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QUESTIONS AND RESPONSES # 2
PROJECT NO. F10B640005R
Department of Budget & Management
Pharmacy Benefit Management Services and Pharmacy Benefits
Purchasing Pool Management
April 15, 2016

Ladies/Gentlemen:

This List of Questions and Responses #2, questions #10 through #13, is being issued to clarify certain information contained in the above named RFP.

In most instances the Department's response to the submitted questions merely serves to clarify the existing requirements of the RFP. Sometimes, however, in submitting questions potential Offerors may make statements or express interpretations of contract requirements that may be inconsistent with the Department's intent. To the extent that the Department recognizes such an incorrect interpretation, the provided answer will note that the interpretation is erroneous and either state that the question is moot once the correct interpretation is explained or provide the answer based upon the correct interpretation.

No provided answer to a question may in and of itself change any requirement of the RFP. If it is determined that any portion of the RFP should be changed based upon a submitted question, the actual change may only be implemented via a formal amendment to the RFP. In this situation the answer provided will reference the amendment containing the RFP change.

Questions and Answers

10. Section 3.9 requires the PBM to have a SOC-2, Type 2 Audit performed annually. Section 3.9.8 provides: "If the Contractor, including any relevant subcontract, currently has an annual information security assessment performed that includes the operations, systems, and repositories of the Information Functions and/or Processes being provided to the Department under the Contract, and if that assessment generally conforms to the content and objective of the Guidance, the Department will determine in consultation with appropriate State government technology and audit authorities whether the Contractor's and any relevant subcontractor's current information security assessments are acceptable in lieu of the SOC 2 Report(s)."

The Health Information Trust Alliance (HITRUST) Common Security Framework (CSF) was created for the healthcare industry and the sensitive patient information we manage. HITRUST's CSF rationalizes health-relevant regulations, standards, best practices and risk related events (such as cyber threats and breach data) into a single overarching security

framework. The CSF is fully mapped to ISO 27001, and HITRUST has broad overlap with ISO 27001 while maintaining an in-depth focus on the controls that are most critical for healthcare providers. In July 2014, HITRUST and the American Institute of CPAs (AICPA) announced a collaboration to streamline and simplify the process of leveraging the CSF and CSF Assurance programs for the AICPA's Service Organization Control SOC reporting, the accounting standards for reporting service organization controls. This approach provides healthcare organizations that must comply with HIPAA or other regulatory requirements the ability to leverage one comprehensive, scalable and up-to-date framework relevant to their organization type. We currently have an annual SOC-1, Type 2, and HITRUST CSF reviews. Please confirm that SOC-1, Type 2 and HITRUST certification together are acceptable in lieu of the SOC-2 report.

RESPONSE: The HITRUST Certification in conjunction with their SOC 1 Type 2 Report would be an acceptable alternative to the SOC 2 Type 2 Report pursuant to RFP Section 3.9.8, provided that the Offeror's SOC 1 audit and HITRUST Certification are current and provided that the Offeror, if awarded the Contract, maintains its HITRUST Certification throughout the life of the Contract. Certification means that an independent, qualified Common Security Framework assessor has performed an assessment according to HITRUST's Common Security Framework and has issued a report of the audit results, and the report has been accepted and approved by HITRUST.

If an Offeror proposes a combination of the HITRUST Certification and SOC 1 Type 2 Report to meet the requirements of RFP Section 3.9, then all of the requirements of Section 3.9 respective to the SOC 2 Type 2 Audit and Report will apply to the Offeror's HITRUST Certification and SOC 1 Type 2 Audit and Report. Additionally, the Offeror must agree to maintain its HITRUST Certification and, if awarded the Contract, provide by May 1 of each Contract year, per RFP Section 3.9.1, both evidence that it has successfully retained its HITRUST Certification and also a copy of its SOC 1 Type 2 Report and associated audit corrective action documentation.

