



**COMMONWEALTH of VIRGINIA**

**DEPARTMENT OF MEDICAL ASSISTANCE SERVICES**

600 East Broad Street, Suite 1300  
Richmond, VA 23219

September 15, 2009

**ADDENDUM No. 1 TO VENDORS:**

**Reference Request for Proposal: RFP 2009-03**

**Dated: August 17, 2009**

**Due: September 25, 2009**

**See attached questions and responses related to the referenced RFP.**

**Following the Q&A's and in response to Questions #62 and #139 are the contract files for the existing MAC and PDL contracts**

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

Sincerely,

*William D. Sydnor*

William D. Sydnor  
Contract Management Director

Name of Firm: \_\_\_\_\_

Signature and Title: \_\_\_\_\_

Date: \_\_\_\_\_

### PDL RFP 2009-03 Questions and Answers

#	RFP Reference	Page #	Question	Answer
1	1.1	9	Is DMAS required to award a contract pursuant to this RFP or is DMAS able to extend the contract with its current vendor(s) for the services requested in this RFP? If DMAS is able to extend the contract(s), what is the term(s) of the extension(s)?	DMAS will award a contract pursuant to this RFP.
2	2.1	14	Please confirm that the Contractor will not be responsible for authoring or compiling the annual CMS DUR report and that responsibility lies with DMAS' Medicaid fiscal agent contractor. If the previous sentence can not be confirmed, please explain the responsibilities of the Contractor.	DMAS and the Fiscal Agent are responsible for the CMS DUR report.
3	2.1.d	14	Is Service Authorization the same as Prior Authorization?	Yes. In alliance with MITA terms, Prior Authorization is now labeled 'Service Authorization'.
4	2.2	15	Will DMAS allow a revision of payment terms subsequent to the implementation of the contract that results from this RFP if there are additional increases or decreases in the number of eligible participants of at least 20% during the term of this contract? If so, please explain the mechanism for any such revision.	As specified in Section 2.2 of the RFP, if there are increases or decreases in the number of eligible participants of at least 20%, the parties shall enter into good faith negotiations and shall agree upon revised payment terms to adjust to the change in volume.
5	2.2	15	For the purposes of determining whether there has been an increase or decrease in the number of eligible participants, when will DMAS deem the contract implemented (e.g., date contract is executed by both parties, operations start date, etc.)?	As of July 1, 2010.
6	2.3	14	Once the Department responds to inquiries, will bidders be permitted to ask follow-up questions/clarifications?	No.
7	2.3	14	Will the Department release a notice of when vendors might expect answers to these questions?	DMAS will post the Q&As as an Addendum to the RFP on the DMAS web site as well as the eVA site.
8	2.3	15	Since the Contractor will not be responsible for Point-Of-Sale (POS) claims processing, please explain the 'edits' that will need to be in place for selected drugs by 4/1/2010.	The PDL contractor is responsible for defining the PDL clinical edits, MAC and SMAC edits, or service authorization requirements that must be implemented in order for them to be programmed in VAMMIS.
9	2.3	15	This section indicates a different proposal due date as listed in Section 6.1 and Section 6.12. Please confirm the proposal due date is September 25, 2009.	All proposals are due by 2:00 pm September 25, 2009. Section 6.12 is corrected to read September 25, 2009

10	2.3	15	Will the Department please clarify the purpose for requiring vendors to have call center staff in place 60 days prior to when their active service begins? We understand the need to hire and train staff in advance of going live, in this case the call center, but also understand the costs involved in maintaining idol staff. This requirement would seem to provide the incumbent an advantage since they already meet this requirement with their current staff paid for under the current contract. Would DMAS consider deleting this requirement and instead, leave the timing to vendors' discretion based on their experience and understanding of the functional requirements to have their own staff in place to sufficiently meet the performance level requirements?	Staff does not need to be physically in place 60 days prior to when active services begin. However, the capabilities and the infrastructure to handle contract responsibilities need to be in place 60 days prior to when active services begin. For example, the call center location, the phone system, staff training protocols, and the call tracking system and other reporting mechanisms need to be in place. Furthermore, necessary systems changes need to be made. The Offerors proposal should clearly indicate when staff recruitment, training will take place.
11	2.4	15	Will the Department please clarify whether "bi-monthly" signifies once every two months or twice a month?	Bi-monthly means twice per month
12	3.2	17	Please confirm the technology needed to interface the current POS system for prior authorization research and entry.	The connectivity options are indicated in the RFP.
13	3.2	17	2nd paragraph states that the POS and technical pharmacy call center is under contract with the FA Contractor. However, 3rd bullet on page 18 states that the call center is to be utilized for providing technical and clinical support functions. Please provide an comprehensive listing of the functions required of the technical call center that the Contractor is to provide under this RFP.	The Fiscal Agent is responsible for all "technical" related issues involving connectivity problems. The PDL call center will be responsible for technical issues involving the PDL, MAC and SMAC programs and all calls pertaining to the submission and processing of Service Authorizations, questions pertaining MAC disputes, and PDL discrepancies.
14	3.2	17	3rd paragraph includes requirements for the Offeror to describe the geographical locations of its firm at the national, regional, and local levels as applicable. Offeror shall identify all location(s) that will be used to support a resultant contract and the operations handled from these locations... As these requirements are included in the section titled Pharmacy Call Center, please clarify if the Commonwealth is requesting locations specifically to the delivery of services by the pharmacy call center or if the Commonwealth is requiring disclosure of all locations of the Offeror for services to be delivered as a result of a contract awarded pursuant to this RFP. Additionally, as these requirements are duplicated in Section 3.12.1 Office Location, please explain why the information is to be provided twice within the technical proposal.	As stated, Offeror shall "identify all locations that will be used to support a resultant contract and the operations handled from these locations (particularly note any Virginia-based locations that will be used)." This includes the call center and all other locations.  Offeror may reference the answer in the required sections of their response.
15	3.2	17	Are the toll free numbers currently used for service delivery to Commonwealth providers, recipients, etc. available for transfer to the new contractor?	Toll free numbers needed to fulfill the requirements outlined in this RFP are available for transfer to the new Contractor.

