

ADMINISTRACIÓN DE SEGUROS DE SALUD DE PUERTO RICO (ASES)

PUERTO RICO HEALTH INSURANCE ADMINISTRATION (PRHIA)



PHARMACY BENEFIT MANAGER (PBM) AND REBATE AGGREGATOR (RA) SERVICES

GOVERNMENT HEALTH PLAN

REQUEST FOR PROPOSALS

RFP # PHARMACY 2022

ISSUE DATE: MARCH 31, 2021

PROPOSAL DUE DATE: JULY 12, 2021 2:00 PM (AST)

AMENDMENT #1 ISSUE DATE: APRIL 5, 2021

AMENDMENT #2 ISSUE DATE: APRIL 13, 2021

AMENDMENT #3 ISSUE DATE: MAY 10, 2021

AMENDMENT #4 ISSUE DATE MAY 27, 2021

AMENDMENT #5 ISSUE DATE JUNE 22, 2021

INTRODUCTION:

This document constitutes an amendment to the request for competitive proposals (RFP) titled Pharmacy Benefit Manager (PBM) and Rebate Aggregator (RA) Services for the Government Health Plan (RFP #Pharmacy 2022), issued by the Puerto Rico Health Insurance Administration (Administración de Seguros de Salud - ASES) (referred to herein as “Amendment #5”). Amendment #5 is being issued on June 22, 2021 in response to the Centers of Medicare & Medicaid Services’ (CMS’) proposed rule (CMS-2482-P2) on the inclusion date of U.S. territories in the Medicaid Drug Rebate Program (MDRP) suggesting to delay the April 1, 2022 inclusion date to April 1, 2024 or in the alternative at a date that is sooner than April 1, 2024, but not earlier than January 1, 2023. Accordingly, Amendment #5 modifies the Rebate Aggregator associated responsibilities, *ergo* adjusts all sections and Appendices affected by said modifications and establishes a new schedule of events.

Changes are included in track changes. Accordingly, deletions to the current RFP language are noted in red and strikethrough and additions are noted in red and underline. **Due the extensive changes object of this Amendment, a version without track changes will also be provided to facilitate viewing and reading.**

PUBLICATION:

Amendment #5 will be available in the secure website by June 22, 2021. Also, the Procurement Contact will send Amendment #5 via e-mail to all Potential Offerors appearing in the procurement distribution list pursuant to Section 3.3.2 of this RFP.

NEW Q&A PERIOD:

Given the amplitude of these modifications to the RFP, each **Offeror may submit, on or before 12:00 PM on June 25, 2021, a maximum of ten (10) Questions** limited to the changes made to the RFP object of this 5th Amendment. Same rules stated in Section 3.3.4 of the RFP will apply.

1. Amendment to Section 1.1.

Section 1.1 is amended to reflect changes in the Rebate Aggregator associated responsibilities.

1.1 Introduction

Purpose

This document constitutes a request for proposals for the provision of Pharmacy Benefit Management (PBM) and Rebate Aggregator (RA) services for the Government Health Plan (GHP), also known as Vital, (“hereinafter referred to as “GHP”) pursuant to Title XIX of the Federal Social Security Act, codified as 42 USC 1396 et seq, (the "Social Security Act"), and Act No. 72 of September 7, 1993, as amended, of the Laws of the Commonwealth ("Act No. 72"). GHP serves a mixed population including not only the Medicaid and CHIP populations, but also other eligible individuals as established in Act 72.

ASES reserves the right, at its sole discretion to award a contract for an implementation term beginning on September 1, 2022 and ending August 31, 2025 with two (2) optional one (1) year Contract Term extensions, subject to availability of funds. After the second year of the initial Contract Term, ASES shall evaluate the contractor’s performance and the GHP to determine the necessity and desirability to exercise the optional contract extensions. The Offeror should provide their best cost estimate for optional years. The Offeror should be aware that optional years may be subject to renegotiation based on prevailing market prices and evaluation of Contractor’s performance

The Implementation Date of the Contract for the provision of the PBM and RA Services is expected to be September 1, 2022.

Puerto Rico intends to join the Medicaid Drug Rebate Program (MDRP); however, the MDRP Implementation Date is dependent upon the Centers of Medicare & Medicaid Services’ (CMS’) final decision of its proposed rule (CMS-2482-P2)¹. If the U.S. territories are allowed to join the MDRP earlier than January 1, 2023, Puerto Rico will exercise that option and provide the awarded Contractor due notice..

For the time period between the Implementation Date of the Contract and the MDRP Implementation Date, the Offeror must be able to provide current Rebate program services for all populations, including Medicaid/CHIP (Article 15 of the Contract). Once Puerto Rico joins the MDRP, the Offeror must be able to: (1) continue to provide non-MDRP (Other Enrollee) Rebate Services for populations not eligible for MDRP rebates; and 2) provide MDRP Services for Medicaid/CHIP populations for the remaining Contract Term. Notwithstanding the above, the awarded Contractor needs to have operational capacity to provide current Rebate program services upon the Implementation Date of the Contract and MDRP Services upon the MDRP Implementation Date as determined by ASES and approved by CMS.

¹ <https://www.federalregister.gov/public-inspection/2021-11160/medicaid-program-establishing-minimum-standards-in-medicaid-state-drug-utilization-review-and>

Offerors are invited to bid for either the PBM Services business (PBM Services Only); the RA Services business (RA Services Only); or a Combined Services contract that includes both sets of services. If the Offeror chooses to bid for both services, it must then present costs for each type of service and costs for the combined services. Nonetheless, ASES retains the sole discretion to determine which service(s) will be awarded to which Offeror. Accordingly, regardless whether the Offeror chooses to bid for both set of services, ASES may opt to award only one of the services to said Offeror and the other service to another Offeror.

ASES's preference is for the best Combined Services contract but will consider separate RA and PBM Services contracts if it is in the best interest for Puerto Rico based on quality and value. The intent is to award a Contract or Contracts to the most responsive and responsible entity or entities that demonstrate the ability to meet the requirements of this RFP at the most competitive prices.

The Offeror must agree and quote implementation and ongoing costs based on the Total Ownership Cost Method. The Total Ownership Cost Method includes not only the direct costs of the specific deliverables required for the provision of the Contracted Services but also all indirect costs that would be logically attributed to the provision of such Services. It is an all-inclusive rate.

ASES is seeking Offerors that:

1. Demonstrate a clear understanding of ASES's needs, the services sought and the Offeror's responsibilities.
2. Demonstrate that the Offeror understands its role as partner and advisor to ASES.
3. Demonstrate the Offeror's capability to perform all services and meet all Contract requirements.
4. Demonstrate how the Offeror will contribute to the achievement and advancement of ASES's goals and objectives.
5. Demonstrate operational capacity to support a September 1, 2022 Implementation Date of the Contract.
6. Demonstrate financial solvency and stability to perform the services of this RFP.

A general description of the required functions of the PBM and RA Services are as follows:

PBM Services:

Developing, implementing and offering to ASES and the MCOs a comprehensive Pharmacy Benefit Management program including but not limited to the following programs and services:

- Managing and credentialing the Pharmacy Network that covers the whole jurisdiction of Puerto Rico and performing Pharmacy Audits;

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- Maintaining a Pharmacy Call Center for the Pharmacy Network;
- Adjudicating and accurately processing Pharmacy Claims and payment including handling Coordination of Benefits (“COB”) with other health insurance plans, including Medicare;
- Developing, maintaining and updating the Maximum Allowable Cost (“MAC”) list for Pharmacy reimbursement for Generic Drugs and multi-source Brand Drugs and providing an electronic platform to Pharmacies desiring to appeal MAC pricing, and if requested by ASES, coordinating with Puerto Rico’s Department of Consumer Affairs (“DACO”) to provide drug price information for DACO’s drug price control list, as amended from time to time;
- Providing a comprehensive Drug Utilization Review (“DUR”) program, including capabilities to identify potential opioid abuse and suspect prescribing and dispensing patterns, and to track drug utilization for specific prescription drugs identified by ASES for special monitoring;
- Supporting ASES and the contracted MCOs with the High Cost High Need (HCHN) Program and other care management programs;
- Developing and implementing a compliance plan and Fraud, Waste and Abuse detection initiatives;
- Assisting in the support and operation of formulary management through the Pharmacy & Therapeutics Committee and Pharmacy Financial Committee;
- Managing the Academic Detailing program;
- Updating and maintaining standard operating procedure manual(s) for PBM services;
- Maintaining an Information System, Information management processes and technical support to meet the GHP requirements;
- Providing robust reporting and online reporting tool as described in the Contract;
- Retaining and storing data as required under the Contract;
- Developing strategies to promote an active participation of the MCOs in the development of Enrollee and prescribing Provider educational activities.

RA Services:

- Providing comprehensive management of the RA Services for all GHP populations, which includes:
 - Rebate Services for populations not eligible for MDRP rebates (for example, Other Enrollees, and Medicaid/CHIP Enrollees prior to MDRP implementation. See Article 15.1 of Appendix K of this RFP), and

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- MDRP Rebate Services for Medicaid and CHIP Eligibles' covered outpatient drugs in accordance with Section 1927(b)(1) of the Social Security Act and the terms of the Medicaid National Drug Rebate Agreement (NDRA) upon CMS approval.

