

Step 2: Offerors estimate Total Stage Price for the Contract Stage based on their proposal and internal pricing processes.

Step 3: Offerors calculate the Quality Maintenance Payment Amount for the DDI Contract Stage using the formula: Total Stage Price x 7%.

Step 4: Offerors calculate the Quality Maintenance Payment Amount for the CMS Certification using the formula: Total Stage Price x 3%. This hold back is paid when CMS certification is completed.

Step 5: Offerors calculate Proposal Fixed Monthly Payments using the formula: Total Stage Price – Quality Maintenance Payment Amount – Licenses Price.



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ACTUAL VERSUS PROPOSAL PAYMENT CALCULATION EXAMPLE

If the 12 monthly payments equal \$800,000, then \$800,000 minus the 7% quality management hold back will be divided by the number of payment milestones and deliverables identified in the work plan (see table C-3 below). Virginia and the Contractor will agree on the final payment schedule. Once a milestone is achieved, the contractor will submit an approval for payment.

Table C-3: Deliverable / Milestone Payment Table

Deliverable / Milestones Due in Fiscal Year	Total Payments - \$800,000 Minus (7%) = \$744,000	Approval Schedule
1) Baselined Work Plan	\$148,800	On-time
2) Detailed Project Plan	\$148,800	On-time
3) Project Planning Complete	\$148,800	On-time
4) Requirements Validation	\$148,800	On-time
5) Design Document	\$148,800	On-time
<i>Fiscal Year End Payment Due</i>	\$56,000	At completion of last deliverable (#5) for FY
Total	\$800,000	



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PRICE SCHEDULE A (A.1 – A.5) – DESIGN, DEVELOPMENT AND IMPLEMENTATION (DDI) STAGE, SFY 2016-17

The Offeror shall provide pricing, independent of the “Ongoing Operations and Maintenance”(O&M), for Design, Development and Implementation (DDI) that is specifically related to the provision of the Contract DDI Stage associated requirements indicated in the Offerors completed response to the RFP.

- A.1 The Offeror shall provide a fixed price for the complete Contract DDI Stage that includes fixed monthly payments over the Offeror’s estimated period of the Contract Stage.
- A.2 A Quality Maintenance Payment equal to seven percent (7.0%) of the Total Contract price for DDI will be paid upon successful implementation for the DDI Stage period.
- A.3 The Offeror should provide the annual licenses costs.
- A.4 A Quality Maintenance Payment equal to three percent (3.0%) of the Total Contract price for DDI will be paid upon successful completion of the CMS Certification Project Phase for the DDI Stage period.
- A.5 The total stage price for DDI shall be transferred to Schedule N to be included in Offeror’s total cost for solution.

Time Period for this Stage: July 1, 2016 to June 30, 2017				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(A.1) Fixed Monthly Payments	12	\$	\$	%
(A.2) Quality Maintenance Payments Price	N/A	N/A	\$	7%
(A.3) Licenses Price ¹	N/A	N/A	\$	%
(A.4) CMS Certification Quality Maintenance Payments Price	N/A	N/A	\$	3%
(A.5) Total Stage Price (Sum A.1 – A.4)	N/A	N/A	\$	100%

¹ License information shall also be included as a line item in Schedule L – Licenses.



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PRICE SCHEDULE B – ONGOING OPERATIONS AND MAINTENANCE, CONTRACT STAGE SFY 2017-18

The Offeror shall provide pricing, independent of the Design, Development and Implementation Contract Stage, that is specifically related to the provision of Ongoing Operations and Maintenance (O&M) for the referenced Contract Stage State Fiscal Year (SFY) in support of the Offeror's final negotiated solution.

- B.1 The Offeror shall provide a fixed price for the complete Contract Stage over the State Fiscal Year (SFY) (July 1 -June 30) that includes a fixed monthly payment.
- B.2 The Offeror shall provide the annual licenses costs.
- B.3 The Offeror shall provide the Configuration and Customization for 4160 hours per year.

Time Period for this Stage: July 1, 2017 – June 30, 2018				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(B.1) Fixed Monthly Payments	12	\$	\$	%
(B.2) Licenses Price ²	N/A	N/A	\$	%
(B.3) Configuration/ Customization Price ³	N/A	N/A	\$	%
(B.4) Total Stage Price (Sum B.1 – B.3)	N/A	N/A	\$	100%

² License information shall also be included as a line item in Pricing Schedule L – Licenses.

³ Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.



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PRICE SCHEDULE C – ONGOING OPERATIONS AND MAINTENANCE, CONTRACT STAGE SFY 2018-19

The Offeror shall provide pricing, independent of the Design, Development and Implementation Contract Stage, that is specifically related to the provision of Ongoing Operations and Maintenance (O&M) for the referenced Contract Stage State Fiscal Year (SFY) in support of the Offeror's final negotiated solution.

- C.1 The Offeror shall provide a fixed price for the complete Contract Stage over the State Fiscal Year (SFY) (July 1 -June 30) that includes a fixed monthly payment.
- C.2 The Offeror shall provide the annual licenses costs.
- C.3 The Offeror shall provide the Configuration and Customization for 4160 hours per year.

Time Period for this Stage: July 1, 2018 – June 30, 2019				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(C.1) Fixed Monthly Payments	12	\$	\$	%
(C.2) Licenses Price ⁴	N/A	N/A	\$	%
(C.3) Configuration/ Customization Price ⁵	N/A	N/A	\$	%
(C.4) Total Stage Price (Sum C.1 – C.3)	N/A	N/A	\$	100%

⁴ License information shall also be included as a line item in Pricing Schedule L – Licenses.

⁵ Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.



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PRICE SCHEDULE D – ONGOING OPERATIONS AND MAINTENANCE, CONTRACT STAGE SFY 2019-20

The Offeror shall provide pricing, independent of the Design, Development and Implementation Contract Stage, that is specifically related to the provision of Ongoing Operations and Maintenance (O&M) for the referenced Contract Stage State Fiscal Year (SFY) in support of the Offeror's final negotiated solution.

- D.1 The Offeror shall provide a fixed price for the complete Contract Stage over the State Fiscal Year (SFY) (July 1 -June 30) that includes a fixed monthly payment.
- D.2 The Offeror shall provide the annual licenses costs.
- D.3 The Offeror shall provide the Configuration and Customization for 4160 hours per year.

Time Period for this Stage: July 1, 2019 – June 30, 2020				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(D.1) Fixed Monthly Payments	12	\$	\$	%
(D.2) Licenses Price ⁶	N/A	N/A	\$	%
(D.3) Configuration/ Customization Price ⁷	N/A	N/A	\$	%
(D.4) Total Stage Price (Sum D.1 – D.3)	N/A	N/A	\$	100%

⁶ License information shall also be included as a line item in Pricing Schedule L – Licenses.

⁷ Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.



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PRICE SCHEDULE E – ONGOING OPERATIONS AND MAINTENANCE, CONTRACT STAGE SFY 2020-21

The Offeror shall provide pricing, independent of the Design, Development and Implementation Contract Stage, that is specifically related to the provision of Ongoing Operations and Maintenance (O&M) for the referenced Contract Stage State Fiscal Year (SFY) in support of the Offeror’s final negotiated solution.

- E.1 The Offeror shall provide a fixed price for the complete Contract Stage over the State Fiscal Year (SFY) (July 1 -June 30) that includes a fixed monthly payment.
- E.2 The Offeror shall provide the annual licenses costs.
- E.3 The Offeror shall provide the Configuration and Customization for 4160 hours per year.

Time Period for this Stage: July 1, 2020 – June 30, 2021				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(E.1) Fixed Monthly Payments	12	\$	\$	%
(E.2) Licenses Price ⁸	N/A	N/A	\$	%
(E.3) Configuration/ Customization Price ⁹	N/A	N/A	\$	%
(E.4) Total Stage Price (Sum E.1 – E.3)	N/A	N/A	\$	100%

⁸ License information shall also be included as a line item in Pricing Schedule L – Licenses.

⁹ Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.



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PRICE SCHEDULE F – ONGOING OPERATIONS AND MAINTENANCE, CONTRACT STAGE SFY 2021-22

The Offeror shall provide pricing, independent of the Design, Development and Implementation Contract Stage, that is specifically related to the provision of Ongoing Operations and Maintenance (O&M) for the referenced Contract Stage State Fiscal Year (SFY) in support of the Offeror's final negotiated solution.

- F.1 The Offeror shall provide a fixed price for the complete Contract Stage over the State Fiscal Year (SFY) (July 1 -June 30) that includes a fixed monthly payment.
- F.2 The Offeror shall provide the annual licenses costs.
- F.3 The Offeror shall provide the Configuration and Customization for 4160 hours per year.

Time Period for this Stage: July 1, 2021 - June 30, 2022				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(F.1) Fixed Monthly Payments	12	\$	\$	%
(F.2) Licenses Price ¹⁰	N/A	N/A	\$	%
(F.3) Configuration/ Customization Price ¹¹	N/A	N/A	\$	%
(F.4) Total Stage Price (Sum F.1 - F.3)	N/A	N/A	\$	100%

¹⁰ License information shall also be included as a line item in Pricing Schedule L – Licenses.

¹¹ Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.



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PRICE SCHEDULE G – ONGOING OPERATIONS AND MAINTENANCE, CONTRACT STAGE SFY 2022-23 (RENEWAL OPTION YEAR 1)

The Offeror shall provide pricing, independent of the Design, Development and Implementation Contract Stage, that is specifically related to the provision of Ongoing Operations and Maintenance (O&M) for the referenced Contract Stage State Fiscal Year (SFY) in support of the Offeror's final negotiated solution.

- G.1 The Offeror shall provide a fixed price for the complete Contract Stage over the State Fiscal Year (SFY) (July 1 -June 30) that includes a fixed monthly payment.
- G.2 The Offeror shall provide the annual licenses costs.
- G.3 The Offeror shall provide the Configuration and Customization for 4160 hours per year.

Time Period for this Stage: July 1, 2022 – June 30, 2023				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(G.1) Fixed Monthly Payments	12	\$	\$	%
(G.2) Licenses Price ¹²	N/A	N/A	\$	%
(G.3) Configuration/ Customization Price ¹³	N/A	N/A	\$	%
(G.4) Total Stage Price (Sum G.1 – G.3)	N/A	N/A	\$	100%

¹² License information shall also be included as a line item in Pricing Schedule L – Licenses.

¹³ Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.



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PRICE SCHEDULE H – ONGOING OPERATIONS AND MAINTENANCE, CONTRACT STAGE SFY 2023-24 (RENEWAL OPTION YEAR 2)

The Offeror shall provide pricing, independent of the Design, Development and Implementation Contract Stage, that is specifically related to the provision of Ongoing Operations and Maintenance (O&M) for the referenced Contract Stage State Fiscal Year (SFY) in support of the Offeror's final negotiated solution.

- H.1 The Offeror shall provide a fixed price for the complete Contract Stage over the State Fiscal Year (SFY) (July 1 -June 30) that includes a fixed monthly payment.
- H.2 The Offeror shall provide the annual licenses costs.
- H.3 The Offeror shall provide the Configuration and Customization for 4160 hours per year.

Time Period for this Stage: July 1, 2023 – June 30, 2024				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(H.1) Fixed Monthly Payments	12	\$	\$	%
(H.2) Licenses Price ¹⁴	N/A	N/A	\$	%
(H.3) Configuration/ Customization Price ¹⁵	N/A	N/A	\$	%
(H.4) Total Stage Price (Sum H.1 – H.3)	N/A	N/A	\$	100%

¹⁴ License information shall also be included as a line item in Pricing Schedule L – Licenses.

¹⁵ Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.



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PRICE SCHEDULE I – ONGOING OPERATIONS AND MAINTENANCE, CONTRACT STAGE SFY 2024-25 (RENEWAL OPTION YEAR 3)

The Offeror shall provide pricing, independent of the Design, Development and Implementation Contract Stage, that is specifically related to the provision of Ongoing Operations and Maintenance (O&M) for the referenced Contract Stage State Fiscal Year (SFY) in support of the Offeror’s final negotiated solution.

- I.1 The Offeror shall provide a fixed price for the complete Contract Stage over the State Fiscal Year (SFY) (July 1 -June 30) that includes a fixed monthly payment.
- I.2 The Offeror shall provide the annual licenses costs.
- I.3 The Offeror shall provide the Configuration and Customization for 4160 hours per year.

Time Period for this Stage: July 1, 2024 – June 30, 2025				
	Number of Months (N)	Price per Month (PPM)	Total Price (N*PPM)	Calculated Percent Total Price (Total Price/Total Stage Price *100)
(I.1) Fixed Monthly Payments	12	\$	\$	%
(I.2) Licenses Price ¹⁶	N/A	N/A	\$	%
(I.3) Configuration/ Customization Price ¹⁷	N/A	N/A	\$	%
(I.4) Total Stage Price (Sum I.1 – I.3)	N/A	N/A	\$	100%

¹⁶ License information shall also be included as a line item in Pricing Schedule L – Licenses.

¹⁷ Total amount from Schedule K - Configuration and Customization, shall be transferred for this line item.



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PRICE SCHEDULE J – PRICES FOR OPTIONAL ENHANCEMENTS

Schedule J is to allow DMAS to identify functionality that may be considered as optional by the Department, as well as allow the Offeror to provide any additional optional services and/or enhancements it feels may complement its proposed solution for the Pharmacy Benefit Management Solution.

DMAS has defined six (6) options. These options are described in Section 3.c, DMAS Defined Options. Price Schedule J (lines J.1-J.6) below contains these options. The Offeror must complete the pricing for the Mandatory options.

Optional pricing is outside of the DDI and O&M costs and shall not be included in the scoring (to include scoring of SWaM). These enhancements and prices are being requested for informational purposes, and the Department does not agree to accept any Optional requirements proposed unless negotiated in the Contract with the successful Offeror.

If any of the Optional requirements, as designated by the Offeror, are part of the Offeror’s base solution and have a zero additional cost, please indicate ‘included in base’ in the Price column.

The Offeror shall include in the price for each optional enhancement all relevant additional prices associated, including resources, technical prices, hardware, or other prices expressly associated with the option.

Optional Enhancements ¹⁸	Price	
Specialty Drug Management – Mandatory Pricing	(J.1)	\$
Identification of Other Health Insurance – Mandatory Pricing	(J.2)	\$
E-Prescribing Support – Mandatory Pricing	(J.3)	\$
Pharmacy Provider Enrollment Services – Mandatory Pricing	(J.4)	\$
Integration of Laboratory Values or other Member Data – Optional Pricing	(J.5)	\$
Meeting Space – Optional Pricing	(J.6)	\$
Additional Offeror Specific Optional Items	(J.7)	\$
Additional Offeror Specific Optional Items	(J.8)	\$

¹⁸ NOTE: Optional enhancements and costs are for informational purposes and will not be included in the scoring of the pricing proposals or the scoring of SWaM Plans but may be discussed and included during contract negotiations.



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Optional Enhancements ¹⁸	Price	
Additional Offeror Specific Optional Items	(J.9)	\$
Additional Offeror Specific Optional Items	(J.10)	\$
Total Price for Optional Enhancements¹⁹ (Sum J.1 - J.10)	(J.11)	\$

¹⁹ The Offeror may add additional rows as necessary to capture pricing for additional proposed options to the solutions.



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PRICE SCHEDULE K – CONFIGURATION AND CUSTOMIZATION

The Offeror shall propose the fixed hourly labor rates for the Offerors personnel labor categories that is based on rates and stated effort for Configuration and Customization, including Testing and Validation Staff, Business Analyst Staff, Technical Writing and System Documentation Staff, and Project Management Staff resources needed to support Configuration Staff and Customization Staff. The rates shall include overhead, travel, profit, equipment usage and other miscellaneous costs. These hourly rates shall also be used to price Contract Modifications to the Contract if the Department decides additional Configuration Staff, Customization Staff and staff to support Configuration and Customization are needed beyond the base hours.

Configuration and Customization shall add up to at least two (2) FTE. One (1) FTE equals two thousand eighty (2,080) hours per year. 2 FTE x 2,080 = 4,160 hours. In addition, Offeror shall provide number, total hours and hourly rate for staff to support Configuration and Customization Staff.

# Staff Assigned	Primary Job Assignment	Total Hours	Hourly Rate ²⁰	Total Price	
1.0 FTE	Configuration Staff	2,080	\$	(K.1)	\$
1.0 FTE	Customization Staff	2,080	\$	(K.2)	\$
2.0 FTE	TOTAL Configuration and Customization Staff <i>(sum of K.1 and K.2)</i>	4,160		(K.3)	\$
Staff to Support 4,160 hours Configuration and Customization per year					
	Testing and Validation Staff		\$	(K.4)	\$
	Business Analyst Staff		\$	(K.5)	\$
	Technical Writing and System Documentation Staff		\$	(K.6)	\$
	Project Management Staff		\$	(K.7)	\$
	TOTAL for Configuration and Customization Support Staff <i>(sum of K.4, K.5, K.6, and K.7)</i>			(K.8)	\$
	TOTAL for providing 4160 hours of Configuration and Customization <i>(sum of K.3 and K.8)</i>			(K.9)²¹	\$

²⁰ Hourly Rates shall be effective from DDI Contract Stage, SFY 2016-17, through contract base period, O&M Contract Stage SFY2024-25.

²¹ Transfer total amount to appropriate line item on Schedules B-I.



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Cost of Living Assessment (COLA) Factor (Per SFY) if the Department requires the purchase of additional Enhancement hours.	%
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PRICE SCHEDULE L – LICENSES

Offeror shall provide pricing for any fees related to the licensing of the proposed solution and Operations Services software product or its components. The Offeror shall provide the licensing price for each individual System and Operation component and third-party tool included as part of the proposed software solution that requires a license agreement. The prices for each item are to be quoted separately unless bundled pricing is offered. Pricing should span the entire Contract period (DDI and O&M). Ongoing maintenance of the licenses Payment for licensing prices will be based on when the licenses are acquired. For the evaluation purposes, Offeror shall assume twenty-five (25) Department licenses are needed per product/component, based on user access. Licenses not based on user access, such as at the server or processor level, should be specified below and the number of licenses needed should be noted.

License Description	Quantity[1]	Unit Price	Total Price
(Terms and Options)			
<i>SAS Enterprise Users</i>	25	\$2,225	(L.1)
<i>SharePoint Users</i>	25	\$230	(L.2)
		\$	(L.3)
		\$	(L.4)
		\$	(L.5)
		\$	(L.6)
Total Licensing Price			(L7)²²
(sum of L.1, L.2 L.3, L.4, L.5, and L.6)			

²² Transfer total amount to appropriate line item on Schedules A-I.



PRICE SCHEDULE M – SUPPLEMENTAL STAFF PRICING

In pricing Schedule M, Offerors should submit the fixed hourly rate for each labor category utilized and calculated into the fixed monthly payments line item for ongoing operations and maintenance for Schedules B-I. Offerors should include the labor category and indicate the hourly rate for each category. The hourly rate must be a fully loaded rate and include all personnel, overhead, indirect, travel, profit, equipment usage, and other miscellaneous costs. All cost associated with Schedule M is for informational purposes only but may be used during the performance of the contract to calculate Offeror reimbursement rates for other projects identified and approved by the Department.

Labor Category ²³	Hourly Rate
	\$
	\$
	\$

²³ Offeror shall complete this table and expand as necessary to capture all labor categories to be used by them in the performance of their proposed solution.



PRICE SCHEDULE N – SUMMARY OF ALL PRICING SCHEDULES

This Price Schedule summary is intended to include the proposed prices from each Price Schedule included in the Offeror’s Price Proposal that will be used in the Price Evaluation. If there is a discrepancy between the amount shown here and the individual Price Schedules, the price information from the individual Price Schedule will be used during evaluation.

Pricing Stage	Price
Total Implementation Contract Stage SFY 2016-17 (Total Stage Price from Schedule A.5)	(A.5)
Total Ongoing Operations and Maintenance, Contract Stage SFY 2017-18 (Total Stage Price from Schedule B)	(B.4)
Total Ongoing Operations and Maintenance, Contract Stage SFY 2018-19 (Total Stage Price from Schedule C)	(C.4)
Total Ongoing Operations and Maintenance, Contract Stage SFY 2019-20 (Total Stage Price from Schedule D)	(D.4)
Total Ongoing Operations and Maintenance, Contract Stage SFY 2020-21 (Total Stage Price from Schedule E)	(E.4)
Total Ongoing Operations and Maintenance, Contract Stage SFY 2021-22 (Total Stage Price from Schedule F)	(F.4)
Total Ongoing Operations and Maintenance, Contract Stage SFY 2022-23 (Option Year Renewal) (Total Stage Price from Schedule G)	(G.4)
Total Ongoing Operations and Maintenance, Contract Stage SFY 2023-24 (Option Year Renewal) (Total Stage Price from Schedule H)	(H.4)
Total Ongoing Operations and Maintenance, Contract Stage SFY 2024-25 (Option Year Renewal) (Total Stage Price from Schedule I)	(I.4)
Operations and Maintenance Subtotal (Sum B.4, C.4, D.4, E.4, F.4, G.4, H.4 and I.4)	(O&M)



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Pricing Stage	Price
Total Price Bid²⁴ <i>(sum of A.5 and O&M)</i>	(Total)

²⁴ The total price bid will also be used for SWaM scoring purposes.



APPENDIX D – STATE CORPORATION COMMISSION FORM

Virginia State Corporation Commission (SCC) registration information. The Supplier:

is a corporation or other business entity with the following SCC identification number:
_____ -OR-

is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust -OR-

is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the Supplier in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from Supplier's out-of-state location) -OR-

is an out-of-state business entity that is including with this proposal an opinion of legal counsel which accurately and completely discloses the undersigned Supplier's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

****NOTE**** >> Check the following box if you have not completed any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for proposals (the Commonwealth reserves the right to determine in its sole discretion whether to allow such waiver):

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APPENDIX E – CERTIFICATE OF COMPLIANCE WITH PROHIBITION OF POLITICAL CONTRIBUTIONS AND GIFTS DURING THE PROCUREMENT PROCESS

Certification of Compliance

Certification of Compliance with Prohibition of Political Contributions and Gifts During the Procurement Process

For contracts with a stated or expected value of \$5 million or more except those awarded as the result of competitive sealed bidding

I, _____, a representative of _____,

Please Print Name

Name of Bidder/Offeror

am submitting a bid/proposal to _____ in response to

Name of Agency/Institution

_____, a solicitation where stated or expected contract value is

Solicitation/Contract #

\$5 million or more which is being solicited by a method of procurement other than competitive sealed bidding as defined in § 2.2-4301 of the *Code of Virginia*.

I hereby certify the following statements to be true with respect to the provisions of §2.2-4376.1 of the *Code of Virginia*. I further state that I have the authority to make the following representation on behalf of myself and the business entity:

1. The bidder/offeror shall not knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.
2. No individual who is an officer or director of the bidder/offeror, shall knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with



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jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.

3. I understand that any person who violates § 2.2-4376.1 of the *Code of Virginia* shall be subject to a civil penalty of \$500 or up to two times the amount of the contribution or gift, whichever is greater.

Signature

Title

Date

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APPENDIX F – PROPRIETARY/CONFIDENTIAL INFORMATION IDENTIFICATION FORM

Proprietary/Confidential Information Identification Form

Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of §2.2-4342F of the *Code of Virginia*, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected including the section of the proposal in which it is contained and the page numbers, and states the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must include only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. In addition, a summary of such information shall be submitted on this form. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable. If, after being given reasonable time, the Offeror refuses to withdraw such a classification designation, the proposal may be scored lower or eliminated from further consideration.

Name of Firm/Offeror: _____, invokes the protections of § 2.2-4342F of the *Code of Virginia* for the following portions of my proposal submitted on _____.

Date

Signature: _____ Title: _____

DATA/MATERIAL TO BE PROTECTED	SECTION NO., & PAGE NO.	REASON WHY PROTECTION IS NECESSARY

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APPENDIX G – OFFEROR CERTIFICATION

Offeror Certification

 (Offeror Name) certifies: (1) that it has not offered to any Commonwealth employee or contractor who had official responsibility for or otherwise played a role in this procurement, RFP 2016-06, or who played a role in the procurement on behalf of DMAS, money or other thing of value for or in consideration of the use of the employee or contractor's public position to obtain the contract that will result from this procurement; (2) that it did not receive any information concerning this procurement that is not available to the other Offerors or to the general public from any Commonwealth employee or contractor who had official responsibility for this procurement or who played a role in the procurement on behalf of DMAS; and (3) that it has complied with the Virginia Public Procurement Act, Code of Virginia § 2.2-4300 *et. seq.*

Signature: _____

Printed Name: _____

Organization: _____

Date: _____

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APPENDIX H – CONTRACT TEMPLATE

The Contract Template has been provided in a Microsoft Word file format, and it is included as an attachment to this RFP in the Procurement Library.