16	3.2	17	Are the Fiscal Agent Contractor or its POS and technical call center responsible for any service authorization activities (e.g., electronic service authorizations)? If so, please explain the responsibilities.	No.
17	3.2	17	What is the difference in the POS Call Center, the Technical Pharmacy Call Center and the Call Center required under this RFP?	The Call Center required under this RFP will be responsible for PDL, MAC, and SMAC related questions, and all service authorizations.
18	3.2	17	Please confirm that the new Contractor will be responsible for establishing a new toll free call center number, not taking over an existing toll free number.	Please refer to Question 15.
19	3.2	17	Please provide further detailed clarification on which call center functions are provided by the Fiscal Agent, and which are provided under this contract.	Please refer to Question 17.
20	3.2	17	How many Department staff will need remote access to monitor calls?	Five DMAS staff.
21	3.2	17	What is the Commonwealth's official position on the use of offshore/overseas call center locations?	While there is no an official position, DMAS prefers US based call center(s).
22	3.2	18	3rd bullet states: "Provide general information about the program in response to inquiries." Please confirm that general information is limited to the services to be provided by the Contractor as delineated in this RFP and no services delivered under other contracts by other Contractors, i.e. the services provided under the FA contract.	The Contractor shall be responsible for providing general information related to all activities outlined in this RFP. As indicated in paragraph 2 of this section, "the Offeror's proposal must include a description of how assistance (including but not limited to coordination, referrals, and PA edits) shall be provided to pharmacies, providers, and/or recipients inquiring about pharmacy services not provided under this RFP and resulting contract.
23	3.2.1	18	Please identify the average length of call for each call type and state fiscal year identified in the table found in Section 3.2.1.	The average length of calls for the states fiscal year is 3 minutes and 3 seconds. Data on call length by Call Type is not available.
24	3.2.1	18	For the calls listed in the table set out in Section 3.2.1, please identify the number of calls handled by pharmacists, the number of calls handled by pharmacy technicians and the number of calls handled by other personnel.	SFY09: TOTAL 44,156 Customer Service Representative 151 (.34%) Web PA 512 (1.16%) Clinical Pharmacist 5,590 (12.66%) Pharmacy Technician 37,903 (85.84%)
25	3.2.1	18	For the calls listed in the table set out in Section 3.2.1, please identify the number of calls that were escalated to a physician.	It was not necessary to escalate any of these calls to a physician.
26	3.2.1	18	Please provide number of calls received on a 24 hour basis Monday through Sunday?	The number of calls received on a 24 hour basis Monday through Sunday varies slightly from week to week. For example, for the week ending August 23, 2009, 914 calls were received; for the week ending August 16, 2009, 894 calls were received, and for the week ending August 9, 2009, 835 calls were received.

27	3.2.1	18	The table does not provide call volume for Service Authorization calls. Are those calls included in the PDL category? If not, what volume of calls is expected for Service Authorizations?	Service Authorization calls are represented in the PDL category.
28	3.2.2.a	18	The requirement states that the successful vendor must, "Provide toll-free telephone access for providers (in-state and out-of state) and recipients to support service authorizations and other pharmacy program initiatives twenty-four (24) hours a day, seven (7) days a week." Is it the State's expectation that the call center will be staffed 24/7 or is it acceptable to provide on-call staff and voicemail options after the close of normal business hours?	Yes, the Commonwealth expects the call center to be staffed 24/7. A registered pharmacist must be on site during normal business. After business hours, the call center may be staffed with pharmacy technicians, but a pharmacist must be on-call to respond to after hours questions if needed.
29	3.2.2.f	19	In order for the selected vendor to anticipate possible seasonal peaks, would the Department be able to provide monthly call volume statistics and any other statistical information pertinent to the successful operation of the call center for the last 12 months?	Please see chart attached to Q&As
30	3.2.2.h	19	Please identify the roles and responsibilities of the on call physician support for responses to service authorizations requests and the roles and responsibilities of the Medical Director.	Please refer to 2 <sup>nd</sup> bullet under 3.12 Staffing Requirements.
31	3.2.2.h	19	How many on call physicians support the call center activity currently?	The current contractor has a Medical Director to support call center activity.
32	3.2.2.h	19	What has been the historical monthly volume of calls related to the Service Authorization program that has been handled by an on-call physician, broken down by category or type?	There have been no escalations to the on-call physician.
33	3.2.2.w	20	What is the average number of calls that require translation services on a monthly basis and on an annual basis?	This information is not available.
34	3.2.2.w	20	The requirement states that the successful vendor must, "Ensure that telephone translation services are accessible via the toll-free number and providers or recipients will be involved in three way conversation with the language line and not have to make an additional call." How many of these calls are typically received annually?	Please refer to Question 33
35	3.2.2.ff	20	Will national certification through the Pharmacy Technician Certification Board (www.ptcp.org) be sufficient certification to meet this requirement for the pharmacy technicians?	Yes.
36	3.2.2.gg	20	Is it the State's expectation that the pharmacist will be available by phone 24/7 or only during normal hours of operation?	Please refer to Question 28.