The RA Services shall include but are not limited to:

- Producing drug rebate invoices for pharmaceutical manufacturers according to federal schedule requirements for the MDRP and ASES's schedule requirements for non-MDRP rebates;
- Processing and submitting to the Medicaid Program the CMS drug utilization and information necessary for CMS-64 reporting;
- Providing Rebate program reports for retail Pharmacy drugs and PADs to ASES and its designees on a quarterly basis;
- Reconciling and resolving drug rebate disputes with pharmaceutical manufacturers;
- Ensuring quality control to validate accuracy of drug Rebate Data;
- Maintaining administrative, physical and technical safeguards to ensure security and confidentiality of all drug Rebate Information according to Puerto Rico and federal laws and industry standards;
- Updating and maintaining standard operating procedure manual(s) for Rebate program administration;
- Maintaining a Data repository system that interfaces with multiple Data sources;
- Maintaining a reporting database that can be accessed in real time by ASES to review and analyze rebate information and produce ad hoc reporting;
- Creating and maintaining a secure web portal for Data sharing with pharmaceutical manufacturers;
- Coordinating and assisting in the support and operation of ASES's Pharmacy Financial Committee.

2. Amendment to Section 1.3

Section 1.3 is amended to reflect changes caused by CMS' proposed rule on the MDRP Implementation Date.

1.3 Background on GHP and Pharmacy Benefit Services

Pursuant to Title XIX of the Federal Social Security Act, codified as 42 USC 1396 et seq. ("the Social Security Act"), and Act No. 72 of September 7, 1993 of the Laws of Puerto Rico ("Act 72"), a

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comprehensive program of medical assistance for needy persons exists in Puerto Rico. The Puerto Rico Health Department (“the Health Department”) is the single State agency designated to administer medical assistance in Puerto Rico under Title XIX of the Social Security Act of 1935, as amended, and is charged with ensuring the appropriate delivery of health care services under the Medicaid and the Children’s Health Insurance Program (“CHIP”) in Puerto Rico, and ASES manages these programs pursuant to a delegation of authority.

ASES is a public corporation with autonomy to develop and execute the terms of its organic law, Act No. 72 of September 7, 1993, as amended. As part of its responsibilities, ASES contracts with Managed Care Organizations (“MCOs”), PBMs, and/or Pharmacy Program Administrators (“PPAs”) to provide medical and prescription drug services island-wide in Puerto Rico to persons who are eligible for Medicaid, CHIP and Other Enrollees. ASES is responsible for health care policy, purchasing, planning, and regulation pursuant to Act 72, as amended, and other sources of law of Puerto Rico, and pursuant to this statutory provision. ASES has established a managed care program under the medical assistance program, known as “GHP,” “GHP Program,” “the Government Health Plan”, or “Vital”.

In 2018, ASES contracted with five (5) Managed Care Organizations (MCOs) under GHP. Effective October 1, 2020, ASES now holds contracts with four (4) MCOs to provide GHP services. ASES also has current contracts with a PBM to provide Pharmacy Benefit Management services and a Pharmacy Program Administrator (PPA) to provide Rebate services, Maximum Allowable Cost (MAC) list services and Formulary Management services. The MCOs are obligated to accept the terms and conditions of the contract that ASES holds with these entities.

Pursuant to the Covered Outpatient Drugs Final Rule with Comment (CMS-2345-FC) subsequently amended by 84 FR 64783 the regulatory definitions of “States” and “United States” under § 447.502 were amended to include the U.S. territories by April 1, 2022 and allows U.S. territories to participate in the MDRP or opt out via an 1115 waiver. On May 28, 2021, CMS issued a proposed rule change (CMS-2482-P2) that is suggesting to amend § 447.502 to delay the April 1, 2022 inclusion date of U.S. territories for the amended regulatory definitions of “States” and “United States” to April 1, 2024. CMS is seeking comment on an alternative date that is sooner than April 1, 2024, but not earlier than January 1, 2023. As a result, Puerto Rico has submitted comments for this proposed rule change to CMS and is awaiting final decision. In the interim, ASES will continue with the RFP process and request Offerors to submit their proposals assuming three (3) potential MDRP Implementation Dates:

- 1) September 1, 2022,
- 2) January 1, 2023, or
- 3) April 1, 2024.

As of March 1, 2021, GHP serves approximately 1,495,440 beneficiaries including (1) 1,387,367 Medicaid Enrollees, (2) 91,231 CHIP enrollees and (3) 16,842 Other Enrollees. The Other Enrollees population includes individuals who meet State-eligibility standards established by the Puerto Rico Medicaid Program but do not qualify for Medicaid or CHIP. In November 15, 2020, Puerto Rico temporarily expanded Medicaid and CHIP enrollment and services through September 30, 2021 taking

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advantage of current federal funding available. The current enrollment numbers provided reflect the impact of the expansion which effectively added 202,000 individuals to the Federal and CHIP populations overall. After September, the expansion will be dependent on available funds, thus enrollment numbers may change.

The present PBM adjudicates approximately 14.9 million Claims annually (July 1, 2019-June 30, 2020) and maintains a Pharmacy Network of approximately 900 Pharmacies.

Table 1 below provides additional summarized data for the GHP program.

Table 1: Summarized GHP Information

	July 1, 2018 through June 30, 2019	July 1, 2019 through June 30, 2020	July 1, 2020 through December 31, 2020
Number of Beneficiaries (Medicaid and CHIP)*	1,109,916	1,026,111	1,028,686
Number of Beneficiaries (Other Enrollees)*	131,912	122,025	123,339
Total Number of Beneficiaries (GHP)*	1,241,828	1,148,136	1,152,025
Number of Unique Utilizers (Medicaid and CHIP)	803,684	711,720	483,199
Number of Unique Utilizers (Other Enrollees)	101,839	95,937	67,820
Total Number of Unique Utilizers (GHP)	859,945	785,782	550,020
Number of Pharmacies Enrolled in GHP	910	906	905
Retail Pharmacy Claims (Medicaid and CHIP)			
Total Count of All Paid Claims	14,444,473	13,521,894	6,454,767
Total Count of 340B Claims	1,283,504	1,195,523	556,851
Total Paid Amount for All Paid Claims	\$646,306,662	\$720,318,508	\$371,895,412
Unique Members with Retail Pharmacy Claim	803,684	711,720	483,199
Percentage of Unique Member Utilization of Pharmacy Services**	72%	69%	47%
Retail Pharmacy Claims (Other Enrollees)			

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	July 1, 2018 through June 30, 2019	July 1, 2019 through June 30, 2020	July 1, 2020 through December 31, 2020
Total Count of All Paid Claims	992,779	1,318,069	690,696
Total Count of 340B Claims	82,247	100,635	48,439
Total Paid Amount for All Paid Claims	\$30,666,754	\$44,482,272	\$24,749,157
Unique Members with Retail Pharmacy Claim	101,839	95,937	67,820
Percentage of Unique Member Utilization of Pharmacy Services	77%	79%	55%
Retail Pharmacy Claims (Total GHP)			
Total Count of All Paid Claims	15,437,252	14,839,963	7,145,463
Total Count of 340B Claims	1,365,751	1,296,158	605,290
Total Paid Amount for All Paid Claims	\$676,973,416	\$764,800,781	\$ 396,644,569
Unique Members with Retail Pharmacy Claim	859,945	785,782	550,020
Percentage of Unique Member Utilization of Pharmacy Services	69%	68%	48%
Department of Health Claims Processed by PBM (Under MOU, Protease Inhibitors and Other Miscellaneous Drugs Provided by ADAP)			
Total Count of All Paid Claims	152,056	151,470	66,285
Total Paid Amount for All Paid Claims	\$59,672,383	\$62,896,795	\$34,105,243

*Monthly average is displayed.

**Monthly average of members participating of the pharmacy benefit is displayed.

Table 2- provides information about the Pharmacy Call Center. The increase of incoming calls in July 2020 was related to the COVID emergency declared by Puerto Rico. The top reasons for calls to the Pharmacy Call Center from January – July 2020 were for claim processing information requests (43.5%), plan limits (14.7%), prior authorizations (11.5%), formulary drug questions (7.4%) and eligibility (5.2%).

Table 2-A: Pharmacy Call Center Summary

Pharmacy Call Center	Calendar Year 2019	Calendar Year 2020
January	4,464	1,085
February	3,748	1,204
March	4,328	1,626
April	4,390	1,288
May	2,837	1,004
June	1,890	1,260
July	1,578	3,102
August	1,415	2,626
September	1,592	1,895
October	1,616	1,590
November	1,340	1,128
December	1,408	1,323
Total Answered Calls	30,606	19,131
Average per Month	2,551	1,594

Table 2-B: Pharmacy Call Center Utilization Data for Calendar Year 2021

Measure Label	January	February
Total Pharmacy Call Center Calls	1,489	1,165

3. Amendment to Section 1.6

Section 1.6 is amended to correct a clerical error in the June dates and reflect changes in the MDRP Implementation Date and Implementation Readiness Review.

1.6 Scope of Procurement

The scope of this procurement includes the implementation and operation of the PBM and RA Services, as outlined throughout this RFP and in the Contract.