APPENDIX I – MILESTONES AND DELIVERABLES

The following table provides the Milestones and Deliverables associated with this contract and shall be used to inform the Contractor’s Master Work Plan.

Milestone/Deliverable	Completion/Updates	Responsible Contractor
DDI		
Initiation		
Project Proposal – Input to DMAS prepared deliverable	Response to RFP	Each Contractor
Project Charter – Input to DMAS prepared deliverable	2 Weeks after contract signed	Each Contractor
Planning		
Contractor Management Team Organization Chart	2 weeks after contract signed	Each Contractor
Master Integration Plan	3 weeks after contract signed	ISS Contractor
Detailed Project Management Plan	2 weeks after contract signed	Each Contractor
Master Work Plan (in MS Project)	4 weeks after contract signed and weekly thereafter	Each Contractor
Performance Reporting Plan and Status Summary	5 weeks after contract signed and weekly thereafter	Each Contractor
Communications Management Plan	3 weeks after contract signed and weekly thereafter	Each Contractor
Staff Acquisition Plan	3 weeks after contract signed and weekly thereafter	Each Contractor
Hardware and Equipment Acquisition Plan	2 weeks after contract signed and each week thereafter until phase end	Each Contractor
Software Acquisition and Installation Plan	2 weeks after contract signed and each week thereafter until phase end	Each Contractor
Documentation Management Plan	5 weeks after contract signed and each week thereafter	Each Contractor
Risk and Issues Management Plan, includes Escalation Management Plan	5 weeks after contract signed and each week thereafter	Each Contractor
Quality Management Plan	7 weeks after contract signed and each week thereafter	Each Contractor
Scope Management Plan	4 weeks after contract signed and each week thereafter	Each Contractor



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Milestone/Deliverable	Completion/Updates	Responsible Contractor
Requirements Management Plan	8 weeks after contract signed and each week thereafter	Each Contractor
Security Plan	6 weeks after contract signed and each week thereafter	Each Contractor
Change Management Plan	7 weeks after contract signed and each week thereafter	Each Contractor
Configuration Management Plan	6 weeks after contract signed and part of project execution and control thereafter	Each Contractor
Conversion Plan	4 weeks after contract signed	Each Contractor
Test Management Plan	7 weeks after contract signed	Each Contractor
CMS Certification Plan	16 weeks after contract signed	Each Contractor
Release Management Plan	6 weeks after contract signed	Each Contractor
Execution and Control		
Detailed Project Management Plan Update	As needed	Each Contractor
Master Work Plan (in MS Project) Update	Weekly	Each Contractor
Performance Reporting Plan Update	Weekly	Each Contractor
Staff Acquisition Update	Weekly	Each Contractor
Documentation Management Plan Update	Weekly	Each Contractor
Risk and Issues Management Plan	Weekly	Each Contractor
Security Plan	Weekly	Each Contractor
Quality Management Plan	Weekly	Each Contractor
Training Plan	4 months before Implementation	Each Contractor
Finalized Requirements Traceability Matrix	8 weeks after contract signed	Department
Detailed Specification Design (DSD)	10 weeks after contract signed	Each Contractor
Change and Configuration Management	As needed	Each Contractor
Implementation		
Implementation and Transition Plan	4 months before Implementation	Each Contractor
Closeout		
Lessons Learned Report	3 month Post-implementation	Each Contractor
Project Closeout Report (Contractor Input Only)	3 months Post-implementation	Each Contractor
Evaluation		



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Milestone/Deliverable	Completion/Updates	Responsible Contractor
Project Evaluation (Contractor Input Only)	1 Year Post-Implementation	Each Contractor
OPERATIONS		
Quality Management Plan	3 months before Operations – Updated per project/release	Each Contractor
Documentation Management Plan	3 months before Operations – Updated per project/release	Each Contractor
Change and Configuration Management Plan	4 months before Operations – Updated per project/release	Each Contractor
Risk and Issues Management Plan	3 months before Operations – Updated per project/release	Each Contractor
Training Plan	4 months before Operations – Updated per project/release	Each Contractor
Security Plan	Updated after any changes	Each Contractor
Communications Plan	3 months before Operations	Each Contractor
SLA Reporting Application	4 months before Operations – weekly thereafter	Each Contractor
Disaster Recovery Plan	2 months before Operations – Updated as needed	Each Contractor
Business Continuity Plan	2 months before Operations – Updated as needed	Each Contractor
Operations Production Status	Weekly – Content to be determined	Each Contractor
Root Cause Analysis	After any production interruption: Within 5 days of the event	Each Contractor
TURNOVER		
Turnover Plan	Per Contract	Each Contractor



APPENDIX J – PHARMACY BENEFIT MANAGEMENT SOLUTION REQUIREMENTS

The following tables of requirements are provided for informational purposes in this RFP. Contractors shall complete the Requirements Traceability Matrix (RTM) provided in the Procurement Library and include in Volume I – Technical Proposal.

J.1 – TECHNOLOGY STANDARDS

Requirement ID	Requirement
PBMS-TECH-STND-001	All the artifacts developed as part of the proposed Solution shall be compliant with the CMS and HIPAA standards and requirements.
PBMS-TECH-STND-002	The solution shall use rules based, table driven modular, and reusable components
PBMS-TECH-STND-003	The solution shall facilitate online, browser based web capabilities with no client component download(s) for all authorized end users including, but not limited to providers and members.
PBMS-TECH-STND-004	The solution shall support functionality to interface with multiple entities outside the MES for exchange of information.
PBMS-TECH-STND-005	The solution shall comply with all current and future HIPAA standard Transactions and Code Sets (TCS) in place or mandated by the Commonwealth and CMS.
PBMS-TECH-STND-006	The solution shall implement standard policies and practices to ensure the security and integrity of the information to be exchanged.
PBMS-TECH-STND-007	The solution shall provide notification to the Systems Integrator contractor of all changes to application program interface (API) on a timely basis.
PBMS-TECH-STND-008	The solution shall provide standard and ad hoc reporting capabilities for all modules of the proposed solution which are accessed by Department end users and other stakeholders.
PBMS-TECH-STND-009	The solution shall meet the Federal reporting requirements and performance standards as defined by CMS and the CMS certification checklists.
PBMS-TECH-STND-010	The solution shall implement and support a reporting repository with Web based access by authorized end users, including the ability to extract data to be used with desktop applications.
PBMS-TECH-STND-011	The solution shall provide interoperability between the modules of the proposed solution and Commonwealth imaging and document management systems. All Commonwealth documents and images on any media type received or disseminated shall be accessible, stored, and indexed on the Enterprise Content Management system.
PBMS-TECH-STND-012	The solution shall allow users to select among several format types (e.g., PDF, Microsoft Excel, Microsoft Word) for any outputs produced. The output media types shall be role based or by individual end user(s).



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PBMS-TECH-STND-013	The solution shall implement relevant standards including, but not limited to NIEM, CAQH-CORE, HL7, and HIPAA for data interchange.
PBMS-TECH-STND-014	The solution shall provide single sign-on (SSO) capability using Commonwealth standards for login and authentication. The Contractor's system shall include an end user authentication process that permits the end user to enter one (1) name and password to access multiple applications. This process authenticates the user for those applications they have access rights to and eliminates the need for further prompts when switching between applications during a session.
PBMS-TECH-STND-015	The solution shall process all inbound and outbound files at a frequency as defined by the Department.
PBMS-TECH-STND-016	The solution shall support and monitor the processing of all transaction files and notify the Department of all transactions which have not been processed successfully.
PBMS-TECH-STND-017	The solution shall accept and apply interface data accurately 100% of the time.
PBMS-TECH-STND-018	The solution shall reconcile errors identified during the processing of any transaction file and reprocess partner transactions within the agreed upon SLA.
PBMS-TECH-STND-019	The solution shall comply with Commonwealth and Federal records management policies and retention schedules.
PBMS-TECH-STND-020	The solution shall ensure archived data is retrievable, formatted to match the original intake document, and shows the changes during processing.
PBMS-TECH-STND-021	The solution shall comply with all Commonwealth and Federal laws, grant requirements, rules, regulations, guidelines, policies, and procedures for destruction of records.
PBMS-TECH-STND-022	The solution shall retain all records for both paper and electronic claims as per the Commonwealth and Federal guidelines.
PBMS-TECH-STND-023	The solution shall comply with and align with Commonwealth Technology Standards.
PBMS-TECH-STND-024	The Solution for proposed interfaces to Commonwealth systems shall comply with or have approved exceptions to all applicable Commonwealth Data Standards found at: http://www.vita.virginia.gov/oversight/default.aspx?id=10344 If not, please explain.



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Requirement ID	Requirement
PBMS-TECH-STND-025	<p>The Solution shall provide effective, interactive control and use with nonvisual means and provide 508 Compliance in accordance with the following standard regarding IT Accessibility and 508 Compliance:</p> <p>http://www.vita.virginia.gov/uploadedFiles/Library/AccessibilityStandard_GOV103-00_Eff_11-04-05.pdf (Refer to www.section508.gov and www.access-board.gov for further information)</p> <p>If yes, please describe how this functionality is achieved and include a completed Voluntary Product Accessibility Template (VPAT) with your proposal. (The VPAT template is located in APPENDIX C of the Accessibility Standard (GOV103-00)).</p> <p>If no, does your solution/application/product provide alternate accessibility functionality? Please describe.</p>
PBMS-TECH-STND-026	<p>The Solution shall comply with all current COV ITRM Policies and Standards, as applicable, found at:</p> <p>http://www.vita.virginia.gov/library/default.aspx?id=537</p> <p>If proposed solution does not, please provide details that specify the Standard/Policy and how Contractor's solution does not comply.</p>

J.2 – MAJOR MILESTONES AND DELIVERABLES

Requirement ID	Requirement
PBMS-PROJ-DDI-001	<p>The Contractor shall provide a description of a Project Management methodology that will be used to implement the Solution and that follows Project Management industry best practices while coordinating changes with the ISS Contractor and other contractors. The Contractor shall propose tools, processes, and procedures for the Project Management methodology.</p>
PBMS-PROJ-DDI-002	<p>The Contractor shall provide the deliverables identified for each of the project phases in Appendix I:</p> <ul style="list-style-type: none"> ✓ Initiation ✓ Planning ✓ Execution and Control ✓ Implementation ✓ Closeout ✓ Evaluation



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Requirement ID	Requirement
PBMS-PROJ-DDI-003	<p>The Contractor shall provide the status of the project to the MES Program Management Office according to the schedule outlined in the DDI Project Plan chart in Appendix I.</p> <p>The Contractor PMO shall include the following in the weekly status reporting for the lifecycle of the project:</p> <ul style="list-style-type: none"> ✓ Issues and Risk Management ✓ Milestone status ✓ Change Management ✓ Action Items Management ✓ Project Meeting Minutes
PBMS-PROJ-DDI-004	<p>For any milestones or deliverables which are missed or projected to be missed, the Contractor shall provide a Corrective Action Plan (CAP) that includes the following information:</p> <ul style="list-style-type: none"> ✓ Root cause ✓ Impact on schedule, scope and costs ✓ Milestone recovery strategy ✓ Milestone recovery date ✓ Project recovery strategy ✓ Project recovery date
PBMS-PROJ-DDI-005	<p>The Contractor shall follow the DDI Change Management process agreed to by DMAS. An Enterprise Change Management process shall be established by the ISS Contractor and Program Management Office along with Contractor input to address scope, schedule, or cost changes.</p>
PBMS-PROJ-DDI-006	<p>The Contractor shall conduct detailed design and joint application requirement meetings with Department staff, other impacted MES solution contractors, and ISS Contractor staff to produce a detailed specification design document for development, configuration, testing, and implementation.</p>
PBMS-PROJ-DDI-007	<p>The Contractor shall provide a revised work breakdown structure from the original submission, which includes the Department project team and ISS activities (provided by the ISS Contractor) and any other impacted MES contractors which have been mutually agreed-upon dependencies for DMAS approval.</p>
PBMS-PROJ-DDI-008	<p>The Contractor shall provide a Project Manager (PM) with the Key Staff requirements and agrees to replace the PM only if necessary, and with someone possessing equally or more qualified skills and experience, as approved by the agency.</p>
PBMS-PROJ-DDI-009	<p>The Contractor shall entertain baseline changes to the COTS package and provide a method for enhancement input in lieu of customizations through a User Input group or another forum to accept product input.</p>
PBMS-PROJ-DDI-010	<p>The Contractor shall provide a Hardware and Equipment Acquisition Plan for the DDI.</p>
PBMS-PROJ-DDI-011	<p>The Contractor shall provide a Software Acquisition and Installation Plan for the DDI.</p>
PBMS-PROJ-DDI-012	<p>The Contractor shall provide a Risk Management Plan for the DDI.</p>



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Requirement ID	Requirement
PBMS-PROJ-DDI-013	The Contractor shall provide a Quality Management Plan for the DDI.
PBMS-PROJ-DDI-014	The Contractor shall provide an Implementation and Transition Plan for the DDI which is coordinated with Department staff, and possibly other dependent MES contractors.
PBMS-PROJ-DDI-015	The Contractor shall provide a Training Plan for the DDI which addresses business owner input to satisfy operational needs.
PBMS-PROJ-DDI-016	The Contractor shall conduct all DDI training in accordance with the approved DDI Training Plan.
PBMS-PROJ-DDI-017	The Contractor shall provide a Training Plan for Operations which ensures ongoing operational training needs are met.
PBMS-PROJ-DDI-018	The Contractor shall conduct all Operations training in accordance with the approved Operations Training Plan.
PBMS-PROJ-DDI-019	The Contractor shall analyze and document project lessons learned, hold a walkthrough meeting of the results and provide an evaluation report.
PBMS-PROJ-DDI-020	The Contractor shall provide a Communications Management Plan which addresses all stakeholders' communication needs for the project.
PBMS-PROJ-DDI-021	The Contractor shall provide a Performance Reporting Plan which includes status reporting and critical success factors.
PBMS-PROJ-DDI-022	The Contractor shall provide a Documentation Management Plan that: <ul style="list-style-type: none"> • Identifies all of the documentation and deliverables that will be produced to support its DDI methodology as well as on-going Operations and Maintenance • Provides what is needed by the Contractor to successfully implement and operate the proposed solution • Provides DMAS with the information it requires to understand and approve the details of the solution as well as the information it needs to fulfill its business requirements with respect to the solution.
PBMS-PROJ-DDI-023	The Contractor shall provide a Release Management plan and milestones on an annual schedule with an approach to work with the ISS Contractor, any other impacted MES Contractor, and DMAS PMO with a desired 6-month lead time.
PBMS-PROJ-DDI-024	The Contractor shall provide a detailed project plan for each new project or release that is coordinated with the ISS Contractor, any other impacted MES Contractor, and agency PMO.
PBMS-PROJ-DDI-025	The Contractor shall provide a Resource Utilization and Acquisition plan for each new project or release including Project Management, technical support, and business support as needed.
PBMS-PROJ-DDI-026	The Contractor shall develop a Root Cause Analysis process and reporting in conjunction with the ISS Contractor for all defects discovered.



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Requirement ID	Requirement
PBMS-PROJ-DDI-027	<p>The Contractor shall create a DDI Project Management Plan according to the schedule outlined in Appendix I to be approved by DMAS. The project management plan shall include:</p> <ul style="list-style-type: none"> ✓ Quality Management Plan ✓ Scope Management Plan ✓ Requirements Management Plan ✓ Risk and Issues Management Plan ✓ Change Management Plan ✓ Configuration Management Plan ✓ Project Performance Management Summary Plan ✓ Communications Management Plan ✓ Documentation Management Plan ✓ Training Plan ✓ Disaster Recovery Plan - DDI ✓ Business Continuity Plan ✓ Turnover Plan
PBMS-PROJ-DDI-028	<p>The Contractor shall develop a Project Work Breakdown Structure (WBS) to include both Contractor and DMAS milestones and tasks. An initial Work Plan, according to the schedule outlined in Appendix I, shall involve top-down planning. The work plan shall adhere to PMBOK® best practices for project management. The WBS shall include tasks, resources, deliverables, task dependencies, percent complete, planned start, planned finish, actual start, and actual finish columns. The baseline work plan shall be delivered within 60 days of contract signing unless otherwise agreed to by the Agency. The Work Plan shall be updated and presented weekly.</p>
PBMS-PROJ-DDI-029	<p>The Contractor's PMO shall participate in Agency Integration and Program Management Meetings.</p>
PBMS-PROJ-DDI-030	<p>The Contractor shall make Project Documents available online to the Agency and contractor staff including but not limited to: work plan, status reports, status meeting agenda, and minutes.</p>
PBMS-PROJ-DDI-031	<p>The Contractor shall develop a Project CMS Certification Plan which defines the Contractor's approach to CMS certification. It shall include processes and procedures which will be used to manage certification requirements throughout the project lifecycle. The plan shall include, but not be limited to: completing the certification checklist, complete certification phase deliverables, validate solution functionality against the checklist, and create traceable deliverables to the checklist.</p>
PBMS-PROJ-DDI-032	<p>The Contractor shall create documents which support certification activities.</p>
PBMS-PROJ-DDI-033	<p>The Contractor shall assist and participate in CMS certification visits.</p>
PBMS-PROJ-DDI-034	<p>The Contractor shall respond to CMS queries during and after the site visit.</p>



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Requirement ID	Requirement
PBMS-PROJ-DDI-035	The Contractor shall provide training which includes specific areas such as quality management, risk management, requirements management, overall design and development of the solution and be comprehensive enough so the Agency PMO can participate in the deliverable production and review process.
PBMS-PROJ-DDI-036	The Contractor's PMO shall work with DMAS and have a PM and other resources willing to periodically be onsite to attend meetings and to conduct presentations as requested.
PBMS-PROJ-DDI-037	The Contractor shall provide a deliverable tracking method to ensure all DDI related deliverables have been accounted for and scheduled and coordinated with the Department MES PMO. All deliverables shall be approved by DMAS.
PBMS-PROJ-DDI-038	The Contractor shall provide an Escalation Management Plan to include risk and issue resolution paths through the organizational structure.
PBMS-PROJ-DDI-039	The Contractor shall provide the status of the project to the MES Program Management Office according to the schedule outlined in the DDI Project Plan chart Appendix I with input from the DMAS MES PMO. Reports shall contain Key Project indicators including Cost Performance Index (CPI) and Schedule Performance Index (SPI). The reports shall convey upcoming milestones progress and overall percentage complete. The report shall have updates on risks, issues and action items. A dashboard shall be created with standards for reporting Green, Yellow, or Red status. Any Red status reporting shall be accompanied by a Corrective Action Plan (CAP). The Contractor shall provide weekly meeting minutes.
PBMS-PROJ-DDI-040	The Contractor shall provide end user documentation written in a procedural, systematic format, and aligned with business transformation documents.
PBMS-PROJ-DDI-041	The Contractor shall ensure that abbreviations and acronyms are defined and consistent throughout the documentation.
PBMS-PROJ-DDI-042	The Contractor shall use consistent field names for the same fields on different records throughout the documentation.
PBMS-PROJ-DDI-043	The Contractor shall provide online documentation, including an online search capability with context sensitive help screens.
PBMS-PROJ-DDI-044	The Contractor shall ensure definitions of codes used in various sections of end user manuals are consistent.
PBMS-PROJ-DDI-045	The Contractor shall identify acronyms used in end user instructions, and ensure that they are consistent with windows, screens, reports, and the data element dictionary.
PBMS-PROJ-DDI-046	The Contractor shall provide illustrations of windows and screens used in that module, with all data elements on the screens identified by number, in each end user manuals.
PBMS-PROJ-DDI-047	The Contractor shall provide an electronic documentation format that facilitates efficient and immediate updating and dissemination of new or modified data.



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Requirement ID	Requirement
PBMS-PROJ-DDI-048	The Contractor shall provide a way to update the electronic versions of the document. Each version shall have: <ul style="list-style-type: none"> ✓ All pages numbered within each section ✓ A new revision date on each page ✓ All revisions clearly identified in bold print
PBMS-PROJ-DDI-049	The Contractor shall create and maintain end user documentation consistent with the current Department standards.
PBMS-PROJ-DDI-050	The Contractor shall provide documentation to the Department on request on encrypted DVD/CD-ROM, and ensure access to end users via the website during the Operations Phase.
PBMS-PROJ-DDI-051	The Contractor shall ensure end user documentation is written and organized so that end users not trained in applications can learn from reading the documentation how to access the online windows/screens, read module reports, and perform ad hoc report development and other related end user functions.
PBMS-PROJ-DDI-052	The Contractor shall present descriptions of error messages for all fields incurring edits, including the necessary steps to correct such errors.
PBMS-PROJ-DDI-053	The Contractor shall provide a section in each end user manual describing all reports generated within the business area or function, which includes the following: <ul style="list-style-type: none"> ✓ A narrative description of each report ✓ The purpose of the report ✓ Definition of all fields in the report, including detailed explanations of calculations used to create all data and explanations of all subtotals and totals ✓ Definitions of all user defined, report specific code descriptions; and copies of representative pages of each report
PBMS-PROJ-DDI-054	The Contractor shall present together all functions and supporting material for file maintenance (e.g., coding values for fields and the names of the files presented as independent sections of the manual).
PBMS-PROJ-DDI-055	The Contractor shall ensure that instructions for making online updates clearly depict which data and files are being changed.
PBMS-PROJ-DDI-056	The Contractor shall ensure that documentation does not contain any protected health information (PHI).
PBMS-PROJ-DDI-057	The Contractor shall use draft versions of end user documentation as the basis for UAT and training, unless otherwise specified by the Department. Final versions shall be updated and completed for training before the start of the operations.
PBMS-PROJ-DDI-058	The Contractor shall exclude Contractor(s) trademarks, logos, and identifying information in, or on all documentation.
PBMS-PROJ-DDI-059	The Contractor shall provide online hyperlinks with references to Medicaid and non-Medicaid policy origination documents managed by the Department and the Contractor.



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Requirement ID	Requirement
PBMS-PROJ-DDI-060	The Contractor shall provide a writing style-guide for all documentation for purposes of creating consistency among all documents and containing a maintained list of acronyms used.
PBMS-PROJ-DDI-061	The Contractor shall implement internal policy and procedures to promote data documentation, development, and management of defined data entities, attributes, data models, and relationships sufficiently to convey the overall meaning and use of Medicaid data and information.
PBMS-PROJ-DDI-062	The Contractor shall support the adoption of statewide standard data definitions, data semantics, and harmonization strategies.
PBMS-PROJ-DDI-063	The Contractor shall maintain the following flow diagrams: <ul style="list-style-type: none"> ✓ Overall system flow ✓ Each individual module flow ✓ Business process flow ✓ Business architecture ✓ Technical architecture ✓ Network architecture
PBMS-PROJ-DDI-064	The Contractor shall maintain the following items for reference and it shall be searchable from the web. Also it shall be kept for each environment and access to these items shall be granted to the Commonwealth and the Department. <ul style="list-style-type: none"> ✓ List of application servers and its usage ✓ List of web servers and its usage ✓ List of ESB and its usage ✓ Network IP and port details ✓ Environment variables ✓ Hyperlinks ✓ Document links ✓ Organization chart ✓ Contact details ✓ On-call support

J.3 – TESTING

Requirement ID	Requirement
PBMS-TEST-001	The Contractor shall provide an Integrated Test Facility (ITF) which includes separate environments for all test phases, to include at a minimum; unit, integration, SIT, UAT, interface, performance, regression, ORT, system recovery, and mock production.
PBMS-TEST-002	The Contractor shall provide the Department with access to the ITF as required for testing onsite, from State offices, and/or remotely during the DDI phase and throughout the life of the Contract.