37	3.2.4.i	20	Please provide examples of "only calls that meet the criteria specified by the Department should be referred to the Department."	Examples include, but are not limited to, PAs for weight loss for recipients under 18 and Revatio for recipient under 18 (PHT); error message 1498 substitute less costly generic, and 403 Drug not covered; drug file issues forwarded to DMAS such as obsolete NDC issues, generic drugs priced as brand drugs; any questions related to the RFP activities that the Contractor is unable answer should also be directed to DMAS.
38	3.2.4.1	21	Please clarify the requirement "Provide call center reports per requirements described in Section III." Section III includes all Technical Proposal Requirements and is not limited to just call center reporting. Is the Department requiring specific call center reports other than those reports identified in Section 3.2?	Call center reports are outlined in Section 3.11 of the RFP. However, the Contractor shall also provide such additional reports, routine and/or ad hoc in relation to the RFP (and resulting contract) requirements in a format as agreed upon by the Department and the Contractor.
39	3.3	21	Please clarify what is meant by a "shared server" reference in this section? Is this the current server environment, or is this a new requirement?	This section is revised to read:  "The Contractor shall provide and maintain a website site compliant with the Virginia Information Technology Accessibility (VITA) Standards.
40	3.4	22	Will the Contractor be responsible for any payments to Virginia Medicaid Pharmacy and Therapeutics (P&T) Committee members? If so, please explain the purpose, the amount and the frequency of each payment.	No.
41	3.4	22	Is the vendor responsible for any/all meeting costs, stipends, P&T committee travel costs or any other costs related to the operation of the P&T committee? If so, what are the current costs, rates, and/or fees for these activities? Does DMAS anticipate any increase or decrease in these expenses?	The vendor is responsible only for expenses incurred by the vendor to prepare for the meeting. Cost associated with research, preparation of meeting materials, contractor's travel and lodging expenses and any costs associated with minute generation are the responsibility of the contractor. DMAS reimburses travel expenses for P&T Committee members and arranges/pays for sound technicians. DMAS does not anticipate any changes in these expenses.
42	3.4	22	Can the State please provide the 2009 and 2010 P&T Committee schedule?	The next meeting is scheduled for Oct 22, 2009. Meetings for the remainder of 2009 and 2010 are TBD, however the General Assembly request meetings to be scheduled quarterly.
43	3.4.d,e,f	22	Is it the State's expectation that the successful vendor use the same format for the clinical reviews currently being used by the P&T Committee, or is the State open to alternative formats? Are the current clinical reviews available for review?	The Commonwealth is "open" to alternative formats. The clinical reviews currently used are proprietary and cannot be disseminated without permission.

44	3.5	23	Please identify all drug classes that will be excluded as of the operational start date of the services to be provided pursuant to this RFP.	2009 VA Acts of Assembly Chapter 781, Item 306R(2a) includes “appropriate exclusions for medications including atypical antipsychotics, used for the treatment of serious mental illnesses such as bipolar disorders, schizophrenia and depression also appropriate exclusions for medications used for the treatment of brain disorders, cancer, and HIV related conditions.” The VA General Assembly could make changes to these exclusions during the 2010 session.
45	3.5	23	Will the Contractor be responsible for reviewing any therapeutic classes and facilitating the review of those therapeutic classes with the P&T Committee prior to 7/1/10? If so, please identify by the date of the first P&T Committee meeting for which the Contractor will be responsible.	No. The current contractor will be responsible for the P&T Committee meetings scheduled for fall 2009 and spring 2010. The new Contractor will be responsible for the P&T Committee meetings after 07/01/2010.
46	3.5.d	23	Can requests for service authorizations be initiated by pharmacists or other pharmacy personnel?	A pharmacist can submit a SA for early refill. All other SAs must be submitted by prescriber.
47	3.5.d	23	For state fiscal years 2008 and 2009, please provide the number of service authorizations requested for non-preferred drugs by type of request (e.g., telephone call, direct data entry, fax, mail).	Please see chart attached to Q&As.
48	3.5.d	23	Will the Contractor be responsible for handling the reconsideration process for service authorizations? If so, please explain the procedure.	Yes. The Offeror should explain its reconsideration process based on its prior experience in the marketplace.
49	3.5.1.e,i	23	Does the State presently allow a 72 hour override supply?	Yes.
50	3.5.1.m	24	What are the dates for the P&T Committee meetings in 2010 and 2011?	Please refer to Question 42.
51	3.5.1.o	24	Please provide a layout(s) for the file(s) to be transmitted to DMAS and its Fiscal Agent containing the products which are subject to the Preferred Drug List (PDL).	There is not transmission of information. The Contractor shall work directly in the VAMMIS test environment.
52	3.5.1.p	24	Will the Department please clarify whether “bi-monthly” signifies once every two weeks or twice a week?	Please refer to Question 11
53	3.6.1	25	Is it DMAS’ intent that the automated approval process referenced here be integrated with the POS system to make approval and denial decisions during POS claims adjudication?	The Contractor shall use the Department’s existing interface to update VAMMIS with service authorization information in order to further process the POS claim. A service authorization needs to be transferred to VAMMIS for POS processing.
54	3.6.n	25	Please provide a listing of the compliance measures that are currently in place. Will these compliance measures change for the contract that results from this RFP? If so, please explain.	DMAS currently monitors call center performance standards as well as compliance with reporting requirements, and the PDL, MAC and SMAC program requirements. The Department and Contractor shall agree to all compliance measures.

