

## **MHTC BIDDER CONFERENCE**

**April 27, 2009**

### **Bidder Questions**

1. On page 6 of the RFP, Section X is referred to as "Active Employee and Non-Medicare Retiree Benefit Administrative Requirements". However, on page 33 of the RFP, Section X is actually "Medicare Employer/Union PDP Administrative Requirements." Can you please provide the "Active Employee and Non-Medicare Retiree Benefit Administrative Requirements" section if it requires a response with our proposal?

**A: Sections III through IX are administrative requirements for a PBA to service both the Active/Non-Medicare employees as well as the Medicare Employer/Union PDP beneficiaries. Section X on page 6 was incorrectly labeled and "X" should be labeled "Medicare Employer/Union Group PDP Administrative Requirements". Section X is intended to describe the additional requirements, beyond those described in Sections III through IX, for administration of coverage services for Medicare Employer/Union Group PDP.**

2. On page 48, at the conclusion of the Clinical Programs and DUR requirement chart, we are asked to describe our process to #12 above. Since there is no requirement #12, please confirm that you are referring to item #11 or provide the requirement to be listed as #12.

**A: Yes, it should have said; "If you answered yes to #11 above, please describe this process."**

3. On page 14, question #17, please further clarify the requirement that 97% of all generics must be on the MAC List.

**A: To clarify question #17, "97% of all drugs for which MHTC has claims that are coded as generic or having a generic equivalent available must be included on a current MAC pricing list".**

4. Does WellPoint currently submit enrollment to CMS for the Med D population?

**A: No, IPC receives the eligibility from MHTC and submits enrollment, on behalf of MHTC, for the Medicare Part D population. IPC also submits this file to the PBA for eligibility determination related to claims processing.**

5. Please confirm that MHTC is seeking a PDP arrangement for Med D vs. the Retiree Drug Subsidy (RDS).

**A: MHTC is seeking support for its Direct Contracted PDP arrangement for their Medicare Part D beneficiaries and not Retiree Drug Subsidy (RDS). MHTC has been a Medicare Part D Direct Contract PDP since January 2006.**

6. Will a detailed claims file be provided? If detailed claims experience will not be provided, can the generic utilization for mail and retail and the retail 90 day utilization for both Commercial and Medicare lives be provided?

**A: Detailed de-identified claims, without pricing elements will be provided to the finalists for repricing. Following are the statistics requested. The MHTC benefit allows 90-day dispensing at both retail network and the mail pharmacies**

<u>Generic Dispensing</u>	<u>Active and Pre-65</u>	<u>Medicare Retirees</u>
1. Retail	61.4%	60.1%
2. Mail	49.1%	52.5%
<u>Average Day Supply</u>		
1. Retail	27.2	30.6
2. Mail	83.2	84.0

7. Is a custom formulary currently being utilized? If so, can it be provided?

**A: MHTC generally utilizes an open formulary with drug category exclusions. Please refer to Attachment B of the RFP (Page 53), which includes Plan exclusion drugs. In addition, the Medicare Part D formulary is maintained and submitted by IPC to CMS on behalf of MHTC. The successful bidder will be required to establish their claim edits for the Medicare Part D beneficiaries consistent with the MHTC Part D formulary. The 2010 Part D formulary will be provided to bidders selected as finalists.**

8. Regarding the MAC list requested in the PBM Pricing Spreadsheets: the RFP states that the list will be kept confidential and will be used only for the evaluation of the proposal; however, the RFP also states that the RFP and proposal response will become part of any resulting contract. Since we are required to abide by the Missouri Open Records "Sunshine" Law, can you please verify that the MAC list will be protected from disclosure?

**A: MHTC is able to maintain the confidentiality of certain items and pages, which contain proprietary information, and which are clearly marked by the bidder as such at the top and bottom of the page or watermarked diagonally across the page. The response to the RFP will become part of the MHTC contract and MHTC will take measures to protect the confidentiality of proprietary information which is labeled as such.**

9. Please clarify how confidential items in our proposal should be marked to ensure they are protected from disclosure under the Missouri Open Records "Sunshine" Law.

