

February 27, 2013

MONTANA STATE FUND  
REQUEST FOR PROPOSAL ADDENDUM  
RFP NO. MSF 51  
TO BE OPENED: March 8, 2013  
TITLE: Pharmacy Benefit Manager (PBM) Audit Services

ADDENDUM NO. 1

To All Offerors:

Attached are written questions received in response to this RFP. These questions, along with the State Fund's response, become an official amendment to this RFP.

All other terms of the subject "Request for Proposal" are to remain as previously stated.

**Acknowledgment of Addendum:**

The offeror for this solicitation must acknowledge receipt of this addendum. This page must be submitted at the time set for the proposal opening or the proposal may be disqualified from further consideration.

I acknowledge receipt of Addendum No. 1

Signed: \_\_\_\_\_

Company Name: \_\_\_\_\_

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

Sincerely,

Bridget McGregor  
Procurement Officer

**QUESTIONS & ANSWERS**

Questions and Answers: The following are Montana State Fund’s answers to the questions submitted by potential offerors prior to February 21, 2013.

- Page 12, Section 3.3.1.2.b. The RFP indicates that ESI continually solicits pharmacies to participate in the network. Are there different contracted rates for independents versus chains, or workers’ comp versus commercial? In other words, is there a potential that the contracted rates for which claims were adjudicated may have been applied incorrectly to the workers’ comp line of business?

**MSF Response: Montana State Fund’s contracted rate with ESI is as follows:**

**Participating Pharmacy Rates.**

	<b>ExpressComp National Network</b>
<b>Brand Ingredient Cost</b>	AWP - 11.50%
<b>Generic Ingredient Cost</b>	AWP – 45.00%
<b>Compound Drugs</b>	Combined AWP plus applicable service fee
<b>Dispensing Fee/Rx</b>	\$1.50
<b>Administrative Fee/Rx</b>	\$0.00

**Mail Pharmacy Rates.**

<b>Brand Ingredient Cost</b>	AWP – 19.50%
<b>Generic Ingredient Cost</b>	AWP – 50.00%
<b>Compound Drugs</b>	Combined AWP plus applicable service fee
<b>Dispensing Fee/Rx</b>	\$1.50
<b>Administrative Fee/Rx</b>	\$0.00
<b>Minimum Rate/Rx</b>	\$14.99

- Page 12, Section 3.3.1.2.c. With respect to the performance standards reference in this question, how many performance guarantees are currently in force and how many (if not all) are required to be reviewed for the audit? Are there financial penalties that need to be reconciled as part of this task?

**MSF Response: All the following performance guarantees are required to be reviewed and reconciled with this audit:**

<b>Contact Center</b>		
Average Speed of Answer:	ESI guarantees that calls will be answered in an average of 30 seconds or less with the exception of a failure in a third-party communication system.	ESI will pay State Fund \$6,500 for each full second above the standard 30 seconds on an annual basis. The maximum annual penalty will be \$12,500. The calculation will be based on the average speed of answer.

Blockage Rate (Busy Signal):	ESI will guarantee a blockage rate of 2% or less with the exception of a failure in a third-party communication system. Blockage is defined as a caller receiving a busy signal.	ESI will pay State Fund \$6,500 for each full percentage point above the standard 2%, on an annual basis. The maximum annual penalty will be \$12,500. The calculation will be based on the blockage percentage.
Percent of Calls Abandoned:	ESI guarantees that the call abandonment rate will be 3% or less with the exception of a failure in a third-party communication system. The abandonment rates do not include calls terminated by Injured Workers in less than 30 seconds.	ESI will pay State Fund \$6,500 for each full percentage point above the standard 3% on an annual basis. The maximum annual penalty will be \$12,500. The calculation will be based on the average percentage of calls abandoned.
<b>Home Delivery Pharmacy</b>		
Dispensing Accuracy:	Whereas ESI strives for 100% accuracy, ESI guarantees 99.98% accuracy in dispensing the correct drug, strength, and dosage, unless the error is a prescriber error.	ESI will pay State Fund \$6,500 for each full percentage point below the standard of 99.98%, on an annual basis. The maximum annual penalty will be \$12,500. The calculation will be based on the average prescription accuracy.
Turnaround Time for Routine (Clean) Prescriptions	ESI guarantees that 90% of prescriptions not subject to intervention will be dispensed and shipped (or returned) within two (2) business days of their receipt at ESI's Home Delivery Pharmacy. This standard will be measured and reported quarterly.	ESI will pay State Fund \$6,500 for each full day above the standard two (2) business days on an annual basis. The maximum annual penalty will be \$12,500.
Turnaround Time for Prescriptions Subject to Intervention	ESI guarantees that 90% of prescriptions subject to intervention will be dispensed and shipped (or returned) within five (5) business days of their receipt at ESI's Home Delivery Pharmacy. This standard will be measured and reported quarterly.	ESI will pay State Fund \$6,500 for each full day above the standard five (5) business days on an annual basis. The maximum annual penalty will be \$12,500.
<b>Data Systems</b>		
Data Systems Availability and Adjudication	ESI guarantees an annual average 99% system availability of the point-of-sale adjudication system on a book-of-business basis. This standard excludes systems downtime attributed to regularly scheduled systems maintenance or systems downtime attributed to telecommunications failure or other circumstances outside the control of ESI.	For each full percentage point which the yearly average of the online computer systems availability is below 99%, ESI will pay State Fund \$6,500. The maximum annual penalty for availability and adjudication will be \$12,500.