55	3.6.n	25	Please explain whether the Contractor will be allowed to utilize the supplemental rebate contract template currently being utilized or whether DMAS will require the Contractor to produce a supplemental rebate contract template to be approved by DMAS and to be submitted to CMS for approval.	Yes, the Contractor will be allowed to utilize the current supplemental rebate contract template.
56	3.6	25	What is the State's current solution for Web PA or Direct Data Entry Service Authorization requests?	Do not understand the question. Web PA is owned by the current PDL vendor.
57	3.6	26	Of the total Service Authorizations (22,041) indicated in the table, how many involved phone calls versus fax versus emails, etc?	Please refer to Question 47.
58	3.7.a	27	Do supplemental rebate contracts apply to the Medicaid FFS program and drug pricing contracts apply to the FAMIS program? If not, please explain the distinction.	Supplemental rebate contracts apply to Medicaid FFS and FAMIS Plus, not FAMIS.
59	3.7.a	27	Will the Contractor be responsible for negotiating any supplemental rebate and drug pricing contracts prior to 7/1/10? If so, please identify the therapeutic classes involved by program (e.g., Medicaid FFS or FAMIS). If not, please provide a schedule of when the supplemental rebate and drug pricing contracts will expire by therapeutic class and program.	No. Phase I Drug Class contracts expire 12/31 but the Contractor will be involved in implementing 07/01/2010 changes. Phase I include lipotropics, proton pump inhibitors, ACE inhibitors, ARBs, inhaled corticosteroids, nasal steroids, beta adrenergics, COPD(anticholinergics), beta blockers, calcium channel blockers, H2 antagonists, 2 <sup>nd</sup> generation antihistamines; benzodiazepine sedative hypnotics, other sedative hypnotics, electrolyte depleters, urinary tract antispasmodics, topical immunomodulators, hepatitis C, phosphodiesterase 5 inhibitors for PAH, growth hormones. Phase II Drug Class contracts expire 6/30. Phase II include oral hypoglycemics, leukotriene modifiers, NSAIDs, serotonin receptor agonists, oral antifungals for onychomycosis, bisphosphonates and calcitonins for osteoporosis, 2 <sup>nd</sup> and 3 <sup>rd</sup> generation cephalosporins, 2 <sup>nd</sup> and 3 <sup>rd</sup> generation quinolones, topical antibiotics, macrolides, antihyperkinesis/CNS stimulants, ophthalmic glaucoma, long-acting narcotics, ophthalmic anti-inflammatory, ophthalmic antibiotics, ophthalmic antihistamines, ophthalmic mast cell stabilizers, herpes antivirals, influenza antivirals, injectable immunomodulators for RA; MS agents, otic quinolones, acne agents, non-ergot dopamine receptors antagonists, intranasal antihistamines, topical agents for psoriasis, topical antivirals.
60	3.7.c	27	Is the contractor responsible for securing a new CMS-approved supplemental rebate contract template? Or, does DMAS already have an approved contract template that can be utilized?	Please refer to Question 55.
61	3.7.h	27	Will the Department please specify what these requirements are?	Please see chart attached to Q&As.

62	3.8	27	Who is the current vendor for the MAC and Specialty MAC programs? Will DMAS provide prospective vendors with a copy of that contract and all change orders and “amendments” to that contract?	Optima Health Plans is the current contractor for the MAC Drug Program. Yes, please see Attachment A.
63	3.8	28	Please confirm that the Contractor will be required to utilize DMAS’ current established pricing methodology, as governed by the regulations set out in the Virginia Administrative Code (12VAC30-80-40), when calculating MAC pricing. If the previous sentence can not be confirmed, please explain if the Contractor will be required to develop pricing methodology and if so, what (if any) limitations will be placed on the Contractor in developing MAC pricing methodology.	Confirmed
64	3.8.2	28	Please explain how DMAS defines “minimum effective MAC cost savings”.	3.8.2.a should be deleted.
65	3.8.2	28	Please provide claims detail that permits the Offeror to estimate MAC cost savings.	The algorithm is defined by regulatory language. The Contractor shall takeover existing code and implement existing code and be prepared to make programming modifications based on legislative changes.
66	3.8.2	28	Please confirm that the Offeror will be required to utilize DMAS’ current established pricing methodology, as governed by the regulations set out in the Virginia Administrative Code (12VAC30-80-40), when calculating the MAC cost savings to be included as part of Offeror’s proposal as requested in Section 3.8.2. If the previous sentence can not be confirmed, please explain any limitations that DMAS places on the Offeror in calculating MAC cost savings.	Confirmed
67	3.8.2	28	In regard to the worksheet set out in Section 3.8.3, please confirm that the Offeror is to use a sample MAC list that it has currently implemented. If the previous sentence can not be confirmed, please explain what MAC list the Offeror is to utilize.	Confirmed.
68	3.8.2	28	In regard to the worksheet set out in Section 3.8.3, please define “estimated percent of Medicaid reimbursable generic prescriptions”, “estimated percent of the Medicaid reimbursable generic AWP” and “estimated percent of the Medicaid reimbursable multisource brand prescriptions”.	For evaluation purposes, the worksheet is based on a sample MAC list currently implemented by the Offeror, and from their experience in the market place, give estimated percentages on the chart. The Offeror should define these terms based on their experience.
69	3.8.3.b	28	The last sentence of this requirement reads, “Pricing should be based on multiple methodologies for each drug class.” The first part of this same requirement indicates the Commonwealth has specific, defined methodology that is to be used. What is meant by “multiple methodologies?”	Multiple methodologies refers to the lowest WAC and second lowest WAC to calculate the MAC price.

