



# Department of Health

## Request for Proposals

RFP # 20085

### Drug and Diabetic Supply Rebate Administration and Management Services

Issued: October 20, 2021

**DESIGNATED CONTACT:**

Pursuant to State Finance Law §§ 139-j and 139-k, the Department of Health identifies the following designated contact to whom all communications attempting to influence the Department of Health's conduct or decision regarding this procurement must be made.

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**PERMISSIBLE SUBJECT MATTER CONTACT:**

Pursuant to State Finance Law § 139-j(3)(a), the Department of Health identifies the following allowable contact for communications related to the submission of written proposals, written questions, pre-bid questions, and debriefings.

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**TABLE OF CONTENTS**

*(Hyperlinked; click to go directly to desired topic.)*

**TABLE OF CONTENTS** .....2

1.0 CALENDAR OF EVENTS .....4

2.0 OVERVIEW .....4

    2.1 Introductory Background.....4

    2.2 Important Information.....5

    2.3 Term of the Agreement.....5

3.0 BIDDERS QUALIFICATIONS TO PROPOSE.....5

    3.1 Minimum Qualifications.....5

4.0 SCOPE OF WORK .....6

    4.2 Tasks/Deliverables .....9

    4.3 Staffing Requirements .....23

    4.4 Performance Standards.....24

4.5 Security Requirements and Deliverables .....25

5.0 ADMINISTRATIVE INFORMATION .....27

    5.1 Restricted Period .....27

    5.2 Questions.....28

    5.3 Right to Modify RFP.....28

    5.4 Payment.....28

    5.5 Minority & Woman-Owned Business Enterprise Requirements .....29

    5.6 Equal Employment Opportunity (EEO) Reporting .....31

    5.7 Sales and Compensating Use Tax Certification (Tax Law, § 5-a) .....31

    5.8 Contract Insurance Requirements .....32

    5.9 Subcontracting.....32

    5.10 DOH’s Reserved Rights.....32

    5.11 Freedom of Information Law (“FOIL”).....32

    5.12 Lobbying .....33

    5.13 State Finance Law Consultant Disclosure Provisions .....33

    5.14 Debriefing .....34

    5.15 Protest Procedures .....34

    5.16 Iran Divestment Act .....34

    5.17 Piggybacking .....34

    5.18 Encouraging Use of New York Businesses in Contract Performance.....35

    5.19 Diversity Practices Questionnaire.....35

    5.20 Participation Opportunities for NYS Certified Service-Disabled Veteran-Owned Businesses .....35

    (For use when no SDVOB Goals Exist) ..... **Error! Bookmark not defined.**

    5.21 Intellectual Property .....35

    5.22 Vendor Assurance of No Conflict of Interest or Detrimental Effect .....35

    5.23 Executive Order 177 Prohibiting Contracts with Entities that Support Discrimination .....36

6.0 PROPOSAL CONTENT .....36

    6.1 Administrative Proposal .....36

    6.2 Technical Proposal .....37

    6.2.19 Proposed Approach - Security Requirements and Deliverables .....49

    6.3 Cost Proposal .....49

7.0 PROPOSAL SUBMISSION .....51

    7.1 No Bid Form.....51

8.0 METHOD OF AWARD.....51

    8.1 General Information .....52

    8.2 Submission Review .....52

    8.3 Technical Evaluation.....52

    8.4 Cost Evaluation.....52

    8.5 Composite Score .....53

    8.6 Interviews.....53

8.7	Reference Checks .....	53
8.8	Best and Final Offers .....	53
8.9	Award Recommendation .....	53
ATTACHMENTS.....		53

## 1.0 CALENDAR OF EVENTS

<b>RFP 20085 – DRUG AND DIABETIC SUPPLY REBATE ADMINISTRATION AND MANAGEMENT SERVICES</b>	
<u>EVENT</u>	<u>DATE</u>
Issuance of Request for Proposals	October 20, 2021
Deadline for Submission of Written Questions	November 5, 2021 <b>5:00 p.m. ET</b>
Responses to Written Questions Posted by DOH	<b>On or About</b> November 24, 2021
Deadline for Submission of Proposals	December 10, 2021 <b>5:00 p.m. ET</b>
<u>Anticipated</u> Contract Start Date	December 1, 2022

## 2.0 OVERVIEW

Through this Request for Proposals (“RFP”), the New York State (“State”) Department of Health (the “Department” or “DOH”) is seeking competitive proposals from qualified bidders to provide services as further detailed in [Section 4.0](#) (Scope of Work). It is the DOH’s intent to award one (1) contract from this procurement.

### 2.1 Introductory Background

The Bidder selected through this Request for Proposal (RFP) will work to provide all services stipulated herein, with emphasis on consulting, administration, negotiation, financial and program analyses, clinical support, invoicing, collection and reconciliation of manufacturer rebates for all DOH drug rebate programs.

Within the DOH, the Office of Health Insurance Programs (OHIP) is directly responsible for administering a wide variety of public health insurance programs including Medicaid, Child Health Plus, and the Elderly Pharmaceutical Insurance Coverage Program (EPIC). As part of its responsibility for the Medicaid and EPIC programs, OHIP through the Division of Program Development and Management via its Bureau of Financial Planning, Data Analysis and Rebate Management Unit has administrative and oversight responsibility for several drug and diabetic supply manufacturer rebate programs. These functions are critical as the DOH realizes over \$16 billion annually in State share revenue from drug and diabetic supply rebates. For a list of acronyms with definitions see Attachment D.

New York State’s (NYS) Medicaid Program is one of the largest insurance programs in the nation. It provides health care coverage to nearly seven (7) million New Yorkers and spends **over \$78 billion annually**. Over 5 million of these members receive their health care, including their pharmacy benefits, through enrollment in a managed care plan. The remaining population of approximately 1.5 million receive their health care, including pharmacy benefits, through the traditional fee-for-service (FFS) program.

New York State collects Omnibus Reconciliation Act of 1990 (OBRA 90) and physician administered drug rebates for both managed care and FFS drug utilization, and supplemental and diabetic supply rebates for FFS utilization. Additionally, the State has authority to collect supplemental rebates for managed care utilization for Antiretrovirals Hepatitis C Medications, Opioid Dependence Agents, Opioid Antagonists, High Cost Drugs, Gene Therapies and drugs identified by way of the Drug Cap initiative.

The EPIC program provides secondary coverage for Medicare Part D and EPIC-covered drugs purchased after any Medicare Part D deductible is met. EPIC also covers approved Part D-excluded drugs once a member is enrolled in Part D. EPIC covers such drugs when the manufacturer has entered into a rebate agreement with the State. The EPIC rebate program calculation is the same as the calculation used by the Medicaid OBRA 90 program.

## **2.2 Important Information**

The bidder is required to review, and is requested to have legal counsel review, [Attachment 8](#), the DOH Agreement as the Bidder must be willing to enter into an Agreement substantially in accordance with the terms of [Attachment 8](#) should the bidder be selected for contract award. Please note that this RFP and the awarded bidder's proposal will become part of the contract as Appendix B and C, respectively.

It should be noted that Appendix A of [Attachment 8](#), "Standard Clauses for New York State Contracts", contains important information related to the contract to be entered into as a result of this RFP and will be incorporated, without change or amendment, into the contract entered into between DOH and the successful Bidder. By submitting a response to the RFP, the Bidder agrees to comply with all the provisions of Appendix A. Note, [Attachment 7](#), the Bidder's Certifications/Acknowledgements, should be submitted and includes a statement that the bidder accepts, without any added conditions, qualifications or exceptions, the contract terms and conditions contained in this RFP including any exhibits and attachments. It also includes a statement that the bidder acknowledges that, should any alternative proposals or extraneous terms be submitted with the proposal, such alternate proposals or extraneous terms will not be evaluated by the DOH.

Any qualifications or exceptions proposed by a bidder to this RFP should be submitted in writing using the process set forth in [Section 5.2](#) (Questions) prior to the deadline for submission of written questions indicated in [Section 1.0](#) (Calendar of Events). Any amendments DOH makes to the RFP as a result of questions and answers will be publicized on the DOH web site.

## **2.3 Term of the Agreement**

This contract term is expected to be for a period of 6 years commencing on the date shown on the Calendar of Events in [Section 1.0](#), subject to the availability of sufficient funding, successful Contractor performance, and approvals from the New York State Attorney General (AG) and the Office of the State Comptroller (OSC). Implementation must be complete before the rebate program can "Go Live." The Go Live date based on the anticipated contract start date of December 1, 2022 will be June 1, 2023 or sooner. Should the contract start date be delayed past December 1, 2022, for any reason, the "Go Live" date will be 6 months after the approved contract start date or sooner.

## **3.0 BIDDERS QUALIFICATIONS TO PROPOSE**

### **3.1 Minimum Qualifications**

NYSDOH will accept proposals from organizations with the following types and levels of experience as a prime Contractor.

- A minimum of 5 years' experience working with drug rebate functions; and
- At least 3 years of experience implementing or operating a Drug Rebate system that conforms to Medicaid Information Technology Architecture (MITA 3.0) principles and can be assessed at maturity level 2.0 or above for all Business, Information, and Technical capabilities relevant to Drug Rebate. (The MITA 3.0 framework can be found at: <https://www.medicaid.gov/medicaid/data-systems/medicaid-information-technology-architecture/medicaid-information-technology-architecture-framework/index.html>)

Experience acquired concurrently is considered acceptable.

For the purposes of this RFP, a prime Contractor is defined as one who has the contract with the owner of a project or job and has full responsibility for its completion. A prime Contractor undertakes to perform a complete contract and may employ (and manage) one or more subcontractors to carry out specific parts of the contract.

Failure to meet these Minimum Qualifications will result in a proposal being found non-responsive and eliminated from consideration.

## **4.0 SCOPE OF WORK**

This Section describes the consulting services that are required to be provided by the selected bidder. The selected bidder must be able to provide all of these services throughout the contract term.

**PLEASE NOTE:** Bidders will be requested to provide responses that address all of the requirements of this RFP as part of its Technical Proposal.

The terms “bidders”, “vendors” and “proposers” are also used interchangeably. For purposes of this RFP, the use of the terms “shall”, “must” and “will” are used interchangeably when describing the Contractor’s/Bidder’s duties.

### **4.1.1 MEDICAID DRUG REBATE PROGRAMS**

**4.1.1a OBRA '90 Drug Rebate Program:** The Medicaid Drug Rebate Program was created by the Omnibus Reconciliation Act of 1990 (OBRA '90) which added Section 1927 to the Social Security Act, effective January 1, 1991. The law requires manufacturers to enter into an agreement with the federal Centers for Medicare and Medicaid Services (CMS) to provide rebates in order for their drug products to be reimbursable by Medicaid. Manufacturers that do not sign an agreement with CMS are not eligible for federal Medicaid coverage of their drug product(s). Except for statutory limitations, state Medicaid programs must provide coverage and reimbursement for all covered outpatient drug products manufactured by companies that have entered into a rebate agreement with CMS.

Drug manufacturers are required to provide CMS with a listing of all covered outpatient drugs and, on a quarterly basis, are required to provide their average manufacturer’s price and best prices for each covered outpatient drug. Based on this data, CMS calculates a unit rebate amount for each drug, which is then provided to the states via a secure file transmission. CMS also calculates and sends a separate file for unit rebate offset amount for certain drugs as a result of the Patient Protection and Affordable Care Act (PPACA)

No later than sixty (60) days after the end of each quarter, the DOH provides drug utilization data to the drug manufacturers. See Section 4.2.7 for further information. The DOH invoices for utilization using the 11-digit National Drug Codes (NDCs) and NDC units. An NDC describes the exact drug product being dispensed. Within thirty (30) days of receipt of the utilization invoice from the DOH, the manufacturers are required to pay the rebate or to provide the DOH with written notice of disputed items not being paid because of discrepancies found.

Rebate payments are currently sent by manufacturers via Automated Clearing House (ACH) electronic payments or by check to the DOH's Lockbox. The ACH and Lockbox are accessible to the DOH's current contactor electronically through the banking systems website. Summaries and supporting documentation are available for accounting purposes. Only utilization disputes are addressed at the state level; pricing adjustments are addressed between the manufacturer and CMS. Utilization disputes are communicated to the DOH using the Reconciliation of State Invoice (ROSI) and Prior Quarter Adjustment Statement (PQA). The DOH's Fiscal Management Group (FMG) also allocates the revenue shares between federal, State and local municipalities and reports/reconciles the quarterly rebate offset amount to CMS. At such time that rebates are collected for the OBRA rebate program, pursuant to the award of this RFP, the invoicing and collection processes would mirror those detailed in Section 4.1.1c.

In New York State, OBRA'90 drug rebates are collected for member utilization in both the Medicaid fee-for-service (FFS) program and the Medicaid Managed Care Organization (MCO) benefit.

**4.1.1b Physician Administered Drug (J-code) Rebate Program:** The Deficit Reduction Act of 2005 (DRA) requires states to collect and submit utilization data for physician administered drugs using codes such as the Healthcare Common Procedure Coding System (HCPCS) J-Codes and National Drug Code (NDC) numbers, in order to secure rebates for such drugs administered on or after January 1, 2006. The invoicing and collection processes for J-code drugs mirror those detailed in Section 4.1.1a of this RFP. At such time that rebates are collected for the OBRA rebate program, pursuant to the award of this RFP, the invoicing and collection processes would mirror those detailed in Section 4.1.1c.

**4.1.1c Supplemental Drug Rebate Program (Fee-for-Service):** NYS Public Health Law, Article 2-a, §§ 270 -277 provides statutory authority for the Medicaid fee-for-service Preferred Drug Program (PDP). The PDP was implemented in June 2006. Within the PDP, drugs are identified as preferred or non-preferred based first on clinical factors and second on cost. Specific to cost, PHL 2-a, §272 (11)(a) authorizes the Commissioner to allow drug manufacturers to provide supplemental rebates to the DOH for drugs in therapeutic classes that are included in the PDP. Supplemental rebates are in addition to those rebates required under OBRA '90 and may be based either on direct agreements between manufacturers and New York State, by State participation in nationwide rebate pools, or by a combination of both.

Currently, New York is a member of the National Medicaid Pooling Initiative (NMPI) – a multi-state supplemental rebate program, administered by Magellan Medicaid Administration to obtain rebates for preferred drugs from drug manufacturers for Fee-for-Service Utilization. The DOH also has the authority to directly contract with manufacturers for the FFS program, but does not currently leverage this authority.

Supplemental rebates are currently developed with a focus on achieving a guaranteed net unit price (GNUP):

GNUP = Wholesale Acquisition Cost (WAC) - OBRA '90 rebate - supplemental rebate

Supplemental rebates are invoiced using the same utilization data used to invoice the OBRA'90 fee-for-service (FFS) rebates.

Rebate payments are currently sent by manufacturers via Automated Clearing House (ACH) electronic payments or by check to the Department's Lockbox. The ACH and Lockbox are accessible to the Department's current contactor electronically through the banking systems website. Summaries and supporting documentation is available for accounting purposes. Any supplemental unit rebate amount adjustments are addressed between the manufacturer and the current Contractor as the supplemental rebate contracts are between the Contractor and the manufacturer. Only utilization disputes are addressed at the state level. Utilization disputes are communicated to the Department using the Reconciliation of State Invoice (ROSI) and Prior Quarter Adjustment Statement (PQA). FMG allocates the revenue shares between federal, State and local municipalities and reports/reconciles the quarterly rebate offset amount to CMS. At such time that rebates are collected for the Supplemental rebate program pursuant to the award of this RFP, the invoicing and collection processes would mirror those detailed in this section.

Additional information on the Preferred Drug Program can be found at:

<https://newyork.fhsc.com/>

[http://www.health.ny.gov/health\\_care/medicaid/program/ptcommittee/index.htm](http://www.health.ny.gov/health_care/medicaid/program/ptcommittee/index.htm)

[http://www.health.ny.gov/health\\_care/medicaid/program/pharmacy\\_ann\\_report.htm](http://www.health.ny.gov/health_care/medicaid/program/pharmacy_ann_report.htm)

**4.1.1d Supplemental Drug Rebate Program (Statewide – Fee for Service and Managed Care):** As part of several New York State budget initiatives, including 1) Subdivision 7 of section 367-a of the social services law providing the State with the flexibility to leverage total Medicaid Rx volume (FFS and Managed Care) in the negotiating supplemental rebates for Antiretrovirals, Hepatitis C Agents, Opioid Dependence Agents, Opioid Antagonists, High Cost Drugs and Gene Therapies and 2) Section 280 of the public health law providing the State the ability further decrease the costs of prescription drugs by way of a Drug Expenditure Cap, a separate

component of the Medicaid Global Cap. At such time that supplemental rebates are collected for drugs on Fee for Service and Managed Care utilization pursuant to the award of this RFP, the invoicing and collection processes would mirror those detailed in Section 4.1.1c.

**4.1.1e Preferred Diabetic Supply Rebate Program:** On October 2009, the Department implemented a Preferred Diabetic Supply program (PDSP). The PDSP allows the Department to collect rebates<sup>1</sup> on Medicaid Fee-for-Service preferred glucometers and test strips from selected manufacturers. Non-preferred products are available only with prior authorization and do not have associated rebates.

Currently, the Department accesses rebates for this program through a multi-state pool administered by Magellan Medicaid Administration. Rebates are determined based on negotiations with product manufacturers. Rebates are invoiced quarterly based on Department utilization data and the agreed upon rebates. Invoicing is completed in a similar fashion to OBRA'90 invoicing procedures. At such time that rebates are collected for the PDSP pursuant to the award of this RFP, the invoicing and collection processes would mirror those detailed in Section 4.1.1c.

Additional information on the PDSP can be found at:

<https://newyork.fhsc.com/providers/diabeticsupplies.asp>

#### **4.1.2 ELDERLY PHARMACEUTICAL INSURANCE COVERAGE PROGRAM (EPIC) REBATE PROGRAM**

**4.1.2a Elderly Pharmaceutical Insurance Coverage Program (EPIC) Rebate Program:** The EPIC program is a New York State program for seniors administered by the DOH. It helps income-eligible seniors aged 65 and older to supplement their out-of-pocket Medicare Part D drug plan costs.

EPIC only covers drugs for which the manufacturer has entered into a rebate agreement with the State. A copy of the standard agreement is provided in Attachment E. The EPIC rebate calculation is identical to the calculation used by the federal Medicaid rebate program. The rebate is based on units approved and processed by the EPIC Program each quarter.

Due to confidentiality requirements, the Centers for Medicare and Medicaid Services (CMS) do not share manufacturers' quarterly pricing submissions with the EPIC Program. Consequently, participating manufacturers submit the same pricing data referenced in section 4.1.1a above, directly to EPIC using the same formats. The EPIC rebate calculation consists of two parts: 1) the basic rebate amount and, if applicable, 2) an additional rebate amount [calculation is based on the changes of Consumer Price Index for Urban Consumers (CPI-U) value], which only applies to single source and innovator multiple source drugs. Each part is independently calculated, then summed together to calculate the total unit rebate amount (URA) due per unit. The URA calculation also needs to reflect the latest CMS guidelines.

EPIC invoices manufacturers for the full rebate when EPIC pays as the primary payer. For EPIC invoiced claims that are coordinated with a Medicare Part D plan, EPIC only invoices on the portion of drug costs subject to EPIC coverage. This is illustrated in Attachment F. EPIC does not invoice manufacturers for coverage gap utilization for single source and innovator multiple source drugs (brand name drugs), except for several select enrollee groups.

Within sixty (60) days following the end of each quarter, EPIC sends a rebate invoice to the manufacturer in the CMS Invoice format. Payment is due within thirty (30) days of receipt of the invoice. Rebates earned under the EPIC program are 100% state-share.

Rebate payments and payment backup documentation are currently submitted via ACH or to the DOH's Rebate Accounting Unit who then logs, processes the checks and sends the checks to the revenue unit for deposit. The utilization disputes are addressed at the state level; pricing adjustments are addressed between the manufacturer

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<sup>1</sup> Diabetic supplies are not subject to federal rebates; therefore, this is not a supplemental rebate program but a non-OBRA'90 Medicaid rebate program.



and CMS. Utilization disputes are communicated to DOH using the Reconciliation of State Invoice (ROSI) and Prior Quarter Adjustment Statement (PQA).

At such time that rebates are collected for the EPIC program pursuant to the award of this RFP, the invoicing and collection processes would mirror those detailed in Section 4.1.1c.

Additional information on the EPIC program can be found on the Department's website:

[http://www.health.ny.gov/health\\_care/epic/](http://www.health.ny.gov/health_care/epic/)

[http://www.health.ny.gov/health\\_care/epic/annual\\_reports.htm](http://www.health.ny.gov/health_care/epic/annual_reports.htm)

## **4.2 Tasks/Deliverables**

### **4.2.1 Implementation**

The Contractor is required to perform all implementation activities after contract approval by the NYS Comptroller. All implementation activities will be due upon an agreed timeline between the Contractor and Department. The Contractor is required to provide an implementation plan, (narrative, diagram, and timeline) to deliver all Program services by the required operational date, indicating roles, responsibilities, estimated timeframes for individual task completions, testing dates and objectives, and areas where complications may be expected and mitigation strategies. Include key activities such as: acquiring letter of credit, training and filling of staff positions, report configuration, Preferred Drug List and Diabetic Supply negotiation and development, transfer of all rebate data, performance standard self-reporting, parallel systems testing, etc.

The Contractor must perform the following tasks:

- a. Designate an Implementation Manager and assemble a trained, experienced team to oversee implementation. The Contractor's team is expected to work closely with the State and its Contractors during the implementation period. All hiring should be completed during the implementation period;
- b. Upon approval of a contract award by the Office of the State Comptroller, the Contractor must present a finalized implementation plan within 14 calendar days for State approval. This plan should include but is not limited to:
  1. Planned activities with a project schedule
  2. Staffing level plans
  3. Weekly progress reports
  4. Outstanding issues
  5. Identification of key milestones/deliverables to be met
  6. Schedule of parallel testing including all computer processing systems to ensure the data has been appropriately transitioned. This should include a listing of the tests and the internal controls that will be adhered to.
- c. Analyze current utilization and rebates being achieved by New York and develop and implement strategies that will mitigate financial risk and ensure achievement of current, or better rebate levels for Medicaid rebate programs;
- d. Implement processes and strategies that will be used to effectively evaluate, track and monitor the achievement of project milestones and effectively identify and overcome barriers that may delay implementation;
- e. Undertake and complete all implementation activities so that the Programs are, as detailed in this RFP, fully operational by the Go Live date specified in section 2.3.

#### **4.2.2 Supplemental Rebate Programs Development, Management, Negotiation, Contracting and Consulting Services**

It is the responsibility of the Contractor to act as a consultant and manage and execute a strategy that evaluates and leverages opportunities to provide access to medically necessary drugs, while looking at ways to reduce the cost of drugs to the Programs. The Contractor will assist in the ongoing development and management of all supplemental rebate programs including the Preferred Drug Program (PDP), Preferred Diabetic Supply Program (PDSP) and Drug Cap and High Cost Drug/Gene Therapy Initiatives. The Contractor will negotiate supplemental and diabetic supply rebates and execute contracts with the drug manufacturers such that current rebate levels will be achieved or improved. EPIC rebates and OBRA 90 rebate amounts are pre-determined and are not negotiated. The Contractor will be responsible for providing guidance and recommendations as it relates to the Department's various drug rebate programs and for developing a strategy that ensures the State will retain current or achieve better rebate levels while continuing to provide access to medically necessary drugs and diabetic supplies.

The Contractor will:

- a. Oversee and administer the rebate solicitation and negotiation process, including but not limited to sending out contracts and soliciting quotes, analyzing financial impact of quotes and impact on market share, and reporting the results to the Department (include an illustration via a flowchart). Include workflows for the FFS and Managed Care Supplemental rebate programs and the Diabetic Supply program;
- b. Develop and maintain a supplemental rebate and drug pricing strategy with pharmaceutical manufacturers that will achieve or improve current rebate levels;
- c. Develop and maintain a contracting strategy that supports the negotiation of supplemental rebates across FFS and Managed Care for specified drugs such as but not limited to, Antiretrovirals, Hepatitis C Medications, Opioid Dependence Agents, Opioid Antagonists, High Cost Drugs and Gene Therapies and drugs identified as part of the Drug Cap authorities that will achieve or improve current rebate levels;
- d. Develop and maintain a Diabetic Supply rebate program that maintains or improves current rebate revenues;
- e. Identify Diabetic Supply, supplemental and EPIC rebate labelers for potential rebate agreements including submitting these recommendations to the Department for approval;
- f. Monitor Supplemental, Diabetic Supply and State-specific rebate agreements with rebate labelers to ensure they still present value to the State;
- g. Execute a preferred drug list (PDL) strategy by controlling growth in spending through a combination of market shift and supplemental rebates, while minimizing any negative impacts on both providers and beneficiaries. The Contractor is required to conduct a clinical review of the State's pharmacy claims in each therapeutic class;
- h. Provide an annual schedule for review of any new financial or clinical considerations you propose for each therapeutic drug class within the PDL;
- i. Conduct the PDL clinical review process at least semiannually to determine what classes of drugs are recommended for preferred status within a therapeutic drug class;
- j. Conduct the PDL cost review process at least semiannually to determine what classes of drugs are recommended for preferred status within a therapeutic drug class, including a description of the flexibility in your model to consider factors such as the introduction of new products to a class or significant price or rebate changes; This should be done at least semiannually.