11. The RFP requirements state in Attachment P – Technical Proposal. PG-1 Telephone Call Availability, that 98% of telephone calls be answered by a live service representative within 30 seconds and that the representative must have knowledge of the State account and be able to address the member's issue/question.

A service level of 98% of calls being answered by a live representative within 30 seconds is well above industry standards and adds significant cost without increasing member satisfaction. A service level of 98% of calls in 30 seconds is equivalent to an Average Speed of Answer (ASA) of approximately 5 seconds. The industry standard ASA for commercial clients is an average of 30 seconds (which is equivalent to a service level of roughly 75% of calls answered in 30 seconds). The service level required by CMS for EGWPs is 80% of calls answered in 30 seconds, which equates to roughly a 25 second ASA. A service level of 98% in 30 seconds is very unlikely to be achieved, and attempting to achieve it can be counterproductive in terms of member satisfaction because it would require distributing your members' calls to a much larger pool of customer service agents. Because this very large pool of agents would be less familiar with the State's specific benefits, it will take longer to answer member's questions and there is a higher chance that the information will not be correct. We believe the State's goal for all performance guarantees is to achieve the highest satisfaction ratings from its members. In our experience serving tens of millions members for decades, satisfaction is much more highly correlated to getting the right answer the first time than to having the phone answered a few seconds faster.

Please revise the performance standard for telephone call availability for both the commercial and EGWP plans to the CMS standard, which is higher than the commercial standard and is designed to achieve very high member satisfaction, of 80% of calls in 30 seconds.

RESPONSE: The State has revised the performance standard stated in PG-1. Please see Amendment 2, Item 1.

12. Attachment P – Technical Proposal. PG-7, Delivery of Quarterly Plan Performance Measurement Report Card, requires providing performance guarantee reporting one month after the end of each calendar quarter.

We can provide progress reporting on service related to some standards on a monthly basis within one month as required in this Performance Guarantee, however reporting as to compliance with guarantees is done on a company-wide process that requires 60 days after the end of each quarter to compile, verify, and prepare reporting to clients. Please revise PG-7 to require delivery of the Performance Measurement Report Card not later than the first day of the second month after each quarter.

RESPONSE: The State has revised the performance standard stated in PG-7. Please see Amendment 2, Item 2.

13. The RFP states the following: “Section 4.2 – Proposals 4.2.4. Beginning with Tab B (see RFP Section 4.4.2.3), all pages of both Proposal volumes shall be consecutively- numbered from beginning (Page 1) to end (Page “x”). The Title Page, Table of Contents, and any Claim of Confidentiality (Tabs A and A-1; see RFP Sections 4.4.2.1 and 4.4.2.2), should be numbered using small Roman numerals (e.g., i, ii, iii, iv, v, etc.)

4.4.1 In addition to the instructions below, responses in the Offeror’s Technical Proposal should reference the organization and numbering of Sections in the RFP (e.g., “Section 3.2.1 Response . . .; “Section 3.2.2 Response . . .,” etc.). This Proposal organization will allow State officials and the Evaluation Committee (see RFP Section 5.1) to “map” Offeror responses directly to RFP requirements by Section number and will aid in the evaluation process.”

Please confirm that for numbering purposes we may consecutively number pages by section so long as we clearly designate the order of the proposal. For example:

- Section 4.4.2.3, Transmittal Letter — Page 1 through Page xx*
- Section 4.4.2.4, Executive Summary — Page 1 through Page xx*
- Section 4.4.2.5, Minimum Qualifications Documentation — Page 1 through Page xx*
- Etc....*

RESPONSE: The State’s preference is that Offerors number the pages of their proposal consecutively beginning with Tab B, from 1 to X. For example, if Tab B starts and ends with pages 1 and 37 respectively, Tab C should begin with page 38. However, sequential numbering within each Tab is acceptable if the numbering within each Tab is identified by the Tab letter, e.g., B-1, B-2, etc., and C-1, C-2, etc.