70	3.8.3.e	28	Please clarify the requirement that the sample MAC being requested be for April, 2010. It is not, at the present time, possible to determine what the MAC will be at this time in the future.	Requirement should read "April 1, 2009"
71	3.8.3.e	30	In regard to the proposed MAC list with associated MAC prices Contractor is to provide in its proposal, DMAS has stated that the prices are to be effective as of April 1, 2010. Is this correct or should it read that the prices are to be effective as of April 1, 2009 given that the Offeror has no way of knowing what drug pricing will be in the future.	Please refer to Question 70
72	3.8.3.f	30	In regard to the sample trend of MAC pricing from April 2008 to April 2009, is Contractor expected to report MAC pricing derived from its own pricing methodology or MAC pricing derived from DMAS pricing methodology?	The Offeror is expected to report MAC pricing derived from its own pricing methodology.
73	3.8.5	31	Please confirm that the Contractor will be required to utilize DMAS' current Specialty MAC pricing methodology when calculating Specialty MAC pricing. If the previous sentence can not be confirmed, please explain what, if any, limitations will be placed on the Contractor in developing Specialty MAC pricing methodology.	Confirmed.
74	3.9	32	Please confirm that the Provider Reconsideration and Appeals process only applies to service authorization decisions. If the previous sentence can not be confirmed, please explain to what other decisions the Provider Reconsideration and Appeals process applies.	This contract includes the MAC and SMAC programs which are also subject to the Grievance and Appeals process.
75	3.9	32	Can the State please provide the current annual volume of appeals?	No appeals were received in state fiscal year 2009.
76	3.9.1	32	Is the vendor to include printing and postage costs in the fixed monthly cost, or should these costs be treated as pass through expenses for which DMAS will reimburse the contractor directly?	Yes. These costs are to be included in the fixed monthly costs.
77	3.9.1	32	What is the average number of denial letters mailed monthly?	The average number of denial letters mailed monthly is two (2).
78	3.10	32	Please confirm that the Enrollee Grievance and Appeals process only applies to service authorization decisions. If the previous sentence can not be confirmed, please explain to what other decisions the Enrollee Grievance and Appeals process applies.	Please refer to Question 74.
79	3.10	32	Can the State please provide the current volume of appeals?	Please refer to Questions 75.
80	3.10.2	33	What is the average number of appeals hearings conducted in person annually?	Since 2004, there have been no appeals hearings conducted "in person."
81	3.11	33	How many ad hoc reports, on average, does the Department request each month? What is the highest number of monthly ad hoc reports in any given month, requested in the last year?	Typically no more than one or two, except, for during General Assembly session with the frequency of requests may increase substantially. However, the new administration effective January 2010 may request additional reports.

82	3.11	34	Please provide samples of all the reports described in the table in Section 3.11.	The Offeror must submit sample reports reflective of the Offeror's proposed technology and abilities; and in following with the requirements described in this RFP; as part of its submission proposal.
83	3.11	38	Please confirm that the reports described in the table in Section 3.11 represent the "specialized tracking and reviewing reports" contemplated by DMAS in the last paragraph of Section 3.11. If the previous sentence can not be confirmed, please describe the "specialized tracking and reviewing reports" contemplated.	The Offeror shall include in their response the standard reporting package that corresponds to the reports outlined in Section 3.11. The Offeror may also include any additional reports that it deems relevant to this RFP.
84	3.12	38	This section requires a dedicated, full time Virginia licensed Medical Director, who would appear to have few responsibilities. Section 3.2.2h indicates that Offeror's must also provide an on call physician to support service authorizations. Can the Medical Director serve both roles?	The Contractor must employ a full-time VA licensed Medical Director. The Medical Director needs to be dedicated to the Virginia account but not 100% dedicated. Yes, the Medical Director may serve both roles.
85	3.12	38	How soon after the contract award does this staff position need to be named? Who is the current medical director? Would the Department be able to provide his/her contact information? Is the current medical director based in Virginia?	April 1, 2010. The 2003 PDL contract did not require a Virginia specific Medical Director.
86	3.12.1	38	The requirements listed in this section are identical to and duplicated in RFP Section 3.2, Pharmacy Call Center on pg 17 3 <sup>rd</sup> paragraph. Please explain the purpose of the duplication.	Offeror may reference the answer to the question from the previous section.
87	3.12.1	39	The RFP states the Contractor shall maintain a physical business office in Virginia and at minimum the Project Director shall be located in the office. Is this a mandatory requirement to have the Project Director located in Virginia if the vendor site is located in WI; since we typically staff our Project Manager at with the program?	Yes. The Contractor shall have a project director at the Virginia business office.
88	3.12.2.c	40	4 <sup>th</sup> sentence states that the Department must agree to all staffing levels. To ensure the proposed staffing plan is approved by the Department, please provide a comprehensive listing of all job titles that are categorized as key personnel positions as well as those job titles that are categorized as key positions, and those that are categorized as other support personnel.	All positions listed in the RFP are categorized as key positions and must be included in the respondent's proposed staffing plan.
89	3.12.2.c	40	Please confirm that the "project management team, as identified in the Contract" is comprised of only the Project Director and the Clinical Pharmacy Director. If the previous sentence can not be confirmed, please identify all positions that comprise the "project management team, as identified in the Contract".	Yes, the project management team consists of the Project Director and the Clinical Pharmacy Director

90	3.12.2.c	40	<p>It is typical for call center volumes to fluctuate throughout the day, throughout the week and throughout the month and year. Thus call center staffing fluctuates to match the staff on hand to the call volume. How will the Department determine when a staffing reduction has occurred if the call center staffing is lower some days, weeks or months than others but then will also be expected to be higher on other days, weeks or months?</p> <p>Will the Department please provide additional call volume statistics and trends? Otherwise vendors will need to provide an estimated average number of staff in the response.</p>	The Contractor shall have the responsibility to ensure that staffing levels are sufficient to meet all requirements delineated in the RFP and resulting contract. Failure to meet the contact requirements due to lack of staffing may result in loss of revenue for the Contractor.
91	3.14	42	Is it mandatory to bid and provide pricing on all optional services?	No, respondents do not need to bid on any of the optional services. If your organization chooses to bid on an optional service, please include pricing or it will not be considered an official bid.
92	3.15	43	Please clarify if the “implementation begin date” with respect to Contractor payments refers to July 1, 2010 or to when the Contractor begins implementation activities in preparation for the July 1, 2010 go live of operations.	Contractor payments will begin July 1, 2010.
93	3.19	46	Will the Department please clarify the purpose for requiring vendors to have call center staff in place 60 days prior to when their active service begins? We understand the need to hire and train staff in advance of going live, in this case the call center, but also understand the costs involved in maintaining idol staff. This requirement would seem to provide the incumbent an advantage since they already meet this requirement with their current staff paid for under the current contract. Would DMAS consider deleting this requirement and instead, leave the timing to vendors’ discretion based on their experience and understanding of the functional requirements to have their own staff in place to sufficiently meet the performance level requirements?	Please refer to Question 10.
94	3.25	50	Please identify the page name and line item within the Cost Proposal where Offeror’s are to provide a reasonable hourly rate charge for each system change in excess of forty hours.	Insert a line on each of the cost proposal formats below the table and above the Note: General and Administrative (G&A) and other indirect costs must be included in the direct cost figures. (The Department will not consider G&A or other fees as a separate line item.).
95	3.25	50	Please confirm that system changes will be reimbursed by DMAS regardless of the time required to implement the system changes.	There will be no reimbursement for system changes unless the change requires 40 hours or more and then only the hours in excess of 40 will be reimbursable.
96	3.27.1	52	Please describe and provide documentation, if available, for the programs currently used by the State for the management of the MAC and Specialty MAC programs so that the contractor can determine if these programs will be needed by the contractor for management of these two programs.	The Contractor shall take over the existing MAC and SMAC codes and assume responsibility for administering and maintaining all related activities.

