OFFICE *of the* STATE COMPTROLLER

2023 Pharmacy Services RFP

September 14, 2023 Bidders Conference Q&A

Posted September 27, 2023

Question 1: What is the current formulary?
Response: The State is currently participating in CVS' Standard Control Formulary Opt-In with the Advanced Control Specialty Formulary for active members and those who retired later than 10/1/17 and the Standard Control Formulary Opt-out with the Advanced Control Specialty Formulary for those who retired 10/1/17 or earlier with 2 Tier, 3 Tier Non-Qualifying, and 3 Tier Qualifying plan designs for both formularies.

Question 2: Can you clarify the definition of "therapy class" versus "therapeutic class"? Our understanding is: Therapy class = condition = disease indicator in claims file Therapeutic class = subset of drugs with same mechanism = therapeutic class in claims file
Response: The first option (PMPY Guarantees by Therapy Class/Disease) should provide guarantees at the Medispan GPI4 (DiseaseIndicator) level; the second option is to provide Unit Cost guarantees at the GPI-14 level.

Question 3: If a bidder uses a rebate aggregator to provide rebate management services and that aggregator retains a percentage of collected rebates for their compensation to provide that service, is that bidder disqualified? Meaning not 100% of all rebates generated is pass-through to Connecticut.
Response: We encourage any potential bidder to have a different relationship with that rebate aggregator based on a fee basis. In absence of that, full disclosure would be beneficial. But it would reduce transparency as to how much the aggregator is retaining.

Question 4: Bidders are asked to consider some PEPM pricing. How many employees are covered under the State's plan today? How many employees were covered under the State's plan under the claims data set we have?
Response: Segal to provide the monthly enrollment for the claims data.

Question 5: How will rebates affect formulary decisions?
Response: There could be a scenario in which the PBM will be negotiating rebates. The State would weigh the net formulary rebate impact. Rebates must be disclosed by individual drug. The Contractor would charge the State an Administrative Fee and pass through all rebates generated for each drug dispensed.

Question 6: Given that the revised data has just been received, will the State allow time for non-incumbent bidders to digest the data then extend the deadline for questions regarding the data? For this non-traditional pricing approach, having confidence in correctly understanding the data is critical. Thank you.
Response: Deadline for data-related questions has been extended to 10/6/23.

Question 7: Would the State / Segal team consider extending the question deadline?

Response: Deadline for data-related questions has been extended to 10/6/23.

Question 8: How does the State's plan apply POS Rebates with the plan design that is in place today?
Response: The POS rebates today are estimated rebates applied at the drug level based on anticipated level of rebate for each individual drug. Rebates are trued up on a quarterly basis to identify when rebates have been overpaid/underpaid. OSC wants claims data to reflect net cost of a drug. This will help the State understand the impact of net drugs being dispensed.

Question 9: Is there language to ensure the use of an independent utilization manager for PAs and UM so they will not adversely affect rebates?
Response: The State is not asking for rebate guarantees.

Question 10: Is PEPM defined? Enrollee, Employee? Eligible
Response: A monthly enrollment file will be provided and attached to the Manage Documents page on ProposalTech. PEPM is per employee per month.

Question 11: Would Ed please provide more detail on the non-traditional pricing offers, and explain how the evaluation of these offers will occur?
Response: Ed explained the various pricing options. Ed indicated that a bid will be rejected if channel minimum discounts/ typical guarantees are provided without providing firm quotes under the non-traditional pricing format.

Question 12: Will you address the requirements for those who only want to bid for specialty pharmacy network participation? If you award three specialty pharmacies, is there a preferred pharmacy? Also, how many lives covered?
Response: Bidders must commit to providing acquisition cost pricing for specialty drug claims (with right to audit invoices) and administering any manufacturer assistance program. Only certain sections need to be responded to if bidding on the Specialty Pharmacy Network section. Once the Bidder selects in ProposalTech that the Bidder is responding to this section, the questions specific to this section will be displayed. The Specialty Pharmacy Network will be a limited network. PBM will administer claims and copays. Specialty pharmacy networks will be used for drugs covered at that specialty pharmacy. Member copays for specialty drugs are the same regardless of where the specialty drug is dispensed.