- k. Conduct the High Cost Drug/Gene Therapy cost review process quarterly to determine what drugs or gene therapies meet the predetermined criteria and describe such process including critical tasks and an associated timeline.
- l. Provide State drug utilization trends in each PDL therapeutic class on a monthly basis;
- m. Prepare and present PDL recommendations based on clinical and/or pharmaco-economic studies (on a quarterly basis) to the State, the Drug Utilization Review Board and other State interest groups for approval by the Commissioner of Health, including the sources of clinical information and evidence that the inclusion of the selected classes of drugs in the PDL and recommendations for preferred/non preferred status would not negatively impact the Medicaid population;
- n. Develop clinical criteria for State approval, to be used by clinical pharmacists for prior authorization of non-preferred drugs on the State's PDL;
- o. Provide consulting services that ensure the State is kept abreast of the latest developments and industry trends in the prescription drug field and how they affect the State's rebate programs and management of the PDL;
- p. Provide PDL, Drug Cap and High Cost Drug/Gene Therapy financial analytical support to the Department's program and clinical support team;
- q. Attend Drug Utilization Review Board committee meetings in person to provide PDL, Drug Cap and High Cost Drug/Gene Therapy financial and market share analyses; there are approximately four meetings a year.
- r. Inform the State in a timely manner and make associated recommendations, concerning such matters as new drugs, conversion from brand name drugs to generic drugs decreases or increases to drug costs and how this will impact the PDL;
- s. Develop and distribute educational information to the State's pharmacy providers and prescribers to encourage compliance with the recommended PDL;
- t. Conduct monthly cost analyses to provide recommendations for drugs that should be added to or deleted from the FFS brand less than generic program;
- u. Provide consulting services and technical assistance to the State in developing a new CMS approved supplemental rebate agreement template(s) that provides flexibility to contract across fee for service and managed care utilization for all state supplemental rebate programs with the ability to use various rebate pricing benchmarks, including but not limited to guaranteed net unit price, wholesale acquisition cost and average manufacturer price.
- v. Conduct outcomes or value based research on an ongoing basis and provide recommendations based on clinical safety and efficiency guidelines and available evidence based medicine as value based supplemental rebate opportunities arise;
- w. Develop and manage outcomes or value based supplemental rebate contracts inclusive of rebate negotiations as opportunities arise; and
- x. Inform the State and make associated recommendations in a timely manner of any new trends and developments as well as pharmacy innovations, and State/Federal legislation (i.e., Medicare, prescription drug mandates, etc.) that may affect the rebate programs.

#### **4.2.3 Managing Rebate Labeler Information**

The Contractor will:

- a. Interface with the Department and any Contractor(s) of the Department to receive the rebate labeler data needed to perform the rebate functions contained within this RFP;
- b. Add, update and terminate rebate labeler information based on the CMS and Department listing of rebate labelers as required to respond to inquiries or process transactions for each rebate program;
- c. Send out labeler rebate agreements, receive the rebate agreements and process, and send these agreements for DOH review for the EPIC rebate program (See Attachment G Performance Standards for required timeframes regarding the turnaround time to process error free [labeler applications that are complete and do not require follow up for processing] labeler applications.);
- d. Provide a drug labeler the capability to view the status of their account information including the status of their invoice disputes; and
- e. Maintain and operate a system that is capable of multiple effective date spans for the drug labelers.

#### **4.2.4 Processing Pricing Data for Medicaid**

For the OBRA 90 rebating process including the physician administered drugs, CMS calculates a unit rebate amount for each drug, and provides this to the State via secure file transmission. CMS also calculates and sends a separate file for unit rebate offset amount for certain drugs as a result of the Patient Protection and Affordable Care Act (PPACA). For the supplemental Drug Rebate Program and the Preferred Diabetic Supply Rebate Program, the unit rebate unit will be input by the Contractor based on the current rebate agreement it has negotiated with a labeler.

The Contractor will:

- a. Receive and process the quarterly drug/pricing/product data and previous quarterly pricing revisions submitted by the Department or any Department approved Contractor;
- b. Process updates to product termination dates received from participating labelers and OHIP staff;
- c. Process updates and accurately maintain non-rebatable NDC tables;
- d. Maintain full confidentiality protections for all pricing data submitted, consistent with State and federal guidelines;
- e. Apply prior period rate adjustments for prior quarter invoices regardless of the payment status; and
- f. Receive and update secure transmissions of rebate pricing data on an ongoing basis, applying appropriate program rules concerning retroactive price adjustments. This includes applying prior period rate adjustments to units that were previously paid (creating a debit or credit balance for an NDC).

#### **4.2.5 Processing Pricing Data for EPIC**

Due to confidentiality, the Centers for Medicare and Medicaid (CMS) does not share manufacturers' quarterly pricing submission with EPIC. Consequently, participating manufacturers directly submit pricing data to the EPIC Program. The Contractor will need to utilize the pricing data to calculate unit rebate amounts (URA). The URA calculation is identical to the CMS Medicaid rebate calculation formula. EPIC uses data formats identical to those being used by Medicaid for manufacturer pricing data submissions and State invoicing. The Contractor will be responsible for the receipt and timely processing of quarterly drug pricing/product data submitted by manufacturers for the EPIC Program.

A copy of the standard rebate agreement between the Elderly Pharmaceutical Insurance Coverage Program and each manufacturer is provided in Attachment E.

The Contractor will:

- a. Receive and process quarterly drug pricing/product data submitted by manufacturers on paper, CD, encrypted email attachment, and via secure file transfer protocol (SFTP) within one business day from the date of receipt by the Contractor. Manufacturers also may submit previous quarter pricing revisions along with the current quarter data submission which the Contractor shall also enter into the rebate system. The Contractor is required to create, maintain and accept the quarterly pricing/product file layout in accordance with the CMS required layouts;
- b. Support, receive and monitor the secure transmission of quarterly pricing data files from manufacturers and the State for EPIC;
- c. Notify manufacturers (subject to State review) that required quarterly pricing data submission is overdue. These notifications shall be mailed/transmitted by the Contractor (38 days after the end of a calendar quarter). All notices shall include manufacturers who have not submitted any pricing data for the relevant quarter as well as those who have submitted partial data for the relevant quarter; all notices shall identify the specific NDC's and the corresponding data (i.e. AMP, BP) that must be submitted. This includes following up a second time each quarter with a detailed notice to manufacturers who have not submitted some or all of the necessary data and it should occur 2 days after the final invoice has been produced (See Attachment G Performance Standards for required timeframes regarding rebate pricing data);
- d. Update the Contractor's rebate processing system with the most recent published CMS product data information prior to quarterly trial invoicing and for rebate calculation. The manufacturers' drug product data is a public record accessible through the Centers for Medicare & Medicaid Services (CMS) website: <https://www.medicaid.gov/medicaid/prescription-drugs/medicaid-drug-rebate-program/medicaid-drug-rebate-program-data/index.html>
- e. Transmit the submitted product (NDC11) termination date to an identified Contractor's claims processing system (point of sale) from the CMS Product File and/or Manufacturer Product File. A list of historical terminated NDCs will be provided for the initial implementation;
- f. Maintain full confidentiality protections for all data submitted by manufacturers, consistent with State guidelines and rebate agreements;
- g. Provide daily overnight processing of submitted pricing and product data. (See Attachment G, Performance Standards for required timeframes regarding price submissions received by the Contractor);
- h. Work with the technical staff of manufacturers to encourage and assist with conversion to an electronic form of price submission;
- i. Notify manufacturers and complete follow-up in a timely manner when the submitted data format is not in compliance with CMS record specifications;
- j. Maintain terminations of NDC and non-rebate NDC tables; and
- k. Calculate unit rebate amounts due from each manufacturer for each covered product.

#### **4.2.6 Receipt of Utilization Data, Invoice Pre-processing and Quality Assurance**

Before actual quarterly invoicing occurs it is critical that the Contractor receive and load the utilization data from the Department or its Contractor(s) and has the capability to automate/program a number of quality controls and

statistical analysis on the data prior to invoicing. Quality data ensures accurate invoicing, decreasing the risk that revenues may be lost and prevent disputes which delay revenue. This includes claims data from both Medicaid FFS and Managed care pharmacy encounter data as well as claims data from the EPIC program.

The Contractor will:

- a. Perform variance analysis to identify clinical and financial outlier claims and other issues with quarterly rebate amounts. The Contractor will submit these findings to the Department for review with recommendations on how to correct the data (prior to quarterly invoicing);
- b. Carry out a number of variance analysis processes to determine whether the utilization data received from the NYS Contractor is complete and accurate (i.e. failure to submit all claims from plans, submittal of corrupt data, wide swings in totals attributed to plans);
- c. Exclude specified drugs, supplies and claims (e.g. 340B claims) from rebate invoices, based on CMS and the Department's listings of non rebatable drug products;
- d. Review and recommend automated conversions on an ongoing basis to resolve inconsistencies in measurement units between the CMS product file and Department drug reference data;
- e. Process utilization data from the Department or its Contractor(s) j-codes, where applicable into NDCs with correct units.
- f. Adjust the OBRA, Supplemental, Diabetic Supply, EPIC, and other rebate program units to correct errors for specific NDC/HCP/UPN codes (subject to Department approval);
- g. Maintain information related to providers that are public health service entities (340B providers) that have separate agreements with rebate labelers and ensure that the invoice process excludes these claims;
- h. Update and maintain the crosswalk(s) and conversion factors between the physician administered drugs and NDC codes and informing the Department of any changes;
- i. Include invoice compound claims (a single claim with multiple NDCs) in rebate invoices; and
- j. Include invoice unassigned j-code claims for the program in rebate invoices (i.e. J3490, J3950 etc.). See Section 4.2.7 for invoice details.

#### **4.2.7 Invoice Generation and Mailing**

The Contractor is responsible for the quarterly production and mailing or electronic billing of rebate invoices to participating drug manufacturers whose products were paid during the previous calendar quarter. Invoices include only claims dispensed for an NDC with a rebate agreement.

The Contractor will:

- a. Produce trial quarterly invoices for the rebate programs on an agreed upon State schedule approximately forty (40) days after the end of a calendar quarter. Trial invoices shall be consistent with the State approved format, web-based, and readily accessible. The State will review and approve trial quarterly invoices prior to production of final invoices;
- b. Accurately produce and electronically bill or mail final quarterly invoices within sixty (60) days after the end of a calendar quarter, with the State's approval (See Attachment G Performance Standards for required timeframes regarding the accuracy and timeliness of invoicing rebates);

- c. Reconcile claims utilization data with rebate data (on a quarterly basis) to ensure that the appropriate utilization data has been invoiced to the participating manufacturers;
- d. Store, maintain and retrieve current and historical information used in the Drug Rebate invoice process;
- e. Provide key invoicing statistics to the Department upon finalization of invoices at minimum this would include program ID, manufacturer Code, manufacturer name, invoiced units, rebate amount claimed, No. of scripts, Medicaid reimbursement amount;
- f. Generate off cycle/special invoices that may be requested by the State due to statutory changes, responses to audits or some other reason that would necessitate such invoices;
- g. Prepare, produce, distribute and manage the OBRA 90 (both managed care and fee-for-service programs), Supplemental, Diabetic Supply, EPIC, program invoice generation and notification processes;
- h. Identify the claims that are included on each invoice;
- i. Generate rebate labeler specific invoice and claim level extracts; and
- j. Generate invoices such that prior period adjustments are accounted for and reconciled.

#### **4.2.8 Receipt of Rebate Payments, Accounts Receivable and Collections**

The Contractor is responsible for the application and processing of rebate payments including monitoring and reporting on accounts receivable activity.

The Contractor will:

- a. Accept data and payment information for checks received by the State;
- b. Log, image, electronically associate to the invoice and route through the Contractor's system, payments received, and reconcile those payments to invoices for each rebate program;
- c. Log, image, electronically associate and/or data enter and verify hard copy Resolution of State Invoice (ROSI) information, Prior Quarter Adjustment (PQA) and supporting documents received (See Attachment L for estimated volume);
- d. Process transactions or accounting entries to correct for payments that have been inappropriately deposited as drug rebate payments or incorrectly credited to the wrong rebate program;
- e. Post receipts in a timely manner to the accounting records of the Contractor (see Attachment G Performance Standards for required timeframes regarding the application of receipts to the accounting records);
- f. Apply rebate labeler credits to outstanding accounts receivable balances;
- g. Process accounting entries to resolve outstanding credit balances as required by the Department;
- h. Write off uncollectible amounts within your systems as requested by the Department;
- i. Reconcile rebate accounts with the State approved financial institution records;
- j. Log, image, electronically associate and/or data enter dispute resolution agreements and route transactions through the Contractor's system;

- k. Provide the capability to search and review payment and account information for rebate labelers;
- l. Maintain the audit trail of all transactions within the accounting systems for each rebate program;
- m. Administer a rebate collection program and dunning process that maximizes the rate of rebate collections (See Attachment G Performance Standards for collection percentages due within required timeframes);
- n. Manage and monitor accounts receivable and collection activities (See Attachment G Performance Standards for the timeliness of maximizing accounts receivable collection);
- o. Produce and mail monthly statements on the 15<sup>th</sup> of each month for all labelers with outstanding rebates and/or disputes due;
- p. Apply interest to outstanding accounts receivable ; interest rate is determined by CMS;
- q. Automatically generate notices to rebate labelers regarding outstanding accounts receivable balances based on Department business rules;
- r. Provide monthly aged accounts receivable to the Department;
- s. Administer an internal audit process in place to assure full accountability; and
- t. Perform internal reviews to ensure the integrity of the rebate programs and to appropriately safeguard the State's assets.

#### **4.2.9 Dispute Resolution Process**

The State Contractor is currently responsible for investigating and resolving utilization disputes. All open disputes and history will be transferred over to the new Contractor during the implementation period. All disputes including those transferred will be the responsibility of the Contractor after the Go Live date.

The Contractor will:

- a. Retrieve and review the invoice and dispute information received from rebate labelers (See Attachment L for estimated volume);
- b. Track dispute resolution contacts with rebate labelers and pharmacies;
- c. Produce claims level detail to labelers upon request including how you will track these requests;
- d. Maintain, track and provide an audit trail for interim and final dispute resolution agreements;
- e. Provide access at the Department to the appropriate systematic routines, reports and data needed to resolve open disputes;
- f. Brief and report to Department staff, the status of ongoing disputes;
- g. Perform dispute resolution according to the performance timeliness standards in Attachment G;
- h. Prioritize, assign, manage and monitor dispute resolution workflow;
- i. Perform internal reviews to ensure that all State approved dispute resolution procedures are being followed;



- j. Track and report on ongoing unresolved dispute proposals;
- k. Retrieve and review the claim utilization related to the NDC's being disputed;
- l. Provide a clear concise method for viewing resolved NDCs per labeler and quarter;
- m. Synchronize substantiated OBRA 90 dispute information with the supplemental rebate process; and
- n. Generate a dispute resolution proposal through your system.

#### **4.2.10 Medicaid Information Technology Architecture (MITA)**

MITA establishes national guidelines for technologies, information, and processes to better support Medicaid program administration to improve both health care outcomes and administrative processes. MITA is intended to foster integrated business and technology transformation across the Medicaid enterprise to improve the administration of the Medicaid program.

To support the maturity of this capability, the Contractor will ensure that all services and systems provided meet or exceed MITA 3.0 maturity level 2 standards at all times. The Contractor must also:

- a. Support the Manage Drug Rebate business process;
- b. Adopt standard processes that can be used to ensure recoveries are closely tracked;
- c. Facilitate more automated reporting of drug rebate monies to CMS;
- d. Provide a user configurable and rules based workflow process for completion of drug rebate activities that includes all drug rebate categories defined by the Department (i.e. Medicaid Rebate, Supplemental Rebate, J-Code Rebate, etc.);
- e. Centralize drug rebate activities through a single access portal;
- f. Ensure DOH users have access to all drug rebate information for tracking, monitoring, querying, and reporting of drug rebate activities through a centralized data repository;
- g. Provide a web enabled dashboard that allows DOH staff to review and monitor drug rebate activities including user defined triggers and alerts; and
- h. Propose and provide process metrics that demonstrate achievement of the automation and process improvement goals listed above.

#### **4.2.11 Data Records and Reporting**

Reporting is required to monitor and quantify program performance. Proper reporting is an invaluable tool in providing insight into areas that may require further study and analysis as well as forecasting and budgeting for the various rebate programs.

Databases and reports should provide tools that will allow the Contractor to determine if the data being received is accurate and rebates are billed according to the terms of the labeler agreements and the contract resulting from this RFP. The selected Contractor will on occasion be requested to provide ad-hoc reporting and analysis within very tight time frames.

The Contractor will:

- a. Provide information to the DOH on an ongoing basis that includes the number of data records received, processed, and the total number of records successfully added to files. The Contractor will be

responsible for ensuring data accuracy by applying record-specific editing specifications, and for accessing overall submission quality, based on a percentage of all records successfully processed. Any major problem in the receipt or distribution of data shall be reported to the DOH in a timely manner;

- b. Be prepared to respond to special requests for reports and/or to supply data via electronic media to DOH on short notice as requested;
- c. Provide direct secure access on an ad-hoc basis, to a variety of state specific reports in electronic and paper format, which include data elements of particular and periodic interest;
- d. Create and maintain database files including historical files and tables for each rebate program prior to go live;
- e. Provide direct secure access to an online reporting system with controlled role specific access by DOH representatives, whereby a number of Federal and State required management reports (generated by the Contractor) are easily accessible by the State through their own PCs or secure web connection, at minimum 10 staff members will require the access (See Attachment G Performance Standards for required online rebate and reporting system availability);
- f. Develop in conjunction with the Department, a robust suite of management, financial, and utilization reports required by the Department for its use in the review, management, monitoring and ongoing analysis of the rebate Programs. A master list of reports along with an explanation are contained in Attachment I. While the reports do not have to be exactly formatted duplicates, the data contained in these reports must be replicated by the Contractor. The final format of these reports is subject to Department review and approval (See Attachment G Performance Standards for required accuracy standard around rebate reporting);
- g. The Contractor should have the flexibility to query and/or access all source data elements such as payment amounts, invoiced amount, rebate units invoiced, etc. The Contractor must have the ability to combine all data elements for analysis;
- h. Allow users to save queries and reports;
- i. Incorporate and account for HIPAA requirements;
- j. Provide reports that should be available for viewing and printing as well as for export in the following formats: text, RTF, MS-Excel, HTML and PDF over a web connection;
- k. Provide a monthly report regarding the amount of rebates received, by each program. The report shall be delivered to the State by the 20<sup>th</sup> day of the following month; and
- l. Provide reports that review trends and changes by program. Reports shall be delivered and presented on a quarterly basis. The reports should compare the previous quarter to current quarter and include a year over year comparison.
- m. Provide an annual report to the State for the SFY ending March 31 for each contract year. The report shall be delivered to the State within two (2) months of the end of the SFY, and shall include the following:
  - 1. A concise executive summary, including a cost/benefit analysis of all initiatives and information/data necessary for the State to complete required evaluation reports;
  - 2. The savings attributable to the state, each county and the city of New York; and
  - 3. The aggregate amount of rebates invoiced and received, by program, with the ability to be broken out by fiscal year and by month.

#### **4.2.12 Data Storage, Transfer and Sharing**

The Contractor will be responsible to provide secure transmission of certain data to CMS, manufacturers, and other State Contractors.

The Contractor will:

- a. Support, systematically send and monitor via a secure file transfer protocol process the Program's **Medicaid** quarterly invoice files to CMS in a manner, form and timeliness acceptable to DOH and be in compliance with CMS requirements;
- b. Support, systematically send and monitor via a secure file transfer protocol process the Program's **non-Medicaid** (EPIC and Supplemental) quarterly invoice files to the manufacturers in a manner, form and timeliness acceptable to DOH and be in compliance with CMS requirements;
- c. Transmit secure **Medicaid** files to CMS that contain prior quarter's units adjusted as a result of ongoing dispute resolutions;
- d. Transmit secure **non-Medicaid** (EPIC and Supplemental) files to manufacturers that contain prior quarter's units adjusted as a result of ongoing dispute resolutions;
- e. Prior to Go Live, establish and implement proper safeguards against the unauthorized use and disclosure of the data exchanged pursuant to the administration of the rebate programs as well as other aspects of the interface between DOH, CMS, and manufacturers (including but not limited to encryptions). Such safeguards shall include the adoption of policies and procedures to ensure that the data shall be used solely in accordance with program requirements and applicable federal and state law. The Contractor shall establish appropriate administrative, technical, procedural, and physical safeguards to protect the confidentiality, integrity, accessibility, and security of the data and to prevent unauthorized access to the data. The safeguards shall provide a level of security at least comparable to the level of security required by DOH by CMS, as specified by CMS. Any and all Contractor personnel interacting with this data shall be advised by the Contractor of the confidential nature of the information, the safeguards required to protect the information, and the administrative, civil and criminal penalties for noncompliance contained in the applicable federal laws;
- f. Support and monitor the export of secured information to the Medicaid Data Warehouse (MDW) or any other secure system as approved by the Department; (See Attachment G, Performance Standards for required timeframes regarding the transfer of outbound files, Section A.2.3.i);
- g. Electronically capture and process data from the State and DOH approved Contractors, and develop control procedures that will ensure a high level of accuracy, completeness, and accountability;
- h. Provide access to computer software and hardware capable of storing and processing the volume of data required by the various rebate programs;
- i. Maintain an active online database of rebate records and disputes for a minimum ten year period. At least one copy shall be stored securely off site in case of fire or other catastrophe. In the event that any of the data are lost, stolen, or destroyed through negligence or fault of the Contractor, the Contractor agrees to recreate the information at no cost to the DOH;
- j. Be capable of responding to special programming requests and systems modifications within a reasonable time frame, not to exceed 30 calendar days or a timeframe as agreed to by the bidder and DOH, as requested by the DOH;
- k. Collect data either at the record level and/or aggregate level. This data is owned by the DOH and the Contractor agrees to provide to the DOH any and all data upon request; and

- I. Provide secure and confidential storage for hard copy and electronically stored information. Under no circumstances will any records, hard copy or electronic, nor any information contained therein, be released to any person, agency, or organization without specific written permission of the DOH. All data storage, posting and access must comply with the minimum policies, standards, and procedures found in the Federal HIPPA Security Regulation and the NYS Cyber Security Critical Infrastructure and Coordination (CSCIC) Policy P 03-002, Information Security Policy and with the DOH Network Configuration Policy). The DOH shall be notified immediately if any breach of confidentiality occurs.

#### **4.2.13 Budgeting, Forecasting and Audit Support**

The protection of Program assets is a top priority of the Programs. The Contractor should have a strong audit and financial presence on its rebate team. The Contractor is responsible for the oversight and audit of rebates due to the various rebate programs. It is also a responsibility of the Contractor to assist the State with budgets and forecasts of rebate revenue based on the contracts with labelers within each program. The Contractor should have experienced staff that are capable of budgeting and forecasting as well as performing reviews and audits of the various rebate programs.

The Contractor will:

- a. Conduct targeted audits of rebate labelers;
- b. Provide at no cost, unrestricted access to the records and facilities associated with this contract, to the Department, any other authorized Federal and State agency, and any law enforcement authorities (including validation personnel or third parties acting on behalf of such entities) with audits and in the investigation, documentation, and litigation of possible fraud and abuse cases or any other possible misconduct which may affect the Programs, consistent with the requirements of Appendices A including provisions of access to protected health information (PHI) and all other confidential information when required for audit purposes as determined by the State as appropriate;
- c. Assist Department staff in responding to audit findings or requests for information from authorized Federal and State agencies that perform audits relating to the services rendered by the Contractor and any subcontractors;
- d. Respond in a timely fashion to all State audit requests for information and/or clarification;
- e. Maintain adequate personnel and system resources that will be allocated to comply with the Program's audit requirements;
- f. Maintain an audit trail of all current and historical data;
- g. Maintain accounting books, accounting records, documents and other evidence pertaining to the administrative costs and expenses of this Contract that relate to the performance of the contractual requirements of this contract for a period of six years after the contract end date;
- h. Have an independent auditor perform an annual SSAE 16 audit of internal controls, including all Contract related policies and procedures. The independent audit firm will conduct tests and render a decision as to the operating effectiveness of controls and procedures. The audit firm will provide a detailed report of the findings that will be provided to the Department within 30 calendar days of completion;
- i. Assist the State with the budgeting and forecasting of rebate revenue based on the projected utilization data and the contracts with labelers within each rebate program; and
- j. Perform rebate analysis, trending and benchmarking associated with specific State initiatives whereas only a subset of products utilization would be eligible for supplemental rebates. An example of such an

initiative is the End the AIDS Epidemic, where the State intends to decrease additional medication costs, through supplemental rebates.

#### 4.2.14 Customer Service

The current Program has a main number to field calls related to rebates. The customer service function will need to provide a toll-free information line(s) and a central e-mail address to receive and respond to all inquiries. The toll-free line(s) will need to be available to all parties at a minimum, Monday through Friday 8:00 a.m. to 5:00 p.m. Eastern Time. Through this toll-free line staff will have to respond to a number of inquiries that on average range from 10-20 calls monthly. This will require the Contractor to observe confidentiality protocols including all Health Insurance Portability and Accountability Act (HIPAA) requirements as well as observe confidential data agreements.

Written inquiries will be received from different Department staff as well as electronic mail originating through [epic@health.ny.gov](mailto:epic@health.ny.gov) or [PPNO@health.ny.gov](mailto:PPNO@health.ny.gov). Responses to inquiries should be accurate and timely (see Attachment G Performance Standards for required timeframes).