97	3.27.1.a	52	Please confirm that the programs used to produce the MAC and Specialty MAC rates and which will be available to the new Contractor are computer software programs and will be made available to the new Contractor at no charge. If the previous sentence can not be confirmed, please explain why DMAS can not make confirmation.	Confirmed.
98	3.27.3	52	Please confirm that DMAS has required times and frequencies to provide the supplemental rebate rate file. Additionally, please confirm that DMAS will accept 5 business days after receipt of the CMS rate file as a reasonable timeframe to provide the supplemental rebate rate file.	Confirmed. This will be further discussed during requirements meetings with the awarded Contractor.
99	4.3	53	As Microsoft Word Version 6.0 was released in 1993 and is no longer supported and that the current industry standard is Microsoft Word 2003, please confirm that all reports and other data that is produced by the Offeror for submission to the Department is permitted to be produced on diskette using Microsoft Word 2003 or higher.	Reports should not be on diskette. These reports should be sent via email, or CD, or FTPd depending on the size of the file transfer and the agreement between the Commonwealth and the new Contractor.
100	4.3	53	This section indicates that all reports produced by the Offeror for submission to the Department shall be produced in both hard copy and diskette using Microsoft Word Version 6.0. Should this be Microsoft Word Version 2003, as required in Section 6.6 for the proposal submission?	Reports should be submitted on CD. DMAS uses Word 2003.
101	5.1	54	Will a SAS-70 audit meet this requirement?	A SAS-70 will meet this requirement.
102	6.1	55	The event identified in Section 2.3 Schedule for Implementation on page 15 that includes Call Center operational, notices sent to providers, client and advocacy groups, and "edits" in place for selected drugs, is missing from the events listed on page 55. Please clarify whether the call center and other items listed in the schedule for implementation on page 15 should be included in the event table on page 55.	Yes, they should be included.
103	6.1	55	When will written questions submitted on August 27th be answered?	As of today's date.
104	6.1	55	Please confirm that the implementation start date of 7/1/2010 is also the operational start date for the ongoing services to be delivered under a resulting contract from this RFP.	Correct.
105	6.1	55	This section indicates a different proposal due date as listed in Section 2.3 and Section 6.12. Please confirm the proposal due date is September 25, 2009.	Refer to Question 9
106	6.5.2	56	Please clarify if Offeror's are to follow the required format provided in this section 6.5.2 or are Offeror's to follow the required response format in Section 6.14.	The format of the proposals follow 6.14, but items addressed in 6.5.2 must be addressed

107	6.5.2	57	The paragraphs titled "Project Plan" and "Implementation Plan" appear to be duplicates of each other. Please provide further detail on the difference between these 2 paragraphs and what separate information the Department is requiring for submission between these 2 paragraphs.	The Contractor shall submit an Implementation Plan that provides a detailed project schedule including the tasks and deliverables required to accomplish the work in the Offeror's proposal and implement the pharmacy benefit programs no later than July 1, 2010. This plan must include a pre-testing of the programs with physicians, and pharmacists.
108	6.5.2	57	The paragraph "Pharmacy Administration" requires Offerors to submit a detailed description of the manner in which it proposes to perform the responsibilities detailed in Section V of the RFP. The reference to Section V seems to be in error as Section V of the RFP is titled Contractor Compensation and requires Offerors to include the information in Section V within their Cost Proposals. Please confirm that the reference to Section V is incorrect for this paragraph and please provide the correct section reference.	The reference to Section V is incorrect and should be "responsibilities detailed in Section III of the RFP."
109	6.5.2	57	Please clarify whether the Offeror is required to submit both a preliminary implementation plan and a detailed implementation plan as part of its response to this RFP.	Yes, the Offeror shall submit both
110	6.5.2	58	The paragraph titled "Staffing" and the paragraph titled "Summary of Key Staff" seem to require duplicate information. Please provide further detail on the difference between these 2 paragraphs and what separate information the Department is requiring for submission between these 2 paragraphs.	All staff positions listed in the RFP must be included in your organization's proposal.  Please be sure to include resumes/and or detailed job descriptions and area(s) of expertise for key staff members. Key staff members are defined as members of the project management team (the Project Director and the Clinical Pharmacy Director).  This level of detail is not necessary for the general staffing plan.
111	6.5.2	58	In light of the given the 9/25/2009 proposal due date, requiring actual signatures of state official references for all references places a significant burden not only on the vendor, especially a vendor with a significant number of contracts, but on that vendor's client who may or may not be readily available during this short procurement period as well as willing to actually sign a document and get it back to the vendor in time for inclusion in the proposal. Will DMAS delete the signature requirement for state official references on the form in Appendix G and accept the vendors' written certification that the proposed state official named as the reference has been contacted and has agreed to provide that reference, or only require actual signatures or alternatively an e-mail to the vendor from the state official, for the minimum number of required references, that being three?	The requirement for signatures shall remain as required by the RFP.