Question 13: We intend to submit a single financial offering that assumes management of all service options outlined in the RFP, rather than a separate proposal for each service option. Please advise how we should respond to the RFP with this offering.
Response: We are asking Bidders to respond to each of the sections upon which they are interested in bidding. Each section is asking for Administrative Fees. Fees quoted need to clearly define what services they cover. If an all-inclusive fee is quoted for multiple services or a package of services, bidders must define what is included in main PBM Administrative Fee and what services require supplemental fees.

Question 14: Just to clarify the previous question regarding "data just been received", please confirm only one RFP claims data has been released to each bidder. Want to ensure a new RFP claims data file has not been released.
Response: New data was released on Tuesday 9/12 at 11am ET. It's the same claims data but file was broken up for better readability. The deadline for data-related questions has been extended to 10/6/23.

Question 15: Will you allow PBMs to caveat the rebate guarantees based on their preferred formulary products? So, if you exclude a specific medication or have a PA protocol that would

make the preferred medication a 5th or higher line agent meaning it would be changed to more preferred medications in many instances?
Response: Specific rebate guarantees are not required. All financial guarantees (PEPM or PMPY by therapy class) must include the forecasted value of your rebates based on the set of covered drugs and drug utilization management rules you are proposing.

Question 16: Since there are 3 independent contracts for these scopes of work, will an offer that is contingent on being awarded one or more of the other contracts be accepted?
Response: It could be accepted. However, if the offer is contingent on all three sections, for example, and the Bidder is not awarded any of those 3 sections, the Bidders will lose out on all of the sections.

Question 17: The Formulary Carve Out section asks for a savings analysis, but no cost data is provided in the claims data. For a vendor who is only bidding on Formulary Carve Out, how should savings be estimated?

Response : Please see revised question below:

9.1.14 Please complete a formulary disruption analysis based on your proposed changes to the current formulary with drug exclusions that allows for prior authorization for medical necessity. Results to be included are the number of members that will require a change as well as the number of prescriptions associated with the proposed formulary change. An Excel file that lists the specific drugs that will be negatively impacted (excluded or higher-cost tier) along with the total number of scripts and members impacted for each of these drugs should also be provided. In addition to this, please provide the rationale (e.g., clinically more effective drug or less expensive product) as a result of using your proposed formulary and preferred alternative(s) compared to the current formulary. Please ensure the attachment contains Member ID, NDC, claim count, and disruption type (positive, negative (up tier), or excluded) for the most recent 4 months of claims data for drugs subject to disruption.

Provide the name of the attachment(s).

500 words.

Question 18: Could we please be provided with the following:

1. Monthly membership aligning with the experience period at a minimum. Preferable we'd receive this for the last two years and by group.
2. Monthly membership counts by group, if possible, for the experience period
3. Historical member paid as a percentage of gross cost
4. Historical net plan spend (after rebates) for the last two years
5. Weight-loss coverage strategy - does the group cover weight loss today? If yes, for how long has this coverage strategy been in place and will they be covering this going forward?

Response: Data requested for items 1-4 will be provided via Segal's SFT. Regarding item 5 - Anti-obesity drugs are covered only if prescribed by a "FLYTE' physician through the Intellihealth program.

Question 19: RE: Question 1.2.6 - Willingness to accept the terms and conditions of the State's proposed contract. Does the proposer need to redline this as part of RFP submission?
Response: It's not necessary to redline the proposed contract as part of the RFP submission. The State's proposed contract is subject to negotiation. Some items are non-negotiable such as

items written in statue. If the Bidders have specific concerns, the Bidders can submit those questions before the deadline.

Question 20: Will you be pursuing manufacturer assistance programs where the manufacturer will provide the medication at no cost if the member qualifies financially? Not just copay assistance?
Response: No

Question 21: How is overlap / double counting going to be addressed if contracts are split? How is this going to be reconciled? ex. therapeutic caps and formulary savings.
Response: To limit potential overlap of the alternative pricing liabilities to bidding PBMs, the State will except either the PEPM pricing or the PMPY per therapy class pricing guarantees. The State will accept only one of these financial quotes. Bidders will not be required to underwrite both of these pricing options. However, the unit cost prospective pricing caps and the trend sharing guarantees will be required to be quoted separately. These financial commitments are additional to either the PEPM or PMPY quotes. . .