Following this procurement, ASES’s intent is to contract with the selected Offeror(s) pursuant to the evaluation procedures outlined below and the rules and regulations that govern ASES. ASES reserves the right to award the Contract for a term beginning on September 1, 2022* and ending August 31, 2025, with two (2) optional one (1) year term extensions, expected beginning on September 1, 2025 and ending August 31, 2027. The contract years will be as follows:

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- **Contract Year 1:** September 1, 2022– August 31, 2023*
- **Contract Year 2:** September 1, 2023– August 31, 2024
- **Contract Year 3:** September 1, 2024– August 31, 2025
- **Optional Contract Year 4:** September 1, 2025– August 31, 2026
- **Optional Contract Year 5:** September 1, 2026– August 31, 2027

*The Effective Date of the Contract (date of signature) is expected to be no later than December 1, 2021. **Direct services and payment begin on the Implementation Date of the Contract (Go-Live-September 1, 2022), contingent upon certification of readiness.**

The Offeror will be responsible for the provision of all Covered Services described in the Contract beginning September 1, 2022, to the extent the Offeror has demonstrated readiness.

The Implementation Date for the provision of the PBM and RA Services is expected to be no later than September 1, 2022. Puerto Rico intends to join the Medicaid Drug Rebate Program (MDRP) on a date based on CMS' final decision of proposed rule change CMS-2482-P2. As of the date of the release of this RFP and its amendments, the three (3) optional MDRP Implementation Dates are September 1, 2022, January 1, 2023, or April 1, 2024. Therefore, the awarded Contractor needs to have operational capacity to provide Rebate Services for all populations not eligible to receive MDRP rebates upon the Implementation Date of the Contract and MDRP Services upon the MDRP Implementation Date as determined by ASES and approved by CMS.

Following execution of the Contract, the successful Offeror shall work with ASES through an implementation review period to demonstrate its readiness to carry out the provisions outlined in the Contract, including all Appendices. The "implementation readiness review" for all services starting on September 1, 2022 will commence shortly after the Contract is signed. A second "implementation readiness review", or "MDRP implementation readiness review", will commence shortly after the determination on the MDRP Implementation Date, if different from September 1, 2022. The scope of the review(s) will be determined by ASES. Certification(s) to Go Live is(are) contingent upon the Contractor's ability to meet the implementation review requirements and any additional applicable requirement(s) stated in this RFP and ensuing Contract. See Sections 3.3.12 and 3.4.2 of this RFP.

4. Amendment to Section 2.1

Section 2.1 is amended to reflect changes caused by CMS' proposed rule.

2.1 Minimum General Requirements

2.1.1 ASES seeks to partner with a Contractor that has demonstrated experience in providing high quality services, meets all requirements of this RFP, is financially stable and can comply with the

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expected Implementation Date of the Contract of September 1, 2022. As such, the following are the minimum requirements for the Contractor:

2.1.1.1 Have the operational capacity to support an expected September 1, 2022 Implementation Date for PBM and RA Services. At the Implementation Date of the Contract, the Offeror must have operational capacity to provide both MDRP Services and Other Enrollee Rebate Services, as the case may be, pending final determination of the MDRP Implementation Date.

2.1.1.2 Be financially solvent to provide services for short-term period (thirty to ninety (30–90) Calendar Days) in the event of delayed reimbursement.

2.1.1.3 Meet all the specific requirements as outlined in the Contract in Appendix K of this RFP. Specifically, the core statement of work for PBM and RA Services are described in Articles 6 through Article 22 of the Contract.

As noted in the Contract, all Administrative Functions of the Contractor must be located within the United States. However, effective September 1, 2022, the following Administrative Functions must be located in Puerto Rico:

- 2.1.1.3.1 Key Administrative Functions, including but not limited to Contractor personnel responsible for the coordination or participation in the P&T Committee, the Pharmacy Financial Committee, or any other committee required under this Contract;
- 2.1.1.3.2 Marketing;
- 2.1.1.3.3 Management of Contractor’s compliance plan and fraud, waste and abuse monitoring activities;
- 2.1.1.3.4 Pharmacy Call Center adequately staffed to promptly respond to inquiries from Network Pharmacies about systems, Claims, and administrative Pharmacy edits, and any other inquiries related to the Pharmacy Benefit program for GHP and Other Enrollee populations. In addition, the Pharmacy Call Center staff must be fluent in English and Spanish to allow for Culturally Competent communication; and
- 2.1.1.3.5 Decision-making authority related to the Pharmacy Network, such as claim dispute resolution, credentialing activities, pharmacy contracting, administrative (but not clinical) reviews of prior authorization requests, approvals to dispense early prescription refills or replacement fills.

5. Amendment to Section 3.2

Section 3.2 is amended to reflect changes in dates caused by the adoption of the new schedule of events and the adoption of a new limited period for Q & A.

3.2 Schedule

The delivery schedule set forth in Table 3 herein represents ASES’s best estimate of the schedule that will be followed. Unless stated otherwise, items will be due at 6:00 pm (Atlantic Standard Time/AST) on the dates specified below. If a component of this schedule—such as Submission of Proposals—is delayed, the rest of the schedule will likely be shifted by the same number of days. ASES will make every effort to adhere to the following schedule:

Table 3: RFP Schedule

Action	Responsible Party	Date
1. Notice of RFP	ASES	March 31, 2021
2. Acquisition of RFP Document Package	Potential Offeror	April 1, 2021 through April 13, 2021(6:00 PM AST).
3. Deadline to submit Acknowledgement of Receipt of RFP Form and Notice of Intent	Potential Offeror	April 14, 2021 (due at 3:00 PM AST)
4. Pre-Proposal Conference	ASES	April 15, 2021 at 11:00 AM AST
5. Deadline to submit written questions	Offeror	April 26, 2021 (due at 10:00 PM AST)
6. Publishing of responses to written questions	ASES	May 3, 2021
7. New Q & A Period	Offeror and ASES	Submission of questions – 12:00 PM (AST) on June 25, 2021 Publication of Responses – June 30, 2021
8. Submission of References	Referring Party	July 12, 2021 (due at 2:00 PM AST)

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Action	Responsible Party	Date
9. Submission of Proposals (including true and exact copy of Original Proposal Bond)	Offeror	July 12, 2021 (due at 2:00 PM AST)
10. Submission of Original Proposal Bond at ASES' Finance Office	Offeror	July 14, 2021 (due at 4:00 PM AST at ASES's Finance Office)
11. Notice of Intent to Award Contract	ASES	Approximately sixty (60) days after submission of the proposals
12. Reconsideration/Request for Administrative Review	Offeror	See Article 3.19 of Act 38 of 2017, as amended
13. Contract Execution	ASES and awarded Contractor(s)	No later than December 1, 2021
14. Implementation Review	ASES and awarded Contractor(s)	See Section 3.3.12
15. Implementation Date of the Contract	ASES and awarded Contractor(s)	September 1, 2022

NOTE: Dates are subject to change based on number of Proposals to evaluate and any unforeseen situation or force majeure. ASES reserves the right to request additional/clarification from Offeror(s) at any time during the process.

6. Amendment to Sections 3.3.4 & 3.3.5

Sections 3.3.4 and 3.3.5 are amended to reflect changes in dates caused by the adoption of the new schedule of events and to include a new period of Questions and Answers related exclusively to this Amendment.

3.3.4 Deadline to submit written questions regarding RFP

Offerors that fail to report a known or suspected problem with the RFP and/or its accompanying materials or fail to seek clarification and/or correction of the RFP and/or its accompanying materials shall submit a Proposal at their own risk. In addition, if awarded the Contract, the Contractor shall not be entitled to additional compensation for any additional work caused by such problem, including any ambiguity, conflict, discrepancy, omission, or error.

Potential Offerors may submit a maximum of twenty-five (25) written questions as to the intent or clarity of this RFP and its appendices. Questions made during the Preproposal Conference will not count towards the 25 this limit. The Offeror shall submit all questions in writing by email to the Procurement Contact using the Questions and Answers Template in Appendix I of this RFP. Offerors

shall submit all questions in writing by a **non-encrypted email** to the Procurement Contact. ASES will not accept questions and issues submitted by means other than email, except during the Preproposal Conference. The email message must contain the following as the subject line:

Question/Clarifications: (Offeror's Name)

Questions must be received by deadline **10:00 PM (AST) on April 26, 2021.**

Questions shall be clearly labeled and shall cite the Section(s) in this RFP or other document that forms the basis of the question. No compound or multi-part questions are allowed. If submitted, each part of the compound or multi-part question will count as one (1) of the twenty-five (25) questions allowed. ASES will not answer more than twenty-five (25) questions per Offeror.

Notwithstanding the initial question submission deadline and quantity restriction, ASES will accept questions or inquiries about the reporting of RFP errors or irregularities if such inquiries are received at least 10 business days prior to the Proposal Submission Date.

NOTE: Given the amplitude of the modifications to the RFP under Amendment 5 of the RFP, each Offeror may submit, on or before 12:00 PM on June 25, 2021, a maximum of ten (10) Questions limited to the changes made to the RFP object of the 5th Amendment. Same rules stated in this Section 3.3.4 of the RFP apply.

3.3.5 Publishing Responses to Written Questions/RFP Amendments

Written responses to written questions and any RFP amendments will be distributed to all potential Offerors appearing on the procurement distribution list.