112	6.5.2	58	Please confirm that the term “similar services” refers to Pharmacy Call Center, Preferred Drug List (PDL), Service Authorizations (SA), the Maximum Allowable Cost (MAC) and Specialty MAC (SMAC) for Medicaid.	Confirmed
113	6.6	59	1 <sup>st</sup> paragraph requires clearly labeling with the words “Technical Proposal” on the front cover and the words “Cost Proposal” on the front cover. However, the 3 <sup>rd</sup> paragraph duplicates this requirement but changes the labeling wording to “RFP” Technical Proposal” and “RFP” Cost Proposal”. Please clarify the correct labeling that should be used for each proposal response.	The correct labeling should be: RFP 2009-03 Technical Proposal RFP 2009-03 Cost Proposal
114	6.6	60	The 1 <sup>st</sup> sentence of the 3 <sup>rd</sup> paragraph requires Offeror’s to submit 5 CD/DVD electronic copies of the Technical proposal. However, the 6 <sup>th</sup> sentence of the same paragraph requires that only 1 electronic copy of the technical proposal is required. Please clarify the number of electronic copies that are required of the Technical proposal.	The correct number of CD/DVD electronic copies of the Technical Proposal is 6 in MS Word 2003. In addition one Redacted copy of the full technical in pdf format and one copy of the entire cost proposal in either Word 2003 or Excel 2003.
115	6.6	60	As the Commonwealth has provided the Cost proposal forms in Appendix H in Adobe format, and that Offerors are to include additional information within the cost proposal from Section 5 and the Small Minority Plan information in MS Word format, please confirm that the 1 electronic copy of the Cost proposal is permitted to be submitted in MS Word 2003 format only and that MS Excel format is not required.	Please refer to Question 114.
116	6.10	61	Is page 3 of the RFP considered the RFP cover page?	Correct.
117	6.12	62	Courier delivery requires a phone number for delivery purposes. Please provide a phone number that may be used on courier delivery forms.	804-786-6113
118	6.12	62	This section indicates a different proposal due date as listed in Section 2.3 and Section 6.1. Please confirm the proposal due date is September 25, 2009.	Please refer to Question 9.

119	6.14.2	63	<p>In light of the given the 9/25/2009 proposal due date, requiring actual signatures of state official references for all references places a significant burden not only on the vendor, especially a vendor with a significant number of contracts, but on that vendor's client who may or may not be readily available during this short procurement period as well as willing to actually sign a document and get it back to the vendor in time for inclusion in the proposal.</p> <p>Will DMAS delete the signature requirement for state official references on the form in Appendix G and accept the vendors' written certification that the proposed state official named as the reference has been contacted and has agreed to provide that reference, or only require actual signatures or alternatively an e-mail to the vendor from the state official, for the minimum number of required references, that being three?</p>	Please refer to Question 111.
120	6.15	64	<p>Should bidders add the totals for all three years for all segmented services (PDL, service authorization, call center, etc) somewhere on the cost proposal? Or should the Grand Total be done only by segmented services on the cost proposal? If a total for all segmented services combined is required, where should this total be presented?</p>	Grand Total is not required.
121	7.1	65	<p>Paragraph titled: "Mandatory Conditions" references Sections XIX. There is no Section XIX to the RFP. Please provide the correct reference for the evaluation of mandatory conditions.</p>	The reference should read Sections VII and IX.
122	7.2.3	67	<p>Will DMAS provide the name(s), contact information, and scope of work for the current Small Business entities engaged by the incumbent vendor(s) on the current PDL and MAC contracts?</p>	This information is not available.
123	7.2.4	67	<p>Please confirm that the optional services priced in the bidder's proposal will not be part of the evaluated price.</p>	Confirmed.
124	9.8	79	<p>Please clarify if the "implementation begin date" with respect to Contractor payments refers to July 1, 2010 or to when the Contractor begins implementation activities in preparation for the July 1, 2010 go live of operations.</p>	Please refer to Question 92.
125	9.9	79	<p>Section 9.9 provides specific instructions on how proposal packages are to be identified. However, these instructions contradict the instructions provided in Sections 6.5 and 6.6. Please provide the correct labeling and identification that should be used for all proposal packages.</p>	Please refer to Question 113.

126	9.11.a	80	The RFP states that it is the goal of the Commonwealth that 40% of its purchases be made from small businesses. Does the Department have a goal for the contractor that is represented as a percent of total contract value? What are the current goals for small business participation, if any?	The Commonwealth's aspiration goal is for 40% of all expenditures to be with Small Businesses.  DMAS does not have a specific goal for Small Business participation for this solicitation.
127	9.19	82	Can this signature be electronic?	Yes
128	Appendix B	87	Do the "gross pharmacy expenditures" and "payments" amounts listed in Appendix B include dispensing fees paid to providers?	Yes.
129			Please explain what therapeutic class or classes are represented by "0" in the Medicaid Fee-for-Service Pharmacy Expenditures by Therapeutic Class table.	0 or 00 are Medical Supplies, Devices and Other Non-drug products.
130			Please confirm that the therapeutic classes listed in the Medicaid Fee-for-Service Pharmacy Expenditures by Therapeutic Class table are based on the First DataBank classification of Specific Therapeutic Class. If the previous sentence can not be confirmed, please identify the classification system utilized or the products in each therapeutic class.	Confirmed. These are expenditures by Drug Therapeutic Class Standard Code.
131	General		Who is the incumbent contractor and what is the contract duration and value?	Since this will be a new contract there is no incumbent contractor
132			Please provide a listing of the potential Offerors that submitted a Letter of Intent.	That list will be available after the solicitation process is completed
133			In order to provide the Commonwealth with the highest quality technical proposal and most competitive cost proposal and due to the multiple competitive FFS Medicaid RFPs in the marketplace that are currently due within 1 business day of the Commonwealth's RFP, will the Commonwealth please consider extending the proposal due date a minimum of 2 weeks?	No, DMAS will not extend the proposal due date. Proposals will be accepted until 2:00 p.m. local time on September 25, 2009.
134			Each section states that Offeror's proposal shall address methodologies to be used, timelines, work plans, etc. Please confirm that separate timelines, project work plan, personnel, etc are not required to be submitted in response to each individual RFP Section requirement and that only 1 comprehensive timeline, project work plan and personnel identification are required for submission with proposal responses and should be included within the respective responses to section 6.14.	The Offeror needs submit 2 timelines – one for the PDL program and the other for the MAC/SMAC program.

