DEPARTMENT OF
BUDGET & MANAGEMENT

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November 17, 2005

ADDENDUM #3

Pharmacy Benefits Purchasing Pool Management and Pharmacy Benefits Plan Administration Services

Solicitation No. F10R6200071

Ladies/Gentlemen:

This Addendum is being issued to amend and clarify certain information contained in the above named RFP. All information contained herein is binding on all offerors who respond to this RFP. Specific parts of the RFP have been amended. The following changes/additions are listed below; new language has been double underlined (i.e., word) and language deleted has been marked with a strikeout (i.e., ~~word~~).

1. Revise, Section 3.4.1.7 as follows:

3.4.1.7 Reporting

The Contractor shall:

- Provide quarterly reports integrating financial and utilization data on retail, mail and specialty pharmacy claims, including the mandatory reports shown in **Attachment N-2**
- ~~Provide full disclosure of pricing, revenues, discounts, administration fees, formulary or preferred drug list bonuses and fees, rebates, operations, drug switching/substitution, and formulary management information (such as quarterly updates of MAC list changes, formulary changes, and preferred drug list changes)~~
- Provide to the State full disclosure of revenue sources of the Contractor
- Provide quarterly reports that include details of at least the following received *directly or indirectly* in connection with the State Plan and the Maryland Rx Program:
    a. prescription prices (e.g. retail, mail and specialty pharmacy AWP, AWP discounts, dispensing fees, etc.)
    b. manufacturer payments (e.g. formulary rebates, administrative fees, educational grants, detailing payments, bonuses, etc.), including amount and source
    c. administrative fees or payments from labelers or wholesalers (discounts, rebates, grants, detailing payments, bonuses, etc.) including amount and source

d. outreach and outcomes of any other arrangement(s) from which the Contractor may profit

- Provide full disclosure and quarterly reports of utilization management programs (e.g. prior authorization, drug limitation, etc) including at least affected drugs, costs, savings, outcomes, and number of affected members
- Provide full disclosure quarterly reports of drug switching, drug substitution and drug repackaging or drug relabeling that occurs directly or indirectly in connection with the State Plan and the Maryland Rx Program, including at least the following:
    e. drug name, dosage, strength and NDC code of the drug prior to substitution, switching, repackaging or relabeling
    f. drug name, dosage, strength and NDC code of the drug after substitution, switching, repackaging or relabeling
    g. the price of each drug
    h. therapeutic basis or cost savings for the switching or substitution
    i. the manufacturer of each drug
    j. the labeler or packager of each drug
    k. the aggregate number of switches, substitutions, relabeling or repackaging during the reporting period

- Provide full disclosure and quarterly updates of formulary management information, including at least the following:
    l. maximum allowable cost (MAC) list changes, identifying changes by drug name, dosage and NDC number
    m. formulary changes and preferred drug list changes, listing changes in the list of drugs that are included in the second (i.e. "preferred") tier and third (i.e. "non-preferred") tier, identifying changes by name, dosage, and NDC number
    n. the procedure used to make such changes
    o. the procedure used to notify those impacted by the formulary or PDL changes
    p. impact and outcome of formulary changes (e.g. number of participants, costs, savings, etc.) by drug
    q. any arrangements with prescribing providers, medical groups, pharmacy providers, individual practice associations, or other persons associated with activities of the Contractor to encourage formulary compliance or otherwise manage prescription benefits, including a description of outreach efforts and outcomes
- Report on activities relating to clinical and cost management programs including DUR and substitution programs
- Furnish on-line access to State reports
- Provide benchmark data on pharmacy costs and utilization
- Offer ad-hoc reporting assistance as requested by the State
- Provide clinical resources to the State to help in interpreting pharmacy data and developing cost management strategies

2. Revise Section 3.4.1.4 to read as follows:

3.4.1.4 Clinical and Cost Management Programs

The Contractor shall:

- Ensure pharmacies provide free information to members on general health information such as adverse drug events, medication safety and storage, poison control and child safety
- Substitute the drug prescribed with another drug only if: (1) the substitution complies with applicable laws, and (2) there is a benefit to the health of the individual member or a savings to the State or individual member ~~other Maryland Prescription Drug Program participant~~ (such savings must be passed through to the State or the individual participant) (in the case of an individual enrolled in a plan sponsored by another Purchasing Pool Participant, savings must accrue to the Purchasing Pool Participant or individual member in that purchasing Pool Participant's plan)
- Substitute the drug prescribed with another drug only if the prescriber and the individual member agree to the substitution, unless the substitution is from a brand drug to a generic drug
- Conduct a full range of Drug Utilization Review (DUR) programs for retail, mail and specialty pharmacy utilization, including prior authorization, quantity level limits and electronic edits for duplicate claims, drug to drug interactions, duplicate therapies, fraud and abuse programs, etc.
- Cooperate with initiatives the State may wish to pursue to integrate medical, laboratory and pharmacy claims data to enhance DUR and Disease Management initiatives
- Utilize a P&T Committee to ensure appropriate therapies are represented on the formulary and in clinical programs

3. Revise Section 3.4.1.9 to read as follows:

3.4.1.9 Participant Communications

The Contractor shall:

- Issue member ID cards that are compliant with current NCPDP standards and that use~~using~~ a number other than the participant's Social Security number or any part of the number (the State will provide the enrollment and premium deduction information to the successful Offeror using the SSN but the ID card issued to participants must not contain the SSN).
- Have the ability to assist participants who contact Member Services with only their name and / or Social Security number
- Provide Explanations of Benefits (EOBs) or similar Member utilization statements on a quarterly basis
- Assist the State, as requested, in the development of benefit summaries and other communication materials for participants
- With prior approval from the State, provide ongoing communications to participants on issues pertinent to the pharmacy benefits program
- Provide disclosures to individual members when the individual Member is subject to drug switching or drug substitution, whether the substitution occurs at a retail, mail or specialty pharmacy; such disclosures should include:

  i. the name of the drugs involved in the switch or substitution
  ii. the cost savings associated with the switch or substitution at the time of the substitution
  iii. any difference in the individual member's copayments or other out-of-pocket expenses
  iv. the circumstances under which the originally prescribed drug will be covered

v. notification that the member may decline the drug switch or drug substitution if the originally prescribed drug remains on the member's formulary and the member is willing to pay the difference in the copayment amount; and,
vi. a toll-free telephone number the member may use to communicate with the Contractor.

Should you require clarification of the information provided in this addendum, please contact me at (410) 260-7662 as soon as possible.

Date Issued: November 17, 2005
By_____

Edward Bannat
Procurement Officer