ASES shall make every effort to provide answers as close to the deadline (May 3, 2021) as possible. ASES reserves the right to determine, at its sole discretion, appropriate and adequate responses to written comments, questions, and requests for clarification. To the extent practical, inquiries shall remain as submitted. However, ASES may consolidate and/or paraphrase similar or related inquiries.

ASES's official responses and other official communications pursuant to this RFP shall constitute an amendment or supplement of this RFP.

ASES reserves the right to amend this RFP (including all appendices) any time before the closing date for submitting proposals (July 12, 2021), excluding changes to the schedule of events. Amendments shall be sent to all Offerors appearing on the procurement distribution list pursuant to Section 3.3.2 of this RFP.

NOTE: In response to the new term for submission of questions related to the modifications adopted with Amendment 5 of the RFP, ASES shall make every effort to provide answers to said questions as

close to the deadline (June 30, 2021) as possible. Same rules stated in this Section 3.3.5 of the RFP apply.

7. Amendment to Section 3.3.6

Section 3.3.6 is amended to reflect changes in dates caused by the adoption of the new schedule of events.

3.3.6 Deadline to submit reference letters

The Offeror must submit with the Proposal a list that include (3) specific client references, with at least one for a state Medicaid program or other large similar government or large private industry project within the last five (5) years. Each reference noted on the list must include the contact name and phone number, a brief description of the services provided, and the period of service. Offerors may NOT request References from ASES. See Section 6.2.6 of this RFP.

Offerors must ensure that all reference letters from the clients listed in the list mentioned above are delivered by email directly by the client to the Procurement Contact by 2:00 PM (AST) July 12, 2021. See Section 6.2.6 of this RFP. Offerors must ensure references are completed using the reference form in Appendix H of this RFP. Offerors may contact the Procurement Contact prior to the deadline to confirm references have been received.

Offerors are responsible for:

- Making a duplicate (hard copy or electronic document) of the appropriate form, as it appears in Appendix H of this RFP, and adding the following customized information to the form:
- Offeror’s name;
- Reference organization’s name; and
- Reference contact’s name, title, telephone number, and email address.
- Sending the form to each reference contact;
- Giving the contact a deadline that allows for ASES to receive the reference form on or before 2:00 PM (AST) July 12, 2021.

Reference forms must be emailed by the referring party directly to pharmacyrfp2022@asespr.org with the subject “Reference for [Name of Offeror] for RFP Pharmacy2022.” **Reference forms submitted by the Offeror directly to ASES will not be accepted. References received after the deadline will not be accepted.**

8. Amendment to Section 3.3.7

Section 3.3.7 is amended to reflect changes in dates caused by the adoption of the new schedule of events. It also includes changes in requirements for the Proposal Bond to facilitate compliance with the same given the new schedule of events and other changes to the Cost Proposal Template.

3.3.7 Submission of Proposal Bond and Proposal

3.3.7.1 The Offeror must submit a Proposal Bond, in the terms specified in Section 3.4.8 of this RFP, as amended. A true and exact copy of the Original Proposal Bond must be included with the Proposal on the due date for submission of the Proposal, that is, no later than 2:00 pm (AST) on July 12, 2021. The Original Proposal Bond must be submitted, either via hand delivery or courier service delivery, to the ASES Administrative and Finance Office, no later than **4:00 pm AST, July 14, 2021**. **IF THE COPY SUBMITTED WITH THE PROPOSAL IS NOT A TRUE AND EXACT COPY OF THE ORIGINAL BOND LATER SUBMITTED, IT WILL BE CONSIDERED THAT THE PROPOSAL BOND WAS NOT TIMELY SUBMITTED.**

FAILURE TO PROVIDE A PROPOSAL BOND IN THE TERMS SPECIFIED IN THIS RFP WILL CAUSE THE PROPOSAL TO BE DEEMED INCOMPLETE AND THE OFFEROR WILL BE DISQUALIFIED.

3.3.7.2 **Proposals are due at 2:00 pm (AST), July 12, 2021.** Offerors are required to submit only one (1) Proposal in response to this RFP. The entire Proposal must be uploaded onto the secure site with the unique password and username given to the Offeror. The Offeror must place the Proposal in the appropriate folders with the Offeror's name on the secure site. **A LATE PROPOSAL SHALL NOT BE ACCEPTED AND SHALL CAUSE THE PROPOSAL TO BE DISQUALIFIED.**

3.3.7.2.1 The Offeror shall not distribute the Proposal to any entity not specified in this RFP, nor shall the Offeror share its Proposal with other potential Offerors.

3.3.7.2.2 The contents of any Proposal shall be maintained in strict confidentiality by ASES and shall not be disclosed to competing Offerors or the general public during the procurement process and only may be disclosed after the Contract is awarded.

9. Amendment to Sections 3.3.12 to 3.3.13

Sections 3.3.12 and 3.3.13 are amended to reflect changes caused by CMS's proposed rule.

3.3.12 Implementation Review

ASES, or its designated Third Party, shall conduct an implementation review of the Contractor's operations beginning no later than three (3) months before the Implementation Date of the Contract as specified in Section 4.7 of the Contract in Appendix K.

Any changes required to the Contractor's processes as identified through implementation review activities must be made by the Contractor prior to the Implementation Date. Costs associated with these changes must be borne by the Contractor.

The Offeror awarded a Contract shall demonstrate to ASES's satisfaction that it is able to meet the requirements of this RFP and the Contract. Certification to Go Live is contingent upon the Offeror's ability to meet the implementation review requirements.

The Offeror shall cooperate in the implementation review, which will commence shortly after the Contract is executed.

In addition, upon determining a final MDRP Implementation Date that is different from the Implementation Date of the Contract (September 1, 2022), ASES or its designated Third Party, shall conduct an implementation review of the Contractor's MDRP operations beginning no later than three (3) months before the MDRP Implementation Date, as specified in Section 4.7 of the Contract in Appendix K. If a separate implementation review is required for the MDRP, the same rules previously mentioned in this Section will equally apply.

3.3.13 Implementation Date

The Implementation Date of the Contract is the date on which the Offeror would initiate the PBM and RA services. As of the date of this RFP, the Implementation Date of the Contract is expected to be September 1, 2022.

Puerto Rico intends to join the Medicaid Drug Rebate Program (MDRP); however, the MDRP Implementation Date is dependent upon the CMS' final decision of its proposed rule (CMS-2482-P2). If the U.S. territories are allowed to join the MDRP earlier than January 1, 2023, Puerto Rico will exercise that option and provide the awarded Contractor due notice.

For the time period between the Implementation Date of the Contract and the MDRP Implementation Date, if different, the Offeror must be able to provide current Rebate program services for all populations, including Medicaid/CHIP (Article 15 of the Contract). Once Puerto Rico joins the MDRP, the Offeror must be able to: 1) continue to provide non-MDRP (Other Enrollee) Rebate Services for populations not eligible for MDRP rebates; and 2) provide MDRP Services for Medicaid/CHIP populations for the remaining Contract Term. Notwithstanding the above, the

awarded Contractor needs to have operational capacity to provide current Rebate program services upon the Implementation Date of the Contract and MDRP Services upon the MDRP Implementation Date as determined by ASES and approved by CMS.

10. Amendment to Section 3.4.7

Section 3.4.7 is amended to modify the term of the Proposal Bond.

3.4.7 Proposal Offer Firm

All responses to this RFP, including Proposal prices, will be considered firm for One Hundred and eighty (180) **Calendar Days**, unless ASES requests an extension of the Proposal Bond due to a change in the schedule of events of this procurement, notwithstanding whether or not a particular Proposal was selected and awarded a Contract.

11. Amendment to Section 3.4.8

Section 3.4.8 is REPLACED ENTIRELY to reflect changes in dates caused by CMS’ new proposed rule. It also includes changes in requirements for the Proposal Bond to facilitate compliance with the same given the new schedule of events and other changes to the Cost Proposal Template.

3.4.8 Proposal Bond

A Proposal Bond in the amount of ten percent (10%) of the total bid for Contract Year 1 is **REQUIRED**. If the Offeror is presenting a Proposal for Combined Services, the amount of the Proposal Bond must be computed on the basis of the total bid for the Combined Services for Contract Year 1 under Scenario B of the Cost Proposal, that is, assuming an MDRP Implementation Date of January 1, 2023. If the Offeror is presenting a Proposal for RA services only, the amount of the Proposal Bond must be computed on the basis of the total bid for the RA services for Contract Year 1 under Scenario B of the Cost Proposal, that is, assuming an MDRP Implementation Date of January 1, 2023. **See Table A.**

Table A:

TYPE OF BID	AMOUNT OF PROPOSAL BOND	
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<p>Combined</p>	<p>10% of the total sum of Section 5.1 for Contract Year 1, that is, the total sum of cells D110 and E110 of the Amended Appendix J version 2– Cost Proposal Template, worksheet 2B. PBM & Rebate Worksheet 1-1-23</p>	<table border="1"> <thead> <tr> <th colspan="2">Section 5 - Total Proposal Fees</th> <th>Contract Year 1: 9/1/2022-12/31/2022</th> <th>Contract Year 1: 1/1/2023-8/31/2023</th> <th>Contract Year 2</th> <th>Contract Year 3</th> <th>Optional Contract Year 4</th> </tr> </thead> <tbody> <tr> <td>5.1</td> <td>Total Proposal Costs/Fees</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> </tr> </tbody> </table>	Section 5 - Total Proposal Fees		Contract Year 1: 9/1/2022-12/31/2022	Contract Year 1: 1/1/2023-8/31/2023	Contract Year 2	Contract Year 3	Optional Contract Year 4	5.1	Total Proposal Costs/Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Section 5 - Total Proposal Fees		Contract Year 1: 9/1/2022-12/31/2022	Contract Year 1: 1/1/2023-8/31/2023	Contract Year 2	Contract Year 3	Optional Contract Year 4										
5.1	Total Proposal Costs/Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00										
<p>PBM Only</p>	<p>10 % of the amount of Section 3.1 for Contract Year 1, that is, the amount of cell D62 of the Amended Appendix J version 2– Cost Proposal Template, worksheet 3. PBM Worksheet.</p>	<table border="1"> <thead> <tr> <th colspan="2">Section 3 - Total Proposal Fees</th> <th>Contract Year 1</th> <th>Contract Year 2</th> <th>Contract Year 3</th> <th>Optional Contract Year 4</th> <th>Optional Contract Year 5</th> </tr> </thead> <tbody> <tr> <td>3.1</td> <td>Total Proposal Costs/Fees</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> </tr> </tbody> </table>	Section 3 - Total Proposal Fees		Contract Year 1	Contract Year 2	Contract Year 3	Optional Contract Year 4	Optional Contract Year 5	3.1	Total Proposal Costs/Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Section 3 - Total Proposal Fees		Contract Year 1	Contract Year 2	Contract Year 3	Optional Contract Year 4	Optional Contract Year 5										
3.1	Total Proposal Costs/Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00										

<p>RA Only</p> <p>10% of the total sum of Section 4.1 for Contract Year 1, that is, the total sum of cells D82 and E82 of the Amended Appendix J version 2– Cost Proposal Template, worksheet 4B. Rebate Worksheet 1-1-23</p>					
	Section 4 - Total Proposal Fees				
			Contract Year 1: 9/1/2022- 12/31/2022	Contract Year 1: 1/1/2023- 8/31/2023	Contract Year 2
	4.1	Total Proposal Costs/Fees	\$0.00	\$0.00	\$0.00

The Proposal Bond shall be accompanied with a pledge that the Offeror will enter into a contract with ASES on the terms stated in the Proposal Bond, if awarded the RFP.

The Proposal Bond shall be issued by a surety company duly authorized to do business in Puerto Rico, duly certified by the Insurance Commissioner of Puerto Rico, and accepted by ASES. The Proposal Bond must be valid beginning on the Proposal due date for One Hundred and Eighty (180) Calendar Days. The Proposal Bond will be payable to ASES.

A true and exact copy of the Original Bond must be included with the Proposal on the due date for submission of the Proposal, that is, no later than 2:00 PM (AST) on July 12, 2021. The Original Bond must be delivered either via hand delivery or courier service delivery no later than 4:00 pm (AST) July 14, 2021 to ASES’ Finance Office, located at Urb. Caribe Sector El Cinco, #1549 Calle Alda, San Juan, PR. IF THE COPY OF THE PROPOSAL BOND SUBMITTED WITH THE PROPOSAL IS NOT A TRUE AND EXACT COPY OF THE ORIGINAL BOND LATER SUBMITTED, IT WILL BE CONSIDERED THAT THE PROPOSAL BOND WAS NOT TIMELY SUBMITTED. The name of the company to whom the Proposal Bond is issued as a Principal must be the Offeror. **No Letter of Credit and Annual Proposal Bond will be accepted.**

FAILURE TO COMPLY WITH THE TIMELY SUBMISSION OF A PROPOSAL BOND, ISSUED BY A QUALIFIED INSTITUTION AS STATED IN THIS SECTION, IN THE NAME OF ASES AS OBLIGEE, TO COVER THIS PROCUREMENT PROCESS AND IN THE AMOUNT SPECIFIED HEREIN, WILL DISQUALIFY THE OFFEROR.

If the Offeror(s) chosen to receive a Contract withdraws its Proposal after ASES issues the Notice of Intent to Award, does not honor the terms offered in its Proposal, does not sign the Contract within a reasonable period before the implementation review, or fails to comply with an approved Divestiture Action Plan or Conflict Avoidance Plan at the time of signature of the Contract, the Proposal Bond shall be forfeited by the Offeror(s) in favor of and kept by ASES.

The Proposal Bond will be returned to the unsuccessful bidders after One Hundred and Eighty (180) Calendar Days of the submission of the Proposal, unless the Proposal Bond term herein established is otherwise extended per ASES request due to an extension of the schedule of events of this procurement.

12. Amendment to Table 5 of Section 5.4.2.2

Table 5 of Section 5.4.2.2 is amended to correct a clerical error in the description of the scoring criteria definition for Satisfactory as follows:

5.4.2.2 Table 5 shows the scoring criteria ASES will use to assign points.

Table 5: Scoring and Criteria for Point Assignment

Point Value	Descriptions	Criteria for Point Assignment
0	Absent or Unresponsive	Proposal response is missing or is non-responsive for it does not address ASES's requirements.
1	Barely Satisfactory	Proposal response is incomplete. The Offeror failed to provide a fully compliant response to the requirements in the Procurement and the omission(s), or defect(s), are significant. The quality of the proposal response is considered to be less than average for a qualified Offeror.
2	Satisfactory	Proposal response is satisfactory or meets ASES' requirements. This score may be awarded if the Offeror has met the minimum requirements established in the Procurement. Omission(s) or defect(s), if any, are insignificant and easily addressed. The proposal response is considered to be of average quality for a qualified Offeror.
3	More than Satisfactory	Proposal response is more than satisfactory and fully meets ASES's requirements. Any omission(s) or defect(s) are insignificant and acceptable. The proposal response is above the average quality for a qualified Offeror.

Point Value	Descriptions	Criteria for Point Assignment
4	Superior	Proposal response surpasses ASES’s requirements. No omission(s) or defect(s) are apparent, and the Proponent offers one (1) or more enhancing feature(s), method(s) or approach(es) that will benefit ASES. Response represents excellent quality for a qualified Offeror.

In assigning points, evaluators shall consider issues including, but not limited to, the extent to which a Proposal response:

- a. Is lacking the required information (e.g. whether it is lacking depth or breadth or significant facts and/or details).
- b. Is fully developed.
- c. Demonstrates that the Offeror understands ASES’s needs, the services sought, and/or the Offeror’s responsibilities.
- d. Illustrates the Offeror’s capability to perform all services and meet all requirements.
- e. If implemented, will contribute to the achievement of ASES’s goals and objectives.
- f. Demonstrates the Offeror’s capacity, capability and/or commitment to exceed regular service needs, that is, whether it offers enhanced features, approaches, or methods, or creative or innovative business solutions.

13.Amendment to Section 5.5.2

Section 5.5.2 is amended to reflect changes caused by CMS’s new proposed rule on MDRP.

5.5.2 For the PBM Services Only bidding option, the sum of the Total Annual Costs proposed for Contract Years 1 through 3 will be evaluated for the Cost Proposal Evaluation (Offeror’s Total Costs). **The MDRP Implementation Date does not affect the PBM Services.**

For both the Combined Services bidding option and the RA Services Only bidding option, ASES is requesting Offerors to provide bids for the following MDRP Implementation Date Scenarios:

Scenario A: September 1, 2022 – Offerors should assume a September 1, 2022 MDRP Implementation Date. Both MDRP and Other Enrollee Rebate Services will be provided during all of Contract Years 1 through 3.

Scenario B: January 1, 2023 - Offerors should assume:

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- Contract Year 1 (September 1, 2022 – December 31, 2022): Offerors will provide current Rebate program services for all populations, including Medicaid/CHIP populations.
- Contract Year 1 (January 1, 2023 – August 31, 2023): Offers will provide both MDRP Rebate Services and Other Enrollee Rebate Services.
- For Contract Years 2 and 3: Offerors will continue providing both MDRP and Other Enrollee Rebate Services.

For the Combined Services bidding option and the RA Services Only bidding option, ASES will add Total Proposal Costs/Fees for Contract Years 1 through 3 for Scenarios A and B combined to determine Cost Proposal Points (Offeror’s Total Costs).

Scenario C: April 1, 2024 – Offerors should assume:

- Contract Year 1: Offerors will provide current Rebate program services for all populations, including Medicaid/CHIP populations for the entire Contract Year.
- Contract Year 2 (September 1, 2023 – March 31, 2024): Offerors will provide current Rebate program services for all populations, including Medicaid/CHIP populations.
- Contract Year 2 (April 1, 2024 – August 31, 2024): Offerors will provide MDRP Rebate Services and Other Enrollee Rebate Services.
- Contract Year 3: Offerors will continue providing both MDRP and Other Enrollee Rebate Services.

Scenario C will be reviewed but not be included in the Cost Proposal Evaluation calculation for Cost Proposal Points.

Proposed costs for Years 4 and 5 will also be reviewed but not be included in the Cost Proposal Evaluation calculation for Cost Proposal Points, as those Contract Years may be further negotiated in the third contract year. Proposed costs for Additional Rebate Aggregator Services (Article 16 of the Contract in Appendix K) also will be reviewed but not included in the Cost Proposal Evaluation calculation for Cost Proposal Points, as these services may be further negotiated upon ASES’s determination to exercise these services. Maximum available cost proposal points by offer type are shown in Table 9.