The Contractor will:

- a. Develop and maintain adequate fully trained staff to respond to all stakeholder inquiries while protecting confidentiality and maintaining the security and integrity of all systems. Staff must be trained to understand and observe requirements related to confidentiality and operating guidelines for functions included in this RFP (See Attachment G Performance Standards for required timeframes regarding correspondence timeliness);
- b. Establish a toll-free line that is available at a minimum, during routine business hours, defined as Monday through Friday, 8:00 a.m. to 5:00 p.m. Eastern Time. The Contractor will submit their holiday schedule each year to the Department for approval;
- c. Image and analyze rebate related documentation provided by stakeholders, such as payment allocation support documents, unit rate amount documents etc.;
- d. Respond to written and electronic communications received from rebate labelers and other stakeholders. The Contractor must have a central, NY specific dedicated e-mail address to receive and respond to inquiries;
- e. Maintain a search and tracking document control system for all communications received, any actions taken that is available to staff members and select State employees to view. Access to this system shall be available through a web-based application for a minimum of ten authorized users;
- f. Maintain up-to-date procedures to ensure timely and accurate responses while ensuring confidentiality of information;
- g. Keep informed and up to date on Medicaid and other State rebate programs in order to stay abreast of changes in rebate policies and regulations;
- h. Develop and deliver pertinent alerts as required by the Department;
- i. Provide stakeholders with access to materials and/or data needed to support rebate payments including but not limited to invoice copies, claims level detail and prior communications; and
- j. Provide on-going training for personnel to ensure that they are knowledgeable about the functional and technical aspects of the drug rebate programs and Medicaid policy.

#### 4.2.15 Turnover

The Turnover Phase represents a period of transition during which the rebate operational activities that have been maintained and operated by the Contractor must be turned over to the Department or successor Contractor. It should be noted that the rebate programs have no statute of limitations regarding the length of time to retain rebate data. Consequently, it is important that all rebate related data including historical data be retained throughout the contract period.

The Contractor shall ensure that any transition to another Contractor be done in a way that provides DOH with uninterrupted access to rebate services and rebate revenue through the final termination of the Agreement resulting from this RFP. This includes ensuring rebate monies are collected and accounted for, disputes continue to be resolved, and providing sufficient staffing to labelers and the DOH continue to receive good customer service even after the termination date of the Agreement resulting from this RFP. It is also imperative that the Program continue to have dialogue with key personnel of the Contractor, maintain access to online systems and receive data/reports and other information regarding the Program after the effective end date of the Agreement. In addition, the Contractor and the selected successor Contractor shall fully cooperate with the DOH to create and establish a transition plan in a timely manner.

The Contractor must include all turnover tasks in its administrative fee. The State may withhold a portion of the Contractor's final administrative fee if all milestones and deliverables relating to the turnover task have not been properly achieved or furnished.

Furthermore, the turnover plan must include all other information requested by the State, that the State, in its sole discretion, believes is necessary to effectuate a smooth turnover to the successor Contractor, including information for State preparation of an RFP for the subsequent contract.

The Contractor will:

- a. Provide no later than four (4) years from the contract start date of the rebate program, a Turnover Plan to the Department which specifies target completion dates for activities that align with the turnover date to the successor Contractor. The Contractor shall also, within one year (prior to the end of the Agreement resulting from this RFP, or within one hundred twenty (120) days of notification of termination, if the Agreement resulting from this RFP is terminated prior to the end of its term, provide the DOH with a detailed written plan for transition;
- b. Transfer the rebate toll free number to the Department or successor Contractor;
- c. Review and comment on any implementation plan forwarded by the State/vendor;
- d. Turn over the data files to the successor Contractor in an electronic 'state approved format' including record layouts and field descriptions for all files. All data related files including but not limited to: claims data including historical files, rebate data including historical files, database tables, labeler database information including contacts, rebate invoices, participating rebate labeler lists, outstanding rebate totals by manufacturer and NDC including all closed and open disputes, and historical payment information, and logs of communications;
- e. Encourage all employees, including management, to remain throughout the turnover. Over the final six months of the contract term, the Contractor should not transfer or otherwise reassign any of its key or core staff without prior State approval;
- f. Provide a list of all job titles/levels and the number of staff (in full time equivalents) within each title/level. Provide an organization chart detailing the reporting relationships and number of personnel by level (e.g., manager, professional, clerical) in each organizational unit;
- g. Provide quarterly detailed statistics on operational volumes for the most recent twenty four (24) month period, furnished in an electronic medium acceptable to the State to include at a minimum:

1. Processing statistics by program - Number of labeler invoices by quarter, number of receipts received by quarter, and number of disputes received, number of disputes resolved, and number of disputes worked on by the Contractor.
- h. Retain and turn over dictionaries for all master files and databases;
- i. Provide availability of computer resources during turnover for exporting of data and parallel testing;
- j. Forward any checks and documentation that are received, for a maximum of one hundred and twenty (120) days after the end of the contract (to an address supplied by the Department, if applicable);
- k. Complete all required reports in the reporting section of this RFP;
- l. Provide the Program with sufficient resources in order to address State audit requests and reports in a timely manner;
- m. Fully cooperate with any authorized Federal and State agency, any law enforcement authorities (including validation personnel or third parties acting on behalf of such entities) and The Office of State Comptroller (OSC) with all audits consistent with State requirements;
- n. Perform timely reviews and responses to audit findings submitted by the DOH and the Comptroller's audit unit in accordance with State requirements; and
- o. Remit any monies due to the Department within 60 days upon final audit determination consistent with State requirements.

#### **4.3 Staffing Requirements**

The successful implementation and operation of the rebate programs rely on an effective organization structure and a highly productive, motivated, and 'qualified' workforce. The Contractor will have experienced, highly skilled, technical staff that can effectively implement and administer the system interfaces required under this proposal, as well as financial and experienced pharmaceutical staff with a strong understanding of Medicaid drug rebates, a qualified management team, and a staffing structure that supports all other aspects of the program.

The Department is not prescribing a staffing approach beyond what is relevant in this RFP and Attachment J.

The Contractor will:

1. Maintain an organization with the skills and experience necessary to administer, manage, and oversee all aspects of the Program during implementation and operation.
2. Provide a finalized, detailed Staffing and Organization Plan to address all work required in this RFP within 10 business days after contract approval by the Office of the State Comptroller (OSC).
3. Provide a name, resume and references for all Key Staff, as identified in Attachment J within 10 business days after contract approval by OSC for Department review and approval. The Department reserves the right to interview any Key Staff members prior to them conducting any work on this Contract. Key Staff include:
  - a. Account Executive
  - b. Director Quality Assurance/Internal Audit
  - c. Rebate Manager
  - d. Financial Analyst (minimum of 2 required)

All Key staff positions shall be full-time roles filled by individuals that are 100% dedicated to New York State. The Financial analysts will be expected to work full time at the State office within the New York State Capital District Region. On occasion, the other Key staff members may be required to travel to Albany, NY in order to complete the tasks assigned or attend in person meetings.

The Department shall be notified in writing, in advance, if the Contractor proposes a change in key project staff. The notice shall include the name of the individual being replaced, an explanation for the change, and the name and credentials of the proposed replacement. All replacement personnel should be fully qualified for the position. Changes or additions in key project staff, once the contract has begun, shall be reported to the Department and resumes shall also be submitted for approval prior to commencing work on this contract.

No key staff position may remain vacant, and all replacement key staff shall meet the requirements of this RFP, and be approved by the Department. The Department reserves the right to reject key staff based on inadequate qualifications, poor references or inadequate knowledge or previous inadequate performance. In addition, the Department may request changes in staff based on performance and request replacement staff with equal or stronger qualifications

4. Provide names for all Core Staff, as identified in Attachment J within 10 business days after contract approval. Core Staff include:
  - a. Rebate Negotiator
  - b. Rebate Attorney
  - c. Rebate Analyst
  - d. Rebate Pharmacist
  - e. Systems Liaison/Business Analyst

Core staff consists of function-specific staff who, once assigned to the project, are expected to remain on the project throughout the remainder of the contract to ensure continuity of processes. The Department shall approve all Core staff at the time of contract implementation. The Contractor will propose Core staff from the list above and include quantity of each title and the percentage of time allocated to the contract. The organizational placement will be left up to the Contractor based upon its experience and expertise. Attachment G Performance Standards details the timeliness requirements for certain tasks included in this RFP, as this may have an effect on the number of personnel the Contractor may propose. No Core staff position may remain vacant, and all replacement core staff shall meet the requirements of this RFP, and be approved by the Department.

The Contractor should also provide in its staffing plan any "Additional Staff" besides the "Key" and "Core" staff that is needed to accomplish the duties and responsibilities provided in this RFP. The quantity of each title, the number of full-time-equivalents (FTEs) and descriptions of their duties should be included.

NOTE: There is a Program requirement concerning the timely filling of positions designated as dedicated "Key" and "Core" positions. This requirement and its effect on the Contractor's compensation is covered in the staffing level section of the performance standards included in Attachment G.

#### **4.4 Performance Standards**

The Contractor shall meet all requirements in this RFP. Specific performance standards, as well as the damages that will be applied if those standards are not met, are detailed in Attachment G. Full payment shall be made on each invoice upon State review and determination that the Contractor has performed in accordance with the performance standards in Attachment G and other duties and responsibilities as set forth in this RFP.

In the event the Contractor fails to comply with the performance standards provided in Attachment G of this RFP, the State may assess liquidated damages as specified in Attachment G.



Any notice required by this Contract to be given between the Contractor and the State shall be sent to the Department's designated contact and the Contractor's designated Project Director for the Contract as a formal transmittal delivered via e-mail return receipt required.

Without additional cost to the Department, and as a material condition of the Contract, the Contractor must furnish, for the period of one year to be automatically extended, without amendment, for additional one year periods from the expiration date, for the duration of the contract (including any extensions), unless notice to not extend is sent by the financial institution at least ninety (90) days prior to the expiration date, an irrevocable Standby Letter of Credit (SLOC) for the benefit of the Department in the amount of 5% of the bid total for the initial five year contract period as proposed in the Financial Proposal. In the event of notice of non-extension, the Department may draw upon the full amount. The SLOC shall be issued by a financial institution ("Issuer") licensed to do business under the laws of the State of New York. The Issuer shall be subject to the approval of the Department. The form for the SLOC shall be subject to the approval of the Department. The Contractor must provide a draft SLOC to the Department within ten (10) business days of notice from the Department of contract approval. Failure to provide the draft SLOC to the Department within ten (10) business days of such notice will constitute grounds for termination for cause. The executed SLOC must be provided to the Department within ten (10) business days of the Department's approval of the draft SLOC. The Department reserves the right to extend the due date for the executed SLOC based on circumstances the Department determines to be reasonable. Failure to provide the final SLOC to the Department within ten (10) business days of such notice will constitute grounds for termination for cause. The SLOC must contain a provision that satisfies the following requirement:

No Contingent Obligations: The obligations of Issuer under the SLOC shall in no way be contingent upon reimbursement by the Contractor.

The SLOC must provide funds to the Department for any liability, loss, damage or expense as a result of the Contractor's failure to perform fully and complete all requirements of the Contract. Such requirements include, but are not limited to, the Contractor's obligation to pay liquidated damages, indemnify the Department under circumstances identified in the contract, and the Contractor's obligation to perform contractually required services throughout the entire term of the Contract. The SLOC shall also provide that the bank where the drafts are drawn must be located within New York State or provide for drawings to be by tele facsimile.

#### **4.5 Security Requirements and Deliverables**

The Department requires that vendors providing information technology (IT) and application services to the Department comply with the security and privacy policies and controls outlined in this RFP and all other applicable New York State and federal laws, regulations, policies, and standards for IT systems that transfer, process, or store Department data, including but not limited to the Health Insurance Portability and Accountability Act (HIPAA) Omnibus Final Rule. Vendors are required to verify compliance with security and privacy requirements by providing the Department with documentation and artifacts that validate applicable standards and controls are in place.

##### ***Moderate-Plus Security Controls Baseline***

The Department has defined a Moderate-Plus Security Controls Baseline based on, and consistent with the security provisions described in Centers for Medicare and Medicaid Services (CMS) Acceptable Risk Safeguards (ARS) and National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53 at the Moderate level. Additionally, the Department has augmented these federal standards with New York State Policies and Standards. The Moderate-Plus Security Controls Baseline includes a System Overview document. All bidders shall complete the System Overview document – which is attached to this RFP (Attachment K) – to thoroughly and accurately describe the technical security environments that will support the proposed system.

##### **System Security Plan (SSP)**

The Department requires the selected bidder/vendor to maintain a System Security Plan (SSP) that aligns with the Moderate-Plus Security Controls Baseline for any system that will transfer, process, or store Department data. The Department considers bidder responses to represent a commitment by the bidder to adhere to, and

demonstrate compliance with, the Moderate-Plus Security Controls Baseline. The Department will provide necessary templates and guidelines with respect to SSP format to the selected bidder/vendor upon contract award.

**Data Use Agreement (DUA) and Business Associate Agreement (BAA)**

The selected bidder/vendor shall execute a Data Use Agreement (DUA) and Business Associate Agreement (BAA) and submit a System Security Plan (SSP) Attestation to the Department upon contract award. The SSP Attestation requires the selected bidder/vendor to certify to the Department that the selected bidder/vendor system adheres to the Moderate-Plus Security Controls Baseline.

**Demonstration of Compliance with *Moderate-Plus Security Controls Baseline***

Prior to the Department permitting release of Departmental data consisting of Medicaid Confidential Data (MCD) or Protected Health Information (PHI) into the vendor system, the selected bidder/vendor shall demonstrate compliance with the Moderate-Plus Security Controls Baseline to the Department's satisfaction. The selected bidder/vendor may demonstrate compliance by (i) completing SSP workbook templates provided by the Department, or (ii) retaining an independent third-party assessor to complete a security assessment review and validate that the controls described in the SSP are implemented correctly, operating as intended, and producing the desired outcome, or (iii) by demonstrating compliance with an external, independent, framework that aligns with the Moderate-Plus Security Controls Baseline.

**Plan of Actions and Milestones (POA&M)**

Selected bidder/vendor shall also submit a Plan of Actions and Milestones (POA&M) that addresses any deficient controls in its SSP. The POA&M shall provide target implementation dates for any control that is not fully implemented. Deficient controls shall be prioritized and mitigated with compensating controls consistent with federal and State policies and standards.

Selected bidder/vendor shall update and resubmit the POA&M to the Department each quarter throughout the term of the contract to demonstrate progress and assure the timely mitigation of deficient security controls and any third-party assessor findings.

Selected bidder shall submit an updated SSP Attestation to the Department on an annual basis, and when there is any significant change to the system. A significant change is one that is likely to affect the security state of the information system<sup>2</sup>. The Department reserves the right to require the vendor to retain, at the vendor's expense, a third-party firm to perform additional security assessments at any time.

**FedRAMP Certified Cloud Solutions**

If the selected vendor solution utilizes a FedRAMP Certified cloud solution, the vendor shall indicate how such cloud services are utilized, including the type of cloud service utilized (e.g. Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and/ or Software as a Service (SaaS)).

Additionally, the vendor shall provide a matrix that illustrates whether the vendor, or the cloud service provider, is responsible for each security control. Vendor shall also indicate if responsibility for a given control is shared between the vendor and the cloud service provider.

Selected vendor shall also provide evidence to the Department that the cloud service offerings have been certified against criteria consistent with the Moderate-Plus Security Controls Baseline. The scope of this certification shall include all locations that store, process, connect to, or provide access to Department data, whether at rest or in transit.

The Department reserves the right to request documentation to verify compliance with FedRAMP and FISMA Authorizations including but not limited to:

- System Security Plans
- Cloud Security Alliance ASA certification reports

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<sup>2</sup> NIST SP 800-37, *Revision 1, Guide for Applying the Risk Management Framework to Federal Information Systems: A Security Life Cycle Approach* (Appendix F, Section F.6, Page F-8)

- SOC audit reports
- Other independent security assessment results
- Artifacts employed in support of cloud provider certification
- Identification of cloud provider supply chain vendors and associated contracts as applicable

### **Department Templates**

The DUA, BAA, SSP Attestation, Moderate-Plus Security Controls Baseline SSP templates, and POA&M templates will be provided to the selected bidder/vendor by the Department upon contract award.

### **Legal and Regulatory Compliance**

Bidders/vendors should familiarize themselves with all applicable New York State and federal laws, regulations, policies, and standards for IT systems that transfer, process, or store Department data.

Finally, systems addressed by this RFP may be subject to security and regulatory requirements including, but not limited to:

1. All New York State ITS policies and standards (<http://its.ny.gov/eiso/policies/security>)
2. The Health Insurance Portability and Accountability Act (HIPAA) Omnibus Final Rule
3. All applicable State and federal laws and regulations related to privacy protections
4. Section 367-b(4) of the NY Social Services Law
5. New York State Social Services Law Section 369(4)
6. Article 27-F of the New York Public Health Law (HIV/AIDS)
7. 18 NYCRR 360-8.1
8. NY Civil Rights 79-L
9. Social Security Act, 42 USC 1396a(a)(7)
10. Federal regulations at 42 CFR 431.302 and 42 CFR Part 2 (Substance Use Disorder)
11. NYS Mental Hygiene Law Section 33.13
12. 45 CFR Parts 160 and 164 (Privacy related sections for HIPAA)

## **5.0 ADMINISTRATIVE INFORMATION**

The following administrative information will apply to this RFP. Failure to comply fully with this information may result in disqualification of your proposal.

### **5.1 Restricted Period**

“Restricted period” means the period of time commencing with the earliest written notice, advertisement, or solicitation of a Request for Proposals (“RFP”), Invitation for Bids (“IFB”), or solicitation of proposals, or any other method for soliciting a response from Bidders intending to result in a procurement contract with DOH and ending with the final contract award and approval by DOH and, where applicable, final contract approval by the Office of the State Comptroller.

This prohibition applies to any oral, written, or electronic communication under circumstances where a reasonable person would infer that the communication was intended to influence this procurement. Violation of any of the requirements described in this Section may be grounds for a determination that the bidder is non-responsible and therefore ineligible for this contract award. Two (2) violations within four (4) years of the rules against impermissible contacts during the “restricted period” may result in the violator being debarred from participating in DOH procurements for a period of four (4) years.

Pursuant to State Finance Law §§ 139-j and 139-k, the Department of Health identifies a designated contact on face page of this RFP to whom all communications attempting to influence this procurement must be made.

## 5.2 Questions

There will be an opportunity available for submission of written questions and requests for clarification with regard to this RFP. All questions and requests for clarification of this RFP should cite the particular RFP Section and paragraph number where applicable and must be submitted via email to [OHIPcontracts@health.ny.gov](mailto:OHIPcontracts@health.ny.gov). It is the bidder's responsibility to ensure that email containing written questions and/or requests for clarification is received at the above address no later than the Deadline for Submission of Written Questions as specified in [Section 1.0](#) (Calendar of Events). Questions received after the deadline may **not** be answered.

## 5.3 Right to Modify RFP

DOH reserves the right to modify any part of this RFP, including but not limited to, the date and time by which proposals must be submitted and received by DOH, at any time prior to the Deadline for Submission of Proposals listed in [Section 1.0](#) (Calendar of Events). Modifications to this RFP shall be made by issuance of amendments and/or addenda.

Prior to the Deadline for Submission of Proposals, any such clarifications or modifications as deemed necessary by DOH will be posted to the DOH website.

If the bidder discovers any ambiguity, conflict, discrepancy, omission, or other error in this RFP, the Bidder shall immediately notify DOH of such error in writing at [OHIPcontracts@health.ny.gov](mailto:OHIPcontracts@health.ny.gov) and request clarification or modification of the document.

If, prior to the Deadline for Submission of Proposals, a bidder fails to notify DOH of a known error or an error that reasonably should have been known, the bidder shall assume the risk of proposing. If awarded the contract, the bidder shall not be entitled to additional compensation by reason of the error or its correction.

## 5.4 Payment

The Contractor shall submit invoices and/or vouchers to the State's designated payment office:

Preferred Method: Email a .pdf copy of your signed voucher to the BSC at: [AccountsPayable@ogs.ny.gov](mailto:AccountsPayable@ogs.ny.gov) with a subject field as follows:

Subject: **Unit ID: 3450445 Contract # TBD**

Alternate Method: Mail vouchers to BSC at the following U.S. postal address:

**NYS Department of Health  
Unit ID 3450445  
c/o NYS OGS BSC Accounts Payable  
Building 5, 5th Floor  
1220 Washington Ave.  
Albany, NY 12226-1900**

Payment for invoices and/or vouchers submitted by the CONTRACTOR shall only be rendered electronically unless payment by paper check is expressly authorized by the Commissioner, in the Commissioner's sole discretion, due to extenuating circumstances. Such electronic payment shall be made in accordance with ordinary State procedures and practices. The CONTRACTOR shall comply with the State Comptroller's procedures to authorize electronic payments. Authorization forms are available at the State Comptroller's website at [www.osc.state.ny.us/epay/index.htm](http://www.osc.state.ny.us/epay/index.htm), by email at [epayments@osc.state.ny.us](mailto:epayments@osc.state.ny.us) or by telephone at 518-474-6019. CONTRACTOR acknowledges that it will not receive payment on any invoices and/or vouchers submitted under

this Contract if it does not comply with the State Comptroller's electronic payment procedures, except where the Commissioner has expressly authorized payment by paper check as set forth above.

In addition to the Electronic Payment Authorization Form, a Substitute Form W-9 must be on file with the Office of the State Comptroller, Bureau of Accounting Operations. Additional information and procedures for enrollment can be found at <http://www.osc.state.ny.us/epay>.

Completed W-9 forms should be submitted to the following address:

NYS Office of the State Comptroller  
Bureau of Accounting Operations  
Warrant & Payment Control Unit  
110 State Street, 9<sup>th</sup> Floor  
Albany, NY 12236

Payment of such invoices and/or vouchers by the State (NYS Department of Health) shall be made in accordance with Article XI-A of the New York State Finance Law. Payment terms will be:

Implementation Phase Payments:

The Contractor shall be paid the fixed price upon the Department's acceptance and approval of the completion of milestones as defined in this RFP. The distribution of payment is as follows:

- Implementation plan approved by State – 10%
- Implementation Team and Key staff hired and Project Management Strategy Implemented - 20%
- Utilization Analysis and strategy for achieving rebates approved by the State (see section 4.2.1.c and 6.2.4.2) – 20%
- Go Live date successfully achieved – 50%

Operation Payments:

The Contractor shall be paid a monthly base operation fee, as presented in Attachment B FP – Form 1 of the Contractor's cost proposal. The base operation fee represents the fixed costs associated with the daily operation for each rebate program. The monthly base operation fee will begin after the contract Go Live date specified in section 2.3.

The Contractor shall submit monthly invoices no later than fifteen days after the end of the month being invoiced.

## **5.5 Minority & Woman-Owned Business Enterprise Requirements**

Pursuant to New York State Executive Law Article 15-A, the New York State Department of Health ("DOH") recognizes its obligation to promote opportunities for maximum feasible participation of certified minority-and women-owned business enterprises and the employment of minority group members and women in the performance of DOH contracts.

In 2006, the State of New York commissioned a disparity study to evaluate whether minority and women-owned business enterprises had a full and fair opportunity to participate in state contracting. The findings of the study were published on April 29, 2010, under the title "The State of Minority and Women-Owned Business Enterprises: Evidence from New York" ("Disparity Study"). The report found evidence of statistically significant disparities between the level of participation of minority-and women-owned business enterprises in state procurement contracting versus the number of minority-and women-owned business enterprises that were ready, willing and able to participate in state procurements. As a result of these findings, the Disparity Study made recommendations concerning the implementation and operation of the statewide certified minority- and women-owned business enterprises program. The recommendations from the Disparity Study culminated in the enactment and the implementation of New York State Executive Law Article 15-A, which requires, among other things, that DOH establish goals for maximum feasible participation of New York State Certified minority- and

women – owned business enterprises (“MWBE”) and the employment of minority groups members and women in the performance of New York State contracts.

#### Business Participation Opportunities for MWBEs

For purposes of this solicitation, DOH hereby establishes an overall goal of **5%** for MWBE participation, **2.5%** for Minority-Owned Business Enterprises (“MBE”) participation and **2.5%** for Women-Owned Business Enterprises (“WBE”) participation (based on the current availability of qualified MBEs and WBEs and outreach efforts to certified MWBE firms). A Contractor (“Contractor”) on the subject contract (“Contract”) must document good faith efforts to provide meaningful participation by MWBEs as subcontractors or suppliers in the performance of the Contract and Contractor agrees that DOH may withhold payment pending receipt of the required MWBE documentation. For guidance on how DOH will determine “good faith efforts,” refer to 5 NYCRR §142.8.

The directory of New York State Certified MWBEs can be viewed at: <https://ny.newnycontracts.com>. The directory is found in the upper right hand side of the webpage under “Search for Certified Firms” and accessed by clicking on the link entitled “MWBE Directory”. Engaging with firms found in the directory with like product(s) and/or service(s) is strongly encouraged and all communication efforts and responses should be well documented.

By submitting a bid, a bidder agrees to complete an MWBE Utilization Plan ([Attachment 5](#), Form #1) of this RFP. DOH will review the submitted MWBE Utilization Plan. If the plan is not accepted, DOH may issue a notice of deficiency. If a notice of deficiency is issued, Bidder agrees that it shall respond to the notice of deficiency within seven (7) business days of receipt. DOH may disqualify a Bidder as being non-responsive under the following circumstances:

- a) If a Bidder fails to submit a MWBE Utilization Plan;
- b) If a Bidder fails to submit a written remedy to a notice of deficiency;
- c) If a Bidder fails to submit a request for waiver (if applicable); or
- d) If DOH determines that the Bidder has failed to document good-faith efforts;

The Contractor will be required to attempt to utilize, in good faith, any MBE or WBE identified within its MWBE Utilization Plan, during the performance of the Contract. Requests for a partial or total waiver of established goal requirements made subsequent to Contract Award may be made at any time during the term of the Contract to DOH, but must be made no later than prior to the submission of a request for final payment on the Contract.

The Contractor will be required to submit a Contractor’s Quarterly M/WBE Contractor Compliance & Payment Report to the DOH, by the 10<sup>th</sup> day following each end of quarter over the term of the Contract documenting the progress made toward achievement of the MWBE goals of the Contract.

If the Contractor is found to have willfully and intentionally failed to comply with the MWBE participation goals set forth in the Contract, such finding will constitute a breach of Contract and DOH may withhold payment from the Contractor as liquidated damages.