**A: Same as 8. above**

10. Bi-weekly MAC List Review: What is the expectation for MAC'ing generics in cases where a generic drug is released with 180 day exclusivity, or other measures prevent competition from entering the market?

**A: It is MHTC's expectations that all Multisource products have a MAC price provided for in the MAC list. Multisource drugs include generic and equivalent brand name items.**

11. What percentage of the current Step Therapy program for antihypertensives is automated vs. manual? Does this process overlap to the prior authorization process?

**A: The majority of the process is handled by online edits that are transparent to the member. The Prior Authorization (PA) process is focused on claims submitted**

**for non-first tier drugs for which the intended use is treatment of conditions other than hypertension.**

12. Does the plan utilize any generic step first Step Therapy Protocols?

**A: The MHTC benefit has numerous incentives for the member to obtain generic medications as a first line of treatment. MHTC makes every effort to empower participants to be prudent consumers through plan design, member materials and various tools. Our experience has been that MHTC members are active in the cost management of their plan and we expect the successful bidder to enhance this consumerism focus.**

13. Is Prilosec OTC included in the Peptic Acid Step Therapy Protocol (listed in RFP as available OTC)?

**A: Although Prilosec OTC would be a treatment option for the MHTC member which could be considered in reviewing their treatment options, the MHTC does not cover OTC products.**

14. Is the drug formulary Open or Closed?

**A: MHTC has had good success in managing benefit cost using a traditional pen formulary with drug category exclusions.**

15. Is the specialty program carved out from the pharmacy benefit?

**A: No, specialty drugs are not carved out from the pharmacy benefit. Currently MHTC allows its members to obtain specialty drugs from any contracted network pharmacy. The current PBA does have a specialty pharmacy and information on its price and services is provided to the MHTC members. Participants are encouraged to shop the various providers for price and service and select the source that best fits their needs. With this said, MHTC is monitoring the cost and service related to specialty drugs and retains the right to change the specialty drug arrangements at any time.**

16. Can you provide the attachment B with their current plan design and any changes for 2010?

**A: Attachment B that is included in the RFP is the current plan design. At this time, with the exception of CMS 2010 regulatory changes, the plan design is expected to remain the same in 2010.**

17. Can you provide what Clinical Prior Authorizations and Step Care programs currently being utilized?

**A: The PA's and Step Therapy programs are outlined in Attachment B. These are a combination of MHTC designed PA and Step Therapy programs or PBA recommended criteria and protocol that were approved by MHTC.**

18. How are specialty meds dispensed/managed today?

**A: Same as #15 above.**

19. Can you provide their claims data with unique member ID's?

**A: Same as #6 above.**

20. Could we be just considered for the Active/pre-Medicare retiree Rx component?

**A: Section II of the RFP (Request for Proposal) Process Timeline, Bidding Requirements & Plan Benefit Overview states: In an effort for MHTC to obtain more competitive bids for traditional PBA services from competing PBA bidders, MHTC is separating the administrative requirements for the Medicare Part D PDP specifically from the other administrative and cost proposal sections allowing each PBA to bid for these administrative services separately or combined. It should be understood that the cost proposal and Non-Medicare administrative services will apply to all claims: Medicare and Non-Medicare. The bid for the Medicare Part D PDP services will be in addition to these traditional services and apply only to Medicare Part D claims and/or services. If a Bidder is not willing to provide the Medicare PDP services as a separate free standing service, it should be so noted when completing the Medicare Part D section of the proposal.**

21. If we only bid on the Active/pre-Medicare piece, would this put us at a disadvantage for consideration?

**A: Section I and Section II of the RFP will be graded separately. The successful bidder will be selected based on MHTC's objectives and requirements.**

22. Would MoDOT-MSHP consider a fully insured quote on the PDP component?

**A: Although MHTC is always open for cost savings alternatives, this RFP does not provide for bids related to a fully insured quote. IF MHTC were to review a fully insured option it would be handled separately from this RFP process.**

23. Regarding the all-inclusive administration fee, what is to be included in this fee? Are there any fees for optional additional services?