Table 9: Maximum Cost Proposal Points

Services	Maximum Available Cost Proposal Points
PBM Services Only	194
RA Services Only	185
Combined Services	306

14. Amendment to Section 6.3

Section 6.3 is amended to reflect changes caused by CMS's new proposed rule on MDRP.

6.3 Key Personnel

The Offeror must demonstrate that staff proposed as Key Personnel as described in Article 20 of the Contract in Appendix K have the proper credentials and experience to perform all duties and responsibilities of that role. For the planned Account Manager, Implementation Manager, Clinical Pharmacist, Information Systems Coordinator and Pharmacy Call Center Manager that will be in charge of the implementation phase of the Contract, include the following:

- Name;
- Role; and
- Resume.

If it is expected that these individuals will not hold the same position for the Implementation Date of the Contract/Go Live, please indicate so and explain. If it is expected that any of the above-mentioned key personnel will change for the MDRP Implementation, please inform and explain.

NOTE: The information to be provided under this section must be for specific individuals, not generic for title/role.

15.Amendment to Section 6.4

Section 6.4 is amended to reflect changes in: (1) dates caused by the adoption of the new schedule of events; and (2) requirements for the Proposal Bond.

6.4 Proposal Bond

Include with the Proposal, no later than 2:00 PM (AST) on July 12, 2021, a true and exact copy of the Original Proposal Bond in the amount of ten percent (10%) of the total bid for Contract Year 1 (See Table A of Section 3.4.8 of this RFP). The Original Proposal Bond is to be **delivered to ASES' Finance Office no later than -4:00 PM (AST) July 14, 2021**, For further details, requirements and instructions regarding the Proposal Bond, refer to Sections 3.3.7 and 3.4.8 of this RFP, as amended.

FAILURE TO COMPLY WITH THE TIMELY SUBMISSION OF A PROPOSAL BOND, ISSUED BY A QUALIFIED INSTITUTION AS STATED IN SECTION 3.4.8 OF THIS RFP, IN THE NAME OF ASES, TO COVER THIS PROCUREMENT PROCESS AND IN THE AMOUNT SPECIFIED THEREIN, WILL DISQUALIFY THE OFFEROR.

16.Amendment to Section 7.1

Section 7.1 is amended to reflect changes caused by CMS's new proposed rule on MDRP.

7.1 Implementation

7.1.1 **[Both]** Provide a detailed Implementation Plan to achieve a seamless transition and implementation of services by the Implementation Date of the Contract. Describe how resources will be deployed, who will provide oversight, and how staff are hired, trained and tested. Describe any barriers the Offeror has identified to meeting the timeframes and how those barriers will be mitigated.

7.1.2 **[Both]** Describe the systems (Information Management, Operations, Claims Processing) build and testing strategy and timeline. Describe how initial testing and auditing of the system for accuracy, timeliness, and quality of the services will be accomplished prior to the Implementation Date of the Contract.

7.1.2.1 **[PBM Services]** Provide your recommendation for transferring necessary Data to perform the required services such as, claims history, provider data, enrollee data, and prior authorization information.

7.1.2.2 **[RA Services]** Provide your recommendation for obtaining the necessary information to perform the required services such as CMS Rebate files, Other Enrollee Rebate files, and Claims Data.

7.1.3 **[Both]** In a scenario where the MDRP Implementation Date is not September 1, 2022, describe the approach to transition to the MDRP at a later date and the impact of managing the necessary activities while maintaining the current Rebate program services. At a minimum please describe:

- The milestone activities and timeframes
- The necessary resources
- The coordination and dependency requirements on other entities (ASES, MCOs, PBM, RA, Pharmacies)
- The strategies to assure successful and seamless implementation.

7.1.4 **[Both]** Explain plan for restoring systems (Information Management, Operations, Claims Processing) in the event of a natural or man-made disaster to accommodate:

7.1.4.1 Loss of online communications

7.1.4.2 Loss of data

7.1.4.3 Software malfunction

7.1.4.4 **[PBM Services]** Loss of Pharmacy Call Center services

17. Amendment to Section 8

Section 8 is amended to reflect all changes needed to make to the Cost Proposal Template due to CMS's new proposed rule on MDRP.

8.1 General Instructions

The Offeror shall also submit a Cost Proposal, using the Cost Proposal Workbook template included in Amended Appendix J, version 2, that addresses all costs associated with meeting the requirements noted above in this RFP and in the Contract. At the discretion of ASES, the Contract may be extended for up to two (2) additional one (1) year contract extension periods, beyond the initial Contract period. See Section 1.6 of this RFP, as amended. Therefore, the Offeror's Cost Proposal submission must include costs for each year of the possible total five (5) Contract years, but only Contract Years 1 through 3 will be evaluated for Cost Proposal Points. See Section 5.5.2 of the RFP, as amended.

For the PBM Services Only bidding option, the sum of the Total Annual Costs proposed for Contract Years 1 through 3 will be evaluated for the Cost Proposal Evaluation (Offeror's Total Costs). **The MDRP Implementation Date does not affect the PBM Services.**

For the Combined Services bidding option and the RA Services Only bidding option, ASES is requesting Offerors to provide bids for the following MDRP Implementation Date Scenarios:

Scenario A: September 1, 2022 – Offerors should assume a September 1, 2022 MDRP Implementation Date. Both MDRP and Other Enrollee Rebate Services will be provided during all of Contract Years 1 through 3.

Scenario B: January 1, 2023 - Offerors should assume:

- Contract Year 1 (September 1, 2022 – December 31, 2022): Offerors will provide current Rebate program services for all populations, including Medicaid/CHIP populations.
- Contract Year 1 (January 1, 2023 – August 31, 2023): Offerors will provide both MDRP Rebate Services and Other Enrollee Rebate Services.
- Contract Years 2 and 3: Offerors will continue providing both MDRP and Other Enrollee Rebate Services.

For the Combined Services bidding option and the RA Services Only bidding option, ASES will add Total Proposal Costs/Fees for Contract Years 1 through 3 for Scenarios A and B combined to determine Cost Proposal Points.

Specifically, for the Combined Services bidding option, ASES will sum cells D100, E100, and F100 from Amended Appendix J version 2– Cost Proposal Template, worksheet “2A. PBM & Rebate Wksht 9-1-22” with cells D110, E110, F110 and G110 from worksheet “2B. PBM & Rebate Wksht 1-1-23” to calculate an Offeror's Total Proposal Costs/Fees for the Cost Evaluation Points determination.

For the RA Services Only bidding option, ASES will sum cells D73, E73 and F73 from Amended Appendix J, version 2 – Cost Proposal Template, worksheet “4A. Rebate Wksht 9-1-22” with cells D56,

E56, F56 and G56 from worksheet “4B. Rebate Wksht 1-1-23” to calculate the Offeror’s Total Proposal Costs/Fees for the Cost Evaluation Points determination.

Scenario C: April 1, 2024 – Offerors should assume:

- Contract Year 1: Offerors will provide current Rebate program services for all populations, including Medicaid/CHIP populations for the entire Contract Year.
- Contract Year 2 (September 1, 2023 – March 31, 2024): Offerors will provide current Rebate program services for all populations, including Medicaid/CHIP populations.
- Contract Year 2 (April 1, 2024 – August 31, 2024): Offerors will provide MDRP Rebate Services and Other Enrollee Rebate Services.
- Contract Year 3: Offerors will continue providing both MDRP and Other Enrollee Rebate Services.

Scenario C will be reviewed but not be included in the Cost Proposal Evaluation calculation for Cost Proposal Points. If ASES chooses and CMS approves an April 1, 2024 MDRP Implementation Date, ASES will renegotiate Contract Years 2 and 3 within plus or minus 10% of the total proposed costs submitted in the Cost Proposal Template, for the time period in which MDRP Services will be provided (April 1, 2024 through August 31, 2025).

For example, for the Combined Services bidding option, Scenario C, ASES will renegotiate within plus or minus 10% of the Total Proposal Costs/Fees submitted in cells F110 and G110 of the “2C. PBM & Rebate Wksht 4-1-24” of Amended Appendix J, version 2 – Cost Proposal Template. For the RA Services Only bidding option, Scenario C, ASES will renegotiate within plus or minus 10% of the Total Proposal Costs/Fees submitted in cells F82 and G82 of the “4C. Rebate Wksht 4-1-24” of Amended Appendix J, version 2– Cost Proposal Template.

ASES will not renegotiate any proposed costs if CMS approves a September 1, 2022 or January 1, 2023 MDRP Implementation Date (Scenarios A or B).

Under all scenarios, the Offeror should provide their best cost estimate for optional years 4 and 5. The Offeror should be aware that optional years 4 and 5 are subject to renegotiation based on prevailing market prices and evaluation of Contractor’s performance. Furthermore, proposed costs for Additional Rebate Aggregator Services (Article 16 of the Contract in Appendix K) also will be reviewed but not included in the Cost Proposal Evaluation calculation for Cost Proposal Points, as these services may be further negotiated upon ASES’s determination to exercise these services.