Such liquidated damages shall be calculated as an amount equaling the difference between: (1) all sums identified for payment to MWBEs had the Contractor achieved the contractual MWBE goals; and (2) all sums actually paid to MWBEs for work performed or materials supplied under the Contract.

New York State certified Minority- and Women-Owned Businesses (M/WBE) may request that their firm’s contact information be included on a list of M/WBE firms interested in serving as a subcontractor for this procurement. The listing will be publicly posted on the Department’s website for reference by the bidding community. A firm requesting inclusion on this list should send contact information and a copy of its NYS M/WBE certification to [OHIPcontracts@health.ny.gov](mailto:OHIPcontracts@health.ny.gov) before the Deadline for Questions as specified in [Section 1.0](#) (Calendar of Events). Nothing prohibits an M/WBE Vendor from proposing as a prime Contractor.

**Please Note: Failure to comply with the foregoing requirements may result in a finding of non-responsiveness, non-responsibility and/or a breach of the Contract, leading to the withholding of funds,**

**suspension or termination of the Contract or such other actions or enforcement proceedings as allowed by the Contract.**

## **5.6 Equal Employment Opportunity (EEO) Reporting**

By submission of a bid in response to this solicitation, the Bidder agrees with all of the terms and conditions of [Attachment 8](#) Appendix A including Clause 12 - Equal Employment Opportunities for Minorities and Women. Additionally, the successful bidder will be required to certify they have an acceptable EEO (Equal Employment Opportunity) policy statement in accordance with Section III of Appendix M in [Attachment 8](#).

Further, pursuant to Article 15 of the Executive Law (the "Human Rights Law"), all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor and sub-Contractors will not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

The Contractor is required to ensure that it and any subcontractors awarded a subcontract over \$25,000 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work"), except where the Work is for the beneficial use of the Contractor, undertake or continue programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, equal opportunity shall apply in the areas of recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, and rates of pay or other forms of compensation. This requirement does not apply to: (i) work, goods, or services unrelated to the Contract; or (ii) employment outside New York State.

To ensure compliance with this Section, the Bidder should submit with the bid or proposal an Equal Employment Opportunity Staffing Plan ([Attachment 5](#), Form #4) identifying the anticipated work force to be utilized on the Contract. Additionally, the Bidder should submit a Minority and Women-Owned Business Enterprises and Equal Employment Opportunity Policy Statement ([Attachment 5](#), Form # 5), to DOH with their bid or proposal.

## **5.7 Sales and Compensating Use Tax Certification (Tax Law, § 5-a)**

Section 5-a of the Tax Law, as amended, effective April 26, 2006, requires certain Contractors awarded state contracts for commodities, services and technology valued at more than \$100,000 to certify to the Department of Tax and Finance (DTF) that they are registered to collect New York State and local sales and compensating use taxes. The law applies to contracts where the total amount of such Contractors' sales delivered into New York State are in excess of \$300,000 for the four quarterly periods immediately preceding the quarterly period in which the certification is made, and with respect to any affiliates and subcontractors whose sales delivered into New York State exceeded \$300,000 for the four quarterly periods immediately preceding the quarterly period in which the certification is made.

This law imposes upon certain Contractors the obligation to certify whether or not the Contractor, its affiliates, and its subcontractors are required to register to collect state sales and compensating use tax and Contractors must certify to DTF that each affiliate and subcontractor exceeding such sales threshold is registered with DTF to collect New York State and local sales and compensating use taxes. The law prohibits the State Comptroller, or other approving agencies, from approving a contract awarded to an offerer meeting the registration requirements but who is not so registered in accordance with the law.

The successful Bidder must file a properly completed Form ST-220-CA with the Department of Health and Form ST-220-TD with the DTF. These requirements must be met before a contract may take effect. Further information can be found at the New York State Department of Taxation and Finance's website, available through this link: <http://www.tax.ny.gov/pdf/publications/sales/pub223.pdf>.

Forms are available through these links:

- ST-220 CA: [http://www.tax.ny.gov/pdf/current\\_forms/st/st220ca\\_fill\\_in.pdf](http://www.tax.ny.gov/pdf/current_forms/st/st220ca_fill_in.pdf)

- ST-220 TD: [http://www.tax.ny.gov/pdf/current\\_forms/st/st220td\\_fill\\_in.pdf](http://www.tax.ny.gov/pdf/current_forms/st/st220td_fill_in.pdf)

## **5.8 Contract Insurance Requirements**

Prior to the start of work under this Contract, the CONTRACTOR shall procure, at its sole cost and expense, and shall maintain in force at all times during the term of this Contract, insurance of the types and in the amounts set forth in [Attachment 8](#), the New York State Department of Health Contract, Section IV. Contract Insurance Requirements as well as below.

## **5.9 Subcontracting**

Bidder's may propose the use of a subcontractor. The Contractor shall obtain prior written approval from NYSDOH before entering into an agreement for services to be provided by a subcontractor. The Contractor is solely responsible for assuring that the requirements of the RFP are met. All subcontracts shall contain provisions specifying that the work performed by the subcontractor must be in accordance with the terms of the prime contract, and that the subcontractor specifically agrees to be bound by the confidentiality provisions set forth in the agreement between the DOH and the Contractor. DOH reserves the right to request removal of any bidder's staff or subcontractor's staff if, in DOH's discretion, such staff is not performing in accordance with the Agreement. Subcontractors whose contracts are valued at or above \$100,000 will be required to submit the Vendor Responsibility Questionnaire upon selection of the prime Contractor.

## **5.10 DOH's Reserved Rights**

The Department of Health reserves the right to:

1. Reject any or all proposals received in response to the RFP;
2. Withdraw the RFP at any time, at the agency's sole discretion;
3. Make an award under the RFP in whole or in part;
4. Disqualify any bidder whose conduct and/or proposal fails to conform to the requirements of the RFP;
5. Seek clarifications and revisions of proposals;
6. Use proposal information obtained through site visits, management interviews and the state's investigation of a bidder's qualifications, experience, ability or financial standing, and any material or information submitted by the bidder in response to the agency's request for clarifying information in the course of evaluation and/or selection under the RFP;
7. Prior to the bid opening, amend the RFP specifications to correct errors or oversights, or to supply additional information, as it becomes available;
8. Prior to the bid opening, direct bidders to submit proposal modifications addressing subsequent RFP amendments;
9. Change any of the scheduled dates;
10. Eliminate any mandatory, non-material specifications that cannot be complied with by all of the prospective bidders;
11. Waive any requirements that are not material;
12. Negotiate with the successful bidder within the scope of the RFP in the best interests of the state;
13. Conduct contract negotiations with the next responsible bidder, should the Department be unsuccessful in negotiating with the selected bidder;
14. Utilize any and all ideas submitted in the proposals received;
15. Every offer shall be firm and not revocable for a period of three hundred and sixty-five days from the bid opening, to the extent not inconsistent with section 2-205 of the uniform commercial code. Subsequent to such three hundred and sixty-five days, any offer is subject to withdrawal communicated in a writing signed by the offerer; and,
16. Require clarification at any time during the procurement process and/or require correction of arithmetic or other apparent errors for the purpose of assuring a full and complete understanding of an offerer's proposal and/or to determine an offerer's compliance with the requirements of the solicitation.

## **5.11 Freedom of Information Law ("FOIL")**

All proposals may be disclosed or used by DOH to the extent permitted by law. DOH may disclose a proposal to



any person for the purpose of assisting in evaluating the proposal or for any other lawful purpose. All proposals will become State agency records, which will be available to the public in accordance with the Freedom of Information Law. **Any portion of the proposal that a Bidder believes constitutes proprietary information entitled to confidential handling, as an exception to the Freedom of Information Law, must be clearly and specifically designated in the proposal as directed in [Section 6.1 \(B\) of the RFP](#).** If DOH agrees with the proprietary claim, the designated portion of the proposal will be withheld from public disclosure. Blanket assertions of proprietary material will not be accepted, and failure to specifically designate proprietary material may be deemed a waiver of any right to confidential handling of such material.

## 5.12 Lobbying

Chapter 1 of the Laws of 2005, as amended by Chapter 596 of the Laws of 2005, made significant changes as it pertains to development of procurement contracts with governmental entities. The changes included:

- a) made the lobbying law applicable to attempts to influence procurement contracts once the procurement process has been commenced by a state agency, unified court system, state legislature, public authority, certain industrial development agencies and local benefit corporations;
- b) required the above mentioned governmental entities to record all contacts made by lobbyists and Contractors about a governmental procurement so that the public knows who is contacting governmental entities about procurements;
- c) required governmental entities to designate persons who generally may be the only staff contacted relative to the governmental procurement by that entity in a restricted period;
- d) authorized the New York State Commission on Public Integrity, (now New York State Joint Commission on Public Ethics), to impose fines and penalties against persons/organizations engaging in impermissible contacts about a governmental procurement and provides for the debarment of repeat violators;
- e) directed the Office of General Services to disclose and maintain a list of non-responsible bidders pursuant to this new law and those who have been debarred and publish such list on its website;
- f) required the timely disclosure of accurate and complete information from offerers with respect to determinations of non-responsibility and debarment; (Bidders responding to this RFP should submit a completed and signed [Attachment 1](#), "Prior Non-Responsibility Determination".)
- g) increased the monetary threshold which triggers a lobbyist's obligations under the Lobbying Act from \$2,000 to \$5,000; and
- h) established the Advisory Council on Procurement Lobbying.

Subsequently, Chapter 14 of the Laws of 2007 amended the Lobbying Act of the Legislative Law, particularly as it related to specific aspects of procurements as follows: (i) prohibiting lobbyists from entering into retainer agreements on the outcome of government grant making or other agreement involving public funding; and (ii) reporting lobbying efforts for grants, loans and other disbursements of public funds over \$15,000.

The most notable, however, was the increased penalties provided under Section 20 of Chapter 14 of the Laws of 2007, which replaced old penalty provisions and the addition of a suspension option for lobbyists engaged in repeated violations. Further amendments to the Lobbying Act were made in Chapter 4 of the Laws of 2010.

Questions regarding the registration and operation of the Lobbying Act should be directed to the New York State Joint Commission on Public Ethics.

## 5.13 State Finance Law Consultant Disclosure Provisions

In accordance with New York State Finance Law Section 163(4)(g), State agencies must require all Contractors, including subcontractors, that provide consulting services for State purposes pursuant to a contract to submit an annual employment report for each such contract.

The successful bidder for procurements involving consultant services must complete a "State Consultant Services Form A, Contractor's Planned Employment From Contract Start Date through End of Contract Term" in order to be eligible for a contract.

The successful bidder must also agree to complete a "State Consultant Services Form B, Contractor's Annual Employment Report" for each state fiscal year included in the resulting contract. This report must be submitted annually to the Department of Health, the Office of the State Comptroller, and Department of Civil Service.

State Consultant Services Form A: Contractor's Planned Employment and Form B: Contractor's Annual Employment Report may be accessed electronically at: <http://www.osc.state.ny.us/agencies/forms/ac3271s.doc> and <http://www.osc.state.ny.us/agencies/forms/ac3272s.doc>.

#### **5.14 Debriefing**

Pursuant to Section 163(9)(c) of the State Finance Law, any unsuccessful Bidder may request a debriefing regarding the reasons that the proposal or bid submitted by the Bidder was not selected for award. Requests for a debriefing must be made within fifteen (15) calendar days of release of the written or electronic notice by the Department that the Bid submitted by the Bidder was not selected for award. Requests should be submitted in writing to a designated contact identified in the award/non-award letter.

#### **5.15 Protest Procedures**

In the event unsuccessful bidders wish to protest the award resulting from this RFP, bidders should follow the protest procedures established by the Office of the State Comptroller (OSC). These procedures can be found in Chapter XI Section 17 of the Guide to Financial Operations (GFO). Available on-line at: <http://www.osc.state.ny.us/agencies/guide/MyWebHelp/>

#### **5.16 Iran Divestment Act**

By submitting a bid in response to this solicitation or by assuming the responsibility of a Contract awarded hereunder, Bidder/Contractor (or any assignee) certifies that it is not on the "Entities Determined To Be Non-Responsive Bidders/Offerers Pursuant to The New York State Iran Divestment Act of 2012" list ("Prohibited Entities List") posted on the OGS website (currently found at this address: <http://www.ogs.ny.gov/about/regs/docs/ListofEntities.pdf>) and further certifies that it will not utilize on such Contract any subcontractor that is identified on the Prohibited Entities List. Additionally, Bidder/Contractor is advised that should it seek to renew or extend a Contract awarded in response to the solicitation, it must provide the same certification at the time the Contract is renewed or extended.

During the term of the Contract, should DOH receive information that a person (as defined in State Finance Law §165-a) is in violation of the above-referenced certifications, DOH will review such information and offer the person an opportunity to respond. If the person fails to demonstrate that it has ceased its engagement in the investment activity which is in violation of the Act within 90 days after the determination of such violation, then DOH shall take such action as may be appropriate and provided for by law, rule, or contract, including, but not limited to, seeking compliance, recovering damages, or declaring the Contractor in default. DOH reserves the right to reject any bid, request for assignment, renewal or extension for an entity that appears on the Prohibited Entities List prior to the award, assignment, renewal or extension of a contract, and to pursue a responsibility review with respect to any entity that is awarded a contract and appears on the Prohibited Entities list after contract award.

#### **5.17 Piggybacking**

New York State Finance Law section 163(10)(e) (see also <http://www.ogs.ny.gov/purchase/snt/sflxi.asp>) allows

the Commissioner of the NYS Office of General Services to consent to the use of this contract by other New York State Agencies, and other authorized purchasers, subject to conditions and the Contractor's consent.

#### **5.18 Encouraging Use of New York Businesses in Contract Performance**

Public procurements can drive and improve the State's economic engine through promotion of the use of New York businesses by its Contractors. New York State businesses have a substantial presence in State contracts and strongly contribute to the economies of the state and the nation. In recognition of their economic activity and leadership in doing business in New York State, bidders/proposers for this contract for commodities, services or technology are strongly encouraged and expected to consider New York State businesses in the fulfillment of the requirements of the contract. Such partnering may be as subcontractors, suppliers, protégés or other supporting roles. All bidders should complete [Attachment 6](#), Encouraging Use of New York Businesses in Contract Performance, to indicate their intent to use/not use New York Businesses in the performance of this contract.

#### **5.19 Diversity Practices Questionnaire**

Diversity practices are the efforts of Contractors to include New York State-certified Minority and Women-owned Business Enterprises ("MWBEs") in their business practices. Diversity practices may include past, present, or future actions and policies, and include activities of Contractors on contracts with private entities and governmental units other than the State of New York. Assessing the diversity practices of Contractors enables Contractors to engage in meaningful, capacity-building collaborations with MWBEs.

#### **5.20 Participation Opportunities for NYS Certified Service-Disabled Veteran-Owned Businesses**

Article 17-B of the New York State Executive Law provides for more meaningful participation in public procurement by certified Service-Disabled Veteran-Owned Businesses ("SDVOBs"), thereby further integrating such businesses into New York State's economy. DOH recognizes the need to promote the employment of service-disabled veterans and to ensure that certified service-disabled veteran-owned businesses have opportunities for maximum feasible participation in the performance of DOH contracts.

In recognition of the service and sacrifices made by service-disabled veterans and in recognition of their economic activity in doing business in New York State, Bidders/Contractors are strongly encouraged and expected to consider SDVOBs in the fulfillment of the requirements of the Contract. Such participation may be as subcontractors or suppliers, as protégés, or in other partnering or supporting roles.

For purposes of this procurement, DOH conducted a comprehensive search and determined that the Contract does not offer sufficient opportunities to set specific goals for participation by SDVOBs as subcontractors, service providers, and suppliers to Contractor. Nevertheless, Bidder/Contractor is encouraged to make good faith efforts to promote and assist in the participation of SDVOBs on the Contract for the provision of services and materials. The directory of New York State Certified SDVOBs can be viewed at: <https://ogs.ny.gov/veterans/>

Bidders are encouraged to contact the Office of General Services' Division of Service-Disabled Veteran's Business Development at 518-474-2015 or [VeteransDevelopment@ogs.ny.gov](mailto:VeteransDevelopment@ogs.ny.gov) to discuss methods of maximizing participation by SDVOBs on the Contract.

#### **5.21 Intellectual Property**

Any work product created pursuant to this agreement and any subcontract shall become the sole and exclusive property of the New York State Department of Health, which shall have all rights of ownership and authorship in such work product.

#### **5.22 Vendor Assurance of No Conflict of Interest or Detrimental Effect**

All bidders responding to this solicitation should submit [Attachment 4](#) to attest that their performance of the services outlined in this RFP does not create a conflict of interest and that the bidder will not act in any manner that is detrimental to any other State project on which they are rendering services.

### **5.23 Executive Order 177 Prohibiting Contracts with Entities that Support Discrimination**

The New York State Human Rights Law, Article 15 of the Executive Law, prohibits discrimination and harassment based on age, race, creed, color, national origin, sex, pregnancy or pregnancy-related conditions, sexual orientation, gender identity, disability, marital status, familial status, domestic violence victim status, prior arrest or conviction record, military status or predisposing genetic characteristics. In accordance with Executive Order No. 177, the Offeror certifies that they do not have institutional policies or practices that fail to address those protected status under the Human Rights Law.

## **6.0 PROPOSAL CONTENT**

The following includes the format and information to be provided by each Bidder. Bidders responding to this RFP must satisfy all requirements stated in this RFP. All Bidders are requested to submit complete Administrative and Technical Proposals, and are required to submit a complete Cost Proposal. A proposal that is incomplete in any material respect may be rejected.

To expedite review of the proposals, Bidders are requested to submit proposals in separate Administrative, Technical, and Cost packages inclusive of all materials as summarized in Attachment A, Proposal Documents. This separation of information will facilitate the review of the material requested. No information beyond that specifically requested is required, and Bidders are requested to keep their submissions to the shortest length consistent with making a complete presentation of qualifications. Evaluations of the Administrative, Technical, and Cost Proposals received in response to this RFP will be conducted separately. Bidders are therefore cautioned not to include any Cost Proposal information in the Technical Proposal documents.

**DOH will not be responsible for expenses incurred in preparing and submitting the Administrative, Technical, or Cost Proposals.**

### **6.1 Administrative Proposal**

The Administrative Proposal should contain all items listed below. A proposal that is incomplete in any material respect may be eliminated from consideration. The information requested should be provided in the prescribed format. Responses that do not follow the prescribed format may be eliminated from consideration. All responses to the RFP may be subject to verification for accuracy. Please provide the forms in the same order in which they are requested.

#### **A. Bidder's Disclosure of Prior Non-Responsibility Determinations**

Submit a completed and signed [Attachment 1](#), "Prior Non-Responsibility Determination."

#### **B. Freedom of Information Law – Proposal Redactions**

Bidders must clearly and specifically identify any portion of the proposal that a Bidder believes constitutes proprietary information entitled to confidential handling as an exception to the Freedom of Information Law. See [Section 5.11](#), (Freedom of Information Law)

#### **C. Vendor Responsibility Questionnaire**

Complete, certify, and file a New York State Vendor Responsibility Questionnaire. DOH recommends that vendors file the required Vendor Responsibility Questionnaire online via the New York State VendRep System. To enroll in and use the New York State VendRep System, see the VendRep System Instructions at [File Your Vendor Responsibility Questionnaire | Office of the New York State Comptroller](#) or go directly to the VendRep System online at [New York State Comptroller - Online Services](#)

Vendors must provide their New York State Vendor Identification Number when enrolling. To request assignment of a Vendor ID or for VendRep System assistance, contact the OSC Help Desk at 866-370-4672 or 518-408-4672 or by email at [ciohelpdesk@osc.state.ny.us](mailto:ciohelpdesk@osc.state.ny.us).

Vendors opting to complete and submit a paper questionnaire can obtain the appropriate questionnaire from the VendRep website, [The VendRep System | Office of the New York State Comptroller](#) or may contact the Office of the State Comptroller's Help Desk for a copy of the paper form. Bidder's should complete and submit the Vendor Responsibility Attestation, [Attachment 3](#).

D. Vendors Assurance of No Conflict of Interest or Detrimental Effect

Submit [Attachment 4](#), Vendor's Assurance of No Conflict of Interest or Detrimental Effect, which includes information regarding the Bidder, members, shareholders, parents, affiliates or subcontractors. [Attachment 4](#) must be signed by an individual authorized to bind the Bidder contractually.

E. M/WBE Forms

Submit completed Form #1 and/or Form #2, Form #4 and Form #5 as directed in [Attachment 5](#), "Guide to New York State DOH M/WBE RFP Required Forms."

F. Bidder's Certified Statements

Submit [Attachment 7](#), "Bidder's Certified Statements", which includes information regarding the Bidder. Attachment A must be signed by an individual authorized to bind the Bidder contractually. Please indicate the title or position that the signer holds with the Bidder. DOH reserves the right to reject a proposal that contains an incomplete or unsigned [Attachment 7](#) or no [Attachment 7](#).

G. Encouraging Use of New York Businesses in Contract Performance

Submit [Attachment 6](#), "Encouraging Use of New York State Businesses" in Contract Performance to indicate which New York Businesses you will use in the performance of the contract.

H. Diversity Practices Questionnaire

The Department has determined, pursuant to New York State Executive Law Article 15-A, that the assessment of the diversity practices of respondents of this procurement is practical, feasible, and appropriate. Accordingly, respondents to this procurement should include as part of their response to this procurement, [Attachment 10](#) "Diversity Practices Questionnaire". Responses will be formally evaluated and scored.

I. Executive Order 177 Prohibiting Contracts with Entities that Support Discrimination

Submit [Attachment 11](#) certifying that it does not have institutional policies or practices that fail to address the harassment and discrimination of individuals on the basis of their age, race, creed, color, national origin, sex, sexual orientation, gender identity, disability, marital status, military status, or other protected status under the Human Rights Law.

## 6.2 Technical Proposal

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the Bidder to perform the services contained in this RFP. The Technical Proposal should demonstrate the qualifications of the Bidder and the staff to be assigned to provide services related to the services included in this RFP.

A Technical Proposal that is incomplete in any material respect may be eliminated from consideration. The following outlines the information requested to be provided by Bidders. The information requested should be

provided in the prescribed format. Responses that do not follow the prescribed format may be eliminated from consideration. All responses to the RFP may be subject to verification for accuracy.

While additional data may be presented, the following should be included. Please provide the information in the same order in which it is requested. Your proposal should contain sufficient information to assure DOH of its accuracy. Failure to follow these instructions may result in disqualification.

Pricing information contained in the Cost Proposal cannot be included in the Technical Proposal documents.

A. Title Page

Submit a Title Page providing the RFP subject and number; the Bidder's name and address, the name, address, telephone number, and email address of the Bidder's contact person; and the date of the Proposal.

B. Table of Contents

The Table of Contents should clearly identify all material (by section and page number) included in the proposal.

C. Documentation of Bidder's Eligibility Responsive to Section 3.0 of RFP

Bidders must be able to meet all the requirements stated in Section 3.0 of the RFP. The bidder must submit documentation that provides sufficient evidence of meeting the criterion. This documentation may be in any format needed to demonstrate how they meet the minimum qualifications to propose.

- A minimum of 5 years' experience working with drug rebate functions; and
- At least 3 years of experience implementing or operating a Drug Rebate system that conforms to Medicaid Information Technology Architecture (MITA 3.0) principles and can be assessed at maturity level 2.0 or above for all Business, Information, and Technical capabilities relevant to Drug Rebate. (The MITA 3.0 framework can be found at: <https://www.medicaid.gov/medicaid/data-systems/medicaid-information-technology-architecture/medicaid-information-technology-architecture-framework/index.html>)

D. Executive Summary

The Executive Summary should condense and highlight the contents of the Bidder's Technical Proposal in such a way as to provide the Department with a broad understanding of the entire Technical Proposal. In addition, the Executive Summary should contain a brief synopsis of the Bidder's understanding of the various components.

E. Technical Proposal Narrative

The technical proposal should provide satisfactory evidence of the Bidder's ability to meet, and expressly respond to each element listed below. Elements of the technical proposal are as follows:

**6.2.1 Corporate Background and Experience**

- a. Describe your organization's experience in working with drug rebate functions
- b. Describe your organization's experience in managing and administering a public Medicaid program(s).
- c. Describe the corporate organizational and reporting structure you intend to put in place to manage the Department's rebate program.

**6.2.2 Staffing Requirements and Qualifications**

1. Provide a Staffing and Organization Plan for each phase of the project as described in Section 4.0 (implementation, operation and turnover) and indicate where and how subcontractor staff would be utilized (if applicable). This plan should:

- a. detail how the project staff is organized, where the staff is located and how communication is handled between remote sites and the account site;
- b. include an organizational chart depicting key, core and other staff, as well as showing the proposed organizational structure and each organizational unit's staffing level by title and number of positions for each title being proposed;
- c. describe the bidder's approach to determining staffing levels for each organizational unit, including the criteria and process used to develop the staffing estimates; and
- d. describe reporting relationships and responsibilities of each organizational unit depicted in the staffing plan and how they envision working with the State.