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Requirement ID	Requirement
PBMS-TEST-003	The Contractor shall provide the capability for version control in the ITF.
PBMS-TEST-004	The Contractor's test environment(s) shall be capable of mirroring the production system in its size, files, databases, processing, and reporting.
PBMS-TEST-005	As system improvements or enhancements are implemented, that functionality shall also be deployed to test environments.
PBMS-TEST-006	Test environment(s) data refresh shall be scheduled per the DMAS approved Change Management Plan.
PBMS-TEST-007	The Contractor shall provide a process for extracting data from the production environment and importing into non-production environments.
PBMS-TEST-008	The Contractor shall provide a process for masking, sanitizing, scrambling, or de-sensitizing sensitive data (e.g. PII/PHI) when extracting data from the production environment for use in non-production environments.
PBMS-TEST-009	The Solution shall provide the ability to perform temporal testing within all testing environments.
PBMS-TEST-010	The Solution shall provide the ability to allow a tester to easily manipulate the system date for temporal testing.
PBMS-TEST-011	The Solution shall provide the ability to execute performance tests of a simulated user load consistent with the actual load projected or used in production.
PBMS-TEST-012	The Contractor shall support provider testing of new provider claims submission systems by allowing providers to submit direct data entry claims and electronic claims test files that are processed through the adjudication cycle without impact on system data.
PBMS-TEST-013	The Contractor shall utilize a DMAS approved or supplied automated testing tool that works seamlessly with all components of the MES.
PBMS-TEST-014	The testing tool shall include predictive modeling that supports the ability to run "What if" scenarios related to a variety of parameters including, but not limited to rates, coverage, and budgets using historical production claims.
PBMS-TEST-015	The Contractor shall design and document detailed test cases for each sub-phase of testing.
PBMS-TEST-016	The Contractor shall provide test cases that include identifications, detailed steps, expected results, and actual results.
PBMS-TEST-017	The Contractor shall utilize a well-established and DMAS approved or supplied defect tracking tool for management and reporting of system defects.
PBMS-TEST-018	The Contractor shall perform regression testing for all defects identified and provide regression testing results.
PBMS-TEST-019	The Contractor shall submit all test results for each test sub-phase to DMAS which includes: number of test scenarios, cases, and scripts executed; pass/fail ratio; number of defects identified and corrected along with their severity ranking.



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Requirement ID	Requirement
PBMS-TEST-020	The Contractor shall communicate the progress of the System Integration Test effort through a regular progress report. This report shall address all test scenarios and test cases and report the status of the test effort relative to the test schedule.
PBMS-TEST-021	The Contractor shall track and report weekly on the defects identified and the progress made toward resolution of the defects during the System Integration Test effort.
PBMS-TEST-022	The Contractor shall document and present the results from the System Integration Testing.
PBMS-TEST-023	The Contractor shall obtain DMAS approval of all tests results before testing is considered complete.
PBMS-TEST-024	The Contractor shall plan for and include Department participation and involvement in all testing efforts throughout the Software Development Lifecycle.
PBMS-TEST-025	The Contractor shall provide training on the system, process, and tools that will be used to execute UAT and training on the operation of the technical environment to support user validation.
PBMS-TEST-026	The Contractor shall support DMAS in all testing activities by providing support staff and technical expertise.
PBMS-TEST-027	The Contractor shall provide a functional demonstration of the system including any changes or enhancements prior to user acceptance testing.
PBMS-TEST-028	The Contractor shall develop a Test Management Plan to successfully meet business needs for initial product implementation.
PBMS-TEST-029	The Test Management Plan shall include the approach to each of the test phases as outlined in the Required Testing Methods.
PBMS-TEST-030	The Test Management Plan shall include the testing schedule.
PBMS-TEST-031	The Test Management Plan shall describe how, and at which phase, other Contractor products will be incorporated in the overall testing.
PBMS-TEST-032	The Test Management Plan shall include roles and responsibilities throughout all testing phases.
PBMS-TEST-033	The Test Management Plan shall describe how test scenarios, test cases, and test results will be traced to requirements.
PBMS-TEST-034	The Test Management Plan shall describe the processes, procedures, and tools for problem identification and resolution.
PBMS-TEST-035	The Test Management Plan shall include templates of test progress and defect reports.
PBMS-TEST-036	The Test Management Plan shall describe how regression testing will be done at all levels when errors are corrected.
PBMS-TEST-037	The Test Management Plan shall discuss contingencies for risk mitigation and delays during the test effort.
PBMS-TEST-038	The Test Management Plan shall define procedures for notifying DMAS of problems discovered in testing, testing progress, and adherence to the test schedule.



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Requirement ID	Requirement
PBMS-TEST-039	The Test Management Plan shall include a strategy for enhancing system performance based on findings obtained during test activities.
PBMS-TEST-040	The Test Management Plan shall include a description of the process used for the identification and preparation of data required for the System Integration Test effort, including a description of the use of converted data during test.
PBMS-TEST-041	The Test Management Plan shall describe the process employed for security testing, including compliance for handling of PII and PHI.
PBMS-TEST-042	The Test Management Plan shall include a description of entry criteria and prerequisites to the System Integration Test effort.
PBMS-TEST-043	The Test Management Plan shall define the exit criteria which, when met and approved by DMAS, provide evidence of the completion of the System Integration Test effort.
PBMS-TEST-044	The Contractor shall provide a walk-through of the Test Management Plan before submitting to DMAS for approval.
PBMS-TEST-045	The Contractor shall submit the Test Management Plan for DMAS review and approval.
PBMS-TEST-046	The Test Management Plan shall describe how the Contractor will work with DMAS and MES QA Contractor to develop the Acceptance Test Plan and Test Cases.
PBMS-TEST-047	The Test Management Plan shall define how defect tracking is used to identify organizational or procedural weaknesses and track the resulting corrective actions.
PBMS-TEST-048	The Test Management Plan shall describe how services that execute on the Enterprise Service Bus (ESB) are unit, integration, and SIT tested.
PBMS-TEST-049	The Test Management Plan shall describe how message-oriented interactions are accomplished.
PBMS-TEST-050	Test Management Plan shall describe the Contractor's organizational structure and how the testing function is managed.
PBMS-TEST-051	The Test Management Plan shall describe the Contractor support that is assigned and provided to DMAS and Contractor staff for each testing phase.
PBMS-TEST-052	The Test Management Plan shall address the division of responsibilities between the Contractor, DMAS, and MES QA Contractor.
PBMS-TEST-053	The Test Management Plan shall describe how the Contractor maintains the test environments; including loading test data routinely used by the system to perform its automated processes (e.g., reference values such as system parameters, system lists, reference tables, edits, dispositions, and security tables).
PBMS-TEST-054	The Test Management Plan shall provide a testing methodology and approach on how the Contractor will test and verify conversion data and files.
PBMS-TEST-055	The Test Management Plan shall define how defects and other issues reported by DMAS are analyzed, tracked, resolved; how required system changes implemented; and how testing is integrated with other project phases.



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Requirement ID	Requirement
PBMS-TEST-056	The Test Management Plan shall describe how the testing methodology accommodates workflow testing.
PBMS-TEST-057	The Test Management Plan shall provide a testing methodology and approach on how the Contractor tests and verifies Extensible Markup Language (XML).
PBMS-TEST-058	The Contractor shall develop comprehensive positive and negative test cases for all phases of testing.
PBMS-TEST-059	The Contractor shall have processes in place to routinely load production and other data into the ITF, at DMAS request, as necessary to perform its automated processes.
PBMS-TEST-060	The Contractor shall provide comprehensive documentation for requested test results for DMAS approval, prior to any software or COTS product being implemented in the production environment.
PBMS-TEST-061	The Contractor shall be responsible for scheduling and coordinating all testing activities to ensure that each test is prepared and performed in accordance with the test plan.

J.4 – CHANGE MANAGEMENT

Requirement ID	Requirement
PBMS-CHG-MGT-01	The Contractor shall provide a DDI Change Management Plan which meets the Project Management Institute’s standards contained in the Project Management Book of Knowledge (PMBOK®), and addresses and defines processes for managing changes to the project requirements, deliverables, and other components.
PBMS-CHG-MGT-02	The Contractor shall provide an Operations Change Management Plan which meets the Project Management Institute’s standards contained in the Project Management Book of Knowledge (PMBOK®), and addresses and defines processes for managing changes to any of the production environment components, including but not limited to software, hardware, data, and documentation.
PBMS-CHG-MGT-03	The Contractor shall provide the capability to support a change request methodology and system, including work flow with electronic signatures to track the requests/projects from initiation to closure, and support management of the requests. The solution shall include storage of and linkage to all SDLC deliverables for each request/project.
PBMS-CHG-MGT-04	The Contractor shall submit a proposed Impact Assessment Form with instructions to be used in the Change Management process that includes accounting for change in: <ul style="list-style-type: none"> Scope Schedule Costs or Resources Business Process Definition Documentation Performance Standards Configuration Risks



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Requirement ID	Requirement
PBMS-CHG-MGT-005	<p>The Contractor shall follow the best practices guidelines for Change Management as described in ISO/IEC 20000 [1 to 11] standards for Information Technology Service Management (ITSM), which is contained within the Information Technology Infrastructure Library (ITIL) framework.</p> <p>Please refer to the ISO catalogue for more details: http://www.iso.org/iso/home/store/catalogue_tc/catalogue_tc_browse.htm?commid=5013818</p>

J.5 – IV&V AND CMS CERTIFICATION

Requirement ID	Requirement
PBMS-IVV-01	<p>The Contractor shall provide the necessary information requested by the IV&V Contractor to assess the Contractor’s Project Management capabilities to included, but not limited to:</p> <ul style="list-style-type: none"> ➤ Progress against budget and schedule ➤ Risk management ➤ Adherence to the software development lifecycle (SDLC) ➤ Incorporation of the Seven Conditions and Standards into design and development ➤ Reflection of the Department’s MITA goals and plans into actual design and development ➤ Configuration management is robust and includes State or developer configuration audits against configuration baseline ➤ Change management ➤ Adherence to service level agreements ➤ Project Work Plan comprehensiveness



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Requirement ID	Requirement
PBMS-IVV-02	<p>The Contractor shall provide the necessary information requested by the IV&V Contractor to assess the Contractor’s System/Modular development capabilities including, but not limited to:</p> <ul style="list-style-type: none"> ➤ Completeness and reasonability of MES concept of operations, architecture, and designs ➤ Accuracy of capture of interfaces and data sharing requirements with systems external to the MES ➤ Viability and completeness of the data transition plan ➤ Traceability of requirements through design, development, testing, and certification ➤ Adequacy of system security and privacy policies, plans, technical designs, and implementations ➤ Coverage and integrity of all system testing, including stress testing and testing of interfaces between modules and with external partner systems ➤ Capacity management, including consideration of future Contractors’ support and release plans for underlying databases, software, and hardware ➤ Adequacy of disaster recovery planning
PBMS-IVV-03	<p>The Contractor shall make available all systems related planning, design, development and implementation related activities, outputs, documentation, and test results in order to substantiate the solution meets related CMS certification checklist items as defined at the time of the review.</p>
PBMS-IVV-04	<p>The Contractor shall demonstrate the solution meets MITA 3.0 Framework guidelines regarding business, information, and technical requirements in addition to compliance with the Seven Conditions and Standards.</p>

J.6 – AUDIT SUPPORT

Requirement ID	Requirement
PBMS-AUDIT-001	<p>The Contractor shall provide DMAS, at a minimum, an annual report from its external auditor on effectiveness of internal controls. If the report discloses deficiencies in internal controls, the Contractor shall include management’s corrective action plans to remediate the deficiency. The report shall be compliant with the AICPA Statement on Standards for Attestation Engagements (SSAE) No. 16, Reporting on Controls at a Service Organization, Service Organization Controls (SOC) 2, Type 2 Report.</p>
PBMS-AUDIT-002	<p>The Contractor, and each of its third-party service providers which provide a service that may impact the financial or program operations of DMAS, shall provide the SSAE 16 SOC 2 reports for its respective entity. The SSAE 16 audit reports shall be provided to DMAS’s Internal Audit Division annually, no later than 30 days after the report is issued to the Contractor.</p>



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Requirement ID	Requirement
PBMS-AUDIT-003	The Contractor shall provide DMAS, at a minimum, an annual report from a qualified, independent, external IT security Contractor for a Vulnerability Assessment and Network Penetration Test covering all Contractor and subcontractor networks that will access State data and information.
PBMS-AUDIT-004	The Contractor shall provide the Department, at a minimum, a quarterly report of the results of its quarterly vulnerability scans covering all Contractor and subcontractor networks that will access State data and information.
PBMS-AUDIT-005	The Contractor shall provide the Department, at a minimum, a biennial report from an independent, external auditor on the Contractor's compliance with the State IT Information Security Standard SEC 501-09 (or latest). If the report discloses security deficiencies, the Contractor shall include management's corrective action plans to remediate the deficiency. The report shall be developed utilizing the requirements established in State IT Information Security Standard (SEC 501-09 or latest) and State IT Security Audit Standard (SEC 502-02.2 or latest).
PBMS-AUDIT-006	The Contractor and its subcontractors shall provide network connectivity for visitors from DMAS, Federal, and State auditors, including the execution of outside audit tools and audit test software for guest auditors from the U.S. Department of Health and Human Services (HHS) Office of the Inspector General, the HHS CMS Virginia Auditor of Public Accounts (APA) or any other authorized auditors as determined by DMAS.
PBMS-AUDIT-007	The Contractor shall produce robust audit trails and audit logs of all applications and engineering activities (including inquiry transactions) on the production systems. These audit logs will be kept available online, behind a front-end presentation toolset providing queries, reports, and analytics on any log selected. The system will be able to answer typical control questions required by COV SEC 501-09 and NIST 800-053 REV 4 (or latest) with online reporting. The DMAS Internal Audit Division and the Office of Compliance and Security shall provide the capability to access the audit logs directly without the Contractor's intervention. The logs shall be available to be reviewed by authorized Federal and COV auditors. Log retention shall be seven (7) years based on Library of Virginia standards.
PBMS-AUDIT-008	The Contractor shall establish policies, procedures, and practices to ensure there is appropriate internal monitoring of the audit logs and the established process produces documentation to evidence the monitoring effort.
PBMS-AUDIT-009	The Contractor shall provide DMAS, the U.S. Department of Health and Human Services (HHS) Office of the Inspector General, the HHS CMS, the Auditor of Public Accounts, and any other State and Federal auditors, or any of their duly authorized representatives with access to Contractor facilities for the purposes of audit, review, or physical inspection of system assets and system security, and access to any books, annual reports, management's report on internal control over financial reporting, SSAE No. 16 Service Organization Controls audit reports, fee schedules, documents, papers, and records of the Contractor and any of its subcontractors. Access to records includes any records which are stored offsite. Records shall be provided for review at no cost to the Department.



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Requirement ID	Requirement
PBMS-AUDIT-010	The Contractor shall provide DMAS, the U.S. Department of Health and Human Services (HHS) Office of the Inspector General, the HHS CMS, State and Federal auditors, or any of their duly authorized representatives, access to inspect, copy, and audit contractor documents, including, medical and/or financial records of the Contractor and its subcontractors.
PBMS-AUDIT-011	The Contractor shall retain all records and reports relating to this Contract for a period of six years after final payment are made under this Contract or in the event that this Contract is renewed six years after the final payment. When an audit, litigation, or other action involving or requiring access to records is initiated prior to the end of said period, however, records shall be maintained for a period of six years following resolution of such action or longer if such action is still ongoing. Copies on microfilm or other appropriate media of the documents contemplated herein may be substituted for the originals provided that the microfilming or other duplicating procedures are reliable and are supported by an effective retrieval system which meets legal requirements to support litigation, and to be admissible into evidence in any court of law.
PBMS-AUDIT-012	The Contractor shall provide the Department with timely responses and corrective action plans (CAPs) for any audit or review findings, and shall ensure that any and all of its subcontractors also comply. In addition, the Contractor shall provide quarterly status updates for each CAP until the CAP is complete and the finding is remediated.
PBMS-AUDIT-013	The Contractor shall comply, and shall ensure any and all subcontractors comply with the following COV Information Security Standards (available on the VITA website), which among other requirements includes development and or performance of risk assessments, system security plans, disaster recovery plans, continuity of operations plans, and security audits: COV SEC 501-09 (or latest) IT Information Security Standard, COV SEC 502-02.2 (or latest) IT Security Audit Standard, COV SEC 514-03 (or latest) Removal of State Data from Electronic Media Standard, COV SEC 520-00 (or latest) IT Risk Management Standard, COV SEC 525-01 Cloud-Based Information Security Standard (Pending its release in 2016).
PBMS-AUDIT-014	The Contractor shall not have the right to audit DMAS, or require that DMAS be audited.
PBMS-AUDIT-015	The Contractor shall provide Control Policy and Procedures required by the Agency to develop, disseminate, and review/update annually, formal documented procedures. The Contractor shall also provide a Security Roles-based Report that can be used as evidence to validate access control policy on an annual basis. (SEC501-09 Section 8.1.AC-1)
PBMS-AUDIT-016	The Contractor shall provide Control Policy and Procedures to disable unneeded accounts in a timely manner as well as historical records of such actions. (SEC 501.9 Section 8.1-AC-2-COV 1.b)
PBMS-AUDIT-017	The Contractor shall conduct and document a risk assessment of each IT system classified as sensitive at least once every three years. The risk analysis shall address all of the requirements in the Security Standard and include an analysis of encryption/decryption mechanisms pertaining to PHI data at rest or in transition. (SEC 501.9 Section 6.2)



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Requirement ID	Requirement
PBMS-AUDIT-018	The Contractor shall maintain and document a system for Risk Management which is compliant with the COV IT Risk Management Standard (SEC 520-00 or latest) published by VITA. The intent of this requirement is to ensure the Contractor establishes a risk management framework, setting a baseline for information risk management activities for the Contractor. These risk management activities include, but are not limited to, any regulatory requirements that the Contractor is subject to, information security best practices, and the requirements defined in this Standard. These risk management activities will provide identification of sensitive system risks, their associated business impact, and a remediation/recommendation strategy that will help mitigate risks to the Contractor's information systems and data and the State's information systems and data. The Risk Management Framework aligns with the methods set forth by the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity.
PBMS-AUDIT-019	The Contractor shall process a documented request with supervisory approval to establish an account on IT systems. In addition, the Contractor shall notify the Agency System Administrator in a timely manner about termination and/or transfer of employees and contractors with access rights to IT systems and data. (SEC501.9 Section 8.1.AC-2 COV 2)
PBMS-AUDIT-020	The Contractor shall provide and require encryption for the transmission of email and attached data that is sensitive relative to confidentiality. (SEC501.9 Section 8.16.SC-8-COV)
PBMS-AUDIT-021	The Contractor shall, annually, support the Agency and review of user accounts and privileges. (SEC501-09 Section 8.1.AC-2(j))
PBMS-AUDIT-022	The Contractor shall support at least two Agency individuals to have administrative accounts to provide continuity of operations. (SEC501-09 Section 8.1.AC-2-COV 1 (h))
PBMS-AUDIT-023	The Contractor shall provide evidence of document management practices for administering accounts. (SEC501 -09 Section 8.1 AC-2-COV)

J.7 – TURNOVER

Requirement ID	Requirement
PBMS-TRNOVR-001	<p>The Contractor shall provide a Turnover Plan within 30 days of the Turnover Notification Letter. The plan shall include:</p> <ul style="list-style-type: none"> ➤ Data Turnover tasks ➤ Custom interface Turnover tasks ➤ Reusable code Turnover tasks ➤ Documentation regarding files, interfaces, and work flows not considered to be part of the COTS proprietary documentation tasks ➤ A timeline with milestones for the Turnover to include planning, execution, and implementation approval



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Requirement ID	Requirement
PBMS-TRNOVR-002	The Contractor shall carry out an orderly, cooperative, comprehensive, and controlled transition to the Department.
PBMS-TRNOVR-003	The Contractor shall provide a security profile of Department users in a Microsoft Word document or Microsoft Excel spreadsheet format.
PBMS-TRNOVR-004	<p>The Contractor shall provide Turnover deliverables as part of the Turnover tasks to include:</p> <ul style="list-style-type: none"> ➤ All files and data ➤ Reusable code Turnover ➤ Customized ad-hoc reporting specifications ➤ Documentation regarding files, interfaces, and work flows not considered to be part of the COTS proprietary documentation ➤ A timeline with milestones and a work breakdown structure for the Turnover to include planning, execution, and implementation approval ➤ A description of post turnover support for up to 6 weeks

J.8 – SEVEN CONDITIONS AND STANDARDS

Requirement ID	Requirement
PBMS-SCS-001	The Contractor shall comply and consistently meet or exceed the CMS Seven Conditions and Standards over the life of the contract.
PBMS-SCS-002	<p>Modularity Standard - The Contractor shall demonstrate the use of a modular, flexible approach in its solution. This approach shall describe the modularity within its solution including, but not limited to:</p> <ul style="list-style-type: none"> ➤ Use of a Systems Development Life Cycle Methodology (SDLC) ➤ Identification of the modules within the solution and a description of the attributes that make them modular ➤ Identification and description of open interfaces ➤ Use of standardized business rule definitions and engines
PBMS-SCS-003	<p>MITA Condition - The Contractor shall support the following if required:</p> <ul style="list-style-type: none"> ➤ Conducting MITA Self Assessments ➤ Developing MITA Roadmaps ➤ Developing Concept of Operations (COO) and Business Process Models (BPM)



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Requirement ID	Requirement
PBMS-SCS-004	<p>Industry Standard Condition - The Contractor shall ensure alignment with, and incorporation of, industry standards, including but not limited to: the Health Insurance Portability and Accountability Act of 1996 (HIPAA) security, privacy and transaction standards; accessibility standards established under section 508 of the Rehabilitation Act, or standards that provide greater accessibility for individuals with disabilities, and compliance with Federal Civil Rights laws; standards adopted by the Secretary under section 1104 of the Affordable Care Act; and standards and protocols adopted by the Secretary under section 1561 of the Affordable Care Act.</p> <p>The Contractor shall describe and provide examples of how the solution provides the following capabilities:</p> <ul style="list-style-type: none"> ➤ Inclusion of industry standards ➤ Incorporation of industry standards in requirements, development, and testing phases
PBMS-SCS-005	<p>Leverage Condition - The Contractor shall work with DMAS to promote implementation of COTS packages or SaaS, and share, leverage, and identify possibilities for reuse of Medicaid technologies and systems within and among States, including but not limited to:</p> <ul style="list-style-type: none"> ➤ Multi-state efforts ➤ Availability for reuse ➤ Identification of open source, cloud-based, and commercial products ➤ Customization ➤ Transition and retirement plans
PBMS-SCS-006	<p>Business Results Condition - The Contractor shall support accurate and timely processing of claims, assignment of member eligibility benefits, adjudications, and effective communications with providers, members, and the public. The Contractor shall provide examples of how its solution accomplishes this condition, including but not limited to:</p> <ul style="list-style-type: none"> ➤ Degree of automation ➤ Web-based Customer Service ➤ Performance standards and testing
PBMS-SCS-007	<p>Reporting Condition - The Contractor's solution shall produce transaction data, reports, and performance information that contribute to program evaluation, continuous improvement in business operations, transparency, and accountability. The Contractor shall provide examples of meeting this requirement including, but not limited to:</p> <ul style="list-style-type: none"> ➤ Accurate data ➤ Interfaces with designated federal repositories or hubs ➤ Automatic generation of reports ➤ Audit trails



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Requirement ID	Requirement
PBMS-SCS-008	<p>Interoperability Condition - The Contractor’s solution shall provide seamless coordination and integration with appropriate exchanges including, but not limited to, HIE and HIX, and any run by the state or federal government, and allow interoperability with health information exchanges, public health agencies, human services programs, and community organizations providing outreach and enrollment assistance services. The Contractor shall describe and present examples of how the solution provides the following capabilities:</p> <ul style="list-style-type: none"> ➤ Interactions with exchanges ➤ Interactions with other entities ➤ Use standard messaging, protocols and architecture

J.9 – SECURITY/COMPLIANCE AUDIT

Requirement ID	Requirement
PBMS-SSDR-SAD-001	The Solution shall support encryption at rest for all relational database items.
PBMS-SSDR-SAD-002	The Solution shall require all relational database(s) to enforce Transport Layer Security (TLS 1.2 or above) for all incoming database connections.
PBMS-SSDR-SAD-003	The Solution requires a minimum of 256 bit encryption (AES preferred).
PBMS-SSDR-SAD-004	The Solution utilized to encrypt the database shall include security that contains encryption keys to be a minimum of 2048 bits.
PBMS-SSDR-SAD-005	The Solution utilized to encrypt the database requires methods used by relational databases to be FIPS-140-2 certified or higher.
PBMS-SSDR-SAD-006	The Solution utilized to encrypt the database requires methods used by relational databases to be common criteria certified.
PBMS-SSDR-SAD-007	The Contractor shall provide a Security Plan which will be in compliance with all State and Federal enterprise information security policies, standards, security initiatives, and regulations.
PBMS-SSDR-SAD-008	The Contractor shall provide a security solution which complies with VITA Information Security Standard Regulation SEC 501-09 or latest (SEC501-09 is updated annually and is based on NIST 800-53 v.4).
PBMS-SSDR-SAD-009	The Solution shall ensure that all data considered to be Protected Health Information (PHI) is secured while in transit and at rest (via encryption or an industry standard method of secure file transport). Data shall be stored in the continental United States.
PBMS-SSDR-SAD-010	The Contractor shall provide guest network connectivity from its offices and facilities during the life of the contract, at the Contractor’s expense. This can be guest Wi-Fi or some other DMAS approved method. Requested guest accounts will be provisioned within twenty four (24) hours.
PBMS-SSDR-SAD-011	The Contractor shall collaborate and provide significant participation in support of the development and annual maintenance of the CMS System Security Plan (SSP).