Offerors are cautioned not to make assumptions when submitting cost proposals. If clarifications are needed, please submit questions during the Q&A period to ensure all assumptions are confirmed or clarified. Costs left out of a proposal based on an assumption will not be negotiated at time of award.

The Offeror MUST BID FOR ALL REQUIRED SERVICES/DELIVERABLES AND SCENARIOS PERTAINING TO THE PBM AND/OR RA SERVICES FOR WHICH THE

OFFEROR IS BIDDING. FAILURE TO DO SO WILL CAUSE THE DISQUALIFICATION OF THE OFFEROR. See also Section 4.6 of the RFP.

The submitted Cost Proposal must include a duly signed PDF copy of the cost proposal template with initials and printed name on each page (See Section 4.8 of the RFP) as well as an Excel version. Both must contain the same information and each page must be identified with the name of the Offeror. In case of any inconsistencies between the PDF signed copy and the Excel version of the Offeror's Cost Proposal, the signed copy will prevail.

8.2 Cost Proposal Workbook

8.2.1 Using the Cost Proposal Workbook template (Appendix J of this RFP), the Offeror must propose costs, including implementation costs, to provide the services. The template must have the name of the Offeror listed on the Table of Contents (TOC) worksheet. The Offeror must populate cell B9 on the TOC worksheet so that the rest of the worksheets will automatically include the name of the Offeror.

8.2.2 The Offeror must complete the worksheets of the Cost Proposal Workbook pertaining to the services for which the Offeror is bidding as selected from the list in cell B10 of the Table of Contents (TOC) worksheet.

If the Offeror is bidding on both the PBM and RA Services, then the Offeror must complete ALL worksheets of the Cost Proposal Workbook: 2A., 2B., 2C., 3., 4A., 4B., and 4C. See Section 1.1 of the RFP.

If the Offeror is bidding on only the PBM Services, then the Offeror must complete only the worksheet labeled "3. PBM Worksheet".

If the Offeror is bidding on only the RA Services, then the Offeror must complete the worksheets: 4A., 4B., and 4C.

For each worksheet, the Proposal must provide a narrative response explaining the associated costs for the applicable required services.

8.2.3 The Offeror must only enter Information in the yellow and blue cells for each line item. The yellow cells will be used to calculate the Offeror's total bid. The blue cells are to be completed to provide additional detail about the buildup of the values entered in the yellow cells. The blue cells must sum up and match the total in the yellow cells. Calculation checks are provided for each section to alert the Offeror of a calculation error. If the Cost Proposal Workbook is submitted with a calculation error, ASES will assume the lower of either the total cost submitted in the yellow cell or the sum of the line items will prevail.

8.2.4 All line items must be filled out. If the Offeror combines line items, the Offeror must disclose how the combined costs were derived and the annual costs of each separately in the respective narrative response section of the Cost Proposal Workbook.

8.2.5 The Offeror must quote implementation and ongoing costs based on the Total Ownership Cost Method. The Total Ownership Cost Method includes not only the direct costs of the specific deliverables required for the provision of the PBM and RA services but also all indirect costs that would be logically attributed to the provision of these services. It is an all-inclusive rate.

8.2.6 Implementation Costs

8.2.6.1 Implementation costs for all Contractor functions will not be paid separately. They must be allocated and included in the corresponding ongoing costs - PBM Service Costs section and Rebate Aggregator Service Costs section of the Cost Proposal Workbook. The PBM and non-MDRP Rebate Services Implementation Costs must be amortized over the first three years of the Contract. The MDRP Rebate Services Implementation Costs must be amortized for the time period beginning with the MDRP Implementation Date through the Contract Year 3.

Specifically by Scenario, Implementation Costs must be amortized over the following schedule:

PBM Services Only

- All Implementation Costs amortized over Contract Years 1 through 3

Combined Services or RA Services Only

Scenario A (MDRP Implementation Date September 1, 2022):

- All Implementation Costs amortized over Contract Years 1 through 3

Scenario B (MDRP Implementation Date January 1, 2023):

- Implementation Costs for PBM and/or current Rebate services, as applicable, amortized over Contract Years 1 through 3
- Implementation Costs for MDRP services amortized over January 1, 2023 through Contract Year 3

Scenario C (MDRP Implementation Date April 1, 2024):

- Implementation Costs for PBM and/or current Rebate services, as applicable, amortized over Contract Years 1 through 3
- Implementation Costs for MDRP services amortized over April 1, 2024 through Contract Year 3.

8.2.6.2 Although Implementation Costs are to be included with the corresponding proposed ongoing costs, ASES requires Offerors to provide detail about these costs for informational purposes only.

8.2.6.3 The details of the total implementation costs must be described in Section 1.1 of the Cost Proposal Workbook tabs and included in subsequent sections as noted in the Cost Proposal Workbook. For each section, the Offeror must explain the associated costs in the narrative section provided.

8.2.6.4 PBM and RA Implementation Costs (Cost Proposal Workbook Tabs: 2A., 2B., and 2C.)

8.2.6.4.1 This section of the Cost Proposal Workbook captures implementation costs for establishing all the PBM and RA Services functions and services.

8.2.6.4.2 For each line item, enter the expected cost for the noted activity.

8.2.6.4.3 Implementation Plan: captures the costs associated with developing the detailed Implementation Plan.

8.2.6.4.4 Technology and Information System: captures system implementation costs associated with the Offeror's functions and services related to PBM and RA technology systems and service contracts, including but not limited to pharmacy claims adjudication and payment, RA services, PBM and RA scheduled reporting and online reporting tool(s).

8.2.6.4.5 Pharmacy Call Center: captures the costs to implement and transition the Pharmacy Call Center from the current PBM, including equipment, phone lines/service contracts and Pharmacy Provider communications.

8.2.6.4.6 Equipment: captures implementation costs for equipment.

8.2.6.4.7 Recruitment: captures implementation recruitment costs for Key Personnel and staff.

8.2.6.4.8 Training: captures implementation training costs for Key Personnel and staff.

8.2.6.4.9 Maximum Allowable Cost (MAC) List Development: captures the implementation and transition of the MAC program for off-patent Brand Drugs and Generic Drugs and the electronic mechanism for the MAC program appeal process.

8.2.6.4.10 Clinical Program Management: captures implementation and transition costs for Clinical program services including but not limited to formulary management, Drug Utilization Review, fraud, waste and abuse, academic detailing, and care management services.

8.2.6.4.11 Administrative Expenses: captures PBM and RA implementation costs for establishing the Offeror's administrative functions.

8.2.6.5 PBM Implementation Costs (Cost Proposal Workbook Tab "3.PBM Worksheet")

8.2.6.5.1 This section of the Cost Proposal template captures implementation costs for establishing all the PBM Offeror's functions and services.

8.2.6.5.2 For each line item, enter the expected cost for the noted activity.

8.2.6.5.3 Implementation Plan: captures the costs associated with developing the detailed Implementation Plan.

8.2.6.5.4 Technology and Information System: captures system implementation costs associated with the Offeror's functions and services related to PBM technology systems and service contracts, including but not limited to pharmacy claims adjudication and payment, PBM scheduled reporting and online reporting tool.

8.2.6.5.5 Pharmacy Call Center: captures the costs to implement and transition the Pharmacy Call Center from the current PBM, including equipment, phone lines/service contracts and Pharmacy Provider communications.

8.2.6.5.6 Equipment: captures implementation costs for equipment.

8.2.6.5.7 Recruitment: captures implementation recruitment costs for Key Personnel and staff.

8.2.6.5.8 Training: captures implementation training costs for Key Personnel and staff.

8.2.6.5.9 Maximum Allowable Cost (MAC) List Development: captures the implementation and transition of the MAC program for off-patent Brand Drugs and Generic Drugs and the electronic mechanism for the MAC program appeal process.

8.2.6.5.10 Clinical Program Management: captures implementation and transition costs for Clinical program services including but not limited to formulary management, Drug Utilization Review, fraud, waste and abuse, academic detailing, and care management services.

8.2.6.5.11 Administrative Expenses: captures PBM implementation costs for establishing the Contractor's administrative functions.

8.2.6.6 RA Implementation Costs (Cost Proposal Workbook Tabs 4A., 4B., and 4C.)

8.2.6.6.1 This section of the Cost Proposal template captures implementation costs for establishing all the RA functions and services.

8.2.6.6.2 For each line item, enter the expected cost for the noted activity.

8.2.6.6.3 Implementation Plan: captures the costs associated with developing the detailed Implementation Plan.

8.2.6.6.4 Technology and Information System: captures system implementation costs associated with the Offeror's functions and services related to technology systems and service contracts, including but not limited to RA services and scheduled reporting and online reporting tool.

8.2.6.6.5 Equipment: captures implementation costs for equipment.

8.2.6.6.6 Recruitment: captures implementation recruitment costs for Key Personnel and staff.

8.2.6.6.7 Training: captures implementation training costs for Key Personnel and staff.

8.2.6.6.8 Administrative Expenses: captures RA implementation costs for establishing the Offeror's administrative functions.

8.2.7 PBM and RA Service Costs

8.2.7.1 This section captures the Offeror's ongoing costs to maintain PBM and/or RA Services functions. See, Section 8.2.6.1.