Reporting		
Timely Production of Management Reports	ESI guarantees access to the Trend Central reporting data will be available within an annual average of ten (10) days after month-end.	ESI will put \$12,500 as a total amount of penalty at risk.
Account Management		
Account Management — Satisfaction	<p>ESI guarantees that State Fund satisfaction with Account Management is rated as satisfactory. The following categories will be measured annually by State Fund as satisfactory or not satisfactory:</p> <ul style="list-style-type: none"> <li>• Timely issues resolution by the account management (20% of total amount of penalty at risk)</li> <li>• Consultative services (20% of total amount of penalty at risk)</li> <li>• Timeliness of reporting and annual reviews (20% of total amount of penalty at risk)</li> <li>• Frequency of meetings/plan updates (20% of total amount of penalty at risk)</li> <li>• One mutually agreed upon category (20% of total amount of penalty at risk)</li> </ul> <p>This standard will be measured and reported annually.</p>	ESI will put \$30,000 as a total amount of penalty at risk.
Clinical	Physician Outreach Program	ESI will put \$20,000 as a total amount of penalty at risk.

- Page 13, Section 3.3.1.6. Does the State Fund have the ability to ensure that claims data would be available directly from the PBM on April 1<sup>st</sup> in order to make the deliverable date for the written report? Typically, ESI and other PBM firms need 60 days in order to provide complete files prior to the launch of an audit.

**MSF Response: Montana State Fund anticipates sending the contractor performing the audit a CSV file on a CD no later than April 12, 2013 that includes all claims with ESI bills between January 1, 2011 and December 31, 2012. We anticipate ESI meeting this deadline for drugs dispensed during these dates. See Attachment A for PBM data format.**

- Page 13, Section 3.3.1.6. If there is a delay in receiving 2012 claims data due to run out, would the State Fund consider splitting the project into two separate audits for the individual years?

**MSF Response: Montana State Fund does not anticipate a delay in sending 2012 claims data due to run out. We are open to discussing splitting the audits into two separate audits for the individual years; however, we are not interested in extending the deadline for the final report.**

5. Page 13, Section 3.3.1.6. Assuming data is available for both years on April 1<sup>st</sup>, will the State Fund need individual reports for each year or a combined report for both years?

**MSF Response: Montana State Fund anticipates sending the contractor performing the audit a CSV file on a CD no later than April 12, 2013 that includes all claims with ESI bills between January 1, 2011 and December 31, 2012. We anticipate ESI meeting this deadline for drugs dispensed during these dates. We are open to discussing individual reports for each year or a combined report for both years.**

6. Will all questions and answers be distributed to those that inquire?

**MSF Response: All questions and MSF's answers to this RFP will be posted on the State website. This Addendum No. 1 is an official amendment to this RFP.**

7. Has the project been budgeted? If so how much?

**MSF Response: Montana State Fund has a budget of \$75,000 for this audit. Please submit your proposal based on your most competitive estimate of the cost of services requested.**

8. Will we have access to the Daily AWP used for payment calculations?

**MSF Response: It is our expectation access to the Daily AWP for payment calculations will be available from the contractor performing the audit.**

9. Will contracts with ExpressScripts be available?

**MSF Response: A copy of Montana State Fund's contract with ESI and any change orders are available upon request.**

10. Will information be available electronically? Will this be in a format that can be used in a database? XLS, CSV etc.

**MSF Response: Montana State Fund anticipates sending the contractor performing the audit a CSV file on a CD that includes all claims with ESI bills between January 1, 2011 and December 31, 2012. Data from ESI will be in Excel format. See Attachment A.**

11. Is there an expectation for this work to be completed onsite or can the information be accessed remotely?

**MSF Response: An onsite audit is not expected. A copy of Montana State Fund's contract with ESI and any change orders, and a CSV file that includes all claims with ESI bills between January 1, 2011 and December 31, 2012 will be available to the contractor performing the audit.**

12. Page 13, 3.a PBM Performance:

- a. Is there an expectation of onsite system reviews with Express Scripts going over the actual code within the applications?

**MSF Response: Montana State Fund leaves this option to the discretion of the contractor selected to perform the audit.**

- b. Should this control be confirmed using the supplied information and calculations within the supplied data?

**MSF Response: Montana State Fund agrees controls should be confirmed using accepted auditing processing.**