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Requirement ID	Requirement
PBMS-SSDR-SAD-012	The Solution shall provide the capacity to manage the creation of unique and permanent User ID's across multiple systems.
PBMS-SSDR-SAD-013	The Solution shall provide the capability for the provisioning of all MES accounts through the use of federated lists of tables.
PBMS-SSDR-SAD-014	The Solution shall have the functionality to allow for automated password resets using industry standard algorithms.
PBMS-SSDR-SAD-015	The Solution's password complexity shall require the use of all four of the following characteristics: Upper Case, Lower Case, Special Characters, and Numbers.
PBMS-SSDR-SAD-016	The Solution's passwords shall be a minimum of 12 characters in length and expire every 42 days.
PBMS-SSDR-SAD-017	The Contractor shall ensure the Solution integrates with a central ICAM/SSO using web services.
PBMS-SSDR-SAD-018	The Contractor shall ensure the Solution provides an authorization system and workflow for setting up user roles/access levels.
PBMS-SSDR-SAD-019	The Contractor shall provide coordination between role-based contractor solutions that include DMAS user roles and the central ICAM/SSO during implementation/setup of access control components.
PBMS-SSDR-SAD-020	The Contractor shall provide coordination between role-based contractor solutions which include DMAS roles and the central ICAM/SSO for external testing.
PBMS-SSDR-SAD-021	The Contractor shall provide coordination and support during the mapping of current roles (such as VAMMIS ACF2 roles) into applicable contractor solution roles for DMAS users.
PBMS-SSDR-SAD-022	The Contractor shall ensure the Solution provides role-based security and audit capabilities relative to the ICAM/SSO.
PBMS-SSDR-SAD-023	The Contractor shall ensure the user role/access level identifiers are continually in synch with the authorization system.



J.10 – MES SSO GLOBAL SECURITY

Requirement ID	Requirement Description
PBMS-MES-SSO-GLBL-001	The Contractor shall provide a detailed integration, implementation plan on how the solution shall integrate with a central SSO using its web services.
PBMS-MES-SSO-GLBL-002	The Contractor shall provide a detailed plan on the implementation of authorization system's workflow to set up user roles/access levels.
PBMS-MES-SSO-GLBL-003	The Contractor shall provide an authorization solution that shall support the MES SSO concept.
PBMS-MES-SSO-GLBL-004	The Contractor shall provide a coordination effort plan, detailing the efforts required between role-based contractor solutions that include DMAS user roles and the central SSO during implementation/setup of access control components.
PBMS-MES-SSO-GLBL-005	The Contractor shall provide an integration and implementation plan that requires coordination between role-based contractor solutions that include DMAS roles and the central SSO for external testing.
PBMS-MES-SSO-GLBL-006	The Contractor shall provide the coordination and support plans during the mapping of current roles (such as mainframe MMIS ACF2 roles) into applicable contractor solution roles for DMAS users.
PBMS-MES-SSO-GLBL-007	The Contractor shall implement a solution's role-based security and its audit capability relative to the SSO.
PBMS-MES-SSO-GLBL-008	The Contractor shall keep the user role/access level identifiers in synch with the authorization system.

J.11 – INTEGRATION SERVICES

Requirement ID	Requirement
PBMS-SI-001	The Contractor shall facilitate the secure exchange of data with other applications in the MES within the agreed upon SLA through synchronous real time web services and/or asynchronous services using Queues through an Integration service.
PBMS-SI-002	The Contractor shall have the ability to produce/consume SOAP, RESTful Web Services.
PBMS-SI-003	The Contractor shall have the ability to exchange files through secure file transfer protocol with other systems through an Integration service.

J.12 – RULES ENGINE

Requirement ID	Requirement
PBMS-RULE-EGN-001	The Contractor's Rules Engine shall meet MITA 3.0 standards by using COTS Business Rules Engine products using BPMN and BPEL methodologies.
PBMS-RULE-EGN-002	The Contractor's Rules Engine shall allow integration with Identity Access Management products for several elevated user levels for business rules approvals.



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Requirement ID	Requirement
PBMS-RULE-EGN-003	The Contractor's provided workflow shall automate details for any rules creation/modification/deletion and scheduled auto deployment shall be explained.
PBMS-RULE-EGN-004	The Contractor's Rules Engine shall provide a testing environment with dashboard drill downs using past production data to show how functionality/end result will change by the rule changes. This can be displayed in the dashboard by a graphical and columnar view for easy impact assessment by the business user.
PBMS-RULE-EGN-005	The Contractor shall provide a Rules Engine Business Dictionary which includes data elements, definition, data size, meaning, description and its usage.
PBMS-RULE-EGN-006	The Contractor's Rules Engine shall allow changes to be made to the valid values without bringing down the rules engine.
PBMS-RULE-EGN-007	The Contractor's Rules Engine shall have tracking mechanisms to identify which rules are executed for the particular transactions.
PBMS-RULE-EGN-008	The Contractor's Rules Engine shall be able to produce a report on rules passed or failed for all transactions.
PBMS-RULE-EGN-009	The Contractor's Rules Engine shall send alerts to the appropriate resource if there is any issue in the rules engine.
PBMS-RULE-EGN-010	The Contractor's Rules Engine shall allow logging to be turned ON or OFF.
PBMS-RULE-EGN-011	The Contractor's Rules Engine shall provide a debugging tool to debug the rules execution.
PBMS-RULE-EGN-012	The Contractor's Rules Engine shall allow rules to run sequentially and in parallel.
PBMS-RULE-EGN-013	The Contractor's Rules Engine shall allow Individual rules testing features available.
PBMS-RULE-EGN-014	The Contractor's Rules Engine shall include test data creation tools.
PBMS-RULE-EGN-015	The Contractor's Rules Engine shall allow users to map JSON or XML documents as input data elements.
PBMS-RULE-EGN-016	The Contractor's Rules Engine shall be easily accessed through Java or web services.
PBMS-RULE-EGN-017	The Contractor's Rules Engine shall process high volume transactions and shall be scalable.
PBMS-RULE-EGN-018	The Contractor's Rules Engine shall be able to support NoSQL or MongoDB.
PBMS-RULE-EGN-019	Rules Editor shall allow the subject matter experts or technical resource to write the rules in the natural language.
PBMS-RULE-EGN-020	The Contractor shall supply a dashboard to monitor the rules execution and its performance and statistics.
PBMS-RULE-EGN-021	The Contractor's Rules administration process shall control user access, modify and execute the rules.



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J.13 – WORKFLOW

Requirement ID	Requirement
PBMS-WF-001	The Contractor's workflow management tool shall support the intelligent assignment, queueing, notification, escalation and management of requests, interactions and relationships with providers, members, and other stakeholders.
PBMS-WF-002	The Contractor's workflow management tool shall be easily configurable.
PBMS-WF-003	The Contractor's workflow management tool shall support notifications and alerts using a variety of access channels that can be managed by authorized users.
PBMS-WF-004	The Contractor's workflow management tool shall have the capability to schedule the execution of tasks.
PBMS-WF-005	The Contractor's workflow management tool shall be able to track and monitor the progress of the execution of the workflows.
PBMS-WF-006	The Contractor's workflow management tool shall have the ability to prioritize the tasks based on the severity.
PBMS-WF-007	The Contractor's workflow management tool shall be fault tolerant.
PBMS-WF-008	The Contractor's workflow management tool shall provide ability to view the workflow execution history.
PBMS-WF-009	The Contractor's workflow management tool shall have user defined reporting capabilities to assist in managing caseloads, workflow processes, and quality assurance.

J.14 – PORTAL

Requirement ID	Requirement
PBMS-TECH-WEB-001	All Contractor websites shall comply with section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d) and meet the standards published in the Federal Register on December 21, 2000 (36 CFR Part 1194).
PBMS-TECH-WEB-002	All Contractor website components used to publish or create content or user accessible interfaces shall comply with the Authoring Tool Accessibility Guidelines (ATAG) 2.0 as published by the Worldwide Web Consortium (W3C).
PBMS-TECH-WEB-003	All Contractor website components or content accessed via a Web Browser shall comply with Virginia web standards as published at: http://www.vita.virginia.gov/library/default.aspx?id=663
PBMS-TECH-WEB-004	The Contractor's online help shall be available and provide current and accurate information. Online Help shall be content sensitive to the extent possible. The format and structure of online help shall be approved by DMAS.
PBMS-TECH-WEB-005	All Contractor website components or content accessed via a Web Browser shall meet the W3C Web Content Accessibility Guidelines (WCAG) V2.0.
PBMS-TECH-WEB-006	All Contractor websites shall support human-readable URLs which are usable as navigational aids to end users.



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Requirement ID	Requirement
PBMS-TECH-WEB-007	All Contractor websites shall be accessible using common major web browsers like, but not limited to Chrome, Firefox, IE, Edge, and Opera and shall be compatible with previous versions approved by DMAS.
PBMS-TECH-WEB-008	All Contractor websites shall be accessible using, but not limited to mobile devices, tablets and PC's.
PBMS-TECH-WEB-009	All Contractor's solution components or content accessed via a Web Browser shall comply with the W3C Mobile Web Application Best Practices as published on December 14, 2010.
PBMS-TECH-WEB-010	All Contractor websites shall support multiple languages, including English, Spanish, and any other language that is used by 5% or more of the population.
PBMS-TECH-WEB-011	All Contractor website components or content accessed via a Web Browser shall display a dismissible alert when being accessed by a browser type or browser version that is not fully supported.
PBMS-TECH-WEB-012	All Contractor website components or content accessed via a Web Browser shall not use, nor have any dependencies on Active-X controls, Flash, Frames or iframes.
PBMS-TECH-WEB-013	For supported browsers, all Contractor websites shall print what the users see. The Solution shall provide options to print or download HTML and PDF documents.
PBMS-TECH-WEB-014	All Contractor websites shall include a knowledge based component and frequently asked questions.
PBMS-TECH-WEB-015	The Contractor shall ensure all browser run scripts load from website servers, unless approved otherwise by DMAS.
PBMS-TECH-WEB-016	The Contractor shall ensure all browser run scripts are verified only to communicate with websites, unless approved otherwise by DMAS.
PBMS-TECH-WEB-017	The Contractor shall ensure all browser run scripts use minified version in production.
PBMS-TECH-WEB-018	The Contractor shall ensure all websites are developed using current technologies including Angular JS, JavaScript, JQuery, and Bootstrap.
PBMS-TECH-WEB-019	The Contractor shall ensure all websites disallow multiple concurrent logins by an individual user or by a single user ID.
PBMS-TECH-WEB-020	The Contractor shall ensure all platforms supporting or hosting browser accessible components or content shall be scanned for known vulnerabilities no less frequently than once a month. Scan results shall be sent to DMAS Security Officer.
PBMS-TECH-WEB-021	The Contractor's websites shall be scalable to support growth in the number of Medicaid providers, members and for future growth of Medicaid program.
PBMS-TECH-WEB-022	The Contractor shall ensure users attempting to access a solution component or content that is unavailable due to scheduled maintenance shall receive a response notifying them of the reason for non-availability and an expected service resumption time.
PBMS-TECH-WEB-023	The Contractor shall ensure all website users are notified of any scheduled maintenance on the website's main page.



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Requirement ID	Requirement
PBMS-TECH-WEB-024	The Contractor's websites shall adhere to the "Government Data Collection and Dissemination Practices Act" Code of Virginia, § 2.2-3800, "Administration of systems including personal information; Internet privacy policy; exceptions" Code of Virginia, § 2.2-3803, the "Virginia Freedom of Information Act" § 2.2-3700, et seq., and HIPAA regulations (Health Insurance Portability and Accountability Act (1996) (HIPAA).
PBMS-TECH-WEB-025	The Contractor shall ensure all solution components that are accessible from the Public Internet (e.g. websites) shall make the site's privacy policy and terms of service available prior to authentication.
PBMS-TECH-WEB-026	The Contractor shall ensure cookie dependencies for Solution components or content accessed via a web browser is limited to session cookies.
PBMS-TECH-WEB-027	The Contractor shall ensure any cookies generated, used, or required by the solution do not contain user identifiable data.
PBMS-TECH-WEB-028	The Contractor shall ensure users attempting to access a solution component or content that has a dependency on cookies with a browser that has cookies disabled shall receive a response notifying them of features, modules, or services that may not be available.
PBMS-TECH-WEB-029	The Contractor shall ensure website form fields are validated on the client side as well as on server side.
PBMS-TECH-WEB-030	The Contractor shall ensure fields have standard formats and masks, e.g. phone numbers, date, time, currency, and SSN.
PBMS-TECH-WEB-031	The Contractor shall ensure users do not see technical implementation details in error messages on production system, e.g. 500 errors shall display a message such as "we are experiencing technical problems, please check back soon" with a link back to home page or the page they came from.
PBMS-TECH-WEB-032	The Contractor shall ensure the website provides the ability to upload multiple files and show end users the progress of the upload using, but not limited to JQUERY or Angular file upload plugin.
PBMS-TECH-WEB-033	The Contractor shall ensure the website can validate and scan for potential malware and viruses before uploading files to the secured area.
PBMS-TECH-WEB-034	The Contractor shall ensure the website provides live chat functionality for end user personnel to be connected with a customer service representative (site specific).
PBMS-TECH-WEB-035	The Contractor shall ensure the website provides auto call back technology. Auto call back shall be triggered based on the average wait time, the number of people in the queue, the current service level, or the current abandon rate to reduce the number of repeat callers and provide greater customer satisfaction (site specific).
PBMS-TECH-WEB-036	The Contractor shall ensure the website provides the ability for users to save data in heavily used forms as user specific templates for future submission (site specific).
PBMS-TECH-WEB-037	The Contractor shall ensure the website provides the ability for users to clone previously entered forms that are Department selected and approved (site specific).
PBMS-TECH-WEB-038	The Contractor shall ensure the website provides links for context sensitive referenced materials, e.g. materials from manuals, price lists, referenced materials (site specific).



J.15 – ELECTRONIC DATA INTERCHANGE

Requirement ID	Requirement
PBMS-EDI-001	For batch submissions, the Contractor shall ensure that the Unique File ID assigned in the DMAS EDI Gateway should be tied to its backend process.
PBMS-EDI-002	When connecting with the DMAS EDI Gateway, the Contractor shall ensure authorization and authentication is performed through the Commonwealth specified single sign-on system.
PBMS-EDI-003	The Contractor’s solution shall support all current and future EDI standards applicable to PBMS functions, including but not limited to HIPAA transactions, versions, and code sets and all phases of CAQH/CORE Operating Rules.
PBMS-EDI-004	The Contractor shall ensure that data to support a HIPAA or NCPDP standard response is provided.
PBMS-EDI-005	The Contractor shall ensure all incoming and outgoing transaction data is logged and archived to support auditing, reporting, and other business needs.
PBMS-EDI-006	The Contractor shall provide archived EDI data in response to a DMAS request in a timeframe to be determined based on the age of the data.
PBMS-EDI-007	The Contractor shall provide an automatic response when it is unable to process batch transactions from the DMAS EDI Gateway.
PBMS-EDI-008	The Contractor shall ensure that all submitted transaction information metrics, including but not limited to (submitted timestamp, transaction size, user, IP, and port) are stored and accessible for problem resolution, reporting SLAs, and other business needs.
PBMS-EDI-009	The Contractor shall ensure an alert is sent to the appropriate technical team regarding the system status.
PBMS-EDI-010	The Contractor shall ensure SLA reports are generated and include information such as amount of time it took to process the file, file rejection rate, and file acceptance rate.
PBMS-EDI-011	The Contractor shall ensure all the submitted file information is kept in the database for easy access (file submitted timestamp, file size, user, and so on).
PBMS-EDI-012	The Solution shall validate that a provider has identified a relationship with the service center and transaction ID as part of processing an EDI transaction.



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J.16 – DOCUMENTATION MANAGEMENT

Requirement ID	Requirement
PBMS-DOC-001	The Contractor shall capture all the incoming and outgoing documents in the repository with a unique ID, date, and timestamp.
PBMS-DOC-002	The Contractor shall include electronic documentation context sensitive help screens for all online functions (desktop and browser).
PBMS-DOC-003	The Documentation Management system shall provide full functionality for a robust Documentation Management system solution, including but not limited to: <ul style="list-style-type: none"> ➤ Web-based access ➤ Document storage ➤ Category meta-tagging ➤ Collaborative editing with version controls ➤ Workflow with automated notifications ➤ Integrate and interface with common desktop productivity software ➤ The ability to search among documents ➤ The ability to enter notes or annotate documents
PBMS-DOC-004	The Documentation Management system shall store all generated outputs, including but not limited to reports and letters.
PBMS-DOC-005	The Documentation Management system shall store all MES documentation, including but not limited to designs, manuals, and training materials.
PBMS-DOC-006	The Documentation Management system shall store all documents transmitted by internal and external sources, including but not limited to reports generated by other systems, faxes, and uploaded materials.
PBMS-DOC-007	The Documentation Management system shall store images of all hard-copy documents received including but not limited to paper claims, provider enrollment applications, service authorization requests, attachments, including attachments to claims, and correspondence.
PBMS-DOC-008	The Documentation Management system shall support the ability to retrieve and view all information stored, based on a variety of identifying information, including but not limited to report number, provider ID, letter ID, run date, as of date, payment date, RA number, check number, claim control number, and letter date.
PBMS-DOC-009	The Documentation Management system shall provide the ability to search within documents.
PBMS-DOC-010	The Documentation Management system shall provide the ability for users and applications to retrieve a document using a web-based application.
PBMS-DOC-011	The Documentation Management system shall provide the ability to print and download any document in total or part as defined by the user.
PBMS-DOC-012	The Documentation Management system shall manage access based on security rules defined for both internal and external users and systems.



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Requirement ID	Requirement
PBMS-DOC-013	The Documentation Management system shall maintain an audit trail of all actions related to ECM content, including but not limited to: <ul style="list-style-type: none"> ➤ Date and time document is entered in the System ➤ Any actions taken on the document or attachment; including the date and time of the edits/modification ➤ Record the user responsible for the changes ➤ Record all user inquiries even if no action was taken by the user
PBMS-DOC-014	Audit trail reports shall be available on demand, both an aggregated report of all actions by type (inquiry, add, change, etc.) and by an individual user ID.
PBMS-DOC-015	The Documentation Management system shall provide a scalable environment with a separate testing/staging environment.
PBMS-DOC-016	The Documentation Management system shall convert and store the contents of the legacy ECM.
PBMS-DOC-017	The Documentation Management system shall support data retention and deletion in accordance with Commonwealth record retention policies.
PBMS-DOC-018	The Documentation Management system shall install and manage application-specific malware protection.
PBMS-DOC-019	The Documentation Management system shall deploy customizations (e.g., web parts and solutions) supplied by an Authorized User using server tools.
PBMS-DOC-020	The Documentation Management system shall provide all enterprise-level infrastructure hardware and software licensing required to support the services.
PBMS-DOC-021	The Documentation Management system shall continually evolve to stay contemporary with best of breed market offerings.
PBMS-DOC-022	The Contractor shall provide electronic documentation management capability that promotes automatic updates to the documentation when content, technical, and operational changes occur.
PBMS-DOC-023	The Contractor shall provide an electronic document management capability to link, track, and update all electronic documentation, technical and operational, when affected by a subsystem or component or business practice and rules requirement change.
PBMS-DOC-024	The Contractor shall provide the methodology to work with the Department to finalize the service level criteria for the following: <ul style="list-style-type: none"> ➤ Distinguishing the priority and severity of a problem ➤ Determining the category of the problem ➤ Establishing the nature of the problem
PBMS-DOC-025	The Contractor shall present instructions for requesting reports or other outputs with examples of input documents and replicas of screens (desktop and browser).
PBMS-DOC-026	The Contractor shall provide the ability to accommodate electronic signatures.



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Requirement ID	Requirement
PBMS-DOC-027	The Contractor shall provide artifacts, including but not limited to reports, letters, documents, and documentation, for an Enterprise Content Management (ECM) system.

J.17 – ENTERPRISE DATA WAREHOUSE

Requirement ID	Requirement
PBMS-GNRL-001	All Contractors and their partners, with no exceptions, shall have to accommodate sharing of enterprise relationship diagram of their system, data dictionaries, and business and technical metadata with DMAS.
PBMS-GNRL-002	The Contractors shall provide resources and services that provide access to their transactional data both in real-time and batch.
PBMS-GNRL-003	The Contractors shall provide functions to translate their data into XML, JSON, SOAP, etc., for exchange as required by DMAS.
PBMS-GNRL-004	The Contractors shall adhere to the frequency of data-exchange as desired by DMAS.
PBMS-GNRL-005	Each Contractor shall assure data quality pertaining to the benchmarks set forth by DMAS.
PBMS-GNRL-006	Any and all products generated by the Contractor during the course of the MES and pertaining to the MES shall be shared with DMAS.

J.18 – CONVERSION

Requirement ID	Requirement
PBMS-DATA-CON-001	The Contractor shall develop a Conversion Plan to successfully meet DMAS business and technical specifications for deployment.
PBMS-DATA-CON-002	The Conversion Plan shall include a description of the overall conversion strategy.
PBMS-DATA-CON-003	The Conversion Plan shall include a detailed conversion schedule.
PBMS-DATA-CON-004	The Conversion Plan shall include an outline of roles and responsibilities.
PBMS-DATA-CON-005	The Conversion Plan shall include pre-defined and mutually agreed upon success criteria and acceptable thresholds.
PBMS-DATA-CON-006	The Conversion Plan shall include a description of all tools to be used during the conversion process.
PBMS-DATA-CON-007	The Conversion Plan shall include methods for user validation of converted data.
PBMS-DATA-CON-008	The Conversion Plan shall include procedures for tracking and correcting conversion problems when encountered.
PBMS-DATA-CON-009	The Conversion Plan shall include a process to identify and mitigate risks that may be encountered during conversion.



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Requirement ID	Requirement
PBMS-DATA-CON-010	The Conversion Plan shall include the target data store schemas.
PBMS-DATA-CON-011	The Conversion Plan shall include detailed data element mappings, including values of the old systems data elements to the new systems data elements, new data elements to old data elements, and default values where necessary.
PBMS-DATA-CON-012	The Conversion Plan shall include specifications for manually converting unreliable data elements that cannot be converted.
PBMS-DATA-CON-013	The Conversion Plan shall include referential integrity relationships for related data.
PBMS-DATA-CON-014	The Conversion Plan shall define the reporting of processing statistics that include, but are not limited to, load execution time and duration.
PBMS-DATA-CON-015	The Conversion Plan shall define the reporting of failures, error conditions, and unexpected terminations.
PBMS-DATA-CON-016	The Conversion Plan shall include a definition of the metrics that will be generated by the conversion process to measure the completeness of conversion. These metrics shall include record counts and balancing for each major grouping of data elements from both the legacy source systems (e.g., number of members, cases, claims, and claims paid).
PBMS-DATA-CON-017	The Conversion Plan shall include layouts, procedures, and schedules for all conversion reporting.
PBMS-DATA-CON-018	The Conversion Plan shall include transformation and loading for each data source.
PBMS-DATA-CON-019	The Conversion Plan shall include a strategy for data quality assurance and control.
PBMS-DATA-CON-020	The Conversion Plan shall include an inventory and cross-reference of: Source and target data elements, schema, and metadata.
PBMS-DATA-CON-021	The Conversion Plan shall include a process for data extraction.
PBMS-DATA-CON-022	The Conversion Plan shall describe all preparatory and/or initiation processes that shall be completed prior to conversion.
PBMS-DATA-CON-023	The Conversion Plan shall identify if the conversion process will be implemented in phases or stages, and which components will undergo conversion in each phase.
PBMS-DATA-CON-024	The Conversion Plan shall describe the process for converting reports and imaged documents.
PBMS-DATA-CON-025	The Conversion Plan shall identify what data related to specific business processes will be converted first.
PBMS-DATA-CON-026	The Conversion Plan shall identify and describe any part of the conversion process that will be performed manually.
PBMS-DATA-CON-027	The Conversion Plan shall identify and describe any custom-developed conversion programs that will be needed and their associated performance tuning.