**A: Currently and in the past, all regular administrative tasks are included in the administrative fees. If there are rare, infrequent circumstances, such as the development of an optional member communication, they would be the only practical projects to be considered outside the realm of regular administrative tasks and may have a separate administrative fee.**

24. For the rebate eligible product list, there is a request to list the guaranteed or expected rebate per claim. Is it assumed that MHTC would rather have the guaranteed rather than the expected rebate per claim? Or would you want us to put what we expect?

**A: MHTC is looking for a fully transparent arrangement, which we have been functioning under for years. Under this arrangement, we have found bidders may not guarantee rebates because the PBA rebates flows through to MHTC and they indicate that guarantees are not required. Other bidders do want to provide the guarantee because in comparing the bids, MHTC will have a number that we know for sure will be rebateable for purposes of comparison. We leave the flexibility in the RFP to allow the PBM to select their preferred process for proposing rebates. We do have rebate expectations based on our current arrangement that will be used to compare the bids. If a bidder feels they have an arrangement that is strong enough that it does not require a rebate guarantee, and the bidder can provide support documentation through product rebate lists or expected rebates, then a guarantee may not be required, but a rebate guarantee will allow more confidence in the rebate portion of the cost proposal.**

25. For the transparency aspect in the pass through, it is clearly stated that the bid must propose a pass through for retail, mail and specialty. If a bidder is not willing to provide

a pass through at mail or specialty, should the bid be submitted? Would it be accepted? Would it be advised?

**A: We have been functioning under a transparent arrangement and the derived primary benefit is total compliance with Medicare Part D requirements. The Medicare Part D aspect is a very important part of the MHTC benefit, so compliance with this is very important. If you have an alternative cost proposal to a transparent arrangement for mail and specialty, we will review this pricing as presented. Our positive experience with the transparent arrangement coupled with our ability to respond to CMS' pass through pricing requirements will be factors in our proposal review.**

**MHTC does want one pricing arrangement for the Active/Pre-65 Retirees and the Medicare Part D population.**

26. Looking at the rebates, if you are looking at a guarantee per claim rebate, we allow our clients to audit the rebates but do not provide an NDC list of all the rebate eligible products. Do we need to provide this, because we do not want to provide our competitors with all of our rebate eligible products?

**A: Anything provided to MHTC will be held in confidence, as with the MAC lists. If a bidder provides a list of rebates per rebateable item, we will factor that into the proposal review. If a bidder would rather estimate what this value of their rebate proposal is, it may be less tangible but acceptable. We will be auditing for rebates of the successful bidder to make sure they are handled according to the contract. MHTC must also comply with Medicare Part D requirements of full disclosure for pricing arrangements including rebates.**

27. Can you provide the Maximum \$50 copay list?

**A: We do have a maximum copay list, which is mostly for specialty items that treat conditions where there are limited or no other treatment options. The current list is provided as part of this response.**

28. On page 9, it discusses adopting the contract. Would it be possible to obtain a copy of this contract?

**A: The contract review is part of the best and final process. The contract will be provided to the finalist bidders.**

29. There are several references to a PBA subcontractor. Could you please clarify who you are referring to?

**A: Generally PBAs have subcontractors for certain services, such as rebate consolidation, networking services, claim services. We would like to have disclosure of any bidder subcontractors.**

30. Can you shed any light on what's meant by the question below (from the Network section)?

- a. The PBA's network contracts do not prohibit the use by MHTC and distribution to its members of independently developed pharmacy performance evaluations and preferred provider recommendation.

**A: MHTC has developed an internal process for measuring network performance based on claims history, member satisfaction, etc. This question is asking the**

**bidder to disclose if their network contracts prevent these performance evaluations and reporting to consumers.**