### **6.2.3 Proposed Approach – Implementation**

1. Provide an implementation plan (narrative, diagram, and timeline) to deliver all Program services by the operational date indicating the following:
  - a. planned activities with a project schedule;
  - b. roles, responsibilities, estimated timeframes for individual task completions;
  - c. schedule of parallel testing including all computer processing systems to ensure the data has been appropriately transitioned. This should include a listing of the tests and the internal controls
  - d. areas where complications may be expected and mitigation strategies.;
  - e. Identification of key milestones/deliverables to be met; and
  - f. Key activities such as:
    - acquiring letter of credit;
    - training and filling of staff positions;
    - report configuration;
    - Preferred Drug List and Diabetic Supply negotiation and development;
    - transfer of all rebate data;
    - performance standard self-reporting;
    - parallel systems testing;
    - and other key activities as deemed necessary.
2. Describe your approach to analyze current utilization and rebates being achieved by New York and develop and implement strategies that mitigate financial risk and ensure achievement of current, or better rebate levels for Medicaid rebate programs;
3. Describe how you implement processes and strategies proposed to effectively evaluate, track and monitor the achievement of project milestones and effectively identify and overcome barriers that may delay implementation to ensure activities are fully operational by the Go Live date specified in Section 2.3

### **6.2.4 Proposed Approach – Supplemental Rebate Programs Development, Rebate Negotiation and Contracting and Consulting Services**

Describe how you plan to:

- a. Oversee and administer the rebate solicitation and negotiation process, including but not limited to sending out contracts and soliciting quotes, analyzing financial impact of quotes and impact on market share, and reporting the results to the Department (include an illustration via a flowchart). Include

workflows for the FFS and Managed Care Supplemental rebate programs and the Diabetic Supply program;

- b. Develop and maintain a supplemental rebate and drug pricing strategy with pharmaceutical manufacturers to achieve or improve current rebate levels;
- c. Develop and maintain a contracting strategy that supports the negotiation of supplemental rebates across FFS and Managed Care for specified drugs such as but not limited to, Anti-retrovirals, Hepatitis C Medications Opioid Dependence Agents, Opioid Antagonists, High Cost Drugs, Gene Therapies and drugs identified as part of the Drug Cap authorities, that achieve or improve current rebate levels;
- d. Develop and maintain Diabetic Supply rebate program while maintaining or improving current rebate revenues;
- e. Identify Diabetic Supply, Supplemental and EPIC rebate labelers for potential rebate agreements including the methods of submission of these recommendations to the Department for approval;
- f. Monitor Supplemental, Diabetic Supply and State-specific rebate agreements with rebate labelers to ensure they still present value to the State;
- g. Execute a PDL strategy by controlling growth in spending through a combination of market shift and supplemental rebates, while minimizing any negative impacts on both providers and beneficiaries;
- h. Conduct a clinical review of the State's pharmacy claims in each therapeutic class;
- i. Provide an annual schedule you propose for any new financial or clinical considerations you propose for each therapeutic drug class within the PDL;
- j. Conduct the PDL clinical review process to determine what classes of drugs are recommended for preferred status within a therapeutic drug class;
- k. Conduct the PDL cost review process used to determine what classes of drugs are recommended for preferred status within a therapeutic drug class, including a description of the flexibility in your model to consider factors such as the introduction of new products to a class or significant price or rebate changes;
- l. Conduct the High Cost Drug/Gene Therapy cost review process quarterly to determine what drugs or gene therapies meet the predetermined criteria and describe such process including critical tasks and associated timeline;
- m. Describe your proposed process for reviewing State drug utilization trends in each PDL therapeutic class on a monthly basis;
- n. Prepare and present PDL recommendations based on clinical and/or pharmaco-economic studies (on a quarterly basis) to the State, the Drug Utilization Review Board and other State interest groups for approval by the Commissioner of Health, including the sources of clinical information and evidence that the inclusion of the selected classes of drugs in the PDP and recommendations for preferred/non preferred status would not negatively impact the Medicaid population;
- o. Develop clinical criteria for State approval, to be used by clinical pharmacists for prior authorization of non-preferred drugs on the State's PDL;
- p. Provide consulting services that ensure the State is kept abreast of the latest developments and industry trends in the prescription drug field and how they affect the State's rebate programs and management of the PDL;



- q. Provide PDL, Drug Cap and High Cost Drug/Gene Therapy financial analytical support to the Department's program and clinical support team;
- r. Attend quarterly Drug Utilization Review Board committee meetings to provide PDL, Drug Cap and High Cost Drug/Gene Therapy financial and market share analyses;
- s. Inform the State in a timely manner and make associated recommendations, concerning such matters as new drugs, conversion from brand name drugs to generic drugs decreases or increases to drug costs and the impacts to the PDL;
- t. Develop and distribute educational information to the State's pharmacy providers and prescribers to encourage compliance with the recommended PDL;
- u. Conduct cost analyses to provide recommendations for drugs that should be added to or deleted from the FFS brand less than generic program.
- v. Provide consulting services and technical assistance to the State in developing a new CMS approved supplemental rebate agreement template(s) that provides flexibility to contract across fee for service and managed care utilization for all state supplemental rebate programs with the ability to use various rebate pricing benchmarks, including but limited to guaranteed net unit price, wholesale acquisition cost and average manufacturer price.
- w. Conduct outcomes or value based research and provide recommendations based on clinical safety and efficiency guidelines and available evidence based medicine;
- x. Develop and manage outcomes or value based supplemental rebate contracts inclusive of rebate negotiations; and
- y. Inform the State and make associated recommendations in a timely manner of any new trends and developments as well as pharmacy innovations, and State/Federal legislation (i.e., Medicare, prescription drug mandates, etc.) that may affect the rebate programs.

### **6.2.5 Estimate of Expected Rebate Savings (TP Form-1) Attachment C**

Provide a total supplemental rebate savings estimate expected to be achieved associated with the NYS Medicaid Preferred Drug List Fee for Service Pharmacy utilization as provided in the Form (TP Form-1), subject to the following:

- a. Supplemental and Diabetic Supply rebates begin to accrue on the 1<sup>st</sup> of the month 3 months prior to the Go Live date.
- b. Attest that a signed supplemental and diabetic supply agreement with a manufacturer is available on the submittal date of the Bidder's bid. The Bidder is also attesting that evidence is available for review if required/requested by the State of New York.
- c. Rebate estimates provided should not include OBRA 90 rebates. Estimates/values provided should be for rebates above the OBRA 90 rebate for the NYS Medicaid Fee for Service pharmacy utilization (i.e. units) provided. (Only NDCs included in TP-Form-1 should be utilized).

### **6.2.6 Proposed Approach - Managing Rebate Labeler Information**

Describe how you propose to:

- a. Interface with the Department and any Contractor(s) of the Department to receive the rebate labeler data needed to perform the rebate functions contained within this RFP;

- b. Support, monitor and perform the processes to add, update and terminate rebate labelers based on the CMS and Department listing of rebate labelers as required to respond to inquiries or process transactions for each rebate program;
- c. Track the process utilized to fulfill, process and finalize EPIC rebate agreements, including how you propose to track their progress from the labeler through you and onto the Department;
- d. Allow a labeler to view their account information including the status of invoice disputes;
- e. Maintain and operate a system that is capable of multiple effective date spans for the drug labelers.

### **6.2.7 Proposed Approach - Processing Pricing Data for Medicaid**

Describe how you propose to:

- a. Receive and process the quarterly drug/pricing/product data and previous quarterly pricing revisions submitted by the Department or any Department approved Contractor;
- b. Process updates to product termination dates received from participating labelers and OHIP staff;
- c. Process updates and maintain non-rebatable NDC tables;
- d. Maintain full confidentiality protections for all pricing data submitted, consistent with State and federal guidelines;
- e. Apply prior period rate adjustments for prior quarter invoices regardless of the payment status; and
- f. Receive and update secure transmissions of rebate pricing data applying appropriate program rules concerning retroactive price adjustments. This includes applying prior period rate adjustments to units that were previously paid (creating a debit or credit balance for an NDC).

### **6.2.8 Proposed Approach - Processing Pricing Data for EPIC**

Describe how you propose to:

- a. Receive and process quarterly drug/pricing/product data and previous quarterly pricing revisions submitted by manufacturers on paper, CD, encrypted email attachment, and via secure file transfer protocol, in accordance with the requirements outlined in this RFP;
- b. Support, receive and monitor the secure transmission of quarterly pricing data files from manufacturers and the State for EPIC;
- c. Notify manufacturers (subject to State review) when required quarterly pricing data submission is overdue as well as when partial or all information is missing, according to specifications and turnaround times outlined in this RFP;
- d. Update the rebate processing system with the most recent published CMS product data information prior to quarterly trial invoicing and for rebate calculation;
- e. Transmit the submitted product (NDC11) termination date to an identified Contractor's claims processing system (point of sale) from the CMS Product File and/or Manufacturer Product File;
- f. Maintain full confidentiality protections for all data submitted by manufacturers, consistent with rebate agreements;
- g. Provide the daily overnight processing of submitted pricing and product data;

- h. Work with the technical staff of manufacturers to encourage and assist with conversion to an electronic form of price submission;
- i. Notify manufacturers and complete follow-up in a timely manner when the submitted data format is not in compliance with CMS record specifications;
- j. Maintain terminations of NDC and non-rebate NDC tables; and
- k. Calculate unit rebate amounts due from each manufacturer for each covered product.

### **6.2.9 Proposed Approach - Receipt of Utilization Data, Invoice Pre-processing and Quality Assurance**

Describe how you propose to:

- a. Perform variance analysis to identify clinical and financial outlier claims and other issues with the quarterly rebate amounts;
- b. Carry out a number of variance analyses to determine whether the utilization data received from the NYS Contractor is complete and correct;
- c. Exclude specific drugs, supplies, and claims (e.g. 340B claims) from rebate information processing based on CMS and the Department's listing of non rebatable drug products and claims;
- d. Review and recommend automated conversions to resolve inconsistencies in measurement units between the CMS product file and Department drug reference data;
- e. Process utilization data from the Department or its Contractor(s) converting j-codes, where applicable, into active NDCs with correct units;
- f. Adjust the OBRA, Supplemental, Diabetic Supply, EPIC, and other rebate program units to correct errors for specific NDC/HCP/UPN codes (subject to Department approval);
- g. Maintain information related to providers that are public health service entities (340B providers) that have separate agreements with rebate labelers and ensure that the invoice process includes or excludes the related claims;
- h. Update and maintain the crosswalk(s) and conversion factors between all physician administered drugs and their corresponding active NDC codes and inform the Department of the changes. These crosswalk(s) and conversion factor calculations must be shared with the Department for review when requested, and;
- i. Invoice compound claims (a single claim with multiple NDCs) for the Program.
- j. Invoice unassigned j-codes (J3490, J3950 etc.) for the program.

### **6.2.10 Proposed Approach – Invoice Generation and Mailing**

Describe how you propose to:

- a. Produce an accurate trial of quarterly invoices for State review before invoice release, according to specifications and turnaround times outlined in this RFP;
- b. Accurately produce and electronically bill or mail final quarterly invoices within (60) days after the end of a calendar quarter, with the State's approval (See Attachment G Performance Standards for required timeframes regarding the accuracy and timeliness of invoicing rebates);

- c. Reconcile claims utilization data with rebate data (on a quarterly basis) to ensure appropriate claim utilization data has been invoiced to the appropriate participating labelers;
- d. Store, maintain and retrieve current and historical rebate invoice and associated utilization data;
- e. Provide key invoicing statistics to the Department upon finalization of invoices;
- f. Generate off cycle/special invoices that may be requested by the State due to statutory changes, responses to audits or some other reason that would necessitate such invoices;
- g. Prepare, produce, distribute and manage the OBRA 90 (both managed care and fee-for-service programs), Supplemental, Diabetic Supply, EPIC, program invoice generation and notification processes;
- h. Identify the claims that are included on each invoice;
- i. Generate rebate labeler specific invoice and claim level extracts; and
- j. Generate invoices such that prior period adjustments are accounted for and reconciled.

#### **6.2.11 Proposed Approach – Receipt of Rebate Payments, Account Receivable and Collections**

Describe how you propose to:

- a. Accept data and payment information for checks received by the State;
- b. Log, image, electronically associate to the invoice and route through your system, payments received and reconcile those payments to invoices for each rebate program;
- c. Log, image, electronically associate and/or data enter and verify hard copy Resolution of State Invoice (ROSI) information, Prior Quarter Adjustment (PQA) and supporting documents received;
- d. Process transactions or accounting entries for payments that have been inappropriately deposited as drug rebate payments or incorrectly credited to the wrong rebate program;
- e. Post receipts in a timely manner to your accounting records (see Attachment G Performance Standards for required timeframes regarding the application of receipts to the accounting records);
- f. Apply rebate labeler credits to outstanding accounts receivable balances;
- g. Process accounting entries to resolve outstanding credit balances as required by the Department;
- h. Write off uncollectible amounts within your systems based upon requests from the Department
- i. Reconcile rebate accounts with the State approved financial institution records;
- j. Log, image, electronically associate and/or data enter dispute resolution agreements and route transactions through your system;
- k. Provide the capability to search and review payment and account information for rebate labelers;
- l. Maintain the audit trail of all transactions within the accounting systems for each rebate program;
- m. Administer a rebate collection program and dunning process that maximizes the rate or rebate collections (See Attachment G Performance Standards for collection percentages due within required timeframes);
- n. Manage and monitor accounts receivable and collection activities (See Attachment G Performance Standards for the timeliness of maximizing accounts receivable collection);

- o. Produce and mail monthly statements on for all labelers with outstanding rebates and/or disputes due;
- p. Apply interest to outstanding accounts receivable;
- q. Automatically generate notices to rebate labelers regarding outstanding accounts receivable balances based on Department business rules;
- r. Provide monthly aged accounts receivable to the Department;
- s. Administer an internal audit process in place to assure full accountability; and
- t. Perform internal reviews to ensure the integrity of the rebate programs and to appropriately safeguard the State's assets.

#### **6.2.12 Proposed Approach – Dispute Resolution Process**

Describe how you propose to:

- a. Retrieve and review the invoice and dispute information received from rebate labelers;
- b. Track dispute resolution contacts with rebate labelers and pharmacies;
- c. Produce claims level detail to labelers upon request including how you plan to track these requests;
- d. Maintain, track and provide an audit trail for interim and final dispute resolution agreements;
- e. Provide access at the Department to the appropriate systematic routines, reports and data needed to resolve open disputes;
- f. Brief and report to Department staff, the status of ongoing disputes;
- g. Perform dispute resolution according to the performance timeliness standards in Attachment P;
- h. Prioritize, assign, manage and monitor dispute resolution workflow;
- i. Perform internal reviews to ensure that all State approved dispute resolution procedures are being followed;
- j. Track and report on ongoing unresolved dispute proposals;
- k. Retrieve and review the claim utilization related to the NDC's being disputed;
- l. Provide a clear concise method for viewing resolved NDCs per labeler and quarter;
- m. Synchronize substantiated OBRA 90 dispute information with the supplemental rebate process; and
- n. Generate a dispute resolution proposal through your system.

#### **6.2.13 Proposed Approach – Support of the Medicaid Information Technology Architecture (MITA)**

Describe:

- a. The areas of the MITA framework relevant to your scope of work
- b. Your proposed approach to assessing and monitoring MITA Maturity in Business, Information, and Technical capabilities

- c. Your proposed approach to ongoing MITA governance, including reporting, and how you plan to apply it to meeting and maintaining MITA maturity level 2 capabilities (as described in section 4.2.10)

#### 6.2.14 Proposed Approach – Data Records and Reporting

Describe how you propose to:

- a. Provide information to the DOH on the number of data records received, processed and the total number of records successfully added to files. Describe how you plan to be responsible for ensuring data accuracy by applying record-specific editing specifications, and for accessing overall submission quality, based on a percentage of all records successfully processed. If any major problems in the receipt or distribution of data are encountered, describe how you plan to report it to the DOH in a timely manner.
- b. Be prepared to respond to special requests for reports and/or to supply data via electronic media to DOH on short notice as requested;
- c. Provide direct secure access on an ad-hoc basis, to a variety of state specific reports in electronic and paper format, which include data elements of particular and periodic interest;
- d. Create and maintain database files including historical files and tables for each rebate program;
- e. Provide direct secure access to an online reporting system with controlled role specific access by DOH representatives whereby a number of Federal and State required management reports are easily accessible by the State through their own PCs or secure web connection; (See Attachment G Performance Standards for required online rebate and reporting system availability).
- f. Develop in conjunction with DOH, a robust suite of management, financial, and utilization reports required by the DOH for its use in the review, management, monitoring and ongoing analysis of the rebate Programs. A master list of reports along with an explanation are contained in Attachment I.
- g. Allow State users to query and/or access all source data elements such as payment amounts, invoiced amount, rebate units invoiced, etc;
- h. Allow users to save queries and reports;
- i. Incorporate and account for HIPAA requirements;
- j. Provide reports that should be available for viewing and printing as well as for export in the following formats: text, RTF, MS-Excel, HTML and PDF over a web connection;
- k. Provide a monthly report regarding the amount of supplemental rebates received by each program.
- l. Provide an annual report to the State for the SFY ending March 31 for each contract year.

#### 6.2.15 Proposed Approach – Data Storage, Transfer and Sharing

Describe how you propose to:

- a. Support, systematically send and monitor via a secure file transfer protocol process the Program's **Medicaid** quarterly invoice files to CMS in a manner, form and timeliness acceptable to DOH and be in compliance with CMS requirements;
- b. Support, systematically send and monitor via a secure file transfer protocol process the Program's **non-Medicaid** (EPIC and Supplemental) quarterly invoice files to the manufacturers in a manner, form and timeliness acceptable to DOH and be in compliance with CMS requirements;
- c. Transmit secure **Medicaid** files to CMS that contain prior quarter units adjusted as a result of ongoing dispute resolutions;

- d. Transmit secure **non-Medicaid** (EPIC and Supplemental) files to manufacturers that contain prior quarter units adjusted as a result of ongoing dispute resolutions;
- e. Establish and implement proper safeguards against the unauthorized use and disclosure of the data exchanged pursuant to the administration of the rebate programs as well as other aspects of the interface between DOH, CMS, and manufacturers (including but not limited to encryptions) prior to Go Live.
- f. Support and monitor the export of secured information to the Medicaid Data Warehouse (MDW) or any other secure system as approved by the Department (See Attachment G - Performance Standards for required timeframes regarding the transfer of outbound files);
- g. Electronically capture and process data from the State and DOH approved Contractors, and develop control procedures to ensure a high level of accuracy, completeness, and accountability;
- h. Provide access to computer software and hardware capable of storing and processing the volume of data required by the various rebate programs;
- i. Maintain an active online database of rebate records and disputes for a minimum ten year period.
- j. Be capable of responding to special programming requests and systems modifications within a reasonable time frame as requested by the DOH;
- k. Collect data either at the record level and/or aggregate level. This data is owned by the DOH and you agree to provide to the DOH any and all data upon request; and
- l. Provide secure and confidential storage for hard copy and electronically stored information.

#### **6.2.16 Proposed Approach – Budgeting, Forecasting and Audit Support**

Describe how you plan to :

- a. Conduct targeted audits of rebate labelers;
- b. Provide at no cost, unrestricted access to the records and facilities associated with this contract, to the Department, any other authorized Federal and State agency, and any law enforcement authorities (including validation personnel or third parties acting on behalf of such entities) with audits and in the investigation, documentation, and litigation of possible fraud and abuse cases or any other possible misconduct which may affect the Programs, consistent with the requirements of Appendices A including provisions of access to protected health information and all other confidential information when required for audit purposes as determined by the State as appropriate;
- c. Assist Department staff in responding to audit findings or requests for information from authorized Federal and State agencies that perform audits relating to these services.
- d. Respond in a timely fashion to all State audit requests for information and/or clarification;
- e. Maintain adequate personnel and system resources to fulfill the Program's audit requirements;
- f. Maintain an audit trail of current and historical data;
- g. Maintain accounting books, accounting records, documents and other evidence pertaining to the administrative costs and expenses of this contract that relate to the performance of the contractual requirements of this contract for a period of six years after the contract end date;
- h. Obtain an independent auditor to perform an annual SSAE 16 audit of internal controls, including all contract related policies and procedures.

- i. Assist the State with budgeting and forecasting of rebate revenue based on the projected utilization data and the contracts with labelers within each rebate program;
- j. Perform supplemental rebate analysis, trending and benchmarking associated with specific State initiatives whereas only a subset of products utilization would be eligible for supplemental rebates.

#### **6.2.17 Proposed Approach – Customer Service**

Describe how you propose to :

- a. Develop and maintain adequate fully trained staff to respond to all stakeholder inquiries while protecting confidentiality and maintaining the security and integrity of all systems. Staff must be trained to understand and observe requirements related to confidentiality and operating guidelines for functions included in this RFP (See Attachment P Performance Standards for required timeframes regarding correspondence timeliness);
- b. Manage a toll-free customer service line that is available at a minimum, during the routine business hours, defined as Monday through Friday, 8:00am-5:00pm Eastern Time.
- c. Image and analyze documentation from stakeholders;
- d. Respond to written and electronic communications received from rebate labelers and other stakeholders.
- e. Maintain a search and tracking document control system for all communications received, and actions taken, that is available to staff members and select State employees to view. Describe how the state can gain access to this system through a web-based application
- f. Maintain up-to-date procedures to ensure timely and accurate responses while ensuring confidentiality of information;
- g. Keep informed and up to date on Medicaid and other State rebate programs in order to stay abreast of changes in rebate policies and regulations;
- h. Develop and deliver pertinent alerts when necessary;
- i. Provide stakeholders with access to materials and/or data needed to support rebate payments including but not limited to invoice copies, claims level detail and prior communications; and
- j. Provide on-going training for personnel to ensure that they are knowledgeable about the functional and technical aspects of the drug rebate programs and Medicaid policy.

#### **6.2.18 Proposed Approach – Turnover**

Describe how you propose to:

- a. Transfer the rebate toll free number to the Department or successor Contractor;
- b. Review and comment on any implementation plan forwarded by the State/vendor;
- c. Turn over the data files to the successor Contractor in an electronic state approved format including record layouts and field descriptions for all files. All data related files including but not limited to: claims data including historical files, rebate data including historical files, database tables, labeler database information including contacts, rebate invoices, participating rebate labeler lists, outstanding rebate totals by manufacturer and NDC including all closed and open disputes, and historical payment information, and logs of communications;



- d. Encourage all employees, including management, to remain throughout the turnover. Over the final six months of the contract term, the Contractor should not transfer or otherwise reassign any of its key or core staff without prior State approval;
- e. Provide a list of all job titles/levels and the number of staff (in full time equivalents) within each title/level. Provide an organization chart detailing the reporting relationships and number of personnel by level (e.g., manager, professional, clerical) in each organizational unit;
- f. Provide quarterly detailed statistics on operational volumes for the most recent twenty four (24) month period, furnished in an electronic medium acceptable to the State to include at a minimum:
  - 1. Processing statistics by program - Number of labeler invoices by quarter, number of receipts received by quarter, and number of disputes received, number of disputes resolved, and number of disputes worked on by the Contractor.
- g. Retain and turn over dictionaries for all master files and databases;
- h. Provide availability of computer resources during turnover for exporting of data and parallel testing;
- i. Forward any checks and documentation that are received, for a maximum of sixty (60) days after the end of the contract (to an address supplied by the Department, if applicable);
- j. Complete all required reports in the reporting section of this RFP;
- k. Provide the Program with sufficient resources in order to address State audit requests and reports in a timely manner;
- l. Fully cooperate with any authorized Federal and State agency, any law enforcement authorities (including validation personnel or third parties acting on behalf of such entities) and The Office of State Comptroller (OSC) with all audits consistent with State requirements;
- m. Perform timely reviews and responses to audit findings submitted by the DOH and the Comptroller's audit unit in accordance with State requirements; and
- n. Remit any monies due the Department upon final audit determination consistent with State requirements.

### **6.2.19 Proposed Approach - Security Requirements and Deliverables**

As described in section 4.5 of this RFP, provide a completed System Overview document – which is attached to this RFP (Attachment K) – to thoroughly and accurately describe the technical security environments that support the proposed system.

Additionally, prior to the Department permitting release of Departmental data consisting of Medicaid Confidential Data (MCD) or Protected Health Information (PHI) into the vendor system, the selected bidder/vendor shall demonstrate compliance with the Moderate-Plus Security Controls Baseline. Acceptable approaches for achieving this are also described in section 4.5 of this RFP under “Demonstration of Compliance with Moderate-Plus Security Controls Baseline”.

### **6.3 Cost Proposal**

Submit a completed and signed [Attachment B – Cost Proposal](#). The Cost Proposal should comply with the format and content requirements as detailed in this document and in Attachment B. Failure to comply with the format and content requirements may result in disqualification.

The bid price is to cover the cost of furnishing all of the said services, including but not limited to travel, materials, equipment, overhead, profit and labor to the satisfaction of the Department of Health and the performance of all work set forth in said specifications.

Forms FP-1, FP-2 and Form FP-3 should be used to provide the Cost Proposal.

Annual financial proposals and total proposed costs for each of the primary programs (OBRA'90, Supplemental, Diabetic Supply and EPIC) must be developed based on an implementation schedule that involves all primary programs being prepared to go live by the date specified in Section 2.3.

**Form FP-1, Form FP-2 and Form FP-3:** The Bidder should fill out FP-1, FP-2 and FP-3 taking into consideration the following:

**A1. Implementation Fee (FP Form-1)** - Total associated with the initial design, development, testing and implementation for each rebate program prior to full acceptance by the Department. This is a one-time implementation fee per rebate program subject to the following payment terms:

1. One payment for each rebate Program's implementation fee, if applicable, shall be made after the implementation tasks have been completed, reviewed and approved by the State.
2. The Contractor shall be paid the fixed implementation price for each rebate program provided in the resulting contract.
3. The Contractor shall submit a voucher for each implementation fee, payment to the Contractor shall be made after receipt of such voucher that is satisfactory to the Department and the Office of the State Comptroller.

In the event that the Contractor fails to achieve all milestones or furnish all deliverables required, the portion of payment attributable, in the judgment of the State, to the milestones or deliverables for which the Contractor is deficient shall be withheld by the State, in its sole discretion, until such time as the milestones or deliverables are determined by the State to have been properly achieved or furnished.

If the Contractor fails to achieve major implementation milestones or furnish major implementation deliverables as required by the State, the contract may be terminated for non-performance.