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Requirement ID	Requirement
PBMS-DATA-CON-028	The Conversion Plan shall describe all conversion reporting, control, and balancing outputs.
PBMS-DATA-CON-029	The Conversion Plan shall define the metrics that will be generated by the conversion process to measure the completeness of conversion.
PBMS-DATA-CON-030	The Conversion Plan shall identify criteria for a Go/No-Go decision.
PBMS-DATA-CON-031	The Conversion Plan shall identify a staffing approach.
PBMS-DATA-CON-032	The Conversion Plan shall identify if parallel runs of the old and new systems will be necessary during the conversion process, or if there will be a one-time cut-over to the new system.
PBMS-DATA-CON-033	The Conversion Plan shall identify whether data availability and use shall be limited during the conversion process.
PBMS-DATA-CON-034	The Conversion Plan shall describe security and privacy controls required for the conversion process.
PBMS-DATA-CON-035	The Conversion Plan shall describe the disposition of obsolete or unused data that is not converted.
PBMS-DATA-CON-036	The Conversion Plan shall identify a retention policy for the non-converted data in case of fallback with a need to rerun the conversion process.
PBMS-DATA-CON-037	The Contractor shall submit the Conversion Plan for DMAS review and approval.
PBMS-DATA-CON-038	The Contractor shall provide a walk-through of the Conversion Plan before submitting to DMAS for approval.
PBMS-DATA-CON-039	The Contractor shall document any revised procedures in the Conversion Plan.
PBMS-DATA-CON-040	The Contractor shall execute the approved Conversion Plan according to the project schedule.
PBMS-DATA-CON-041	The Contractor shall convert all historical and transactional data stores that are needed by and applicable to the solution.
PBMS-DATA-CON-042	The Contractor shall convert all images and other document types that are needed by and applicable to the solution.
PBMS-DATA-CON-043	The Contractor shall store and manage specified historical data covering a specified time.
PBMS-DATA-CON-044	The Contractor shall provide hardware, software, and data support for the Department during all phases of conversion.
PBMS-DATA-CON-045	The Contractor shall supply appropriate environments for developing and testing conversion processes.
PBMS-DATA-CON-046	The Contractor shall provide the capability for storing all conversion-related artifacts in an easily retrievable format for access by DMAS for the life of the contract.
PBMS-DATA-CON-047	The Contractor shall ensure all data is protected with access restricted to authorized personnel.



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Requirement ID	Requirement
PBMS-DATA-CON-048	The Contractor shall provide the converted data to other DMAS users and/or contractors as required for its processing needs as identified by the Department.
PBMS-DATA-CON-049	The Contractor shall present a conversion walk-through with Department users, displaying resulting output data in screens of the new MES.
PBMS-DATA-CON-050	The Contractor shall submit all conversion reports as defined in the Conversion Plan to the Agency for review and approval.
PBMS-DATA-CON-051	The Contractor, under DMAS guidance, shall be responsible for identifying and obtaining any data that is required for its solution but not present in VAMMIS.

J.19 – DISASTER RECOVERY

Requirement ID	Requirement
PBMS-NFR-DR-001	The Contractor shall prepare and submit for Department approval a comprehensive Disaster Recovery Plan due to the Department on an annual basis and after a substantive change to the PBMS that would require revision to its DR Plan.
PBMS-NFR-DR-002	The Contractor shall provide back-up processing capability at a remote site from the primary site such that normal PBMS processing can continue in the event of a disaster or major hardware problem at the primary site. All operations at the remote back-up site will meet established contractual performance and SLA requirements.
PBMS-NFR-DR-003	The Contractor shall coordinate with and demonstrate to the Department the Contractor’s disaster recovery capabilities in accordance with SLAs. Contractor will include recovery of any new functionality implemented during the previous year.
PBMS-NFR-DR-004	The Contractor shall, in the event of a catastrophic (i.e. possibility of crimes, terrorism, hackers, intentional torts, human error, virus, etc.) or natural disaster, resume normal operational business functions at the earliest possible time in accordance with specified SLAs and according to the Department-approved disaster recovery plan.
PBMS-NFR-DR-005	The Contractor shall, in the event of other disasters caused by such things as criminal acts, human error, malfunctioning equipment, computer viruses, or electrical supply, resume normal business functioning at the earliest possible time, in accordance with SLAs.
PBMS-NFR-DR-006	The Contractor shall plan and coordinate disaster recovery activities with Department-approved business partners.
PBMS-NFR-DR-007	The Contractor shall coordinate with and demonstrate to the Department the Business Continuity and Contingency Plan every calendar year in conjunction with the annual disaster recovery demonstration.
PBMS-NFR-DR-008	The Contractor shall leverage and use the LAST environment as the Disaster Recovery site for the PBMS. The extent to which the primary site cannot be restored in accordance with SLAs, may determine that the recovery site be considered the new primary site.



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Requirement ID	Requirement
PBMS-NFR-DR-009	The Contractor shall, upon notification by DMAS that the primary production site is deemed inoperable, execute the Disaster Recovery Plan.
PBMS-NFR-DR-010	The Contractor shall provide back-up network connectivity at both the primary Production and Disaster Recovery sites with the capacity to support PBMS and its components.
PBMS-NFR-DR-011	The Contractor shall ensure that the DRP is available to Commonwealth and Federal auditors at all times.
PBMS-NFR-DR-012	The Contractor shall establish, in cooperation with DMAS a hierarchy of critical services and infrastructure to determine the order that services will be restored.
PBMS-NFR-DR-013	The Contractor shall maintain a DRP that provides for the recovery of critical PBMS services in accordance with SLAs upon discovery of the service disruption, the declaration of a disaster or PBMS Production site becoming unsafe or inoperable.
PBMS-NFR-DR-014	The Contractor shall maintain or otherwise arrange for a disaster recovery site for its system operations in the event of a disaster that renders the PBMS Production site inoperable.
PBMS-NFR-DR-015	The Contractor shall modify the DRP, software installation procedures, and operational procedures as needed to reflect the changes implemented with new data sources, system changes, or any enhancements that will impact the disaster recovery capability.
PBMS-NFR-DR-016	The Contractor shall perform an annual review of the disaster recovery back-up site, procedures for all off-site storage and validation of security procedures.
PBMS-NFR-DR-017	The availability schedules and corresponding SLAs for the Production PBMS shall apply to the disaster recovery environment when fulfilling the Production role.
PBMS-NFR-DR-018	The Contractor's DRP test shall be performed, each year at no additional cost to DMAS. In the event the Contractor's test is deemed by HHS to be unsuccessful, the Contractor shall continue to perform the test at its expense until satisfactory results are received and approved by DMAS.
PBMS-NFR-DR-019	The Contractor shall develop, maintain, and submit to DMAS, in advance, all proposed off-site procedures, locations, and protocols for DMAS review and approval prior to implementation. The Contractor shall incorporate these items as components of the Disaster Recovery Plan (DRP).
PBMS-NFR-DR-020	The Contractor shall execute a disaster recovery test to demonstrate the capability of the Contractor to restore processing capability in accordance with the DRP and for all critical system components at a remote site. The DRP test shall be included as a part of Acceptance Testing. The length of the test shall be the amount of time that is necessary to recover from the disaster and provide proof that the recovery has been successfully completed.
PBMS-NFR-DR-021	The Contractor shall take all precautions to ensure that PBMS system interruptions in service, resulting from a Production hardware failure, data corruption or a disaster that renders the Contractor's primary computer facility unusable are avoided.



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Requirement ID	Requirement
PBMS-NFR-DR-022	If the PBMS Production site becomes unavailable during the contract period, the Contractor shall be required to move PBMS operations to the disaster recovery site. In this event, the Contractor shall not be allowed to return to the original EDW Production site without approval of DMAS.
PBMS-NFR-DR-023	The Contractor shall comply with all SLAs that are relevant to Disaster Recovery Requirements.
PBMS-NFR-DR-024	The Contractor's Disaster Recovery Plan shall adhere to Commonwealth and Federal laws, rules, regulations, and guidelines, will address recovery of PBMS functions, human resources and the technology infrastructure and shall include: <ul style="list-style-type: none"> ➤ Checkpoint/restart capabilities ➤ Retention and storage of back-up files and software ➤ Hardware back-up for the servers ➤ Hardware back-up for data entry ➤ Network back-up for telecommunications ➤ Telephone communications lines to the disaster back-up site ➤ Recovery prioritization list (hardware and software applications) ➤ Telecommunication Voice Switch
PBMS-NFR-DR-025	The Contractor's Disaster Recovery Plan shall include detailed procedures to address (but not be limited to) the following potential events: <ul style="list-style-type: none"> ➤ Natural disasters (e.g., earthquake, fire, flood, storms) ➤ Terrorist acts ➤ Power disruptions or power failure ➤ Computer software or hardware failures ➤ Computer shutdown due to hackers or viruses ➤ Significant compromises/degradation of PBMS performance ➤ Processing shutdowns
PBMS-NFR-DR-026	The Contractor shall coordinate with VITA to meet the minimum geographic offsite location requirement of 100 miles between the disaster recovery site and the Production environment site.



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J.20 – PBMS GENERAL REQUIREMENTS

Requirement ID	Requirement
PBMS-GN-001	The Contractor shall ensure that all pharmacy claims (FFS and Encounter) are assigned a unique identification number upon entering the system.
PBMS-GN-002	The Contractor shall verify that any data item that contains self-checking digits pass the specified check-digit test.
PBMS-GN-003	The Contractor shall verify that required data items are present and retained (See State Medicaid Manual - 11375) including all data needed for state or federal reporting requirements.
PBMS-GN-004	The Contractor shall verify that the pharmacy claim date of service is within the allowable time frame for provider payment.
PBMS-GN-005	The Contractor shall provide a PBMS that flags for review any claim that an individual drug, compound, or claim parameter (e.g. total amount paid) indicates a need for manual pricing intervention.
PBMS-GN-006	The Contractor shall verify that each submitted pharmacy claim does not duplicate a claim previously or currently being reviewed.
PBMS-GN-007	The Contractor shall ensure that all required attachments, in accordance with the program health benefit and Department defined edits, that are required for service authorization review and disposition have been received and maintained for audit purposes.
PBMS-GN-008	The Contractor shall verify that all fields defined as numeric contain only numeric data.
PBMS-GN-009	The Contractor shall verify that all fields defined as alphabetic contain only alphabetic data.
PBMS-GN-010	The Contractor shall verify that all dates are valid and reasonable and conform with Department policies and edits.
PBMS-GN-011	The Contractor shall verify that all data items which can be obtained by mathematical manipulation of other data items, agree with the results of that manipulation.
PBMS-GN-012	The Contractor shall verify that all coded data items consist of valid codes including, but not limited to, NDC for drug codes and date compliant versions of clinical documentation established by regulation or statute.
PBMS-GN-013	The Contractor shall provide a PBMS that leverages current technology and evolving technology to deliver flexible and configurable systems to manage change to DMAS' program, benefits, and policies.
PBMS-GN-014	The Contractor shall provide, at no additional cost to DMAS, a PBMS compliant with contractual obligations throughout the contract and turnover period including required change activity that is the result of guidance, legislation, regulation, or statute applicable to federal health care programs.



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Requirement ID	Requirement
PBMS-GN-015	The Contractor shall support National Council for Prescription Drug Programs (NCPDP) Version D.0, Batch Standard 1.2, Medicaid Subrogation 3.0, or the most current HIPAA compliant versions, throughout the duration of the contract at no additional cost to DMAS.
PBMS-GN-016	The Contractor shall support the following NCPDP claim status determinations - paid, duplicate of paid, captured, duplicate of captured, rejected, approved (reversal), duplicate of approved (reversal) rejected (reversal).
PBMS-GN-017	The Contractor shall provide the ability to return Department-defined supplemental messages utilizing the full complement of characters allowed in the HIPAA named NCPDP standard for all claim status determinations.
PBMS-GN-018	The Contractor shall support NCPDP Eligibility Verification Transaction (E1) in full compliance with NCPDP Standards and Guidance throughout the life of the contract.
PBMS-GN-019	The Contractor shall provide the ability to adjudicate NCPDP Billing (B1), Reversal (B2), and Rebill (B3) transactions using all currently defined DMAS edits/audits in full compliance with NCPDP Standards and Guidance throughout the life of the contract.
PBMS-GN-020	The Contractor shall support Service Billing (Professional Pharmacy Service) Transactions (S1, S2, and S3) in full compliance with NCPDP Standards and Guidance throughout the life of the contract.
PBMS-GN-021	The Contractor shall publish and make available, throughout the life of the contract, an established schedule for upgrades and enhancements to all PBMS applications. Documentation detailing the content of each scheduled application change or enhancement shall be provided to DMAS for review at least 30 days prior to the scheduled change, enhancement, or new application version.
PBMS-GN-022	The Contractor shall confirm that all records created, processed, or loaded to the Contractor's production application(s) or environment(s) cannot be physically deleted.
PBMS-GN-023	The Contractor shall provide an online audit trail for all additions, changes, or updates to system data that identifies the responsible user or process, date and time of change, and the status of the record.
PBMS-GN-024	The Contractor shall provide a rules engine where each rule that defines the benefit or plan contains an effective and termination date to support date of service rule selection during adjudication.
PBMS-GN-025	The Contractor shall provide a reference data management solution that contains effective date and termination date values for PBMS reference data elements selected and applied during claim adjudication.
PBMS-GN-026	The Contractor shall provide the ability to include or exclude, from program coverage and edits, products or services at the NDC level or at department-defined hierarchy levels or their equivalent in the Contractor's PBMS.
PBMS-GN-027	The Contractor shall provide clinical, operational, and reporting support, including documentation for DMAS review and approval, for any DMAS edits that are updated to meet configuration requirements of the Contractor's PBMS.



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Requirement ID	Requirement
PBMS-GN-028	The Contractor shall provide role-based security for all users; the user role shall determine, at a minimum, what data elements may be viewed, actions allowed (view vs edit), and authority to override or bypass edits.
PBMS-GN-029	The Contractor shall provide the ability to restrict or authorize drug benefit coverage using member, pharmacy provider, or prescriber qualifications or attributes (e.g. Taxonomy, Provider type, Place of Service).
PBMS-GN-030	Support the receipt and load of three (3) years of claim history data from the current program contractor; claim history data shall be integrated for use in claim processing.
PBMS-GN-031	The Contractor shall provide documentation to ensure that 99.9% or greater of all claims provided for historical data load have been loaded completely and accurately.
PBMS-GN-032	The Contractor shall provide support for verification and reconciliation activities related to the load of claim history data to ensure accuracy in the replacement MES.
PBMS-GN-033	The Contractor shall accept and apply member enrollment records via an automated, real-time interface with the MES using industry standard transactions; update shall be applied no greater than 15 minutes from record availability in the interface.
PBMS-GN-034	The Contractor shall support member enrollment reconciliation activities on a mutually agreed upon schedule with DMAS.
PBMS-GN-035	The Contractor shall provide the ability for users authorized via role-based security, to manually enter or update member enrollment data for Department approved scenarios and shall provide documentation and a workflow management Solution to exchange information entered or updated.
PBMS-GN-036	The Contractor shall provide the ability to receive, store, and display all historical member enrollment records, sub-records, or segments including an audit trail of any additions, changes, or updates.
PBMS-GN-037	The Contractor shall provide a PBMS capable of exchanging industry standard eligibility verification requests received from internal and external entities or agencies in support of DMAS MITA Roadmap and Enterprise Maturity.
PBMS-GN-038	The Contractor shall provide, for use in adjudication and shared with MES modules, a national commercial Prescriber file that includes all data elements necessary to meet Federal and DMAS program requirements for claims processing; this shall include, but is not limited to, monitoring for provider sanctions, Suboxone registration, provider date of death, and institutional affiliation (Type II NPI).
PBMS-GN-039	The Contractor shall provide the ability to determine eligibility for products or services using member enrollment data including member demographics, aid category or program/plan/benefit enrollment as defined by the Department during DDI.
PBMS-GN-040	The Contractor shall provide, for use in adjudication and shared with MES modules, a national commercial Pharmacy Provider File that includes all data elements necessary to meet Federal and DMAS program requirements for claims processing.
PBMS-GN-041	The Contractor shall support the receipt, load, and update of DMAS enrolled pharmacy providers and prescribers via an automated process.



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Requirement ID	Requirement
PBMS-GN-042	The Contractor shall provide a PBMS that validates pharmacy providers and prescribers submitted on claims and encounters are eligible to participate in Medicaid and not otherwise excluded from federally funded health care programs.
PBMS-GN-043	The Contractor shall notify the Department when DMAS enrolled pharmacy providers, or prescribers are reported as ineligible to participate in federally funded health care programs as noted above.
PBMS-GN-044	The Contractor shall deny point-of-sale claims for excluded pharmacy providers or prescribers unless otherwise directed by DMAS.
PBMS-GN-045	The Contractor shall provide the ability to receive, store, and use during adjudication, multiple distinct NPI numbers associated with a single pharmacy provider registrant. This shall include support for pharmacy providers with unique NPI values representing distinct lines of business that are subject to varying edits/audits.
PBMS-GN-046	The Contractor shall support interfaces with external systems or vendors to maintain and update a drug file from a national commercial drug data vendor.
PBMS-GN-047	The Contractor shall provide, at no additional cost to DMAS, drug data from a national commercial drug file that will be used to meet the requirements of this solicitation. This national commercial drug file must also be licensed for distribution and use in other modules to support the MES.
PBMS-GN-048	The Contractor shall allow a DMAS representative to contact the national commercial drug data vendor to request information or clarification of drug data contained in that vendor's files.
PBMS-GN-049	The Contractor shall provide operational reports that identify when new products are received in the national commercial drug file, including verification that new products incorporated in the PBMS contain appropriate configuration of coverage, service authorization, PDL status, and limitations for DMAS programs.
PBMS-GN-050	The Contractor shall support business-user configuration of user-defined drug file data, in addition to those provided by national commercial drug file vendor, to support configuration of the DMAS Pharmacy Program.
PBMS-GN-051	Provide, for use in adjudication and shared with MES modules, a national commercial drug file updated on a frequency not greater than weekly that includes all data elements necessary to meet Federal and DMAS program requirements.
PBMS-GN-052	The Contractor shall provide an exposable Web Service that makes available an online web drug lookup tool, containing all drug products in the drug database that indicates, at a minimum: Coverage Status, PDL status, Service Authorization Required, Quantity Limits, and Step Therapy edits.
PBMS-GN-053	The Contractor shall obtain, process, and load CMS data required to support edits and audits defined in the DMAS program.
PBMS-GN-054	The Contractor shall support a bi-directional interface with the MES ISS to send and receive PBMS data required to support MES functions including reporting and analytics; exchanged data elements will be defined during DDI.



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Requirement ID	Requirement
PBMS-GN-055	The Contractor shall provide a PBMS that supports multi-program benefit design by leveraging a rules engine that allows sharing of rules between programs or benefits.
PBMS-GN-056	The Contractor shall provide a PBMS that supports business user benefit configuration and operational change management activities.
PBMS-GN-057	The Contractor shall provide the ability to edit transactions for controlled substances in accordance with all Federal and DMAS regulations.
PBMS-GN-058	The Contractor shall provide the ability to reject or deny for Service Authorization any claims that exceed Department-defined dollar limits.
PBMS-GN-059	The Contractor shall provide the ability to reject or deny claims when unit of measure or package size is inconsistent with product data found in the national commercial drug file.
PBMS-GN-060	The Contractor shall provide the ability to enforce Department-defined early refill percent utilized edits that are based upon the product dispensed (e.g. Controlled substances require 90% and non-controlled require 75%).
PBMS-GN-061	The Contractor shall provide a PBMS that supports early refill approval but shall not allow a member to obtain additional refills of a specific drug product in a twelve (12) month evaluation period.
PBMS-GN-062	The Contractor shall provide a user-configurable PBMS that allows the addition of new price types in a timely manner and supports an integrated exchange of new price types and price data with the MES.
PBMS-GN-063	The Contractor shall provide a configurable PBMS that allows only those users authorized via role-based security to create, change or update reimbursement rates and algorithms.
PBMS-GN-064	The Contractor shall support multiple concurrent pricing algorithms that may apply to one or more programs or plans; the algorithm used during claim adjudication shall be determined by a business rules engine with rules defined by the Department during DDI.
PBMS-GN-065	The Contractor shall provide a business-user configurable rules engine capable of applying different dispense fee rules, copay/coinsurance rules, eligible price types, and ingredient cost algorithms within the same plan or program.
PBMS-GN-066	The Contractor shall maintain all historic program pricing algorithms, pharmacy provider reimbursement rate detail, and pharmacy provider program participation detail for online viewing, ad-hoc reporting, auditing, or use in exposed PBMS Web Services.
PBMS-GN-067	The Contractor shall maintain historic drug price detail and make available for online viewing, ad-hoc reporting, auditing, or use in exposed PBMS Web Services.



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Requirement ID	Requirement
PBMS-GN-068	The Contractor shall provide a PBMS that integrates diagnosis coding, procedure codes, and DMAS approved clinical documentation including record effective dates for diagnosis and procedure data received from the MES into the PBMS to support DMAS edits, audits and operations including automated service authorizations, RetroDUR analysis, care coordination, case management, and program analytics.
PBMS-GN-069	The Contractor shall provide a change management solution capable of documenting the workflow of each change request including capture of all documentation required to support internal and external audits. Timelines for Contractor deployment of DMAS approved changes to production environments must be on an agreed upon schedule between DMAS and the Contractor.
PBMS-GN-070	The Contractor shall provide a change management Solution with the ability to update system parameters that do not require complex configuration or use case scenarios within three (3) business days of receipt of request.
PBMS-GN-071	The Contractor shall maintain, store, and make available via online inquiry, throughout the duration of the contract and turnover phase, an easy-to-read audit trail of all database changes/updates; Captured data elements shall include date, time, and indicate the user or job process responsible for the change/update.
PBMS-GN-072	The Contractor shall provide the ability to navigate to additional, more detailed, information related to the data elements contained in the adjudicated claim record.
PBMS-GN-073	The Contractor shall provide the ability to edit all transactions, according to CMS Guidance, for outpatient prescription drug product coverage under the Medicaid Drug Rebate Program.
PBMS-GN-074	The Contractor shall provide the ability to approve for payment exceptions to Medicaid Drug Rebate Program requirements as defined by the Department.
PBMS-GN-075	The Contractor shall provide the ability to identify in the EDI Pharmacy Claim Data extract to the MES, any claim paid pursuant to a Department approved exception to the Medicaid Drug Rebate Program requirements.
PBMS-GN-076	The Contractor shall support all edits/audits required to appropriately determine product coverage status under the DMAS Mandatory Generic Program.
PBMS-GN-077	The Contractor shall support pharmacy provider submitted DAW values, and apply edit logic defined by the Department, to facilitate management of the Preferred Drug List Program.
PBMS-GN-078	The Contractor shall support multi-ingredient prescription (compound) processing in accordance with NCPDP Standards and Guidance throughout the life of the contract.
PBMS-GN-079	The Contractor shall provide the ability to apply coverage determination, limitations, service authorizations, and price edits/balancing rules to each ingredient of a multi-ingredient compound transaction.
PBMS-GN-080	The Contractor shall provide the ability to pay a compound claim for only those ingredients covered under the program benefits when other ingredients in the compound are not covered in the program benefit.



