DEPARTMENT OF
BUDGET & MANAGEMENT

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Amendment #7 to Request for Proposals (RFP)
NO. F10B6400005R
Department of Budget & Management
Pharmacy Benefit Management Services and Pharmacy Benefits
Purchasing Pool Management
June 13, 2016

This Amendment is 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 and marked in bold (ex. **new language**), and language deleted has been marked with a strikeout (ex. ~~language deleted~~).

1. AMEND the Key Information Summary Sheet as follows:

Proposal Due (Closing) Date and Time: ~~May 1226June714~~June 28~~3~~, 2016, at 2:00 p.m. Local Time

2. AMEND Section 1.2.5 of "Abbreviations and Definitions" as follows:

1.2.5 **Brand Drug** – ~~The innovator drug product submitted to the Federal Drug Administration for approval. A Brand Drug is a drug produced and distributed with patent protection. A drug that is approved by the U.S. Food and Drug Administration, and is produced, distributed under an original new drug application (NDA) or marketed by a cross-licensed producer/distributor operating under the NDA. A Brand Drug can be an innovator multisource drug that is originally marketed under an original NDA approved by the US Food and Drug Administration.~~ **A drug that is approved by the U.S. Food and Drug Administration (FDA), and is produced and distributed under an original new drug application (NDA) or marketed by a cross-licensed producer/distributor operating under the NDA, and which excludes authorized generic drugs.**

3. AMEND Section 1.2.39 of "Abbreviations and Definitions" as follows:

1.2.39 **Generic Drug** – ~~A drug produced and distributed without patent protection. The Generic Drug may still have a patent on the formulation but not on the active ingredient. A generic drug is a single-source or multi-source drug available to pharmacy providers from at least one manufacturer and, per the FDA Orange Book, is rated as therapeutically equivalent to the reference drug. It is produced, and marketed under an abbreviated new drug application (*ANDA*) approved by the FDA. Single source generics are classified as generics and considered as generics for all purposes under the Contract resulting from this RFP~~ **A single-source or multi-**

source drug rated as therapeutically equivalent to the brand/reference drug, per FDA Orange Book. It is produced, and marketed under an abbreviated new drug application (*ANDA*) approved by the FDA. Authorized generics marketed under the original brand NDA are classified as generics for purposes of pricing and Participant copay purposes.

4. AMEND Section 1.2.54 of "Abbreviations and Definitions" as follows:

1.2.54 **Member** – An employee, former employee or retiree (including Satellite and Direct Pay) who is eligible to participate in the Program pursuant to COMAR 17.04.13.03A, as amended from time to time, **inclusive of that individual's Dependents. One "Member" includes the eligible employee, former employee, or retiree and that eligible individual's Dependents.** ~~and does include the member's Dependents.~~

5. AMEND Section 1.2.59 of "Abbreviations and Definitions" as follows:

1.2.59 **Participant** – **Each individual covered under the family unit of a Member enrolled in a plan.** ~~Each individual covered by a plan (Members and Dependents).~~

6. AMEND Section 1.2.62 of "Abbreviations and Definitions" as follows:

1.2.62 **P~~E~~MPM** – Per ~~Employee~~**Member** Per Month. The Contractor's administration fee for each employee and family unit, or retiree and family unit on a monthly basis.

7. AMEND Section 1.2.66 of "Abbreviations and Definitions" as follows:

1.2.66.**PM~~P~~PPM** – Per ~~member~~ **Participant** ~~p~~**P**er ~~m~~**M**onth. The Contractor's administration fee for each Medicare eligible enrolled retiree and family member in the EGWP drug program charged on a monthly basis.

8. AMEND Section 1.2.71 of "Abbreviations and Definitions" as follows:

1.2.71 **Rebate** – All pharmaceutical Manufacturer Payments or revenue, **including indirect and direct remuneration,** as a result of the State's Program, paid to the Contractor.

9. AMEND Section 1.2.76 of "Abbreviations and Definitions" as follows:

1.2.76 **Specialty Drug** ~~– High cost medication that has unique uses for the treatment of complex or chronic diseases, requires special dosing or administration, involves significant patient education and monitoring, requires special storage and handling, is typically biologic in nature, and is typically prescribed by a specialist provider.~~ For FA-1 Commercial, Specialty Drug means a biologic, biosimilar, biogeneric, biobetter, or non-biologic pharmaceutical that ~~equals or exceeds $1,000 per claim (as determined by the amount of the discounted ingredient cost plus dispensing fee); and~~ meets one or more of the following conditions: 1) is used to treat complex, chronic conditions, 2) requires special handling and storage, or 3) involves a significant degree of patient education, monitoring, and management. For FA-2 EGWP, a Specialty Drug is determined in accordance with applicable CMS regulations and guidance.

10. AMEND the FA1 Technical Proposal Attachment P for Functional Areas 1 and 2 as indicated in the separately attached document "FA1 Attachment P Pharmacy Technical Proposal Amendment 3." Offerors are to submit their FA1 Attachment P responses using the aforementioned amended file. Changes include the following:

- To modify Compliance Checklist (CC) Item 20; and
- To modify Compliance Checklist (CC) Item 76 (m) under Quarterly Reports and 76 (e) under Annual Reports.

11. AMEND the Financial Forms, Attachments F FA1 and FA2, as indicated in the separately attached Excel spreadsheets labeled "(Amendment 3) FA1_Attachment F Commercial and Maryland Rx Purchasing Pool" and "(Amendment 3) FA2_Attachment F_EGWP. These forms replace the Financial Forms issued with the RFP and must be used in submission of an Offeror's Financial Proposal. Changes include the following:

- To clarify scope of Specialty Drug Pricing;
- To change terminology related to Participants and Members to reflect the definitions of those terms in Section 1.2.
- To add a requirement in Tab F2, item F-18 regarding fees for prior authorizations (which are to be billed only for clinical, not administrative, prior authorizations).
- To change title, description, and cell showing AWP discount in F-6 to clarify that scope of PBM specialty pharmacy discount.

Issued and authorized by

<signed>
Rachel Hershey
Procurement Officer