**A2. Base Operational Fee (FP Form-1)** – Monthly Fee associated with the daily operation for each rebate program. When determining Base Operational Fee, do not include; 1) postage costs associated with mailing rebate invoices or 2) printing costs for custom/special letters that may be requested by the Department. These costs will be handled as pass through expenses. The Contractor shall be paid based on its monthly base operational fee in the resulting contract subject to the following payment terms:

1. The monthly base operation fee will begin on the contract Go Live date specified in section 2.3.
2. The Contractor is required to guarantee that key and core staff positions be filled within sixty (60) calendar days after vacancy or face financial penalties. This requirement and its effect on the Contractor's compensation is covered in the staffing section of the performance standards included in Attachment G.
3. For years 4 and 5 of this contract, the Contractor's monthly base operational fee for the previous year will be subject to an increase of the lesser of three percent (3%) or the percent increase in the National Consumer Price Index for All Urban Consumers (CPI-U) as published by the United States Bureau of Labor Statistics, Washington, D.C. for the twelve (12) month period ending ninety (90) days prior to the effective date of an increase to the Contractor's monthly base operation fee.

Turnover costs are those costs associated with the turnover of the rebate programs either to the State or to another vendor subject to the following payment terms. There is no separate fee allowed for the Contractor's turnover costs. These costs must be built into the monthly Base Operational Fee.

The Department will pay the Contractor its last monthly base operational fee payment upon completion, to the Department's satisfaction, of all tasks and deliverables required in the Contractor's Department approved turnover plan. Should the Contractor initially fail to provide the services and tasks required of the approved turnover plan, the Department, in its sole discretion, may withhold the monthly base operational payment for the final month of the contract. This amount, minus any amounts owed the Department pursuant to Attachment G Performance Standards will be paid upon State review and determination that all milestones and deliverables relating to the Turnover tasks have been, in the judgment of the State, properly achieved or furnished.

**B. System Change Rate (FP Form-2)** - Should the Department need to make system programming changes to the rebate system to support changes based on new state or federal rebate requirements, the Department shall reimburse the Contractor monthly for approved billed hours at the system change rate as set forth in the resulting contract, for the applicable period. Additional rebate reporting and/or changes to existing reporting formats would not qualify as a system programming change unless it is documented and approved by the State that the change is related to the incorporation of a new rebate program or related to a change based on new state or federal rebate requirements. System hours only apply to State approved system changes subsequent to implementation.

For Years 4 and 5 of the contract, the Contractor's system change rate (for each position) for the previous year will be subject to an increase of the lesser of three percent (3%) or the percent increase in the National Consumer Price Index for All Urban Consumers (CPI-U) as published by the United States Bureau of Labor Statistics, Washington, D.C. for the twelve (12) month period ending ninety (90) days prior to the effective date of an increase to the Contractor's monthly base operation fee.

**C. Contract Term Total Cost (FP Form-3)** - The Bidder should enter their total implementation fee across all program areas as instructed on FP Form-3 as provided.

The Bidder should also enter their total Monthly Base Operation Fees for Year 1 across all programs as instructed on FP Form-3 as provided. This should only reflect the costs of one (1) month of Base Operation Fees for Year 1.

The Bidder should only enter in the Year 1 hourly rate for each position listed on FP Form-2 as instructed on FP-Form 3.

The Bidder's proposed cost will be equal to the "Total Contract Cost" listed on Form FP-3

## **7.0 PROPOSAL SUBMISSION**

A proposal consists of three distinct parts: (1) the Administrative Proposal, (2) the Technical Proposal, and (3) the Cost Proposal.

**The proposal must be received electronically by DOH's email, [Ohipcontracts@health.ny.gov](mailto:Ohipcontracts@health.ny.gov) via separate searchable PDF files, no later than the Deadline for Submission of Proposals specified in Section 1.0 Calendar of Events. Late bids will not be considered.**

NOTE: You should request a receipt containing the time and date received.

Submission of proposals in a manner other than as described in these instructions (e.g., fax) will not be accepted.

### **7.1 No Bid Form**

Bidders choosing not to bid are requested to complete the No-Bid form [Attachment 2](#).

## **8.0 METHOD OF AWARD**

## 8.1 General Information

DOH will evaluate each proposal based on the “Best Value” concept. This means that the proposal that best “optimizes quality, cost, and efficiency among responsive and responsible offerers” shall be selected for award (State Finance Law, Article 11, §163(1)(j)).

DOH at its sole discretion, will determine which proposal(s) best satisfies its requirements. DOH reserves all rights with respect to the award. All proposals deemed to be responsive to the requirements of this procurement will be evaluated and scored for technical qualities and cost. Proposals failing to meet the requirements of this document may be eliminated from consideration. The evaluation process will include separate technical and cost evaluations, and the result of each evaluation shall remain confidential until evaluations have been completed and a selection of the winning proposal is made.

The evaluation process will be conducted in a comprehensive and impartial manner, as set forth herein, by an Evaluation Committee. The Technical Proposal and compliance with other RFP requirements (other than the Cost Proposal) will be weighted **70%** of a proposal’s total score and the information contained in the Cost Proposal will be weighted **30%** of a proposal’s total score.

Bidders may be requested by DOH to clarify the contents of their proposals. Other than to provide such information as may be requested by DOH, no Bidder will be allowed to alter its proposal or add information after the Deadline for Submission of Proposals listed in [Section 1.0](#) (Calendar of Events).

In the event of a tie, the determining factors for award, in descending order, will be:

- (1) lowest cost and
- (2) proposed percentage of MWBE participation.

## 8.2 Submission Review

DOH will examine all proposals that are received in a proper and timely manner to determine if they meet the proposal submission requirements, as described in [Section 6.0](#) (Proposal Content) and [Section 7.0](#) (Proposal Submission), including documentation requested for the Administrative Proposal, as stated in this RFP. Proposals that are materially deficient in meeting the submission requirements or have omitted material documents, in the sole opinion of DOH, may be rejected.

## 8.3 Technical Evaluation

The evaluation process will be conducted in a comprehensive and impartial manner. A Technical Evaluation Committee comprised of program staff of DOH will review and evaluate all proposals.

Proposals will undergo a preliminary evaluation to verify Minimum Qualifications to Propose (Section 3.0).

The Technical Evaluation Committee members will independently score each Technical Proposal that meets the submission requirements of this RFP. The individual Committee Member scores will be averaged to calculate the Technical Score for each responsive Bidder.

The technical evaluation is **70% (up to 70 points)** of the final score.

## 8.4 Cost Evaluation

The Cost Evaluation Committee will examine the Cost Proposal documents. The Cost Proposals will be opened and reviewed for responsiveness to cost requirements. If a cost proposal is found to be non-responsive, that proposal may not receive a cost score and may be eliminated from consideration.

The Cost Proposals will be scored based on a maximum cost score of 30 points. The maximum cost score will be allocated to the proposal with the lowest all-inclusive not-to-exceed maximum price. All other responsive

proposals will receive a proportionate score based on the relation of their Cost Proposal to the proposals offered at the lowest final cost, using this formula:

$$C = (A/B) * 30\%$$

A is Total price of lowest cost proposal;

B is Total price of cost proposal being scored; and

C is the Cost score.

The cost evaluation is **30% (up to 30 points)** of the final score.

## **8.5 Composite Score**

A composite score will be calculated by the DOH by adding the Technical Proposal points and the Cost points awarded. Finalists will be determined based on composite scores.

## **8.6 Interviews**

For all bids, and as part of the bid review process, the Department reserves the right to interview proposed project participants. The purpose of an interview is to allow the evaluators to validate the Bidder's experience and qualifications.

Each Finalist will be notified of the date, place, and time of their interview to be held not earlier than the Interview date designated in **Section 1.0** (Calendar of Events) at the Offices of the Department of Health. The interview should confirm the Bidder's ability to provide the required services. The Bidders, including any key personnel, should be present and participate in the interview. **No new material will be permitted to be introduced during the interview.**

## **8.7 Reference Checks**

The Bidder should submit references using [Attachment 9](#) (References). At the discretion of the Evaluation Committee, references may be checked at any point during the process to verify bidder qualifications to propose (Section 3.0).

## **8.8 Best and Final Offers**

NYSDOH reserves the right to request best and final offers. In the event NYSDOH exercises this right, all bidders that submitted a proposal that are susceptible to award will be asked to provide a best and final offer. Bidders will be informed that should they choose not to submit a best and final offer, the offer submitted with their proposal will be construed as their best and final offer.

## **8.9 Award Recommendation**

The Evaluation Committee will submit a recommendation for award to the Finalist(s) with the highest composite score(s) whose experience and qualifications have been verified.

The Department will notify the awarded Bidder(s) and Bidders not awarded. The awarded Bidder(s) will enter into a written Agreement substantially in accordance with the terms of [Attachment 8](#), DOH Agreement, to provide the required services as specified in this RFP. The resultant contract shall not be binding until fully executed and approved by the New York State Office of the Attorney General and the Office of the State Comptroller.

## **ATTACHMENTS**

The following attachments are included in this RFP and are available via hyperlink or can be found at: <https://www.health.ny.gov/funding/forms/>.

1. [Bidder's Disclosure of Prior Non-Responsibility Determination](#)
2. [No-Bid Form](#)
3. [Vendor Responsibility Attestation](#)
4. [Vendor Assurance of No Conflict of Interest or Detrimental Effect](#)
5. [Guide to New York State DOH M/WBE Required Forms & Forms](#)
6. [Encouraging Use of New York Businesses in Contract Performance](#)
7. [Bidder's Certified Statements](#)
8. [DOH Agreement](#) (Standard Contract)
9. [References](#)
10. [Diversity Practices Questionnaire](#)
11. [Executive Order 177 Prohibiting Contracts with Entities that Support Discrimination](#)

- A. Proposal Document Checklist
- B. Cost Proposal (FP Form 1, FP Form 2, FP Form 3)-*Separate Document*
- C. TP Form 1 - Estimate of Expected Rebate Savings-*Separate Document*
- D. Acronyms
- E. Epic Rebate Agreement 2021
- F. EPIC Quarterly Rebate Cycle Flow Chart
- G. Performance Standards
- H. Rebate, EPIC Pricing Matrix January 2010-*Separate Document*
- I. Rebate Reports and Claims Database
- J. Minimum Staffing Requirements
- K. System Overview-*Separate Document*
- L. Rebate Program Statistics-*Separate Document*

**ATTACHMENT A  
PROPOSAL DOCUMENT CHECKLIST**

Please reference Section 7.0 for the appropriate format and quantities for each proposal submission.

<b>RFP 20085 – Drug and Diabetic Supply Rebate Administration and Management Services</b>		
<b>FOR THE ADMINISTRATIVE PROPOSAL</b>		
<b>RFP §</b>	<b>SUBMISSION</b>	<b>INCLUDED</b>
§ 6.1.A	Attachment 1 – Bidder’s Disclosure of Prior Non-Responsibility Determinations, completed and signed.	<input type="checkbox"/>
§ 6.1.B	Freedom of Information Law – Proposal Redactions (If Applicable)	<input type="checkbox"/>
§ 6.1.C	Attachment 3- Vendor Responsibility Attestation	<input type="checkbox"/>
§ 6.1.E	Attachment 4 - Vendor Assurance of No Conflict of Interest or Detrimental Effect	<input type="checkbox"/>
§ 6.1.f	M/WBE Participation Requirements:	<input type="checkbox"/>
	Attachment 5 Form 1	<input type="checkbox"/>
	Attachment 5 Form 2 (If Applicable)	<input type="checkbox"/>
§ 6.1.g	Attachment 6- Encouraging Use of New York Businesses	<input type="checkbox"/>
§ 6.1.H	Attachment 7 - Bidder’s Certified Statements, completed & signed.	<input type="checkbox"/>
§ 6.1.I	Attachment 9 – References	<input type="checkbox"/>
§ 6.1.J	Attachment 10 - Diversity Practices Questionnaire	<input type="checkbox"/>
§ 6.1.K	Attachment 11 - Executive Order 177 Prohibiting Contracts with Entities that Support Discrimination	<input type="checkbox"/>
<b>FOR THE TECHNICAL PROPOSAL</b>		
<b>RFP §</b>	<b>SUBMISSION</b>	<b>INCLUDED</b>
§ 6.2.A	Title Page	<input type="checkbox"/>
§ 6.2.B	Table of Contents	<input type="checkbox"/>
§ 6.2.C	Documentation of Bidder’s Eligibility (Requirement)	<input type="checkbox"/>
§ 6.2.D	Technical Proposal Narrative	<input type="checkbox"/>
§ 6.2.E	Attachment C-Proposed Rebate Savings Form	<input type="checkbox"/>
§ 6.2.F	Attachment K-System Overview	<input type="checkbox"/>
<b>FOR THE COST PROPOSAL REQUIREMENT</b>		
<b>RFP §</b>	<b>REQUIREMENT</b>	<b>INCLUDED</b>
§ 6.3	Attachment B- Cost Proposal	<input type="checkbox"/>

**Attachment D**  
**NYS Drug and Diabetic Supply Rebate Administration and Management Services**

**Acronyms**

<b>CMS</b>	The Federal Centers for Medicare & Medicaid
<b>CPI-U</b>	The National Consumer Price Index for All Urban Consumers (CPI-U) as published by the United States Bureau of Labor Statistics, Washington, D.C.
<b>DHHS</b>	The federal Department of Health and Human Services
<b>EFT</b>	Electronic Funds Transfer
<b>EPIC</b>	Elderly Pharmaceutical Insurance Coverage Program
<b>ETIN</b>	Electronic Transmitter Identification Number
<b>FFS</b>	Fee-for-Service
<b>GNUP</b>	Guaranteed Net Unit Price
<b>Go Live Date</b>	Date that systems and operations are implemented and fully functional
<b>HCPCS</b>	Healthcare Common Procedure Coding System
<b>IVR</b>	Interactive Voice Response
<b>LIS</b>	Federal Low Income Subsidy
<b>MDW</b>	Medicaid Data Warehouse
<b>MWBE</b>	Minority/Women-owned Business Enterprise
<b>NDC</b>	National Drug Code
<b>NMPI</b>	National Medicaid Pooling Initiative
<b>NYPS</b>	New York Prescription Saver Card Program
<b>OAG</b>	NYS Office of the Attorney General
<b>OBRA 90</b>	Federal Omnibus Budget Reconciliation Act of 1990
<b>OHIP</b>	NYS Office of Health Insurance Programs
<b>OMIG</b>	NYS Office of Medicaid Inspector General
<b>OSC</b>	NYS Office of the State Comptroller
<b>PART D</b>	Federal Medicare Prescription Drug Benefit
<b>PDP</b>	Preferred Drug Program
<b>PDSP</b>	Preferred Diabetic Supply Program
<b>PHL</b>	NYS Public Health Law
<b>POS</b>	Point-of-Sale
<b>PQA</b>	Prior Quarter Adjustments
<b>RFP</b>	Request for Proposals
<b>ROSI</b>	Reconciliation of State Invoices
<b>THE DEPARTMENT</b>	The New York State Department of Health
<b>THE STATE</b>	New York State
<b>UPN</b>	Universal Product Code



**Attachment E  
EPIC Rebate Agreement 2021**

REBATE AGREEMENT  
Between

The New York State

Elderly Pharmaceutical Insurance Coverage (“EPIC”) Program

and

Manufacturer Name, Labeler Code xxxxx

This Agreement is made on \_\_\_\_\_ by and between The People of the State of New York, acting by and through the Program for Elderly Pharmaceutical Insurance Coverage having its principal office at 99 Washington Avenue, One Commerce Plaza – Room 720, Albany, New York 12210 (herein referred to as “EPIC”) and Manufacturer Name, Labeler Code xxxxx, at \_\_\_\_\_ (hereinafter referred to as “Manufacturer”), and shall be interpreted pursuant to the laws of the State of New York. The 7-page 'Letter of Agreement' attached hereto, containing substantive terms and conditions of this EPIC REBATE AGREEMENT, is hereby incorporated into this AGREEMENT and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the dates appearing under their signatures.

AGREED ON BY MANUFACTURER:

STATE AGENCY SIGNATURES:

By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Print Name

By: \_\_\_\_\_  
Amir Bassiri,  
Deputy Medicaid Director  
Office of Health Insurance Programs  
New York State Department of Health

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Labeler Code: \_\_\_\_\_ xxxxx \_\_\_\_\_

State Agency Certification:

Federal ID No. \_\_\_\_\_

“In addition to the acceptance of this contract, I also certify that original copies of this signature page will be attached to all other exact copies of this contract.

Manufacturer Name

NYS Comptroller’s No: \_\_\_\_\_

NYS Contract No.: \_\_\_\_\_



## LETTER OF AGREEMENT

**LABELER CODE:** xxxxx

**MANUFACTURER NAME:** Manufacturer Name

**WHEREAS**, Article II, Title 3, Section 250, Subdivision 3 of the New York State Elder Law authorizes drug rebates for the EPIC program; and

**WHEREAS**, EPIC desires to implement a rebate agreement intended to decrease the cost of EPIC covered drugs; and

**WHEREAS**, EPIC agrees to make payments for drugs of the manufacturer utilized by EPIC enrollees; and

**WHEREAS**, the Manufacturer agrees to provide to EPIC a rebate for such utilized drugs;

**NOW, THEREFORE**, for and in consideration of mutual promises and covenants herein set forth, the parties agree as follows:

### I. DEFINITIONS

*Terms used in this Agreement shall have the same meaning as defined in the Secretary of Health and Human Services' manufacturer rebate agreement pursuant to Section 1927 of the Social Security Act (42 U.S.C.A, 1396 r-8), and shall include any amendments thereto and any future amendments in federal or state law or regulation that may be made from time to time, except as otherwise expressly provided herein:*

- (a) "Covered Outpatient Drug" and "Covered Drug", as such term is defined in Section 241, subdivision 1 of the New York State Elder Law, have the same meaning for purposes of this agreement and mean a drug dispensed subject to a legally authorized prescription pursuant to Section 6810 of the New York State Education Law, and insulin, insulin syringes and insulin needles but shall not include any drug determined by the commissioner of the Federal Food and Drug Administration to be ineffective or unsafe.
- (b) "EPIC Utilization Information," means the information on the total number of units of each dosage form and strength of the Manufacturer's Covered Outpatient Drugs for which claims were approved and processed during a quarter under the New York State EPIC Program. This information is based on claims approved and processed by EPIC during a calendar quarter and not drugs that were dispensed during a calendar quarter (except it shall not include drugs dispensed prior to April 1, 1991). EPIC Utilization Information will include at a minimum for each product code, package size and unit of measure, the total number of claims, total allowed charges and total units dispensed. EPIC may, at its option, compute the total rebate
- (c) anticipated, based on its own records, but it shall remain the responsibility of the Manufacturer to correctly calculate the rebate amount.

## II. MANUFACTURER'S RESPONSIBILITIES

In order for EPIC to authorize that a participating provider pharmacy receives payment for the Manufacturer's drugs under Elder Law Section 250, the Manufacturer agrees to the following:

- (a) Within thirty (30) days of the end of each calendar quarter, the Manufacturer will provide EPIC with an identical copy of the data required for all Covered Outpatient Drugs by the Centers for Medicare and Medicaid Services for the Medicaid drug rebate program pursuant to Section 1927 of the Social Security Act (42 U.S.C.A, 1396 r-8). For the initial data submission following execution of this Agreement, the manufacturer will provide EPIC with the Baseline Average Manufacturer Price (Baseline AMP) for all single source and innovator multiple source Covered Outpatient Drugs.

Data provided to EPIC by the Manufacturer shall contain the identical data elements, definitions, and specifications as the data required by the Centers for Medicare and Medicaid Services for the Medicaid drug rebate program pursuant to Section 1927 of the Social Security Act (42 U.S.C.A, 1396 r-8), and shall include any amendments thereto and any future amendments in federal or state law or regulation that may be made from time to time.

Manufacturers submitting data for six or more drug products agree to submit the data via diskette or electronic data interchange (EDI) in a format acceptable to EPIC. Manufacturers submitting data for five or fewer drug products may report the data via diskette, EDI or paper.

***Manufacturers failing to submit required data in the agreed upon format within fifteen days of the due date without good cause as determined by EPIC shall be liable for a civil penalty amounting to the lesser of: \$1,000 for each day thereafter until the data is received by EPIC in the agreed upon format, or 2% of the rebate due for the quarter to which the data pertains.***

- (b) The manufacturer shall calculate and, except as provided under Section IV (b) of this Agreement, make a timely rebate payment to EPIC for the Manufacturer's Covered Outpatient Drugs which have been approved and processed pursuant to the EPIC Program during the preceding quarter and which have been dispensed on or after the effective date of this Agreement, and for which a formula for calculating rebates is provided under subdivision (c) of Section 1927 of the Federal Social Security Act, including any amendments thereto and any future amendments in federal or state law or regulations that may be made from time to time affecting such rebate formula. The amount of rebate shall be calculated by multiplying the required rebate formulas by the total number of units of each dosage form and strength dispensed. The Manufacturer shall utilize the following formulas to determine the amount of rebate payment due EPIC:

For all rebate periods and Covered Outpatient Drugs, the Manufacturer shall utilize the identical formula to determine the amount of basic rebate payment due to EPIC as used to determine the basic rebate pursuant to subdivision (c) of Section 1927 of the Federal Social Security Act, including any amendments thereto and any future amendments in federal or state law or regulations that may be made from time to time affecting such basic rebate calculation.

***The manufacturer agrees that the total rebate owed to EPIC shall consist of the basic rebate pursuant to this paragraph increased by an additional rebate which shall be calculated as follows:***

- (i) ***For all covered drugs and rebate periods beginning after September 30, 2000 and ending before April 1, 2002 –***

***1) For each quarter for which a rebate is to be paid, the Average Manufacturer Price for each dosage form and strength of a covered drug shall be compared to the Average Manufacturer Price for the same drug for the Base Quarter and a percentage increase shall be calculated. The Base Quarter shall be the calendar quarter beginning October 1, 1998. 2) For each quarter for which a rebate is to be paid, the Consumer Price Index for All Urban Consumers for the month before the rebate quarter shall be compared to The Consumer Price Index For All Urban Consumers for the Base CPI Month and a***

*percentage increase shall be calculated. The Base CPI Month shall be September 1998. 3) If the calculation under 1 is greater than the calculation under 2, the additional rebate amount per unit for each quarter shall be equal to the product of the difference between the calculations under 1 and 2, multiplied by the Average Manufacturer Price for the Base Quarter. If the calculation under 1 is not greater than the calculation under 2, the additional rebate amount per unit for each quarter shall be zero.*

*For new covered drugs approved by the Food and Drug Administration after the first day of the Base Quarter, the additional rebate shall be applied by substituting “the calendar quarter after the day on which the drug was first marketed” for “the Base Quarter” and “the month prior to the first month of the first full calendar quarter after the day on which the drug first marketed” for “the Base CPI Month”.*

**(ii) For rebate periods beginning after March 31, 2002 –**

For each quarter for which a rebate is to be paid, the Manufacturer shall utilize the identical formula to determine the amount of additional rebate payment due to EPIC for single source and innovator multiple source drugs as used to determine the amount of additional rebate for single source and innovator multiple source drugs pursuant to subdivision (c) of Section 1927 of the Federal Social Security Act, including any amendments thereto and any future amendments in federal or state law or regulations that may be made from time to time affecting such additional rebate calculation.

- (c) The Manufacturer certifies that Average Manufacturer Price (AMP), Best Price and Baseline AMP data reported to EPIC are identical to the data reported to the Centers for Medicare and Medicaid Services under Section 1927 of the Federal Social Security Act, if the Manufacturer is required to report such data to the Centers for Medicare and Medicaid Services.

Upon written request from EPIC, the Manufacturer agrees to provide detailed documentation to verify the accuracy of the AMP and Best Price data reported to EPIC. Such requests shall be made by EPIC in instances such as where there are significant or unusual changes in AMP or Best Price.

- (d) Except as provided under Section IV (b), the Manufacturer agrees to make such rebate payments within 30 days after receiving from EPIC the EPIC Utilization Information.

Rebate payments which are not made by the due date as required in this Section and Section IV(c) shall be subject to an interest charge calculated at a rate of 10 percent per annum.

- (e) The Manufacturer shall continue to make rebate payments to EPIC on all of its Covered Outpatient Drugs for the duration of this Agreement and EPIC Utilization Information reports that payment was made for that drug so long as such Covered Outpatient Drug was dispensed under the Manufacturer's NDC number, regardless of whether the Manufacturer continues to market that drug. If no sales are reported by the Manufacturer during a quarter, the AMP and Best Price last reported shall be used in calculating rebates.

### III. EPIC'S RESPONSIBILITIES

- (a) EPIC each quarter must promptly notify pharmacies of those Manufacturers that have entered into a rebate agreement. EPIC must also promptly notify pharmacies regarding any changes to the list of Covered Outpatient Drugs.
- (b) EPIC will report EPIC's Utilization Information to the Manufacturer, within 60 days of the last day of each quarter subsequent to the effective date of this Agreement, and in a manner prescribed by EPIC. If EPIC does not submit a rebate invoice to the manufacturer within one year after the rebate period ends, the manufacturer is not required to pay a rebate on drugs approved and processed during that rebate period.

- (c) EPIC shall maintain electronic claim records for the most recent four quarters that will assist the Manufacturer in verifying the utilization information provided by EPIC. EPIC reserves the right to charge the Manufacturer an amount sufficient to cover the costs of providing such data.