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Requirement ID	Requirement
PBMS-GN-081	The Contractor shall provide a Solution that mitigates the risk of FFS pharmacy claims adjudicating to a paid status if a duplicate medical claim has previously been adjudicated and paid by the MES.
PBMS-GN-082	The Contractor shall provide a PBMS that allows DMAS to define and deploy edits/audits that restrict FFS pharmacy claim payments for products/services that are covered under the medical pharmacy benefit.
PBMS-GN-083	The Contractor shall provide the ability to view all rules and data elements applied to or used in an adjudicated claim record.
PBMS-GN-084	The Contractor shall provide the ability, during adjudicated claim review, to navigate to additional member information including concurrent drug therapy, ProDUR interactions, and chronic or acute diagnoses received from MES.
PBMS-GN-085	The Contractor shall provide the ability to navigate between associated claim records (e.g. users, authorized via role-based security, may view original claim submission record as well as any claim reversal or adjustments without requiring a new search).
PBMS-GN-086	The Contractor shall provide an automated Solution to apply mass adjustments to previously adjudicated claims.
PBMS-GN-087	The Contractor shall provide a mass-adjustment Solution with workflow management gates that allow the Department to review and approve, at an individual claim level, adjustment activity prior to application to the claim(s) in a production environment.
PBMS-GN-088	The Contractor shall maintain a website for the Virginia Medicaid Pharmacy Services Program that supports single-sign-on where the Identity Manager is the DMAS ICAM Solution.
PBMS-GN-089	The Contractor shall maintain a website that contains both static content, such as program specific postings or member and provider notifications, and dynamic content accessed through role-based user security to Web Services including, but not limited to, an on-line drug lookup that provides product or service coverage, limitations in effect, hyperlinks to forms for requesting or submitting prior authorization, and program contact information.
PBMS-GN-090	The Contractor shall develop and make available web-based information to aid providers and members in understanding and compliance with program requirements and design.
PBMS-GN-091	Create and distribute presentation materials for DMAS DUR Board meetings.
PBMS-GN-092	Attend and lead DMAS DUR Board meetings in support of Department ProDUR, RetroDUR, and provider profiling activities; provide meeting minutes from DMAS DUR Board meetings. Distribute and make DUR Board minutes available electronically as directed by the Department.
PBMS-GN-093	Create and distribute presentation materials for DMAS P&T Committee meetings.



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Requirement ID	Requirement
PBMS-GN-094	Attend and support the DMAS P&T Committee in performing its responsibilities in the administration and maintenance of the PDL and service authorization programs; provide meeting minutes from DMAS P&T Committee meetings. Distribute and make available electronically as directed by the Department.
PBMS-GN-095	The Contractor shall research, coordinate, and resolve drug claims processing problems identified by providers, DMAS and the Contractor; resolution is defined as completion of appropriate corrective action that includes any reprocessing or mass adjustment activities required to sate the documented problem.
PBMS-GN-096	The Contractor shall provide, at the direction of the Department, secure transmission and delivery of FFS pharmacy claim data to approved entities or agencies in support of care coordination, case management, or litigation and investigation activities.
PBMS-GN-097	Support a bi-directional interface with the MES System Integrator to send and receive claim and encounter data using XML versions of industry standard formats.
PBMS-GN-098	The Contractor shall support assignment of fund codes to FFS pharmacy claims in the claim extract to identify distinct DMAS financial accounting fund sources.
PBMS-GN-099	The Contractor shall obtain DMAS approval prior to archiving data from production application(s) or environment(s). All data archived by the Contractor shall be readily retrievable, defined as available to DMAS within 5 business days. This shall include all paper record storage placed in an archive or off-site storage facility.
PBMS-GN-100	The Contractor shall provide to DMAS the results of program quality assurance reviews of PBMS functions; documented results shall include any action taken that updates Contractor's Solution or Policies and Procedures.
PBMS-GN-101	The Contractor shall complete an annual review of all formal documentation shared with DMAS, on a mutually agreed upon schedule, and provide a report of any changes or modification to Contractor's PBMS within 15 business days of completion of the review.
PBMS-GN-102	The Contractor shall develop and deploy a Training Plan, reviewed and updated annually, that provides system, user, analytical and reporting training materials and courses to support Contractor's and DMAS staff activities. The Contractor shall provide training which is comprehensive enough so the Agency PMO can participate in the deliverable review and approval process.
PBMS-GN-103	The Contractor shall provide the following documentation, updated throughout the life of the contract, regarding the Contractor's PBMS: detailed system design, user manuals, training materials for DMAS staff, detailed descriptions of all standard reports including the Contractor's methodology to generate results and Contractor data dictionary.
PBMS-GN-104	The Contractor shall provide online access to all service authorization information including automated service authorizations.
PBMS-GN-105	The Contractor shall provide a scheduled, standard reporting package that allows the Department to monitor the distribution of final price types, at a product and program level, for all FFS Pharmacy claims.



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Requirement ID	Requirement
PBMS-GN-106	The Contractor shall provide the Department with the reporting output of their standard reporting packages using an online access point as well as through other secure delivery methods as specified by the Department.
PBMS-GN-107	The Contractor shall provide clinical, operational, and ad-hoc reporting for any Virginia Medicaid report requests or analytical activities required to meet the needs of DMAS.
PBMS-GN-108	The Contractor shall produce and coordinate a comprehensive PBMS annual report and presentation to include all aspects managed by the Contractor, incorporating input from DMAS and other Contractors supporting the MES.

J.21 – DRUG UTILIZATION REVIEW

Requirement ID	Requirement
PBMS-DUR-001	The Contractor shall provide automated, integrated online real-time ProDUR functionality that is fully compliant with 42 CFR Subpart K – Drug Use Review (DUR) Program and Electronic Claims Management System for Outpatient Drug Claims (Section 456.700-456.725, provides the requirements for the DUR program).
PBMS-DUR-002	The Contractor shall provide online access to Prospective Drug Utilization Review (ProDUR) criteria/screening data files.
PBMS-DUR-003	The Contractor shall provide DMAS users online access to DUR criteria for the purpose of displaying DUR module groupings (therapeutic classes), dosing guidelines/limitations, and other configurable criteria available for edits.
PBMS-DUR-004	<p>The Contractor shall provide configurable DUR Clinical Module edits that meet the requirements of DMAS policy as listed below in items A through K. The Contractor shall note any capability exceptions.</p> <ul style="list-style-type: none"> A. Drug-Drug Interaction B. Therapeutic Duplication C. Drug-Disease Contraindications D. Early Refill/Excessive Utilization E. High Dosage F. Maximum Duration G. Pregnancy Precaution H. Breastfeeding Precaution I. Late Refill/Non-Compliance J. Drug Age (Pediatric/Geriatric) K. Drug to Gender



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Requirement ID	Requirement
PBMS-DUR-005	<p>The Contractor shall provide for each ProDUR alert/denial, as part of the claim transaction response, the information listed below in items A through D. The Contractor shall note any capability exceptions.</p> <ul style="list-style-type: none"> A. Alert conflict type (e.g., Drug-Drug interaction) B. Alert severity level C. Available data related to the alert (e.g., other drug or condition in conflict) D. Other data, including but not limited to, next fill date, other prescriber or pharmacy, and call center contact information
PBMS-DUR-006	<p>The Contractor shall provide a PBMS that allows the initial values for ProDUR Screening Parameters, such as severity level of interactions resulting in transaction denials or alternately returning only a warning message, to be defined by the Department during DDI and configured by an authorized business user.</p>
PBMS-DUR-007	<p>The Contractor shall provide ProDUR functionality that allows an authorized business user to refine, add, or remove specific Department-defined interactions for each ProDUR module deployed.</p>
PBMS-DUR-008	<p>The Contractor shall provide the ability to modify the national commercial drug file defined severity level for specific ProDUR interactions at the direction of the Department.</p>
PBMS-DUR-009	<p>The Contractor shall provide the ability to use existing Medicaid FFS and MCO Member pharmacy claim history records to evaluate current prescription claim transactions for possible interactions between the member's active historical prescriptions and the drug currently prescribed.</p>
PBMS-DUR-010	<p>The Contractor shall provide a PBMS that has the ability to capture and store chronic disease states on the member record for use during adjudication.</p>
PBMS-DUR-011	<p>The Contractor shall provide a PBMS with the ability to return ProDUR response messages, up to the NCPDP limit allowed in the claim transaction response to the billing Provider for both paid and denied transactions.</p>
PBMS-DUR-012	<p>The Contractor shall provide a PBMS that allows the Department to determine the hierarchy of ProDUR edits in the transaction response.</p>
PBMS-DUR-013	<p>The Contractor shall provide interaction or event detail in the transaction response, using the NCPDP DUR Response Segment, to enable the submitter to perform a comprehensive prospective drug utilization review to ensure patient safety.</p>
PBMS-DUR-014	<p>The Contractor shall provide a PBMS that allows the pharmacist to use his or her professional judgement as to the depth of counseling required for DUR conflict resolution and to submit documentation of their activity using the NCPDP Billing Transaction DUR/PPS Segment to effect a provider level override of ProDUR alert.</p>
PBMS-DUR-015	<p>The Contractor shall provide a configurable PBMS that allows the Department to define the combinations of provider submitted values in the DUR/PPS Segment that will authorize a provider level override.</p>



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Requirement ID	Requirement
PBMS-DUR-016	The Contractor shall provide the ability to edit a claim against data elements in the prescriber or pharmacy provider record, identified via submitted National Provider Identifier (NPI) in the NCPDP transaction, for the purpose of overriding or bypassing ProDUR edits (e.g., not returning ProDUR denial responses on prescription claims written by certain prescriber specialties or taxonomies).
PBMS-DUR-017	The Contractor shall support PBMS call-center staff override, by authorized users, for all ProDUR edits.
PBMS-DUR-018	The Contractor shall support configuration of Department defined drug utilization review edits that require additional clinical intervention or information.
PBMS-DUR-019	The Contractor shall provide the ability to deny Department-defined ProDUR interactions with an NCPDP "75 - Prior Authorization Required" reject code (511-FB) response in addition to any Pro-DUR alert; do not allow provider-level override submission to return a paid claim response without required service authorization on file for the edit.
PBMS-DUR-020	The Contractor shall provide the ability to bypass DUR edits for paper claim processing, or other Department defined claim adjudication scenarios.
PBMS-DUR-021	The Contractor shall provide their standard DUR reporting package, including claim-level reporting capability upon request, listing all ProDUR alerts encountered for specified members, providers, and/or prescribers.
PBMS-DUR-022	The Contractor shall manage the operational functions for the RetroDUR Solution including the collaborative development and presentation of therapeutic criteria for review and approval, Solution updates and maintenance required to deploy approved criteria, and the production of RetroDUR reports and profiles.
PBMS-DUR-023	The Contractor shall provide licensed pharmacist reviewers who shall review, using clinical tools and professional discretion, Contractor generated RetroDUR profiles. Profiles approved through this requirement shall be delivered to the RetroDUR distribution channel(s) for distribution.
PBMS-DUR-024	The Contractor shall provide a RetroDUR Solution that will produce and mail materials to identified prescribers as well as provide materials in .pdf format that shall be made available on a secure prescriber portal for purposes of focused educational interventions and report card monitoring based on Department and DUR Board approved Retrospective DUR criteria.
PBMS-DUR-025	Provide the ability to suppress profile distribution, for a period specified by the Department, when a prior criteria review generated a RetroDUR intervention to the prescriber.



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Requirement ID	Requirement
PBMS-DUR-026	<p>The Contractor's RetroDUR Solution must retrieve information and produce outputs which support the creation of the reports listed below. The Contractor is required to identify those items where it cannot provide a reporting capability in their response to meeting this requirement.</p> <ul style="list-style-type: none"> A. Monthly summary reports that include a count of members whose profiles are being flagged for the current month, a listing of member names and numbers, and a listing of all drugs that caused profiles to be generated B. Member specific drug history reports which includes a chronological listing of all drugs dispensed and summary of providers involved in a member's therapy C. A report of intervention responses received in response to RetroDUR opportunities D. Outcome assessment reports as defined by DMAS E. A report that identifies drug claim records paid that are not appropriate for current primary or secondary diagnosis F. Reports on the cost savings from Retro-DUR including qualitative and quantitative analysis of the impact of the program
PBMS-DUR-027	<p>The Contractor's Retro-DUR Solution profiles presented for review shall contain pharmacy claim level detail that includes member, provider and drug detail, and shall incorporate encounter claim data in the creation of the member profile.</p>
PBMS-DUR-028	<p>The Contractor shall provide the ability to generate reports that compare RetroDUR activity using month-to-date and year-to-date totals.</p>
PBMS-DUR-029	<p>The Contractor shall provide the ability to generate RetroDUR reports for a user defined variable date range.</p>
PBMS-DUR-030	<p>The Contractor shall provide their standard Drug Utilization Review reporting package that meets the Department's program monitoring needs as documented in items a through f below. The Contractor is required to identify those items where it cannot provide a reporting capability in their response to meeting this requirement.</p> <ul style="list-style-type: none"> A. Alerts/claims denials by reason (e.g., therapeutic duplication, drug/drug interaction, excessive utilization) B. Reports to the DUR Board for review of output and approval of corrective actions C. Cost saving and cost tracking reports (e.g., savings amounts, co-pays) D. Identification of DUR interaction at various drug hierarchy levels E. Claim-level reporting of interventions, outcomes, trends, and opportunities F. Drug-file ProDUR interaction update reporting (e.g., changes to therapeutic class, update descriptions, interaction criteria additions or changes)
PBMS-DUR-031	<p>The Contractor shall provide clinical, operational, and reporting resources to support production of the Medicaid Drug Utilization Review Annual Report Survey.</p>
PBMS-DUR-032	<p>The Contractor shall provide draft versions of all Contractor content required to complete the Medicaid Drug Utilization Review Annual Report Survey at least 120 calendar days prior to submission due date with final versions of Contractor content no less than 60 days prior to submission due date.</p>



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Requirement ID	Requirement
PBMS-DUR-033	The Contractor shall provide an online quarterly Pharmacy Update newsletter that contains DMAS program announcements, clinical alerts that educate the pharmacy provider community, and other Department-directed content that supports the advancement of the Agency.
PBMS-DUR-034	The Contractor shall provide the Department an annual review of the prior Fiscal year with identified opportunities for improvement or development of innovative practices related to items captured in the Medicaid Drug Utilization Review Annual Report Survey.
PBMS-DUR-035	The Contractor shall identify and present to DMAS suggested program improvements or initiatives that could result in more effective drug therapy management, clinically appropriate cost saving opportunities, or enhancements to provider or member experience.

J.22 – UTILIZATION MANAGEMENT

Requirement ID	Requirement
PBMS-UM-001	The Contractor shall accept, log, and report to the Department any utilization anomalies or fraud, waste and abuse events reported by internal or external customers within 24 hours of Contractor notification.
PBMS-UM-002	The Contractor shall research any utilization anomalies or fraud, waste, and abuse events reported by internal or external customers and report Contractor findings within 72 hours or initial report to the Department.
PBMS-UM-003	The Contractor shall provide monthly status reporting on all Contractor research and outcomes related to utilization anomalies or fraud, waste, and abuse events; in the event an entry is not resolved when the monthly status is reported, retain the event on the monthly report until such time as it is resolved.
PBMS-UM-004	The Contractor shall provide the ability, at the Department's direction, to restrict a member's pharmacy activity to a defined pharmacy, prescriber, or combination of pharmacy and prescriber.
PBMS-UM-005	The Contractor shall monitor and report on clinical and financial utilization activity for members in the DMAS Client Medical Management (CMM) program.
PBMS-UM-006	The Contractor shall generate expenditure and utilization data by benefit/plan/program any of their components to support budget forecasts, monitoring and health benefit modeling.
PBMS-UM-007	The Contractor shall provide analysis and recommendations on an ongoing basis to identify and monitor clinical and financial utilization issues that may warrant new edits or audits.
PBMS-UM-008	The Contractor shall provide the ability to apply different automated utilization anomaly detection criteria for members identified as part of a special populations or programs (e.g. End Stage Renal Disease or Aged, Blind and Disabled).



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Requirement ID	Requirement
PBMS-UM-009	The Contractor shall provide support for the Surveillance and Utilization Review (SUR) team as needed to support the Department's lock-in program.
PBMS-UM-010	<p>The Contractor shall provide, as part of the reporting functionality, the automated production and delivery of monthly standard reports. Included in these standard reports are those that identify inappropriate activity or improper utilization by member, prescriber, or provider that fall within, but not limited to the categories below. The contractor shall provide online access to detailed data that suggest utilization anomalies and is required to identify those categories where it cannot provide data access in their response to meeting this requirement.</p> <ul style="list-style-type: none"> ➤ High utilization (claim volume as well as financial) ➤ Early refill of controlled substances ➤ Early refill of non-controlled substances ➤ Late refill patterns or suspected non-compliance ➤ Pediatric utilization when contraindicated ➤ Geriatric utilization when contraindicated ➤ Doctor Shopping ➤ Pharmacy Shopping ➤ Excessive Pharmacy Provider claim rejection or resubmission rate ➤ Inappropriate use of Other Coverage Codes in claim submission ➤ Inappropriate use of DUR Professional Service Codes
PBMS-UM-011	The Contractor shall research outlier utilization activity identified in PBMS-UM-010 and provide results of Contractor findings within 5 business days of delivery of the monthly report(s) along with Contractor's recommendations to the Department to mitigate future recurrent risk.

J.23 – SERVICE AUTHORIZATION

Requirement ID	Requirement
PBMS-SA-001	The Contractor shall capture and store all changes made to service authorization determinations, including the source of the edit or update.
PBMS-SA-002	The Contractor shall create and distribute communication letters to providers and members regarding service authorization determinations in accordance with the Department's rules and regulations (e.g., notification timing, content, and appeal rights).
PBMS-SA-003	The Contractor shall comply with all Federal and State Grievance and Appeal regulations as found in CFR 42 Subpart E 431.200-431.250, the Virginia Administrative Code at 12 VAC 30-110-10 through 12 VAC 30-110-370, 12 VAC 30-20-500 through 12 VAC 30-20-560, and in the Virginia Code at 2.2.4019, 2.2.4020, and 32.1-325.1.



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Requirement ID	Requirement
PBMS-SA-004	The Contractor shall provide a workflow management administered Solution for service authorization reconsiderations; upon request by a member or provider, a denied service authorization request must be routed to a clinician that was not party to the original denial who shall complete and document the results of the reconsideration in the Contractor's PBMS.
PBMS-SA-005	The Contractor shall support the exchange of approved and denied service authorization records using the NCPDP Prior Authorization Transfer Standard (inbound and outbound transfer between other service organizations and the Department).
PBMS-SA-006	The Contractor shall identify and reject duplicate service authorization requests.
PBMS-SA-007	The Contractor shall provide the ability for authorized users to search service authorization records using selected criteria including, but not limited to, provider (name or ID), member (name or ID), and product or service.
PBMS-SA-008	The Contractor shall apply the same evaluation criteria to service authorization requests received from all transaction sources (mail, phone, fax, electronic, or automated).
PBMS-SA-009	The Contractor shall support the receipt and use of clinical attachments as a component of service authorization determination (e.g., HL7/275).
PBMS-SA-010	The Contractor shall maintain compliance with NCPDP Standards and Guidance applicable to service authorization processing.
PBMS-SA-011	The Contractor shall produce and distribute to the Department, the Contractor's standard reports on the results of the automated service authorization Solution to monitor the performance and accuracy of the process.
PBMS-SA-012	The Contractor shall provide an Electronic Prior Authorization (ePA) Solution as defined in the NCPDP SCRIPT Standard and named in the Medicare Modernization Act (MMA) in support of Meaningful Use (MU).
PBMS-SA-013	The Contractor shall record and maintain service authorization records in a manner that allows authorizations to affect the disposition of a claim should the member's enrollment change program, group, or plan.
PBMS-SA-014	The Contractor shall provide Single-Sign-On access to DMAS Staff, authorized via role-based security, to review, evaluate, and update service authorization records.
PBMS-SA-015	The Contractor shall provide the ability to identify, search, and report on service authorizations with potentially conflicting or duplicative data.
PBMS-SA-016	The Contractor shall attest and confirm, by standard reports or dashboards, that the Contractor's service authorization Solution is available 24 hours per day, seven (7) days per week, except for DMAS-approved scheduled maintenance.
PBMS-SA-017	The Contractor shall provide response by telephone or other telecommunication device within 24 hours of a request for service authorization in compliance with Section 1927(d)(5)(A) of the Social Security Act.



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Requirement ID	Requirement
PBMS-SA-018	The Contractor's PBMS shall provide the flexibility and configurability to create and modify Pharmacy Benefit Plans within the rules-based PBMS such that services, limitations and service authorizations within a pharmacy benefit/plan/program are created and maintained by business users and do not require development or customization.
PBMS-SA-019	The Contractor shall provide a PBMS that allows the Department to define Pharmacy Benefit Plans, edit and audit criteria, and service authorization rules for a product or service that may be program or population specific.
PBMS-SA-020	The Contractor shall provide the ability for authorized users to create and update a searchable free-form text field, of no less than 240 bytes, in service authorization detail records.
PBMS-SA-021	The Contractor shall provide an auto-assigned unique, non-duplicated Authorization Identifier that supports utilization tracking through the life of the service authorization.
PBMS-SA-022	The Contractor shall provide the ability to exempt Department-designated members or providers from service authorization requirements in a manner that allows DMAS to identify those exemptions from routine application of Service Authorization criteria.
PBMS-SA-023	The Contractor shall provide the ability to message or notify providers prior to the deployment of future scheduled edits or authorizations.
PBMS-SA-024	The Contractor shall provide the ability to notify DMAS providers, via electronic delivery methods, prior to the deployment of program changes when directed by the Department.
PBMS-SA-025	The Contractor shall provide the ability to communicate electronically with the submitter of an authorization request in the event additional data or intervention is required.
PBMS-SA-026	The Contractor shall support the application of service authorization criteria at Department defined drug hierarchy levels or their equivalent in the Contractor's PBMS.
PBMS-SA-027	The Contractor shall support the ability to deny claims for products that are not covered by the member benefit even if an authorization is in effect for the product (e.g. non-rebate eligible manufacturer in a therapeutic classification otherwise subject to authorization).
PBMS-SA-028	The Contractor shall support the evaluation of medical claims and medical claim data when evaluating a claim subject to service authorization criteria.
PBMS-SA-029	The Contractor shall support the application of date specific edit criteria when evaluating a claim subject to service authorization.
PBMS-SA-030	The Contractor shall provide the ability to define service authorization criteria at the benefit/plan/program (i.e., unique service authorization criteria may be applied to different defined groups or sub-groups of members where distinct authorization criteria applies).



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Requirement ID	Requirement
PBMS-SA-031	The Contractor shall provide the ability to "grandfather" members on identified services when a new service authorization edit is identified and deployed; the Department currently manages a Preferred Drug List. At the discretion of the DUR Board, P&T Committee, or the Department members who are current users of a drug may be permitted to continue to receive a non-preferred agent for a specified period of time, while new users are subject to service authorization requirements.
PBMS-SA-032	The Contractor shall provide the ability to view all authorizations associated with a member record.
PBMS-SA-033	The Contractor shall support date specific service authorization entry including retrospective authorization effective dates.
PBMS-SA-034	<p>The Contractor shall operate a provider and member PBMS call center and shall meet the requirements in items a through j below. Contractor is required to identify those call center services it cannot provide in their response to meeting this requirement.</p> <ul style="list-style-type: none"> A. Call Center staffed 24 hours a day, 7 days per week B. Toll-Free caller access for providers and members C. Multilingual call center services, including TTY access, for all callers that supports languages prevalent in the Commonwealth of Virginia D. Call center staff trained to support DMAS requirements; this shall include remediation training when appropriate E. Caller assistance resolving requests regarding the use of drugs on the preferred drug list, mandatory generic policy, clinical service authorizations, quantity limitations, drug utilization review (DUR), eligibility F. Caller assistance for provider questions or issues related to claim submission issues or errors received in response to claim submission G. Call center staff with minimum competency requirements of certified pharmacy technicians and licensed pharmacists during all hours of call center operation to respond to pharmacy related questions that require clinical interventions, reconsiderations or consultative decisions; provide licensed physician support through the Contractor's CMO, Medical Director or their designee(s) for responses to service authorization request reconsiderations H. A Virginia licensed call center pharmacist, with a Pharm. D degree or equivalent DMAS approved experience, dedicated to the Commonwealth of Virginia contract I. A call monitoring solution that allows the Department to listen to call records, including caller and Contractor staff, on a scheduled or ad hoc basis J. Contractor's standard reporting package of weekly, monthly and annual reports demonstrating call center performance
PBMS-SA-035	The Contractor shall provide access to physician(s) who are specialists in certain practice areas including, but not limited to, pediatrics, geriatrics, and psychiatry for consultation related to the administration of the pharmacy program and for reconsideration and appeal reviews to determine the most appropriate outcome of the service authorization request.