135			Will the Commonwealth's responses be sent only to the vendor asking specific questions, or will the responses be sent to all vendors who have submitted a letter of intent? When will responses to vendor questions be issued to vendors	Responses to questions will be posted as an Addendum to the RFP and will be published on the following web sites: <a href="http://www.dmas.virginia.gov">www.dmas.virginia.gov</a> <a href="http://www.eva.virginia.gov">www.eva.virginia.gov</a>
136			The RFP addresses a Service Authorization Program for the existing PDL, including existing service authorizations criteria. Will the contractor have responsibility for other Service Authorization Programs that DMAS has in place? For example, dose optimization authorization, early refill authorization and other potential service authorizations such as mental health drugs in children? Please refer to the previous Virginia RFP 2008-02 (Section 4.1.1.4, Pharmacy Services, requirements 54 and 56) where reference was made that the PDL vendor would be responsible for Prior Authorization of early refill and dose optimization.	Yes. The Contractor will be responsible for all service authorizations programs established by DMAS including, but not limited to, dose optimization, early refill, weight loss drugs, etc.
137			Over the past six years there have been minimal physician level reconsideration reviews conducted and one appeal that focused on a non-PDL category. Is it anticipated that the focus of the PDL will change to support the services of a full-time physician?	The focus of the PDL could change in response to legislation passed by the General Assembly which DMAS cannot predict. In the event new drug classes are added to the PDL, a physician "dedicated" (not 100%) to VA may be necessary.
138			Will the Department make public the other vendors who have submitted LOIs?	Please refer to Question 132
139			Will DMAS provide prospective bidders with copies of all contract "change orders" and "amendments" to the current PDL contract?	Yes. Please see Attachment B.
140			Can the State please confirm whether the State requires the successful pharmacy vendor to use First DataBank as the drug reference file or whether vendors may propose MediSpan as part of the overall solution?	Contractors must use FirstData Bank.

**Addendum to 3.2.1**

**The volume data detailed in the chart in Section 3.2.1 includes requests/inquiries received by telephone, fax, and DDE.**

Answer to Question 29:

Date (SFY 09)	Number of Calls	Average Call Time
07/01/2008	2702	3:03
08/01/2008	2405	2:52
09/01/2008	2551	3:21
10/01/2008	2972	3:12
11/01/2008	2401	3:19
12/01/2008	2601	3:04
01/01/2009	2669	3:03
02/01/2009	2578	2:56
03/01/2009	2873	2:57
04/01/2009	3076	2:59
05/01/2009	2816	3:02
06/01/2009	2875	2:53
<b>Totals</b>	<b>32519</b>	<b>3:03</b>

Answer to Question 47:

	SFY 08		SFY 09	
	Number	Percent	Number	Percent
Web	0*	0.00	169	.31
Fax	6,139	31.31	6,323	28.69
Incoming Call	13,471	68.69	15,549	71.00
<b>TOTAL</b>	<b>19,610</b>	<b>100.00</b>	<b>22,041</b>	<b>100.00</b>

\*Note: Web PAs were not recorded in SFY 08, since that form of PA submission was still in its infancy.

Answer to Question 61:

File Field Name	Data Type & Length	Required	Notes
Record ID	CHAR (4)	Y	Constant of "01@@@"
Labeler Code	NUMBER (5)	Y	NDC #1
Product Code	NUMBER (4)	Y	NDC #2
Package Size Code	NUMBER (2)	Y	NDC #3
Period Covered	NUMBER (5)	Y	QYYYY
Product FDA Registration Name	CHAR (10)		Product name as it appears on FDA registration form

Drug Category	CHAR (1)		Classification of drug for purposes of rebate calculations N=Non-innovator multiple source S=Single source I=Innovator multiple source
DESI Indicator	CHAR (1)		A DESI drug is any drug that lacks substantial evidence of effectiveness and is subject to a Notice of Opportunity for Hearing.
FDA Therapeutic Equivalency Code	CHAR (2)		The classification contained in the Orange Book.
Unit Type	CHAR (3)		Basic measurement that represents the smallest unit by which the drug is normally measured. AHF= refers only to injectable Anti-Hemophilic Factor units CAP=Capsule SUP=Suppository GM=Gram ML=Milliliter TAB=Tablet TDP=Transdermal Patch EA=Each (Refers to drugs not identifiable by any other unit type as given in the program instructions.)
Units Per Pkg Size	NUMBER (10,3) implied decimal		999999V999
Rebate Amount per Unit	NUMBER (11, 6) implied decimal	Y	99999V999999  Supplemental rebate calculation could result in a negative rebate amount on the ProviderOne file (SR15580).
FDA Approval Date	DATE		MMDDYYYY
Data Entered Market	DATE		MMDDYYYY
Termination Date	DATE		MMDDYYYY. Notes: All zeros should be considered as equivalent to 30000101.
Drug Type Indicator	CHAR (1)		Indicator to show whether this drug product can be acquired OTC.  1=Rx 2=OTC

Correction Flag	CHAR (1)	Y	<u>Rebate File</u> Indicator that this record corrects and replaces a record already submitted for the initial submission. 0=Original record 2=Original record from prior period 3=Correction record from prior period
Filler	CHAR (1)		N/A