#### IV. DISPUTE RESOLUTION

- (a) In the event that for any quarter a discrepancy in EPIC Utilization Information or payment is alleged by either party to this Agreement, the party must provide written notice of the discrepancy, by NDC number, to the other party. Discrepancies in utilization data must be reported to EPIC prior to the due date for payment of rebate for that quarter. Discrepancies in payments must be reported to the Manufacturer within 45 days following the due date for that payment.
- (b) If the Manufacturer in good faith disputes EPIC's Utilization Information, the Manufacturer shall pay EPIC that portion of the rebate amount claimed which is not disputed no later than the date of payment of the rebate for the quarter as prescribed in Section II(d) of this Agreement. If the dispute is resolved after negotiation, the balance due, if any, will be paid or credited by the Manufacturer or the State by the due date of the next quarterly payment as required in Section II(d) of this Agreement.
- (c) EPIC and the Manufacturer will use their best efforts to resolve any disputes within 60 days of receipt of the written notice of discrepancy. In the event that EPIC and the Manufacturer are not able to resolve a dispute within 60 days, EPIC shall appoint an administrative law judge who shall review written submissions by both parties and make a written finding thereon. Both EPIC and the Manufacturer shall implement this finding unless within 30 days the matter is brought before a court of competent jurisdiction.
- (d) Appropriate adjustments to rebate payments will be made no later than 30 days following the finding of the administrative law judge.
- (e) The Manufacturer has the right to audit EPIC utilization data using mutually agreeable audit procedures. Quarterly EPIC utilization data sorted by zip code of the dispensing pharmacies will be made available on demand for those Manufacturer's drugs which are among the top 300 most commonly used drugs. EPIC reserves the right to charge the Manufacturer an amount sufficient to cover the costs of providing such zip code specific information. The Manufacturer has the right of access to EPIC audit findings with respect to pharmacy purchasing of their products when such utilization information is under dispute.

#### V. CONFIDENTIALITY PROVISIONS

- (a) Information disclosed by the Manufacturer in connection with this Agreement is confidential and will not be disclosed, except as required by State and Federal law.
- (b) The Manufacturer will maintain the confidentiality of EPIC Utilization Information and use such information only for purposes approved by EPIC, as in furtherance of Elder Law, Article II, Title 3. If the Manufacturer audits this information or receives additional information on such data, that information shall also be held confidential. The Manufacturer agrees to abide by applicable State confidentiality statutes, regulations and other properly promulgated policy.
- (c) Notwithstanding the non-renewal or termination of this Agreement for any reason, these confidentiality provisions will remain in full force and effect.
- (d) The Manufacturer hereby applies to EPIC for an exception to the disclosure of information under Public Officers Law, Article 6 (Freedom of Information) concerning information supplied by the Manufacturer for the determination of rebate amounts under this Agreement. The exceptions applied for are Public Officers Law Sections 87.2(c) and (d). The information if disclosed by EPIC would impair contract awards and cause substantial injury to the competitive position of the Manufacturer.
- (e) Both parties hereto shall inform and train, if necessary, its respective employees, agents, advisors, consultants and officials regarding the confidential nature of such data and shall cause such persons (including any board or committee) to keep such data and information confidential.

## VI. NON-RENEWAL AND TERMINATION

- (a) This Agreement shall be effective for an initial period of one year from the date noted on Page 1 of the Agreement and shall automatically be renewed for additional terms of one year, unless the Manufacturer or EPIC gives written notice of intent not to renew the Agreement at least 90 days before the end of the contract period.
- (b) The Manufacturer may terminate the Agreement for any reason upon no less than 60 days prior written notice of the termination. Termination shall become effective the earlier of the first day of the next calendar quarter following the Manufacturer's 60 day prior notice of termination, or the ending date of the term of the Agreement if notice has been given, in accordance with Section VII(a).
- (c) EPIC may terminate the Agreement for violations of this Agreement or other good cause upon 60 days prior written notice.
- (d) If this rebate Agreement is not renewed or is terminated, EPIC and the Manufacturer agree not to enter into another rebate Agreement until a period of one calendar quarter has elapsed from the effective date of the termination, unless EPIC finds good cause for earlier reinstatement.

## VII. GENERAL PROVISIONS

- (a) Notice and reports to the Manufacturer will be sent to the address as provided with this Agreement and updated upon Manufacturer notification to EPIC.

Notice and Reports to EPIC will be sent to:

Director  
NYS Elderly Pharmaceutical Insurance Coverage (EPIC) Program  
P.O. Box 15092  
Albany, NY 12212-5092

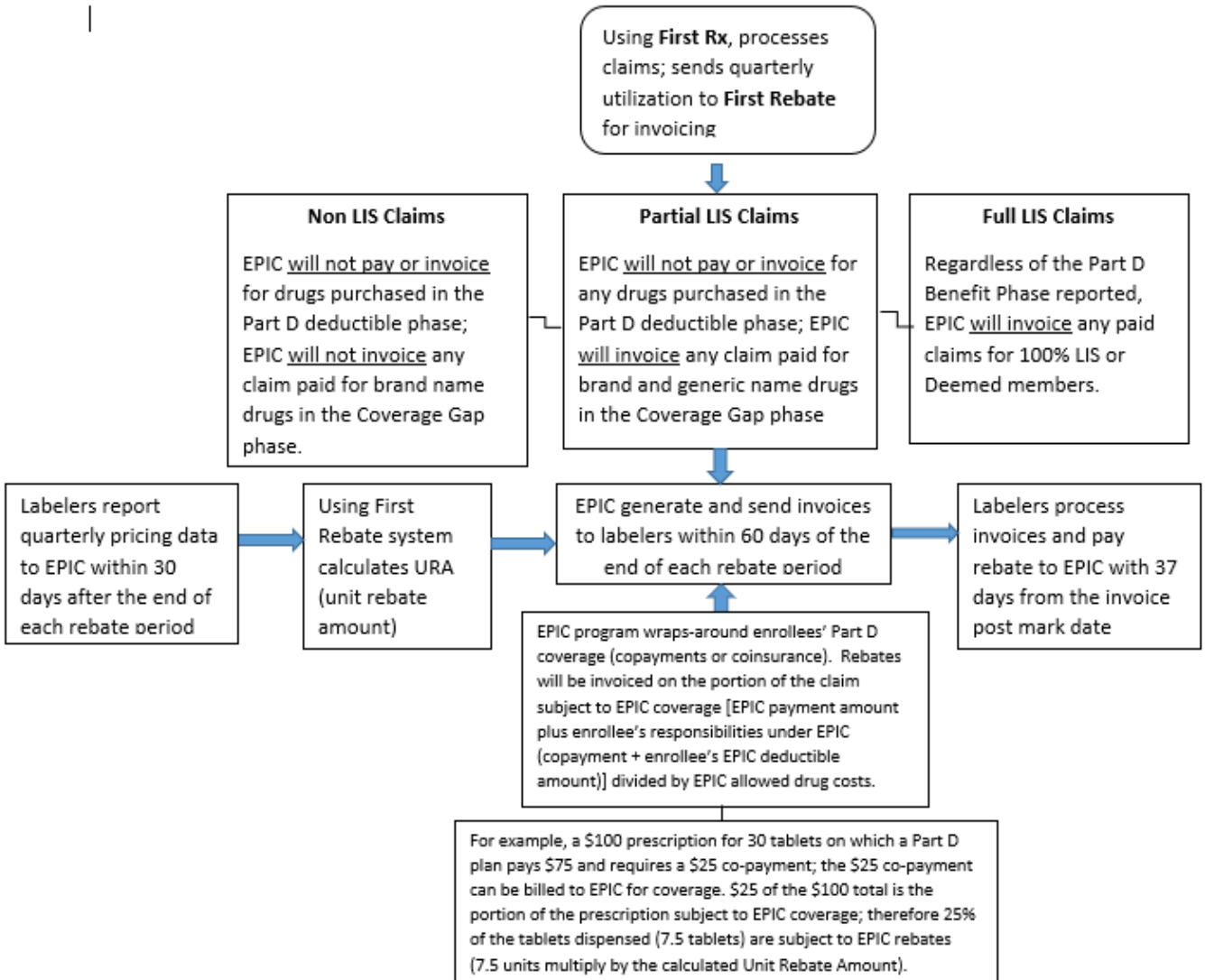
- (b) In the event of a transfer in ownership of the Manufacturer, the Manufacturer shall assign its rights and responsibilities under this Agreement to the new owner, subject to the conditions specified in Section 2 of Appendix A.
- (c) Nothing in this Agreement will be construed to require or authorize the commission of any act contrary to law. If any provision of this Agreement is found to be invalid by a court of law, this Agreement will be construed in all respects as if any invalid or unenforceable provision was eliminated, and without any effect on any other provision.
- (d) Nothing in this Agreement shall be construed as a waiver or relinquishment of any legal rights of the Manufacturer or EPIC under the Constitution, the Social Security Act, other Federal law, or State law.
- (e) Any ambiguities in this Agreement shall be interpreted in the manner which best effectuates the statutory scheme.
- (f) This Agreement may be amended in writing subject to approval by the New York State Comptroller.
- (g) In the event that a due date falls on a weekend, federal or state holiday, the report or other items will be due on the first business day following that weekend, federal or state holiday.
- (h) The Manufacturer must submit changes to AMP or Best Price within three years after the quarter to which the data pertains. EPIC must submit changes to utilization within three years after the quarter to which the data pertains. Adjustments arising from fraud shall not be subject to this limitation.

VIII. APPENDIX

Appendix A is attached hereto and is made part of this Agreement. The Appendix A, "Standard Clauses for all New York State Contracts," supersedes any and all prior versions thereof heretofore applicable to this Agreement. If there is a conflict between Appendix A and any terms and conditions in the contract, then Appendix A will supersede these provisions.



**Attachment F**  
**EPIC Quarterly Rebate Cycle Flow Chart**



**Attachment G**  
**Performance Standards**

**Drug and Diabetic Supply Rebate Administration and Management Program-**

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**PERFORMANCE STANDARDS**

**A. CONTRACTOR PERFORMANCE REQUIREMENTS**

The contractor must at all times comply with all operational performance requirements and expectations specified in this RFP.

Notwithstanding anything to the contrary, the contractor must warrant that the programs and functions must meet all requirements of this RFP and must be fully operational by the Go Live date. The contractor further warrants that it shall meet all performance requirements listed in this RFP during the term of this contract.

The contractor must at all times administer the rebate programs and perform its activities in conformity with the policies and procedures of the programs. All requirements described in this RFP are subject to monitoring by the Department. The Department reserves the right to monitor performance at any time and may exercise such option, at its discretion, without notice. In the event of a failure to meet the performance requirements, the contractor agrees that the Department may assess and withhold from payments due its actual damages for the losses set forth below and as assessed at the Department's discretion.

Amounts due to the Department from assessment of damages shall be deducted from any money payable to the contractor pursuant to this contract.

**A.1 PERFORMANCE STANDARDS AND DAMAGES**

It is expressly agreed by the Department and the contractor that, in the event of a failure to meet the performance requirements listed below, damage shall be sustained by the State, and the contractor shall pay the State its actual damages according to the following subsections.

The contractor shall submit a Rebate Programs Performance Standards Report that details the contractor's compliance with all of the Performance Standards outlined in Section 4.4, 30 days after the end of the appropriate reporting period, specified as either monthly or quarterly.

### **A.1.1 Rebate Accuracy - Requirement**

All transactions made for the rebate programs must be made in accordance with the methodology and policies of NYS. The contractor must notify the Department immediately upon discovery of any errors irrespective of cause.

### **A.1.2. Rebate Accuracy – Damages**

The contractor is liable for the actual amount of all contractor caused miscalculations, failure to address past due accounts receivables adequately, and incorrectly invoicing rebates. Contractor-caused incorrect invoicing may result from either the contractor's failure to utilize available information or by a failure to process the data or transactions correctly.

The contractor must notify appropriate Department staff when a data or data quality issue has been discovered by itself or another third party, describing the nature of the defect and the columns, tables and data elements impacted and the extent of the errors including monetary estimates. At the direction of the Department, the contractor must notify affected parties in accordance with procedures outlined in a corrective action plan. The contractor is liable for the actual amount of the contractor caused error that is not recovered. The actual amount of the outstanding liability may be deducted from contractor payments. This responsibility shall apply to all outstanding liabilities caused by contractor negligence, system failure or other causes.

## **A.2 OPERATIONAL PERFORMANCE STANDARDS**

Operational Performance standards play an important role in defining and managing the relationship between the contractor and the Department. Operational Performance standards define the Department's service requirements and expectations regarding how the contractor will meet these requirements. A successfully implemented service level management discipline ensures that systems function smoothly while fulfilling the business needs of stakeholders.

This section presents the following areas and their associated operational performance standards including calculation of damages:

1. System Availability;
2. Customer Service; and
3. Rebates.

The Operational Performance Standards are not subject to a maximum cap in damages on an individual performance standard nor in aggregate unless specified.

**A.2.1. System Availability**

<b>System Availability</b>				
Requirements Category	Program(s)	Description	Specifications	Damages
<p><b>A.2.1.a</b> Online Rebate and Reporting System Availability</p>	<p>All</p>	<p>The contractor guarantees that the online rebate processing system including its reporting system be available at least ninety-nine and five-tenths percent (99.5%) of the time, excluding periods of scheduled down time which shall be reported in advance to DOH and kept to a minimum, based on a 24 hours a day, 7 days a week availability.</p> <p>The standard is calculated and reported on a <b>monthly</b> basis.</p>	<p><b><u>Access Hours:</u></b> Accessible by Department staff between 7 am – 6 pm ET, 5 days/week (Monday – Friday).</p> <p>Online rebate processing system availability requirement is ninety-nine and five-tenths percent (99.5%).</p>	<p>For each .01 to .25% below the standard of ninety-nine and five-tenths percent (99.5%) that the contractor's online rebate processing system including its reporting system based on access hours availability, and calculated on a <b>monthly</b> basis, excluding periods of scheduled down time, which shall be reported in advance to DOH and kept to a minimum, is not available, the contractor shall credit against the Program's administrative fee the amount of \$10,000 (\$5000 for the online rebate system and \$5000 for the reporting system).</p> <p>Maximum damages per month will be \$25,000.</p>

## A.2.2 Customer Service

Customer Service				
Requirements Category	Program(s)	Description	Specifications	Damages
<b>A.2.2.a</b> Correspondence both hardcopy and electronic	All	The contractor guarantees at least ninety-eight percent (98%) of all written correspondence including email or any other electronic messaging, must be responded to within five (5) business days. Turnaround time shall be measured from the date the correspondence is received to the date the correspondence is received by the mailing agent or transmitted. The standard is calculated and reported on a <b>monthly</b> basis.	<p><b>Timeliness:</b> Ninety-eight percent (98%) of all written correspondence, including email or any other electronic messaging, must be responded to within five (5) business days of receipt.</p> <p>For example, correspondence received on 8/3/2015 (Monday), with the response received by the mailing agent or transmitted on 8/10/2015 (Monday) will have been turned around in five (5) business days.</p>	<p>For each .01 to .50% below the ninety-eight percent (98%), five (5) business day for response time, calculated on a <b>monthly</b> basis, the contractor shall credit against the Program's administrative fees the amount of \$2,000 for each of the standards not met.</p> <p>Maximum damages per month will be \$20,000.</p>
Correspondence both hardcopy and electronic	All	The contractor guarantees that one hundred percent (100%) of all written correspondence (inquiries) including email or any other electronic messaging, must be responded to within ten (10) business days. Turnaround time shall be measured from the date the correspondence is received to the date the correspondence is received by the mailing agent or transmitted. The standard is calculated and reported on a <b>monthly</b> basis.	<p>One hundred percent (100%) of all written correspondence (inquiries) including email or any other electronic messaging, must be responded to within ten (10) business days of receipt of the correspondence by the contractor.</p> <p>For example, correspondence received on 8/3/2015 (Monday), with the response received by the mailing agent or transmitted on 8/17/2015 (Monday) will have been turned around in ten (10) business days.</p>	<p>For each .01 to .50% below the hundred percent (100%), ten (10) business day for response time, calculated on a monthly basis, the contractor shall credit against the Program's administrative fees the amount of \$2,000 for each of the standards not met.</p> <p>Maximum damages per month will be \$20,000.</p>

## Rebates

Rebates				
Requirements Category	Program(s)	Description	Specifications	Damages
<b>A.2.3.a</b> Rebates – Invoicing Timeliness	All	<p>The contractor guarantees that one hundred (100%) percent of the drug rebate invoices must be mailed or transmitted within sixty (60) calendar days after the end of each <b>quarterly</b> rebate period for each program (Medicaid OBRA, Medicaid Supplemental Drug, EPIC and Diabetic Supply).</p> <p>Paper invoices and electronic invoices should have postmark or transmission date within sixty (60) calendar days after the end of each quarter. The standard is calculated and reported on a <b>quarterly</b> basis.</p>	<p>Mail or transmit drug rebate invoices no later than sixty (60) calendar days after the end of the quarterly rebate period.</p> <p>For example, for the first Quarter of 2015 ended 3/31/2015, paper invoices should be mailed and electronic invoices will be transmitted to manufacturers on or before 5/29/2015 (Friday).</p>	<p>For each quarter, and for each program (Medicaid OBRA, Medicaid Supplemental Drug, EPIC and Diabetic Supply) in which one hundred percent (100%) of the drug rebate invoices are not mailed or transmitted within sixty (60) calendar days after the end of each <b>quarterly</b> rebate period, the contractor shall credit against the Program's administrative fee the amount of \$5,000 for each calendar day beyond the sixty (60) days, up to and including the day that one hundred percent (100%) of the quarterly invoices are mailed or transmitted.</p>
<b>A.2.3.b</b> Rebates – Pricing Data- Timeliness	EPIC	<p>The Contractor guarantees that it will contact all contracted EPIC manufacturer labelers who have not submitted the required <b>quarterly</b> price data, within thirty eight (38) calendar days after the end of the calendar quarter (ie. 1<sup>st</sup> notice).</p> <p>A second notice must be sent to all manufacturer labelers who have not submitted the required quarterly price data, within two (2) business days after the production of the final quarterly invoice.</p> <p>The standard is calculated and reported on a <b>quarterly</b> basis.</p>	<p>Generate and send a notice to all EPIC manufacturer labelers that did not submit the required quarterly price data within the specified time periods.</p> <p>For example, for the first Quarter of 2015 ended 3/31/2015, first notices should be sent to manufacturers by 5/8/2015.</p>	<p>For each EPIC manufacturer labeler not contacted within the required turnaround time for the 1<sup>st</sup> notices, the contractor shall credit against the applicable Program's administrative fee the amount of \$200.</p> <p>For each EPIC manufacturer labeler not contacted within the required turnaround time for 2<sup>nd</sup> notices, the contractor shall credit against the applicable Program's administrative fee the amount of \$200</p>

**Rebates continued**

Requirements Category	Program(s)	Description	Specifications	Damages
<p><b>A.2.3.c</b> Rebates – Price Submissions</p>	<p>EPIC</p>	<p>The contractor guarantees to load and/or data enter EPIC price submissions (conforming to the required format specifications) into the rebate system within one (1) business day from the date of receipt by the contractor. The standard is calculated and reported on a <b>monthly</b> basis.</p>	<p>Load and/or data enter required EPIC price submissions within one (1) business day from the date of receipt.</p> <p>For example, pricing data received on 7/10/15 (Friday) and loaded into the rebate system by 7/13/15 (Monday), will have been processed within one (1) day of receipt.</p>	<p>For each EPIC pricing submission (conforming to the format specifications) not entered into the rebate system within one (1) business day from the date of receipt by the contractor, the contractor shall credit against the Program’s administrative fee the amount of \$200.</p>
<p><b>A.2.3.d</b> Rebates – Timeliness of Providing Claims Level Detail</p>	<p>All</p>	<p>The contractor guarantees to provide claims detail data to manufacturer labelers in a state approved format within seven (7) business days of the request by the state or a labeler. The standard is calculated and reported on a <b>monthly</b> basis.</p>	<p>The contractor shall provide claims detail data to manufacturer labelers in a state approved format within seven (7) business days of the request by the state or a labeler.</p> <p>For example, if a request is received by the contractor on 7/7/15 (Tuesday), and the claims detail data is sent on 7/16/15 (Thursday), it will have been turned around in seven (7) business days.</p>	<p>For each claim detail file not sent out by the contractor in the state approved format within seven (7) business days of the request by the state or a labeler, the contractor shall credit against the Program’s administrative fee the amount of \$500 per day for each business day past the seven (7) business day standard.</p>
<p><b>A.2.3.e</b> Accuracy of Drug Rebate Invoices</p>	<p>All</p>	<p>The contractor guarantees to produce invoices at a one hundred (100%) accuracy rate. The standard is calculated and reported on a <b>quarterly</b> basis.</p>	<p>Both the measurement methodology and measurement results must be approved in writing by DOH. All costs incurred for correcting and reissuing invoices found to contain material inaccuracies, as determined by DOH, will be the sole responsibility of the contractor.</p>	<p>For each <b>quarter</b> in which drug rebate invoices do not meet the one hundred percent (100%) accuracy rate, the contractor will pay \$20,000 for each .1% to 1.0% in which the contractor’s accuracy rate falls below one hundred (100%) as measured by the contractor utilizing a statistically valid measurement methodology.</p> <p>Maximum damages per month will be \$60,000.</p>

**Rebates continued**

Requirements Category	Program(s)	Description	Specifications	Damages
<p><b>A.2.3.f</b> Accounts Receivable - Rebates</p>	<p>All</p>	<p>The contractor guarantees to maintain and maximize the rate of drug rebate accounts receivable collection within 60, 90, and 180 days of invoicing for each program (Medicaid OBRA, Medicaid Supplemental Drug, EPIC and Diabetic Supply). The standard is calculated and reported on a <b>quarterly</b> basis</p>	<p>Maintain and maximize accounts receivable collection rates at 60, 90, and 180 days from the date each quarterly invoice is transmitted. The minimum standard for accounts receivable collection rates are as follows:</p> <p>60 days: 90% of invoiced amount collected</p> <p>90 days: 92% of invoiced amount collected</p> <p>180 days: 95% of invoiced amount collected</p>	<p>The calculation of the rate of total amount of rebates collected to total amount of rebates invoiced for each quarter is as follows:</p> <p>Total rebates received for the invoiced quarter divided by Total Rebates invoiced for the quarter</p> <p>For each quarter and for each program (Medicaid OBRA, Medicaid Supplemental Drug, EPIC and Diabetic Supply) in which the percentage of total amount of rebates collected to total amount of rebates invoiced do not meet the minimum standard, the contractor will pay \$5,000 for each .1% to 1.0% in which the collection rate falls below the standard as measured by the contractor and subject to review and approval by DOH.</p> <p>Maximum damages per quarter are \$360,000 with individual program limits as follows:</p> <p>60 days: \$50,000 90 days: \$25,000 180 days: \$15,000</p>



**Rebates continued**

Requirements Category	Program(s)	Description	Specifications	Damages
<p><b>A.2.3.g</b> Rebates – Timeliness of Receipt processing</p>	<p>All</p>	<p>The contractor guarantees that at least ninety-seven percent (97%) of the time that payments will be posted within three (3) business days of receipt and one hundred percent (100%) posted within seven (7) business days of receipt. The standard is calculated and reported on a <b>monthly</b> basis.</p>	<p>Ninety-seven percent (97%) of rebate payments must be posted within three (3) business days of receipt and one hundred percent (100%) must be posted within seven (7) business days of receipt.</p> <p>For example, checks received on Monday and posted by Wednesday will have been posted in two (2) business days. Checks received on Friday and posted on the following Wednesday will have been posted in three (3) business days.</p>	<p>For each <b>month</b> in which ninety-seven percent (97%) of rebate payments are not posted within three (3) business days of receipt and one hundred percent (100%) of rebate payments are not posted within seven (7) business days, the contractor will pay damages of \$5,000.</p>
<p><b>A.2.3.h</b> Drug Rebate Reporting</p>	<p>All</p>	<p>The contractor guarantees to provide accurate financial reporting to DOH according to the timeframe(s) mutually agreed upon. The standard is calculated and reported on a <b>monthly</b> basis.</p>	<p>Provide to DOH accurate financial reporting under the timeframe(s) mutually agreed upon and as referenced in section 3.2.8 of the RFP.</p>	<p>The contractor will pay \$200 per business day for which accurate financial reporting has not been provided to DOH according to the timeframe(s) mutually agreed upon.</p>
<p><b>A.2.3.i</b> Outbound files</p>	<p>All</p>	<p>The contractor guarantees to process and send outbound files according to the schedule and timeframe(s) mutually agreed upon. The standard is calculated and reported on a <b>monthly</b> basis.</p>	<p>Process and send outbound files at a frequency as defined by the Department and as referenced in section 3.2.11 of the RFP.</p>	<p>The contractor will pay \$500 for each outbound file that has not been processed and sent according to the schedule and timeframe(s) mutually agreed upon.</p>

**Rebates continued**

Requirements Category	Program(s)	Description	Specifications	Damages
<p><b>A.2.3.j</b> Labeler Applications</p>	<p>EPIC</p>	<p>The contractor guarantees that ninety-eight percent (98%) of all complete and error free labeler applications (labeler applications that are complete and do not require follow up for processing) will be processed and sent to DOH within two (2) business days of receipt.</p> <p>The contractor guarantees that one hundred percent (100%) of all error free labeler applications will be processed and sent to DOH within five (5) business days of receipt.</p> <p>The contractor guarantees that one hundred percent (100%) of all labeler applications that are not error free or complete will be processed within two (2) business days of receipt of the requested information.</p> <p>The standard is calculated and reported on a <b>monthly</b> basis.</p>	<p>Process to completion ninety-eight percent (98%) of all error free and complete labeler applications within two (2) business days of receipt.</p> <p>For example, a Labeler Application received on 7/10/15 (Friday) and processed and sent to DOH on 7/14/15 (Tuesday), will have been completed in two (2) business days.</p> <p>For applications that contain errors or are missing information, the contractor must:</p> <ul style="list-style-type: none"> <li>• notify the labeler of what is required to complete the application within two (2) business days of receipt;</li> <li>• complete processing within two (2) business days of receipt of the requested information; and</li> <li>• maintain records and submit such records to the State on a monthly basis, to substantiate compliance.</li> </ul>	<p>The contractor will pay \$200 dollars per application per business day past the standard.</p>