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Requirement ID	Requirement
PBMS-SA-036	The Contractor's PBMS shall provide a workflow management solution that allows authorized call center staff to prioritize and escalate requests based upon service requested, requestor type, authorization decision/status, reconsideration status, or other Department defined criteria (e.g. Edit Complexity, Age of Request).
PBMS-SA-037	The Contractor shall provide all documentation, staff support, and research required for any reconsideration escalated to DMAS level appeal processing in the timeframes established by Virginia Code and Virginia Administrative Code.
PBMS-SA-038	The Contractor shall attend and defend the Contractor's decisions at all appeal hearings and conferences, whether informal or formal, or whether in person or by telephone or as deemed necessary by the DMAS Appeals Division. Failure to attend or defend the Contractor's decision at any appeal hearing or conference shall result in the Contractor being held liable for any costs that DMAS incurs as a result of the Contractor's noncompliance.
PBMS-SA-039	The Contractor shall provide the ability to display and print all communication records associated with a service authorization request.
PBMS-SA-040	The Contractor shall process, retain, and make available to the MES all service authorization data for use in reporting and analytics.
PBMS-SA-041	The Contractor shall coordinate and standardize processing and tracking of service authorization data for the purpose of utilization review.
PBMS-SA-042	The Contractor shall provide their standard reporting package for service authorization activity, both detailed and summary, to help improve management of member outcomes and program efficiency.

J.24 – THIRD PARTY LIABILITY

Requirement ID	Requirement
PBMS-TPL-001	The Contractor shall support all TPL functions, files, and data elements necessary to meet the requirements of this RFP, CMS certification standards, and the State Medicaid Manual (Part 11 and Section 3900).
PBMS-TPL-002	The Contractor shall provide support as well as any required member data to facilitate identification and matching of potential other health insurance information with other intrastate government agencies and intra/interstate private insurers to ensure that Medicaid is the payor of last resort.
PBMS-TPL-003	The Contractor shall provide an automated process to receive TPL or other health insurance coverage provided by other Contractors or agencies, match information to clients, and apply to the member record.
PBMS-TPL-004	The Contractor shall provide the capability to maintain audit trails and report on changes to TPL data as directed by DMAS.



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Requirement ID	Requirement
PBMS-TPL-005	The Contractor shall accept and load TPL carrier and resource files and update member and carrier information as received in the member eligibility file from the MES; historical TPL eligibility and coverage data shall be maintained through the life of the contract.
PBMS-TPL-006	The Contractor shall provide a PBMS that will accept, apply, and store provider submitted other health insurance information received in the NCPDP Coordination of Benefits/Other Payments segment for insurance carriers not listed on the Member eligibility file.
PBMS-TPL-007	The Contractor shall provide a PBMS with the ability to apply program specific TPL processing rules and edits pursuant to the member's other health insurance carrier or coverage sector (e.g. private vs public).
PBMS-TPL-008	The Contractor shall provide the ability to cover only Department approved products for members who are identified as dually eligible for Medicare and Medicaid including denial of any submitted claims for Part-B eligible products. (DMAS does not provide coverage for any Medicare Part D copayment or pay for drugs not covered by Part D plan formularies, other than the CMS defined list of drugs that are excluded by Part D and remain the responsibility of Medicaid).
PBMS-TPL-009	The Contractor shall support all fields in the Coordination of Benefits/Other Payments Segment (Request and Response) as provided in NCPDP standards for claims/encounters; process transactions in full compliance with the HIPAA named NCPDP standard, the appropriate External Code List version, NCPDP published guidance, and editorial documents.
PBMS-TPL-010	The Contractor shall maintain HIPAA/NCPDP compliant Coordination of Benefits/Other Payments processing functionality, at no additional cost to the Department, throughout the life of the contract.
PBMS-TPL-011	The Contractor shall deny claims for members with appropriate third-party coverage or Medicare Part D assignment.
PBMS-TPL-012	The Contractor shall provide Other Payer Information when a claim is rejected/denied as a result of failure to cost avoid another payer or payers; return all known carrier details regarding Other Payer(s) and member coverage detail with Other Payer(s).
PBMS-TPL-013	The Contractor shall provide Other Payer(s) and Member information as noted in Requirement PBMS-TPL-012 if a claim is rejected due to benefit limitations and Other Payer(s) coverage is present on the member record.
PBMS-TPL-014	The Contractor shall provide call center support to pharmacy providers for TPL issues including the ability to override or allow claim processing if it is determined that the member Other Payer record (TPL) does not accurately reflect existing member coverage.
PBMS-TPL-015	The Contractor shall provide a workflow management Solution to identify and escalate the exchange with the MES event detail related to any TPL issues resolved through the Contractor's call center that required the Contractor to update to the member record.



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Requirement ID	Requirement
PBMS-TPL-016	The Contractor shall provide a PBMS that will edit all claim billing and service billing transactions, during claim adjudication, for other health insurance coverage to ensure Medicaid is the payer of last resort.
PBMS-TPL-017	The Contractor shall provide a PBMS that supports multiple Other Payer coverage records (including Medicare) per member up to the limit defined in the appropriate HIPAA named standard(s); maintain an unlimited number of date-specific (effective and termination) historical Other Payer coverage records for each client.
PBMS-TPL-018	The Contractor shall provide a PBMS that is capable of evaluating one or more Coordination of Benefit segments on an individual member record when adjudicating a claim or service billing transaction.
PBMS-TPL-019	The Contractor shall provide claim transaction responses that contain all known Other Payer records in the event one or more known Other Payer coverages on the member record are not appropriately cost avoided.
PBMS-TPL-020	The Contractor shall provide the ability to deploy coordination of benefits financial validation edits to ensure Coordination of Benefit/Other Payment amounts are reasonable relative to the Medicaid Allowed Amount; Contractor shall provide user configurable functionality to mitigate risk of providers submitting inappropriate financial amounts from primary or secondary payers to DMAS. Department defined value(s) to support the Contractor's PBMS will be provided during DDI.
PBMS-TPL-021	The Contractor shall provide the ability to adjudicate claims submitted with Other Payer co-payment or co-insurance amounts in the NCPDP COB Segment and shall calculate the Medicaid allowed amount in compliance with NCPDP standards and guidance.
PBMS-TPL-022	The Contractor shall provide a PBMS that supports claim editing using NCPDP Field 472-6E Other Payer Reject Code when providers submit NCPDP Field 308-C8 Other Coverage Code = 3 (Other Coverage Billed - claim not covered).
PBMS-TPL-023	The Contractor shall provide a PBMS that allows the Department to define which Other Payer Reject Codes (NCPDP Field 472-6E) are permitted to continue claim processing under Medicaid benefits when the other payer has returned a claim not covered response.
PBMS-TPL-024	The Contractor shall support the exchange, with the MES, of any new or changed TPL information received during claim processing for DMAS review, research, and integration with the member record.
PBMS-TPL-025	The Contractor shall provide, as part of their standard reporting package, monthly standard reporting of TPL activity by insurance carrier and other coverage code activity.
PBMS-TPL-026	The Contractor shall provide, as part of their standard reporting package, monthly reporting of all TPL overrides processed by the Contractor's call center.
PBMS-TPL-027	The Contractor shall provide their standard Unduplicated Cost Avoidance (TPL) reports, including documented report design, by program category and by type of service with accurate totals and subtotals.



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Requirement ID	Requirement
PBMS-TPL-028	The Contractor shall support the automated load, as claim adjustments entered at the transaction level, of monies reported recovered by the DMAS Recovery Contractor; all adjustments received shall remain on the claim record through the life of the contract.
PBMS-TPL-029	The Contractor shall provide automated tracking and exchange of detail related to recoveries by source of recovery, including the ability to load adjustment reason code(s) to individual claim adjustment entries.
PBMS-TPL-030	The Contractor shall provide unique identification of individual recovery entries to support the application of multiple recovery events for a single claim transaction.
PBMS-TPL-031	The Contractor shall support Medicaid Subrogation activities, including creation and receipt of subrogation files, in full compliance with HIPAA named standards.
PBMS-TPL-032	The Contractor shall support the ASC X12N 270/271 eligibility request and response transactions for internal and external customers approved by the Department.

J.25 – ENCOUNTERS

Requirement ID	Requirement
PBMS-ENC-001	The Contractor shall implement and update Encounter Processing/Load functionality to maintain accuracy of claims, encounters, code sets, and adjustment processes, at no charge to the Department, to maintain compliance with industry standards for information exchange as adopted by CMS.
PBMS-ENC-002	The Contractor shall accept and process/load paid and denied encounter claims in formats as mandated by HIPAA.
PBMS-ENC-003	The Contractor shall provide the ability to categorize and display encounter claims in a manner that distinguishes them from fee-for-service claims in PBMS applications.
PBMS-ENC-004	The Contractor shall provide the ability to uniquely identify the Organization or Program associated with an encounter.
PBMS-ENC-005	The Contractor's PBM shall bypass fee-for-service Medicaid PBMS edits in whole or in part, as defined by the department, when processing/loading encounter claims to the PBMS Contractor's application(s).
PBMS-ENC-006	The Contractor shall provide configurable encounter validation criteria for individual managed care program in addition to DMAS approved fee-for-service criteria.
PBMS-ENC-007	The Contractor shall accept and integrate encounter claim data for products or services covered by the submitting entity but not covered in the fee-for-service benefit; ensure those encounters are viewable in PBMS ancillary applications required to support Contractor and DMAS business processes.
PBMS-ENC-008	The Contractor shall provide the ability to capture utilization that occurred while the member was enrolled in managed care and, at the Department's direction, integrate captured utilization with fee-for-service edits/audits or limitations when a member is eligible under the fee-for-service benefit.



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Requirement ID	Requirement
PBMS-ENC-009	The Contractor shall provide the ability to shadow price encounter claims, on an ad-hoc basis and as specified by the Department; make available to DMAS the shadow price calculated amount to support DMAS review and monitoring of Encounter Cost Value for pharmacy claims, defined as the cost of services reported on the encounter claim priced as if paid on a fee-for-service basis.
PBMS-ENC-010	The Contractor shall attest to and demonstrate that encounter claims processed or loaded to the Contractor's systems are excluded from all PBMS Contractor fee for service claim extracts delivered to the MES for distribution to CSS, FMS, or EDWS.
PBMS-ENC-011	The Contractor shall create and publish a companion guide specifying policies, procedures, and requirements for the submission of encounter claim data required to support PBMS Contractor responsibilities including, but not limited to, drug rebate programs, integrated RetroDUR analytics and reporting, program edits, and federal reporting requirements.
PBMS-ENC-012	The Contractor shall provide the ability to receive and apply adjustments or recoveries to previously processed encounter claims, when approved by DMAS.
PBMS-ENC-013	The Contractor shall provide the ability to apply mass adjustments to encounter claims at the direction of DMAS and shall support any reconciliation activities required by DMAS related to adjustment(s).
PBMS-ENC-014	The Contractor shall provide response error files, at the claim level, detailing any encounter data rejected by the PBMS Contractor during encounter processing/load.
PBMS-ENC-015	The Contractor shall support the correction of any errors identified during Encounter processing/load; this shall include reprocessing of error claims or files utilizing fields 981-JV Transmission Action and 398 Record Indicator along with compliant External Code List values for those fields.
PBMS-ENC-016	The Contractor shall provide technical and operational support, through documentation and active participation during meetings, for DMAS interactions with submitting entities when errors are reported and a multi-party, collaborative solution is required to resolve those errors.

J.26 – DRUG REBATE

Requirement ID	Requirement
PBMS-REB-001	The Contractor shall confirm that they have a minimum of five (5) years of experience managing OBRA drug rebate programs for at least one (1) client with greater than 20 million rebate claims processed per year.
PBMS-REB-002	The Contractor shall confirm that they have a minimum of five (5) years of experience managing Supplemental drug rebate programs for at least one (1) client with greater than two (2) million rebate claims processed per year.
PBMS-REB-003	The Contractor shall confirm that they operate an existing drug rebate solution capable of managing an increase in rebate claim volume of five (5) million claims per year without requiring system development.



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Requirement ID	Requirement
PBMS-REB-004	The Contractor shall provide a drug rebate solution with the ability to manage the administrative, billing, and reporting functions required to support DMAS Pharmacy and Medical Policy related to CMS and Supplemental Rebate programs including billing for Managed Care drug utilization as allowed under the Affordable Care Act.
PBMS-REB-005	The Contractor shall provide a Drug Rebate solution that meets all requirements for CMS certification.
PBMS-REB-006	The Contractor shall provide the following documentation regarding the Contractor's drug rebate solution: <ul style="list-style-type: none"> ➤ Detailed system design ➤ User manuals ➤ Training materials for DMAS staff ➤ Detailed descriptions of all drug rebate solution reports including: <ul style="list-style-type: none"> ✓ Contractor's methodology to generate results ✓ data dictionary for reports ✓ invoices, or other materials shared with DMAS or manufacturers
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.
PBMS-REB-008	The Contractor shall document and maintain, during the life of the contract, Contractor's standard operating procedures (SOPs) for processes required to support CMS and Supplemental Rebate programs.
PBMS-REB-009	The Contractor shall provide a drug rebate solution capable of maintaining distinct files and processes for Medicaid FFS Pharmacy and Medical Drug Rebates, Managed Care Pharmacy and Medical Drug Rebates, and Supplemental Rebates.
PBMS-REB-010	The Contractor shall maintain drug rebate program historical data, including conversion and storage of all paper records, in sustainable electronic format that supports indexing for both keywords and full text search.
PBMS-REB-011	The Contractor shall provide the ability to perform previous payment adjustments for Medicaid FFS Pharmacy and Medical Drug Rebates from 1991 to present.
PBMS-REB-012	The Contractor shall provide the ability to perform previous payment adjustments for Managed Care Pharmacy and Medical Drug Rebates from March 23, 2010 to present.
PBMS-REB-013	The Contractor shall provide a drug rebate solution that identifies and excludes from invoicing, any claims for products that are on the Drug Efficacy Standard Indicators (DESI) file as well as claims for products from manufacturers who do not participate in the Medicaid Drug Rebate Program.
PBMS-REB-014	The Contractor shall provide DMAS with a quarterly report, at the individual claim level, for any drug claims paid by the Medicaid program (FFS or Managed Care) for products that must be excluded due to DESI status or manufacturer non-participation in the Medicaid Drug Rebate Program.



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Requirement ID	Requirement
PBMS-REB-015	The Contractor shall provide a Medicaid Drug Rebate solution capable of identifying and excluding FFS or Managed Care claims dispensed using 340B drug inventory (physical or virtual).
PBMS-REB-016	The Contractor shall provide a Medicaid Drug Rebate solution that identifies any claim purported to have been dispensed with 340B inventory where an Other Payer provided any financial coverage; claims so identified shall be treated as non-340B program claims and included for manufacturer rebate invoicing.
PBMS-REB-017	The Contractor shall provide a Medicaid Drug Rebate solution capable of accepting retrospective notification of FFS or Managed Care claims identified as dispensed using 340B drug inventory.
PBMS-REB-018	The Contractor shall exclude from Medicaid Drug Rebate invoicing, or provide adjustments to prior invoice activity, all claims retrospectively identified to the Contractor or DMAS as dispensed using 340B drug inventory.
PBMS-REB-019	The Contractor shall maintain all records related to a labeler's optional and mandatory effective and termination dates in the CMS Drug Rebate Program and in a manner that is available for DMAS review and reporting.
PBMS-REB-020	Provide and operate a drug rebate management system that shall convert HCPCS Codes identifying payments for specific drug NDCs to medical providers to HCPCS valid 11 digit NDCs and capture the number of claims/prescriptions, and total reimbursed amount to be included on the quarterly drug rebate invoices.
PBMS-REB-021	The Contractor shall provide an NDC/HCPCS crosswalk file that contains a list of National Drug Codes (NDC) assigned to a Level II HCPCS along with any conversion factors required to calculate the appropriate drug rebate billing.
PBMS-REB-022	The Contractor shall allow DMAS to make modifications to the Contractor's NDC/HCPCS crosswalk file to maintain a DMAS specific version of the crosswalk.
PBMS-REB-023	The Contractor shall validate that all claims submitted for drug rebate that include a HCPCS code and NDC contain an NDC that is valid for the HCPCS code present on the claim.
PBMS-REB-024	The Contractor shall obtain, on behalf of DMAS, rebate data and program notifications from CMS on the first date the rebate data is posted and available on the CMS website.
PBMS-REB-025	The Contractor shall maintain and store, for the duration of the contract and turnover period, all rebate documents or files required to support the DMAS drug rebate program.
PBMS-REB-026	The Contractor shall obtain and store, at the Contractor's expense, all rebate documents including hard copy and electronic documentation of previous Contractor activity, on a schedule agreed upon by DMAS and all affected parties, with transfer completion prior to program implementation by Successful Contractor.
PBMS-REB-027	The Contractor shall invoice manufacturers for all rebate eligible products reimbursed by the DMAS Medicaid program.



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Requirement ID	Requirement
PBMS-REB-028	The Contractor shall include zero (0) Unit Rebate Amount (URA) product utilization data on manufacturer invoices.
PBMS-REB-029	The Contractor shall validate all manufacturer invoices, prior to distribution, for completeness and accuracy to minimize discrepancies or disputes.
PBMS-REB-030	The Contractor shall proactively identify and correct billing units in accordance with the NCPDP Billing Unit Standard and CMS rebateable units for all programs prior to creation of manufacturer invoices.
PBMS-REB-031	The Contractor shall provide multiple access points or methods for invoice delivery to manufacturers, including the ability to deliver via secure internet connection or manufacturer portal.
PBMS-REB-032	The Contractor shall provide the ability to reconcile electronic payment of rebate invoices paid by manufacturers via secure wire transfer or other secure electronic means approved by DMAS.
PBMS-REB-033	The Contractor shall commit to forwarding all checks inadvertently sent to the Contractor and shall prepare a check receipt tracking report that is reconciled with DMAS financial staff on a daily basis.
PBMS-REB-034	The Contractor shall obtain and store copies of all checks, or other manufacturer documentation processed for payment by DMAS.
PBMS-REB-035	The Contractor shall maintain all drug rebate program receivables at the NDC level.
PBMS-REB-036	The Contractor shall provide a Drug Rebate Management solution that is capable of allocating, completely and accurately, rebate dollars received by DMAS to the correct drug rebate program (FFS, MCO, Supplemental, or additional future programs).
PBMS-REB-037	The Contractor shall provide a Drug Rebate management solution that leverages evolving technologies in concert with CMS regulations and guidance related to manufacturer invoice distribution resulting in shortened manufacturer payment cycles.
PBMS-REB-038	The Contractor shall manage all manufacturer communication related to disputes, unpaid balances, or other variances including dunning notices and notification of interest accrual.
PBMS-REB-039	The Contractor shall provide invoice summary reports detailing rebate program activity including amounts billed, adjusted, or excluded, by manufacturer and quarter.
PBMS-REB-040	The Contractor shall provide all content required to complete the CMS64.9R report to DMAS no later than the tenth (10th) day of the month following invoicing for the quarter.
PBMS-REB-041	The Contractor shall provide a full coverage Supplemental Drug Rebate program including management of Contractor bids/participation, invoicing and collections activities with no lapse in Supplemental Rebate income to DMAS during or following any transition activities. For reference, the current DMAS Supplemental Rebate rebid cycle occurs in January and July.



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Requirement ID	Requirement
PBMS-REB-042	The Contractor shall provide a distinct Supplemental Rebate workplan that details all activities required of the Supplemental Rebate program including but not limited to, financial modeling, bid process, manufacturer negotiations, presentation to and review by the DMAS P&T Committee, and program invoicing.
PBMS-REB-043	The Contractor shall provide financial modeling scenarios of current PDL and suggested changes based on DMAS specific Supplemental Rebate Contracts no later than 30 days prior to Contractor's presentation to the P&T Committee.
PBMS-REB-044	The Contractor shall negotiate all supplemental rebates on behalf of DMAS according to a timeline that allows for financial modeling, presentations to the P&T Committee, and maintenance of the Preferred Drug List benefit design and all required program postings or notifications.
PBMS-REB-045	The Contractor shall provide DMAS with notification of new drugs to market and support an expedited review process when this occurs outside the standard bid cycle.
PBMS-REB-046	The Contractor shall provide a Supplemental Rebate Solution that mitigates risk to collection of Supplemental Rebate income from selected bidders.
PBMS-REB-047	The Contractor shall utilize Supplemental Rebate Contract templates supplied by DMAS.
PBMS-REB-048	The Contractor shall provide an online system to accept, track, and manage bid and negotiation activity with manufacturers.
PBMS-REB-049	The Contractor shall provide an online, searchable repository for the management, oversight, and execution of Supplemental Rebate Contracts including all attachments and exhibits.
PBMS-REB-050	The Contractor shall provide, on a mutually agreed upon cycle that is no less than annually, recommendations for expansion of the Supplemental Rebate program that contain financial modeling, for review by DMAS; recommendations may include, but are not limited to, drug classes, product lines, or supplies and equipment not currently managed under the Supplemental Rebate Program.
PBMS-REB-051	The Contractor shall provide quarterly reporting of Contractor's drug rebate program quality monitoring activities, changes to procedure or policy, and any updated program materials that are the result of findings.
PBMS-REB-052	The Contractor shall provide an annual Drug Rebate Summary Report that shall include utilization, savings, and program projections for all DMAS Drug Rebate programs managed by the Contractor.
PBMS-REB-053	The Contractor shall provide a suite of standard financial and operational reports to demonstrate the accuracy, efficiency, and performance of the Contractor's drug rebate Solution.
PBMS-REB-054	The Contractor shall provide a 340B Cost Ceiling report quarterly, no less than 15 days following the release of CMS calculated Unit Rebate Amounts that leverages CMS guidance related to Average Manufacturer Price (AMP) and Unit Rebate Amount (URA).



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Requirement ID	Requirement
PBMS-REB-055	The Contractor shall, at the direction of the Department, accept, apply, and utilize during claim adjudication Contractor calculated 340B Cost Ceiling price or a federally-approved price point that reflects the maximum price point under the 340B Program for a covered drug product.
PBMS-REB-056	The Contractor shall monitor all HRSA guidance, clarifications, or modifications to Section 340B of the Public Health Service Act (PHSA) to keep DMAS in full compliance with the 340B Drug Pricing Program.
PBMS-REB-057	The Contractor shall provide additional ad-hoc reports as required by DMAS to support program reviews and manufacturer or government agency inquiries or audits. Mutually agreed upon delivery dates of ad hoc reports will determined be at the time of the request and Contractor must meet all timelines imposed by external requests.
PBMS-REB-058	The Contractor shall provide a detailed description of the Contractor's Dispute Resolution Process including Standard Operating Procedures (SOPs), document capture and retention standards, and communication plan.
PBMS-REB-059	The Contractor shall attend, at the Contractor's expense, and represent DMAS at dispute resolution conferences to resolve any disputes not completed through Contractor's standard process.
PBMS-REB-060	The Contractor shall pursue, to the fullest extent possible, collection of all outstanding manufacturer drug rebate balances and resolve all aged receivables and disputes from 1991 to present.
PBMS-REB-061	The Contractor shall provide support for other Contractors awarded a component of the MES procurement as well as any encounter claim submitters to ensure a successful deployment of the Drug Rebate Management Solution to support DMAS' drug rebate programs.
PBMS-REB-062	The Contractor shall provide support for Testing and Audit activities, including the assignment of Contractor drug rebate program resources to participate in all phases of required activity for the deployment of the MES.



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J.27 – DMAS DEFINED OPTIONS

The requirements below are those that DMAS has identified as requirements that it will consider optional, meaning DMAS will maintain the option to include the related requirements in the Pharmacy Benefit Management Solution. The price for these options will not be considered as part of the baseline price proposal used for evaluation.

J.27.A – SPECIALTY DRUG MANAGEMENT

Requirement ID	Requirement
PBMS-SDM-001	The Contractor shall provide an innovative Specialty Drug Management Solution that demonstrates a keen understanding of the Medicaid program and populations. The goals of a Contractor managed Specialty Drug Management Solution include ensuring appropriate access to specialty drug therapies, control or reduction in overall program costs and benefit expenditures, and the ability to scale or add products or therapies as the product pipeline evolves and expands.