8.2.7.2 All ongoing service costs must be quoted as follows:

8.2.7.2.1 All ongoing service costs, including amortized implementation costs, associated with PBM Services must be quoted on a per final paid prescription basis. No denied claims (i.e., claims that were received and adjudicated by the PBM but a negative determination was made) or reversed claims (i.e., claims that were reversed by the pharmacy after having been submitted and paid by the PBM) will be included.

8.2.7.2.2 On a monthly basis, the PBM Services will be paid a per final paid prescription fee based on the month's prescription claim volume.

8.2.7.2.3 All ongoing costs, including amortized implementation costs, associated with RA Services must be quoted on a total basis for the time period indicated in the Cost Proposal worksheet.

8.2.7.2.4 On a monthly basis, the RA Services will be paid 1/12th of the total proposed cost for the time period indicated in the Cost Proposal worksheet.

8.2.7.2.5 For each line item, the associated Article of the Contract is provided in the Cost Proposal Workbook to indicate what services must be included in the costs proposed for the line item.

8.2.7.2.6 For each section, the Offeror must explain in the narrative section provided the associated costs and the factors considered in the Offeror's proposed total cost.

8.2.7.3 The Offeror must enter the total cost for each Contract Year or fractional year as indicated in the Cost Proposal workbook. The Offeror must ensure each Contract Year is entered, even if the cost is the same year to year.

8.2.8 Additional RA Services

8.2.8.1 ASES maintains the right to implement at a later date, . Additional RA Services that are part of the core services described in the Contract. ASES may submit in writing approval and request for implementation of the provision of these other services at any time during this contract. Offerors must provide their best cost estimate for Additional RA services, but these proposed costs will not be included in the Cost Proposal Evaluation. Additional RA Services may be subject to renegotiation upon ASES's determination to exercise these services.

8.2.8.1.1 Supplemental rebate purchasing pool support

8.2.8.1.2 Single entity supplemental rebate program development and maintenance

8.2.8.1.3 Value Based Purchasing agreement program development and maintenance

8.2.8.1.4 State Plan Amendment support for supplemental rebates and/or Value Based Purchasing Agreements

8.2.8.2 As part of the Cost Proposal, the Offeror must propose a firm fixed price for these services.

8.2.8.2.1 All Additional RA Services costs must be quoted on an annual basis or fractional year basis as indicated in the Cost Proposal workbook.

8.2.8.2.2 On a monthly basis, the Additional RA Services will be paid 1/12th of the total proposed cost for the time period indicated in the Cost Proposal workbook.

8.2.8.2.3 For each line item of the Additional RA Services, the associated Article of the Contract is provided in the Cost Proposal Workbook to indicate what services must be included in the costs proposed for the line item.

8.2.8.2.4 For each section, the Offeror must explain in the narrative section provided a detailed description of the optional services to be provided and the associated costs and factors considered in the Offeror's proposed total cost.

8.2.9 Total Proposal Fees

8.2.9.1 This section of each of the worksheets of the Cost Proposal Workbook captures total cost summary information from the Cost Proposal Template and does not require entry information from the Offeror.

8.3 Bidding Rules, Requirements, Process, and Adjustments

8.3.1 With this RFP, Offeror will receive an Excel workbook template on which to provide their Cost Proposal. See Appendix J. See also, Section 4.6

8.3.2 Cost Proposals will be evaluated based on the criteria outlined in Section 5 of this RFP.

Failure to submit the Proposal using this template will constitute noncompliance and will result in the Offeror being **DISQUALIFIED.**

18. Amendment to Amended Appendix J – Cost Proposal Template

Amended Appendix J is amended to reflect the needed changes to the Cost Proposal Template caused by the change in Implementation Dates caused by CMS’s proposed rule on MDRP.

COST PROPOSAL TEMPLATE

RFP # Pharmacy 2022

Amended Appendix J, version 2, is the Cost Proposal Template. It is not embedded in this document but is included as a separate Excel document entitled Amended Appendix J, Version 2, – Cost Proposal Template. Offeror’s must use the Amended Template, version 2. See, Section 8.3. (See Appendix 1 to the Amendment).

19. Amendment to Appendix K – Model Contract

Appendix K is amended to reflect changes caused by CMS’s new proposed rule. All other clauses remain unaltered. Specifically, changes are made to Section 1.1.7, Article 2 – Definition of “Implementation Date of the Contract” exclusively, Sections 4.7.1, 4.9.1.2.1, 14.1, 15.1, 17.1.4, 19.1.5, 24.1, 24.3 (to include relevant language already included in the RFP under Section 1.7.), 25.1.5, 40.2.3, Attachment 4 & Attachment 7.

- A. 1.1.7 All Administrative Functions of the Contractor must be located within the United States. Effective the Implementation Date of the Contract, the following Administrative Functions must be located in Puerto Rico: [Subsections 1.1.7.1 to 1.1.7.5 remain unaltered].

B. ARTICLE 2 DEFINITIONS

Implementation Date of the Contract: The date on which the Contractor shall commence providing Contracted Services under this Contract. The expected Implementation Date of this Contract is September 1, 2022.

- C. 4.7.1 ASES, or its designated third party, shall conduct an implementation review of the Contractor's operations beginning three (3) months before any of the following events: (i) the Implementation Date of the Contract; (ii) the effective date of whenever the Contractor will provide new services under this Contract, or provide current services under a new method of service delivery; or (iii) the effective date of the provision or arrangement for the provision of Covered Pharmacy Services to new eligibility groups. Such review will include, at a minimum, one (1) onsite review, at dates and times to be determined by ASES. These reviews may include, but are not limited to, desk and onsite reviews of documents provided by the Contractor, walkthrough(s) of the Contractor's facilities, Information System demonstrations, Claims payment testing or audit, and interviews with the Contractor's staff. ASES will conduct the implementation review to confirm that the Contractor is capable and prepared to perform all Administrative Functions and to provide high-quality services to GHP Enrollees.
- D. 4.9.1.2.1 The Contractor's adequacy of invoicing, processing, and reconciling of the Medicaid/CHIP and MDRP Rebate, Supplemental Rebate and Other Enrollee Rebate, as applicable;
- E. 14.1 The Contractor shall provide comprehensive management of the Medicaid Drug Rebate Program ("MDRP"), upon implementation, for all covered outpatient drugs in accordance with Section 1927(b)(1) of the Social Security Act and the terms of the Medicaid National Drug Rebate Agreement ("NDRA"). The Contractor shall provide MDRP Rebate support including but not limited to: [Subsections 14.1.1 to 14.1.10 remain unaltered].
- F. 15.1 The Contractor shall process, invoice and report Rebates for all populations not eligible to receive MDRP rebates (for example, Other Enrollees and Medicaid/CHIP Enrollees prior to MDRP implementation) according to ASES's processing and schedule requirements. The process shall include, but not be limited to: [Subsections 15.1.1 to 15.1.21 remain unaltered].
- G. 17.4.1 If CMS migrates from its current data submission platform to a new platform, the Contractor will update its processes accordingly and not charge ASES additional costs for the transition.
- H. 19.1.5 ASES shall have access to the Rebate Data and Utilization Data (current and historical) reporting in an electronic format from the Contractor on a quarterly basis or whenever ASES may deem necessary.
- I. 24.1 Subject to and upon the terms and conditions herein, this Contract shall be in full force and effect on the Effective Date of Contract and shall terminate on [_____]. The Contractor shall begin providing services identified in this Contract on September 1, 2022, which shall be deemed to be the Implementation Date of the Contract. The foregoing notwithstanding, ASES, subject to Article 38 reserves the

right, prior written notice of ninety (90) Calendar Days, to amend or partially terminate the Contract at any time to implement a demonstrative plan to incorporate the new public health policies and/or strategies of the Government or any new or changed requirements directed by CMS. Upon written notice of amendment or partial termination of this Contract pursuant to this Article 24, ASES will evaluate in good faith a renegotiation of Administrative Fees payable under this Contract.

J. 24.3 ASES is hereby granted the option to renew this Contract for up to two (2) additional one (1) year Contract Term extensions, which shall begin on [_____] and end at midnight on [_____]. The Terms of the renewal shall be negotiated, but any increase in Administrative Fees shall be subject to ASES's determination that the proposed new amount is appropriate. The option to renew the Contract shall be exercisable solely and exclusively by ASES.

K. 25.1.5 Payments for the first month of program operations under this Contract or the first month following a change to the Contracted Services as directed by ASES will be made only upon a determination by ASES that the Contractor has complied with all of its obligations for the implementation of this Contract, including a finding by ASES that the Contractor has satisfied the implementation review, and the Contractor's submission of initial Deliverables as specified in Attachment 2 to this Contract or other Deliverables as agreed upon by ASES and Contractor for the provision of Contracted Services.

L. 40.2.3 At the request of either party, ASES will evaluate any enacted federal, state or local legislative or regulatory changes with applicability to the GHP program that materially impact the Payment. If after a process of actuarial evaluation, using credible Data, ASES determines that the enacted legislative and/or regulatory changes materially impact the Payment, ASES will adjust the rates to reflect the above-referenced changes after the adjusted rates are approved by CMS. Any revisions to the Payments under this Section would be applicable from [_____] to [_____], or from the Effective Date of any new law or regulation, whichever is later.

M. Attachment 4 (See Appendix 2 to the Amendment)

N. Attachment 7 (See Appendix 3 to the Amendment)