J.27.B – IDENTIFICATION OF OTHER HEALTH INSURANCE

Requirement ID	Requirement
PBMS-OHI-001	The Contractor shall provide a reliable and accurate means of identifying other health insurance coverage for prescriptions dispensed to Virginia Medicaid members. The goals of the identification of other health insurance Solution include strengthened assurance that DMAS is the payer of last resort, exchange of verified other health insurance coverage with the MES, and delivery of accurate information that will ease the administrative burden on providers.

J.27.C – E-PRESCRIBING SUPPORT

Requirement ID	Requirement
PBMS-ERX-001	The Contractor shall provide a Solution that supports the functionality available in E-Prescribing relevant to serving the Virginia Medicaid Population. The Contractor is not restricted by the traditional E-Prescribing delivery channels and may propose alternate methods of information delivery that support the value-added service that E-Prescribing can deliver to public sector healthcare.



J.27.D – PHARMACY PROVIDER ENROLLMENT SERVICES

Requirement ID	Requirement
PBMS-PES-001	The Contractor shall provide a Solution that manages pharmacy provider enrollment, reporting of results, and integrates with MES modules that require enrolled pharmacy provider detail. Included in the pharmacy provider enrollment Solution are all enrollment, verification, re-enrollment and maintenance activities required of Federal program provider enrollment. DMAS also seeks a Contractor Solution for enrolling and credentialing individual pharmacist providers in advance of any regulatory or statutory requirements to support Medication Therapy Management or other care management activities.

J.27.E – INTEGRATION OF LABORATORY VALUES OR OTHER MEMBER DATA

Requirement ID	Requirement
PBMS-LAB-001	The Contractor shall provide a Solution that leverages the increased availability of clinical or laboratory data in the healthcare sector while preserving patient privacy and security. DMAS is seeking a Solution that allows the use of additional data elements in service authorizations, ProDUR and RetroDUR interventions, and the management of population health.

J.27.F – MEETING SPACE

Requirement ID	Requirement
PBMS-MTG-001	The Contractor shall provide appropriate space to conduct meetings during the DDI phase that require DMAS staff attendance, including but not limited to JADs, walkthroughs, and team meetings. The space would ideally be within walking distance of the DMAS offices, but must be no more than 3 miles from 600 East Broad Street. Include the number of sessions, length of sessions, and capacity in your proposal. The proposed meeting space should be fully functional to ensure productivity, including but not limited to accommodate teleconferences, connectivity for WebEx meetings, projector equipment and white boards.



APPENDIX K – GLOSSARY

The glossary of “Term Definitions” and glossary of “Acronyms and Abbreviations” subsections (below) alphabetically provide the definition or meaning of the term, acronym, or abbreviation.

K.1 – TERM DEFINITIONS

Term	Definition
A	
Adjudicated Claim	A claim that has been paid or denied by the system
Application Program Interface (API)	A set of routines, protocols, and tools for building software applications.
Atypical Provider ID	The Centers for Medicare and Medicaid Services (CMS) defines Atypical Providers as providers that do not provide health care. This is further defined under HIPAA in Federal regulations at 45 CFR 160.103. Taxi services, home and vehicle modifications, and respite services are examples of Atypical Providers reimbursed by the Medicaid program.
B	
Benefit Package	A standardized package of benefits, administered by DMAS, for service coverage, member coinsurance and deductible, etc. associated with a particular population. A member can have multiple DMAS-defined benefit packages at one time.
C	
Claim	Usually used to refer to a bill for payment submitted by or on behalf of a provider of a health care service, supply, or product. The VAMMIS also generates claims for capitation payments, management fees, and administration fees. While in some contexts a claim can refer to the document submitted, the VAMMIS considers each service line on all forms other than a UB-04 to be a claim. Claim is included in the generic term ‘payment request.’ Also see ‘Encounter.’
Client Medical Management (CMM)	Virginia’s member “lock-in” program where over-utilizers are restricted to a single physician and/or pharmacy to medically manage access to services.
Commonwealth	The Commonwealth of Virginia; also referred to as “the State”; also referred to as “Virginia”



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Term	Definition
Computer-based Training (CBT)	A type of education in which the student learns by executing special training programs on a computer. CBT is especially effective for training people to use computer applications because the CBT program can be integrated with the applications so that students can practice using the application as they learn.
Conceptual Data Model (CDM)	Identifies the highest-level relationships between the different entities.
Continuity of Operations Plan (COOP)	A plan that addresses the continuation of critical operations, to the extent practical, in the event of a disaster.
Contractor	<ol style="list-style-type: none"> 1. The company that is awarded a contract to perform the work defined in this RFP. The term Contractor throughout this RFP is synonymous with Offeror. 2. Entity or individual(s) providing services based on mutual agreement / terms for a specified period of time.
D	
Department of Medical Assistance Services (DMAS)	DMAS is the agency that administers Medicaid and the State Children’s Health Insurance Program (CHIP) in Virginia. The CHIP program in Virginia is called Family Access to Medical Insurance Security (FAMIS). Our mission at DMAS is to provide a system of high quality and cost effective health care services to qualifying Virginians and their families. DMAS is one of twelve state agencies under the Virginia Secretary of Health and Human Resources.
DMAS Technology	A component of the Virginia Medicaid Enterprise Architecture that contains all the COV’s commercial hardware, systems software, and telecommunications located at DMAS. The technical components will be operated and maintained by the Virginia Information Technologies Agency (VITA).
Drug Rebate Technology	A component of the Virginia Medicaid Enterprise Architecture that contains all the commercial hardware, systems software, and telecommunications software and equipment used to support the Drug Rebate contractor’s proposed business services staff and Drug Rebate system. The Drug Rebate Contractor’s Technology connects with the Core VAMMIS Technology as well as DMAS Technology and would be addressed in the PBMS RFP.
Detail System Design (DSD)	The DSD is the output of development, which has evolved into the systems documentation that reflects current processing.



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E	
Encounter	An adjudicated claim that is sent by a Managed Care Organization (MCO), non-emergency transportation broker, Behavioral Health Administrator, or Dental Benefits Administrator (DBA), for example, to identify services it provided or denied for DMAS members.
Encounter Adjustment	A replacement of a previously submitted encounter. Currently an encounter adjustment results in the reversal of the original encounter (credit) and a newly processed encounter (debit) using the information on the adjustment. An encounter adjustment is used to correct information on a previously submitted encounter.
Enterprise Content Management (ECM)	The technologies used to capture, store, preserve and deliver content and documents related to organizational processes. ECM tools and strategies allow the management of an organization's unstructured information, wherever that information exists.
Enterprise Service Bus (ESB)	A “software architecture” model used for designing and implementing communication between mutually interacting software applications in a service-oriented architecture (SOA).
E-Prescribing	Electronic Prescribing is the computer-based electronic generation, transmission and filling of a medical prescription.
eVA	eVA is a web-based purchasing system used by Virginia government. State agencies, colleges, universities and many local governments to announce proposal opportunities, invite offerors, receive quotes, and place orders for goods and services.
Extensible Markup Language (XML)	A markup language that defines a set of rules for encoding documents in a format which is both human-readable and machine-readable. It is defined by the W3C's XML 1.0 Specification and by several other related specifications, all of which are free open standards.
Extensible Stylesheet Language Transformations (XSLT)	A language for transforming XML documents into other XML documents, or other formats such as HTML for web pages, plain text or into XSL Formatting Objects, which may subsequently be converted to other formats, such as PDF, PostScript and PNG.
F	
Family Access to Medical Insurance Security (FAMIS)	This is Virginia's separate State Children’s Health Insurance Program (SCHIP) authorized under Title XXI of the Social Security Act. It generally covers eligible children with family income too high for Medicaid but less than 200% of the Federal Poverty Level.



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FAMIS-Plus	FAMIS-Plus is a Medicaid expansion component of the COV's Title XXI Children's Health Insurance Program. Because it is a Medicaid expansion program, FAMIS-Plus follows all Medicaid rules.
Federal Financial Participation (FFP)	Federal Financial Participation (FFP) is a Title XIX (Medicaid) program that allows states to receive partial reimbursement for activities that meet FFP objectives.
Federal Information Processing Standards (FIPS)	A standardized code which uniquely identifies counties and county equivalents in the United States
Fiscal Agent (FA)	Fiscal Agent is used to refer to the VAMMIS Fiscal Agent Services contractor.
Fiscal Agent Technology (FAT)	A component of the Virginia Medicaid Enterprise Architecture that contains all the commercial hardware, systems software, and telecommunications provided and operated by the Contractor at its facilities.
H	
Hypertext Transfer Protocol (HTTPS)	An application protocol for distributed, collaborative, hypermedia information systems.
Hyper Text Markup Language (HTML)	A standard markup language used to create web pages. Web browsers can read HTML files and render them into visible or audible web pages.
I	
Information Service Request (ISR)	A formal change control document for requesting and authorizing work and changes to VAMMIS applications.
International Business Machines Corporation (IBM)	An American multinational technology and consulting corporation. IBM manufactures and markets computer hardware, middleware and software, and offers infrastructure, hosting and consulting services in areas ranging from mainframe computers to nanotechnology.
J	
Java Platform, Enterprise Edition (Java EE)	Known as J2EE, this is a widely used enterprise computing platform developed under the Java Community Process. The platform provides an API and runtime environment for developing and running enterprise software, including network and web services, and other large-scale, multi-tiered, scalable, reliable, and secure network applications.
JavaScript	A high-level, dynamic, un-typed, and interpreted programming language.



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Java EE Connector Architecture (JCA)	A Java-based technology solution for connecting application servers and enterprise information systems (EIS) as part of enterprise application integration (EAI) solutions.
JQUERY	A cross-platform JavaScript library designed to simplify the client-side scripting of HTML. jQuery is the most popular JavaScript library in use today.
Java Script Object Notation (JSON)	A lightweight data-interchange format.
L	
Lock-in	See Client Medical Management (CMM).
Logical Data Model (LDM)	A model that is not specific to a database that describes things about which an organization wants to collect data, and describes the relationships among these things. It is independent of the underlying physical database implementation. The logical data model will leverage the conceptual model to include all the entities, relationships, attributes and primary and foreign keys in the design.
M	
Medallion 3.0	A Virginia Medicaid Managed Care that is a State program that provides its members with access to preventive and coordinated care.
Medicaid Portal	A single point of entry for ALL users, that uses a Single Sign-On (SSO) and directs the user to a 'landing page' that is appropriate for their credentials/role. Then the user can go to another portal, like the Provider Portal (as authorized).
Medicaid Enterprise Certification Toolkit (MECT)	The Medicaid Enterprise Certification Toolkit was developed to assist States in all phases of the MMIS life cycle beginning with the preparation of an Advance Planning Document (APD) through the certification review process. The main features of the Toolkit are the twenty (20) checklists that were developed for six (6) different Business Areas. The checklists contain the Business Area objectives and related systems review criteria necessary to meet the requirements specified in Federal and State laws and regulations.
Medicaid Information Technology Architecture (MITA)	This is an initiative sponsored by CMS and is intended to foster integrated business and IT transformation across the Medicaid enterprise to improve the administration of the Medicaid program.
Medicaid	Enacted in 1965 under Title XIX of the Social Security Act (the Act), it is a grant in aid Medical Assistance Program financed through joint Federal and Commonwealth/State funding and administered by each state according to an approved state plan.



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Medicaid Management Information Systems (MMIS)	The MMIS is a mechanized claims processing and information retrieval system which states are required to have if they obtain Federal funding to run their Medicaid programs. It is an integrated group of procedures and computer processing operations (subsystems) developed at the general design level to meet principal objectives. The current Federal regulation can be found in 42 CFR 433, subpart C.
Member	An individual enrolled in one of the DMAS programs.
MMIS Core Technology	A component of the current Virginia Medicaid Enterprise Architecture that contains all the commercial hardware, systems software, COTS products integrated into the VAMMIS, and custom application software used for hosting the VAMMIS and its related documentation.
Model View Controller (MVC)	This is a software architectural pattern for implementing user interfaces. It divides a given software application into three interconnected parts, so as to separate internal representations of information from the ways that information is presented to or accepted from the user.
MQ	A robust messaging middleware that simplifies and accelerates the integration of diverse applications and business data across multiple platforms.
N	
.NET	.NET Framework (pronounced 'dot net') is a software framework developed by Microsoft that runs primarily on Microsoft Windows.
Normal Business Hours	8 A.M. – 5 P.M. ET, Monday through Friday except holidays approved by DMAS.
O	
OAuth	An authentication protocol that allows users to approve application to act on their behalf without sharing their password.
Offeror	A company or individual that presents something to another for acceptance or rejection and is also referred to as bidder. Offeror is the term used during the Procurement to refer to the submitter of a response.
P	
Payment Request	A submission of information used to request the issuance of a payment by the MES Financial Solution.



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PES Technology	A component of the Virginia Medicaid Enterprise Architecture that contains all the commercial hardware, systems software, and telecommunications software and equipment used to support the PES contractor’s proposed business services staff. The PES Contractor’s Technology connects with the Core VAMMIS Technology as well as DMAS Technology.
Physical Data Model (PDM)	It is the actual model which will be created in the database to store the data and is the most detailed model in Data Warehouse data modeling. The physical data model includes: table names; column names (including data type and size); primary keys, foreign keys of a table; and constraints. Physical Data Models for the EDWS will include models for the landing area, the staging area and the base data area. Physical data models include the physical data schema derived from the logical data model.
Protected Health Information (PHI)	Any information about health status, provision of health care, or payment for health care that can be linked to a specific individual. This is interpreted rather broadly and includes any part of a patient's medical record or payment history.
Personally Identifiable Information (PII)	This is Sensitive Personal Information (SPI), as used in US privacy law and information security. It is information that can be used on its own or with other information to identify, contact, or locate a single person, or to identify an individual in context.
ProDUR	ProDUR is an automated review or a review by a pharmacist of the prescription medication order and the patient’s drug therapy for the health and safety of the patient.
R	
Recoupment	A payment returned by a Medicaid provider, or a full or partial recovery of such payment due to an overpayment. May be associated with over billings, fraud and abuse, TPL collections, etc.
RetroDUR	RetroDUR retrospectively assesses data on drug use against explicit predetermined standards or criteria and introduces appropriate remedial strategies to improve the quality of care.
S	
Service Center	This is the term used by DMAS for an EDI trading partner. A service center can be a clearinghouse or a provider.
Service Level Agreement (SLA)	A performance measure designated by DMAS to identify the performance expectations of a contractor for services that are critical to the success of the Commonwealth of Virginia’s Medicaid program.



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Service-oriented Architecture (SOA)	This is an architectural pattern in computer software design in which application components provide services to other components via a communications protocol, typically over a network. The principles of service-orientation are independent of any contractor, product or technology.
Simple Object Access Protocol (SOAP)	A messaging protocol that allows programs that run on disparate operating systems (such as Windows and Linux) to communicate using Hypertext Transfer Protocol (HTTP) and its Extensible Markup Language (XML).
Secure Sockets Layer (SSL)	The standard security technology for establishing an encrypted link between a web server and a browser. This link ensures that all data passed between the web server and browsers remain private and integral.
Single Sign-on (SSO)	A session/user authentication process that permits a user to enter one name and password in order to access multiple applications.
State	The Commonwealth of Virginia; also referred to as “the Commonwealth”; also referred to as “Virginia”
Supplier	The term Supplier is used throughout this document in the context of an industry standard term, whose primary purpose is establishing the labeling of the source or ownership of the object being referenced. E.g. Suppliers Quarterly Report, Associate Supplier Agreement. In addition, the terminology is used in Virginia procurement related documentation in reference to a “Supplier” of goods and/or services.
T	
Temporary Detention Order (TDO)	An order obtained and issued for a person who is in imminent danger to his or herself or others as a result of mental illness, or is too seriously mentally ill to care for self and is incapable or unwilling to volunteer for treatment. DMAS administers the processing of the Temporary Detention Orders (TDO) and Emergency Custody Orders (ECOs) for authorization of payments for services provided to residents of the COV.
Trading Partner	One of the two or more participants in an ongoing business relationship.
Transaction Code Set (TCS)	Any set of codes used for encoding data elements, such as tables of terms, medical concepts, medical diagnosis codes, or medical procedure codes.
Transaction Processing Platform (TPP)	The term used in the current documentation that is equivalent to what is called the current Fiscal Agent (FA) Technology in this RFP.



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Transmission Control Protocol /Internet Protocol (TCP/IP)	The basic communication language or protocol of the Internet. It can also be used as a communications protocol in a private network (either an intranet or an extranet).
U	
Universal Description, Discovery, and Integration (UDDI)	An OASIS Standard, which defines a universal method for enterprises to dynamically discover and invoke Web services.
Uniform Resource Locator (URL)	A reference (an address) to a resource on the Internet.
V	
Vendor	An entity or individual(s) providing goods or services to DMAS based on individual requests from DMAS for such items/services typically processed through Accounts Payable transactions.
Virginia Medicaid Enterprise Architecture (VMEA)	The Virginia Medicaid Enterprise Architecture is based on the Medicaid Information Technology Architecture (MITA 3.0) framework and the CMS Seven Conditions and Standards. VMEA is a modularized, highly decoupled, rule-based, service-oriented software solution. Components of the Architecture include portal management service, core services, financial management service, pharmacy benefit management service, encounter processing service and data warehouse.
Virginia Medicaid Management Information System (VAMMIS)	The Commonwealth of Virginia's solution to meet the Federal MMIS requirement for a mechanized claims processing and information retrieval system.
Virginia Information Technologies Agency (VITA)	VITA is the Commonwealth's consolidated, centralized information technology services provider.
W	
Web Services	Client and server applications that communicate over the World Wide Web's (WWW) Hypertext Transfer Protocol (HTTP). Web services provide a standard means of interoperating between software applications running on a variety of platforms and frameworks.
Web Services Description Language (WSDL)	An XML-based language used to describe the services a business offers and to provide a way for individuals and other businesses to access those services electronically
Web Services Policy Framework (WS-Policy)	Members of the core Web Services architecture specifications.
Web Services Security (WS-Security)	A proposed IT industry standard that addresses security when data is exchanged as part of a Web service



K.2 – ACRONYMS AND ABBREVIATIONS

Note: Some items in this subsection may also be defined in glossary of Term Definitions in Section K.1 above.

A

ADR – Alternative Dispute Resolution

AMP – Average Manufacturer Price

APA – Auditor of Public Accounts

API – Application Program Interface or Atypical Provider ID

ATV – Agency Transaction Voucher

B

BAC – Basic Accounting Code

BCCP – Business Continuity and Contingency Plans

BENDEX – Beneficiary and Earnings Data Exchange

BEST – Health Insurance Beneficiary State File

C

CAP – Corrective Action Plan

CARC – Claim Adjustment Reason Codes

CARS – Commonwealth Accounting and Reporting System

CBT – Computer Based Training

CCC – Commonwealth Coordinated Care

CDM – Conceptual Data Model

CHIP – Children’s Health Insurance Program

CHIRP – Claim History Information Retrieval Processor

CIO – Chief Information Officer



CIPPS – Commonwealth Integrated Payroll/Personnel System

CMM – Client Medical Management

CMO – Chief Medical Officer

CMS – Centers for Medicare and Medicaid Services

COOP – Continuity of Operations Plan

COTS – Commercial, off-the-shelf

COV – Commonwealth of Virginia

CPT – Current Procedural Terminology

CSS – Core Services Solution

D

DAW – Dispense as Written

DDE – Direct Data Entry

DDI – Design, Development, and Implementation

DMAS – Department of Medical Assistance Services

DME – Durable Medical Equipment

DR – Disaster Recovery

DSD – Detailed Systems Design

E

ECM – Enterprise Content Management

EDI – Electronic Data Interchange

EDWS – Enterprise Data Warehouse Solution

EFT – Electronic fund transfer

ePA – Electronic Prior Authorization



EPSDT – Early and Periodic Screening, Diagnosis, and Treatment

ESB – Enterprise Service Bus

ETL – Extract Transform Load

EULA – End User License Agreement

eVA – Virginia’s Procurement Portal

F

FA – Fiscal Agent

FAMIS – Family Access to Medical Insurance Security

FAT– Fiscal Agent Technology

FEIN – Federal Employer Identification Number

FFP – Federal Financial Participation

FFS – Fee -for-Service

FIPS – Federal Information Processing Standard (FIPS) code

FMS – Financial Management Solution

G

GAP – Governor’s Access Plan

GCN – Generic Code Number

GSD – General System Design

H

HCFA – Healthcare Financing Agency

HCPCS – Healthcare Common Procedure Coding System

HHS – Health and Human Services

HIPAA – Health Insurance Portability and Accountability Act

HMO – Health Maintenance Organization



HRSA – Health Resources and Services Administration

HTML – Hyper Text Markup Language

HTTPS – Hypertext Transfer Protocol

I

IAOC – Intra-agency Oversight Committee

IBM – Internal Business Machines Corporation

ICAM – Identity, Credential, and Access Management

IEVS – Income and Eligibility Verification System

I/O – Input /Output

ISO – The International Organization for Standardization

ISR – Information Service Request

ISS – Integration Services Solution

ITF – Integrated Test Facility

ITIL – Information Technology Infrastructure Library

ITIM – Information Technology Investment Management

ITSM – Information Technology Service Management

IV&V – Independent Verification and Validation

J

Java EE – Java Platform, Enterprise Edition

JCA – Java EE Connector Architecture

JSON – Java Script Object Notation

L

LDM – Logical Data Model



M

MARS – Management and Administrative Reporting System

MCO – Managed Care Organization

MDR – Medicaid Drug Rebate

MECT – Medicaid Enterprise Certification Toolkit

MES – Medicaid Enterprise System

MICC – Maternal and Infant Care Coordination

MITA – Medicaid Information Technology Architecture

MLTSS – Managed Long-term Services and Supports

MMA – Medicare Modernization Act

MMIS – Medicaid Management Information System

MVC – Model View Controller

N

NADAC – National Average Drug Acquisition Cost

NDC – National Drug Code

.NET – .NET Framework

NEMT – Non-emergency transportation

O

OAuth – Authentication Protocol

OBRA – Omnibus Budget and Reconciliation Act

OIG – Office of the Inspector General

ORT – Operational Readiness Testing



P

P&T – Pharmacy and Therapeutics

PBS – Performance Budgeting System

PBMS – Pharmacy Benefit Management System

PDL – Preferred Drug List

PDM – Physical Data Model

PES – Provider Enrollment Services

Pharm.D – Doctor of Pharmacy

PHI – Protected Health Information

PHSA – Public Health Services Administration

PII – Personally Identifiable Information

PMD – Project Management Division

R

RA – Remittance Advice

RARC – Remittance Advice Remark Codes

RFP – Request for Proposal

RTO – Recovery Time Objective

S

SaaS – Software as a Service

SAM – System for Award Management

SCHIP – State Children’s Health Insurance Program (also referred to as FAMIS)

SDLC – System Development Life Cycle

SIT – System Integration Testing

SLA – Service Level Agreement



SLH – State and Local Hospitalization

SOA – Service-oriented Architecture

SOAP – Simple Object Access Protocol

SOC – Service Organization Controls

SPOC – Single Point of Contact

SS-A – State Self-assessment

SSAE – Standards for Attestation Engagements

SSI – Supplemental Security Income

SSL – Secure Sockets Layer

SSO – Single Sign-On

SSP – System Security Plan

SWaM – Small, Women-owned, and Minority-owned business

T

TBD – To Be Determined

TCS – Transaction and Code Set

TDO – Temporary Detention Order

TPLRS – Third Party Liability Recovery System

TPP – Transaction Processing Platform

TCP/IP – Transmission Control Protocol /Internet Protocol

U

UAT – User Acceptance Testing

UAI – Uniform Assessment Instrument

UDDI – Universal Description, Discovery, and Integration



URA – Unit Rebate Amount

URL – Uniform Resource Locator

V

VITA – Virginia Information Technologies Agency

VMEA – Virginia Medicaid Enterprise Architecture

VAMMIS – Virginia Medicaid Management Information System

W

WSDL – Web Services Description Language

WS-Policy – Web Services Policy Framework

WS-Security – Web Services Security

X

XML – Extensible Markup Language

XSTL – Extensible Stylesheet Language Transformations