**Rebates continued**

<p><b>A.2.3.k</b> Rebate Disputes- Timeliness</p>	<p>All</p>	<p>The contractor guarantees that ninety (90%) of all disputes will be resolved within three (3) months of receipt and that one hundred percent (100%) of all disputes will be resolved within five (5) months.</p> <p>The standard is calculated and reported on a <b>monthly</b> basis and only applies to disputes that result from invoices generated by the contractor on or after the Contract Start date.</p>	<p>Ninety percent (90%) of disputes must be resolved within three (3) months. One hundred percent (100%) of disputes must be resolved within five (5) months.</p> <p>For example, if the contractor receives a payment dispute on 10/1/2015, and it is resolved on or before 1/1/2016, it will have been resolved within three (3) months</p>	<p>For each .1% to 1.0% below either the three (3) month or five (5) month standard, the contractor shall credit against the Program's administrative fee the amount of \$10,000.</p> <p>Maximum damages per month at \$60,000.</p>
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**Attachment I  
Rebate Reports**

<b>Reports</b>									
<b>Category</b>	<b>Report Description</b>	<b>Program Name</b>							
<b>Report Name</b>		<b>Medicaid</b>		<b>Supplemental</b>				<b>EPIC</b>	
		<b>FFS</b>	<b>MCO</b>	<b>Supply</b>	<b>PDL</b>	<b>Direct</b>	<b>Drug Cap</b>		
<b>Audit</b>									
<u>Claim Load Audit</u>	Report of all received and processed claims loaded into contractor's system and Rebate database. User chooses year/quarter and paid date (from and to) range to show claims count. The report must show Claim Description, Claim Count, Other Payer Payment, Patient's Responsibility, Total Pharmacy Reimbursement Amount, Program Paid Amount, Units, and reason code.	X	X	X	X	X			X
Invoiced Claim Audit	This report takes the rebateable claim count from Claim Load Audit report and lists original counts, void counts and exclusion counts per year/quarter. User chooses year/quarter and paid date (from and to) range to show claims count. The report must show same field description as Claim Load Audit report.	X	X	X	X	X			X

Reports								
Category	Report Description	Program Name						
Report Name		Medicaid		Supplemental			EPIC	
<b>Labeler Information</b>								
<u>Active Labelers</u>	This report includes the start date (and end date, if applicable) for all active labelers, as supplied from the CMS quarterly tape or program historical files. This report may be sorted by individual quarter.	X	X	X	X	X		X
<u>Labeler Contact Listings</u>	This report is a simple listing of all active labelers that includes contact information for the financial, legal and technical departments of each company provided by CMS on quarterly basis or program historical files. This information must be updated in the system routinely.	X	X	X	X	X		X
<u>Terminated Labelers</u>	This report shows all labelers that were terminated in a particular quarter, per the CMS tape received quarterly or program historical files. This must show participating begin and end date for each terminated labeler.	X	X	X	X	X		X

Reports								
Category	Report Description	Program Name						
Report Name		Medicaid		Supplemental			EPIC	
		FFS	MCO	Supply	PDL	Direct		Drug Cap
<b>Invoicing</b>								
<u>Pre-Invoice Audit Report</u> <u>Manufacturers Summary</u>	This report summarizes the number of claims, total pharmacy reimbursement and units dispensed by date range for participating and non-participating manufacturers.							X
<u>NDC's with Negative Units</u>	This report lists any NDC, by year and quarter that has current units below zero. This will identify where any NDC may have been manually adjusted and subsequently systematically adjusted by the pharmacy (program unique).	X	X	X	X	X		X
J Code List	This report displays J-Code crosswalk information for a given date range.	X	X					
J Code Quarterly List	This report shows the J-Code claims summary information for a given year/quarter including rate, total units, total rebate amount and total billed amount paid to providers.	X	X					
J code and Pharmacy conversion factor quarterly report	This report shows conversion factors used between all physician administered drugs and their corresponding active NDC codes. A separate report must be provided for pharmacy drugs and their corresponding active NDC codes.	X	X					
<u>Pre Invoice Unit Adjustment</u>	Select Report Parameters for this report by entering either the year/quarter or the adjustment date range. This report provides unit adjustment for a given NDC and quarter and adjustment notes.	X	X	X	X	X		X
<u>Rebate Amount Exceeds Reimbursement Amount</u>	This report shows when the rebate amount exceeds the reimbursement amount for a particular NDC in a particular quarter.	X	X	X	X	X		X
<u>Invoice Totals for Quarter</u>	This report allows for invoicing of reimbursement for a particular quarter. This report must allow the flexibility to sort by amount claimed, labeler number or labeler name.	X	X	X	X	X		X

<u>Interest Calculation Detail report</u>	This report is for audit purposes. Interest is at NDC level by year quarter. This report lists fields like Invoice postmark date, Payment due date, Invoiced Amount, Date Paid at labeler/yrqtr level, Amount Paid, Interest on Balance Interest Start Date and End Date, # of days past due, interest amount per day, interest amount to be invoiced, interest paid, and interest amount balance.	X	X	X	X	X		X
<u>Interest Received</u>	This report includes the total amount of interest received from all labelers for a specified date range. This report does not indicate how much interest is paid by each individual labeler.	X	X	X	X	X		X
<u>Invoice Cover Letter</u>	This is the invoice cover letter.	X	X	X	X	X		X
<u>Invoice Media</u>	This report pulls manufacturer invoices, by year and quarter; the user is able to download invoice media and the manufacturer is able to retrieve it at a secured website. The record format needs to reflect the most current CMS State utilization data record format. Field names must be program unique.	X	X	X	X	X		X
<u>Invoice Totals for Quarter - PPA</u>	This report allows for invoicing of reimbursement for prior period quarters for the quarter selected. The <u>From</u> Quarter should be always less or equal to the <u>To</u> Quarter. This report must allow flexibility to sort by amount claimed, labeler number or labeler name.	X	X	X	X	X		X
<u>Invoice Mailing Labels</u>	These are used for invoice mailing and are generated from the active labeler list, received from CMS or program historical files.	X	X	X	X	X		X
<u>Quarterly Utilization Summary</u>	This report provides the summary of claims by type (void or original), yrqtr and NDC for selected date range. It subtotals by type and yrqtr.	X	X	X	X	X		X
<u>Voided Claims</u>	This report lists the NDC, brand name, units paid amount and billed amount for claims voided within the requested quarter.	X	X	X	X	X		X
<u>Drug Rebate Invoice(Labeler Copy)</u>	This is a report that can be run for each labeler for a particular labeler or for all labelers. This report includes but is not limited the rebate amount per unit, total units reimbursed, total	X	X	X	X	X		X

	rebate amount claimed, number of prescriptions, total provider reimbursement amount, and total pharmacy reimbursement amount. CMS format with minor column heading that's program unique.							
<u>Drug Rebate Invoice(State Copy)</u>	This is a report that can be run for a particular labeler or for all labelers. This report includes the rebate amount per unit, total units reimbursed, total rebate amount claimed, number of prescriptions, total provider reimbursement amount, and total pharmacy reimbursement amount. (program unique)							X
Revised Invoice Total – NDC level	This report retrieves all NDCs for selected yrqtr and labeler with any changes affecting the original invoice such as zero original or rate resubmission. The data includes NDC, total rebate amount claimed, revised rebate amount claimed, rebate amount paid, and rebate amount due.	X	X	X	X	X		X
<u>Revised Rebate Amount Total For Quarter</u>	This report can be run for a year quarter selected. This report includes the total rebate amount claimed, total units dispensed, total number of scripts , total program reimbursement amount and total pharmacy reimbursement along with Count of NDCs for the particular labeler. This report will give up to date information on labelers that carry open unit or rebate amounts from quarterly invoicing.	X	X	X	X	X		X
<u>Revised Rebate Invoice</u>	This is a report that can be run for each labeler for a particular labeler or for all labelers. This report includes the <b>revised</b> rebate amount per unit, total units reimbursed, total rebate amount claimed, number of prescriptions, total provider reimbursement amount, and total pharmacy reimbursement amount. This report must be able to be sorted by reason code along with any rebate notes for the revision.	X	X	X	X	X	X	X
<u>Excluded NDC Summary Report</u>	This report lists all excluded NDC from invoicing. This report can be pulled by begin and end date which must be based on the record add date. The report includes NDC, drug name, from quarter year, to quarter year, active indicator, date added and user id.	X	X	X	X	X		X



Reports								
Category	Report Description	Program Name						
Report Name		Medicaid		Supplemental				EPIC
		FFS	MCO	Supply	PDL	Direct	Drug Cap	
<b>Accounts Receivable</b>								
<u>Batch Listing</u>	This report allows user to view batch information by date range. The report shows Batch ID, total batch dollar amount, log date, OSC deposit date, check count.	X	X	X	X	X	X	X
<u>Manufacturer Receipt Allocations by Labeler</u>	This is a report of labeler receipts paid to the State. The user may choose a manufacturer and deposit or entry date range and view payment amount and allocated amount, by year and quarter, and also deposit date and entry date for those payments. The report shows batch ID, receipt#, payment type, program name, labeler ID, labeler name, year quarter, payment amount, allocated amount, payment comments, change date, change by, log date, OSC deposit date and check number.	X	X	X	X	X	X	X
<u>Receipt Listing</u>	This report allows the user to review deposit information by date range for all receipt numbers associated with a batch ID. The report shows payer name, check#, check date, postmark date, batch ID, receipt#, check amount, deposit date, notes, last edited by, date entered on.	X	X	X	X	X	X	X
<u>Total Dollars by Check Number</u>	This report is Searchable by check number.	X	X	X	X	X	X	X
<u>NDC Payment Receipt Detail</u>	This report provides payment detail for a PROGRAM by NDC for all receipt numbers for a selected labeler for a selected (or all) year/quarter. This report must show invoiced information (RAPU, units, rebate amount), drug name, payment information (paid RAPU, paid units, disputed units, paid rebate amount, interest due, interest paid), and payment type (ROSI or PQA) by year / quarter for an NDC11. Totaled by individual batch ID / receipt# that would include invoice#, check #, and labeler ID and a Grand total for all receipts. The report must also include the user and entry date.	X	X	X	X	X	X	X
<u>NDC Summary</u>	Provides all information on an NDC for a year quarter. Includes balance, adjustments, and rebate notes.	X	X	X	X	X	X	X
<u>Prior Period Adjustment Information</u>	This report shows changes in rebate amounts per unit from the previous quarter. This report can be for an individual labeler or all labelers. This report includes,	X	X	X	X	X	X	X

	among other fields, the revised invoice amount, prior amount paid and the total amount due.							
<u>Summary of Payment (NDC)</u>	This report allows the user to choose a particular NDC and view the entire payment history for that item. Included in this report are the year/quarter of payment, receipt number, batch ID, payment amount, paid units, disputed units and date of deposit.	X	X	X	X	X	X	X
<u>Monthly Statement</u>	This is a report that can be run for a particular labeler or for all labelers. This report includes the current rate, original units invoiced, current units invoiced, units paid, total units unpaid, outstanding disputed units, total rebate amount, rebate amount paid, and rebate amount overdue.	X	X	X	X	X	X	X
<u>Monthly Statement Negative Utilization</u>	This is a report that can be run for a particular labeler or for all labelers. This report includes the current rate, original units invoiced, current units invoiced, units paid, outstanding disputed units, total rebate amount, rebate amount paid, and rebate amount overdue. Only Negative Units are displayed.	X	X					X
Unit adjustments at NDC level	This report must show unit adjustments sorted by reason code along with any rebate notes for that NDC and Yrqr. Selection can be by Yrqr or Adjustment From and To date.	X	X	X	X	X	X	X
<u>Dunning Mailing Labels</u>	This report must generate mailing labelers for the Labelers who have a dunning notice letter generated for the year / quarter selected.	X	X	X	X	X	X	X
<u>Dunning Cover Letter</u>	The dunning cover letter is used to notify Labelers/Manufacturers that the payment is due 30 days from the invoice date for the selected quarter.	X	X	X	X	X	X	X
<u>Dunning Notice Report</u>	This report lists all labelers with an outstanding account balance. User must have the ability to break this report down into a select number of days that the balance is past due- either 45, 90 or 210 days. Data can be sorted by labeler #, labeler name or quarter balance.	X	X	X	X	X	X	X
<u>Estimated Rebate and Interest Invoiced for Quarter</u>	This report pulls all manufacturers that have interest due for a selected YrQtr. The report includes rebate amount due, interest invoiced (calculated), and total due.	X	X	X	X	X	X	X
<u>Quarterly Labeler Account Balance</u>	This report allows the user to select a particular labeler or ALL and gives the account balance for each quarter on record. The report must also provide a grand total of balance due from all quarters on record.	X	X	X	X	X	X	X
Non Payer by Quarter	This report tracks for a particular year quarter all manufacturers that have not remitted the quarterly rebate	X	X	X	X	X	X	X

	amount due. The report shows labeler code, labeler name, rebate year quarter, invoice number, invoice amount, paid amount, program paid amount and total pharmacy reimbursement amount.							
NYS Crosswalk Analysis	Provide information at the NDC level including but not limited to: Market Basket Name, Drug Name, PDL Status, Brand/Generic, Specialty Indicator, Brand Name and Drug Label Name. To be provided quarterly	x	x	x	x	x	x	x
Net of All Rebates Trend Report	Provide a claims analysis of net of all rebate spend quarter over quarter by drug (brand name, market basket, labeler name), specialty indicator. Information should include total units, net of all rebate spend, change over time, gross spend and PDL status. Information should be provided on a quarterly basis and presented to Program	x	x	x	x	x	x	x

Reports							
Category	Report Description	Program Name					
Report Name		Medicaid		Supplemental			EPIC
		FFS	MCO	Supply	PDL	Direct	
<b>Disputes</b>							
<u>Dispute Resolution ID Log</u>	This report allows the user to identify all disputes created with a DRid. The report must allow the user to select the status of a DR by a specific labeler.	X	X	X	X	X	X
<u>Disputed NDCs By Labeler By Quarter</u>	Allows user to select a specific labeler and quarter and identify current units disputed for a particular NDC#, as entered in the program's Rebate application. Also identifies current rebate per unit, original number of units invoiced, current units-to-date, current units paid, the dispute code and total dollar amount due, including any other adjustments made to the NDC with DRid and comment at the NDC level.	X	X	X	X	X	X
<u>Claims Level Detail Report (With PHI) with Export option</u>	This is a report that allows the user to identify claims details for a particular NDC# (with an option for multiple NDCs) for a particular quarter or paid date. The data can be sorted by number of units dispensed or provider. The data includes but is not limited to provider demographics, claim line number, drug quantity dispensed, prorated drug quantity invoiced (program unique), billed amount, total pharmacy reimbursed amount, amount paid by the program, patient paid amount, TPL amount, Medicare Part D coverage amount (program unique), Rebate Discount Amount (program unique), DAW code, paid date, ICN, date of service, RX number / Procedure Code, number of days supply. <b>Additional data fields may be required depending on program specific.</b>	X	X	X	X	X	X
<u>Claims Level Detail- Quantity Greater than 500 or 4000</u>	This report allows the user to identify which claims submitted over a chosen date range have the total drug quantity billed greater than @Quantity Parameter. This report includes but is not limited to the provider demographics,						X

	drug quantity, billed amount, paid amount, DAW code, paid date, Medicare Part D coverage amount (program unique), and recipient id, date of service, rx #, and source code. Additional <b>data fields may be required depending on program specific.</b>						
PHS (340B) Providers	This report includes the current addresses, telephone number, begin and end date for PHS providers. Contractor will generate this information from <a href="http://opanet.hrsa.gov/opa/CESearch.aspx">http://opanet.hrsa.gov/opa/CESearch.aspx</a>	X	X				X

Reports						
Category	Report Description	Program Name				
Report Name		Medicaid		Supplemental		EPIC
		FFS	MCO	Supply	PDL	
<b>Pricing Processing</b>						
<u>CPI File Updates</u>	This report provides CPI File Updates made in the application for a given date range. The data is used in calculation of additional rebate penalty.					X
<u>Data Received in Error</u>	This report provides information in the pricing data that has error's associated with it. It groups the error based on Data source either via Paper, SFTP, email attachment or CD and the Year Quarter it was received for a given date range.					X
<u>Data Received on Paper/CD/SFTP</u>	This report provides information related to data either received on Paper, CD or SFTP. It displays either in Raw Data Format or Column Data Format.					X
<u>Error Codes</u>	This report provides a list of error codes and description for either Input Error's or Calculation Errors.					X
<u>Error Letter</u>	This report identifies labelers for a given Quarter, who needs to provide additional data to finalize quarterly pricing processing. This report works concurrently with the NDC Error Report.					X
<u>Exception Data Update</u>	This report provides User and Date information related to any changes done to NDC9 product information for any given date range.					X
<u>Historical NDC Calculation Error Report</u>	This report identifies NDC's that error out for a given labeler when additional data is required to finalize quarterly pricing processing on a daily basis. The Manufacturer, YrQtr, NDC and Error Code are optional parameters for this report					X
<u>List Pricing Data By Quarter for a NDC</u>	<b>This report provides details of pricing records received equal to or less than 3 years.</b> It allows the user to select a date range and view the Labeler, NDC, YrQtr, AMP Price,					X

	Best Price, Record Type, Base AMP, etc. <b>The report groups by labeler and NDC.</b>						
<u>List Pricing Data By Quarter for NDC's Greater Than 3 Years</u>	<b>This report provides details of pricing records received older than 3 years.</b> It allows the user to select a date range and view the Labeler, NDC, YrQtr, AMP Price, Type, Best Price, Base Amp, etc. <b>The report groups by labeler and NDC.</b>						X
<u>NDC Calculation Error Report</u>	This report identifies NDC's for a given labeler where additional data is required to finalize quarterly pricing processing. This report picks up calculation errors occurred after the Daily Night Batch Processing.						X
<u>No Submission Letter</u>	This is a letter provided to labelers letting them know that pricing data has not been received for a Quarter. This report can be run for one labeler or all of the labelers for any given Quarter. This report needs to be generated for <b>1<sup>st</sup></b> and <b>2<sup>nd</sup></b> notification.						X
<u>No Submission Report</u>	This report provides NDC's that were not submitted for a Quarter for a labeler or all of the labelers.						X
<u>Received Data Successfully Updated</u>	This reports provides information related to Data that has been approved and validated making it ready for Pricing Calculation.						X
<u>Terminated NDC Report</u>	This report provides information where the termination date is greater than zero.						X
<u>NDCs Not Found On EPIC Pricing File</u>	This report shows all NDCs, that the client had utilization for, but had no EPIC pricing on file for a particular quarter. It shows the total number of units reimbursed, number of scripts and total reimbursement amount for each NDC. User must select the Report Type corresponding to the data desired (NDCs not found). (program unique)						X

Reports							
Category	Report Description	Program Name					
Report Name		Medicaid		Supplemental			EPIC
		FFS	MCO	Supply	PDL	Direct	
<b>Rate Information</b>							
<u>List Calculated Rates</u>	This report allows the user to select calculated rates by manufacturer or by ndc.						X
<u>List Rates by Quarter by Labeler</u>	This report allows the user to select a labeler and view the amp price, baseline amp, Current CPI (consumer pricing index) and total pharmacy reimbursement for all of the NDCs for all labelers or a particular labeler for a particular quarter						X
<u>List Rates by Quarter For an NDC</u>	This report allows the user to enter an ndc and view the amp rate, baseline amp, total pharmacy reimbursement for a particular quarter or range of Year Quarters						X
<u>Unit Rebate Amount Received</u>	This report, from the manufacturers' pricing data load, shows the NDC#, the year/quarter, rate, and rate type code (0=original, 3=adjustment). This report must have the flexibility to be run by quarter and sorted by rate or NDC. (program unique)						X
<u>Zero Rebate Amount Per Unit On EPIC Pricing File</u>	This report shows all NDCs for which there was a zero rebate rate on the EPIC pricing file for a particular quarter. User must select the Report Type corresponding to the data desired (Zero Rebate Amount). (program unique)						X
<u>Zero Rebate Rate for Consecutive Quarters</u>	This Report will provide information on Zero AMP Rebate Rate (program specific) or No Unit Rebate Rates (URA) for NDCs Invoiced for the Year Quarter selected, and the Rate information for the Previous Two Quarters preceding the selected Quarter	X	X				X



Reports							
Category	Report Description	Program Name					
Report Name		Medicaid		Supplemental			EPIC
		FFS	MCO	Supply	PDL	Direct	
<b>State Expenditure to CMS</b>							
CMS 64-9R Adjustments	This report shows all adjustments identical to those reported on the CMS 64-9R report. It allows user to choose yrqtr and date range. (program unique)	X	X	X	X	X	
CMS 64-9r Drug Rebate Quarterly Report	This report shows payment receipts to CMS for the quarterly reporting period. (program unique)			X	X	X	
CMS 64-9R Receipt Details for Drug Rebate Quarterly Report	This report shows all payment receipts received that will be reported on the quarterly drug rebate report. (program unique)			X	X	X	
CMS 64-9R Drug Rebate and UROA Quarterly Report	This report shows payment receipts and UROA obligation to CMS for the quarterly reporting period. (program unique)	X	X				
CMS 64-9R Receipt Details for Drug Rebate and UROA Quarterly Report	This report shows all payment receipts received that will be reported on the quarterly drug rebate and UROA report. (program unique)	X	X				
CMS 64-9R UROA details for Drug Rebate and UROA Quarterly Report	This report shows UROA obligation for all payment receipts received that will be reported on the quarterly drug rebate and UROA report. (program unique)	X	X				

Reports							
Category	Report Description	Program Name					
Report Name		Medicaid		Supplemental			EPIC
		FFS	MCO	Supply	PDL	Direct	
<b>Management</b>							
<u>Labeler Paid Amount vs. Rebate Amount Invoiced-to-date</u>	This report shows the rebate amount invoiced, the amount paid for each labeler and the overall percentage by deposit dates, by year quarter. The paid amount can be =, > or < the rebate amount invoiced. This report must have the flexibility to sort by labeler number and paid amount. This report must reflect the most current rebate rate change and quantity adjustments.	X	X	X	X	X	X
<u>Projected Invoice Amount For Zero Rate NDCs</u>	This report shows the most recently reported RPU for NDCs for which there was not a rebate rate on the pricing file for a particular quarter.	X	X	X	X	X	X
<u>Executive Summary</u>	Summary of total invoiced, collected, disputed and still outstanding for year quarters selected	X	X	X	X	X	X
<u>Brand Generic Invoiced Amounts</u>	Invoice Amounts broken out by Brand / Generic / Multi-Source	X	X	X	X	X	X
<u>Calculated URA vs. Projected URA</u>	This report allows the rebate amount to be projected for the selected labeler and yrqtr. The amount projected is based on paid rate or if the paid rate is not present then it is based on 3% of reimbursement amount for non- innovators and 30% of reimbursement amount for innovators.	X	X	X	X	X	X
<u>Current vs. Previous Quarter Invoice Comparison</u>	Compares the current quarter with the previous quarter in terms of % difference in reimbursement amount. Broken down by labeler ID, units and number of scripts.	X	X	X	X	X	X
<u>Current vs. Previous Quarter Payment Comparison</u>	Compares the current quarter with the previous quarter in terms of % difference in rebate paid amount. Broken down by labeler ID, units and number of scripts.	X	X	X	X	X	X
<u>Drug Report For 75% of Total Outstanding</u>	This report takes the total amount due, by labeler, and gives the balance, by year and quarter, starting one year prior (i.e. report date	X	X	X	X	X	X

<u>Amount Over 12 Months</u>	5/12/13 gives 2012Q4 balances and prior, whereas report date 6/1/13 will give 2013Q1 and prior). (Dependent on over 12 months of data).						
<u>Labeler Account Balance Projected</u>	This is a Labeler Projected Account Balance report allowing the user to identify the total balance due from all labelers for a particular quarter. This report can be sorted by either labeler number or balance due which allows for a breakdown of the amount due from each respective labeler.	X	X	X	X	X	X
<u>Labeler Paid Amount vs. Projected Rebate Amount</u>	This report shows the projected rebate amount and the rebate paid amount for the selected yrqtr. Total pharmacy reimbursement, interest due and interest paid are also included. The report can be sorted by labeler or paid amt.	X	X	X	X	X	X
<u>Projected Invoice Totals for Quarter</u>	This report allows for projected invoicing of reimbursement for a particular quarter. This report can be sorted by amount claimed, labeler number or labeler name	X	X	X	X	X	X
<u>Projected Manufacturer Rebate</u>	This is a report that can be run for each labeler for a particular quarter or for all quarters. This report includes the current rate, original units invoiced, current units invoiced, units paid, total units unpaid, outstanding disputed units, total rebate amount, rebate amount paid, and rebate amount overdue. This report will give up to date information on NDC's that carry open unit or rebate amounts from quarterly invoicing.	X	X	X	X	X	X
<u>Projected Rebate for Non Payer by Quarter</u>	This report tracks for a particular year quarter for which all manufacturers have not remitted the quarterly rebate due. The date range can be defined by the user. The report includes both total pharmacy reimbursement and total provider reimbursement amount and the projected rebate due on the reimbursement; total number of non-payer for a quarter.	X	X	X	X	X	X
<u>Weekly Update Amount Exceeds Reimbursement</u>	This report shows when the rebate amount exceeds the reimbursement amount for a particular NDC in a particular quarter	X	X	X	X	X	X
<u>Cash Receipt Recap Support Details</u>	This report allows the user to choose a deposit date range and view the payment activity for a	X	X	X	X	X	X

	particular labeler or payment type at a detail level.						
<u>Cash Receipt Recap Support Summary</u>	This report allows the user to choose a deposit date range and view the payment activity for a particular labeler or payment type.	X	X	X	X	X	X
<u>Summary Of Adjustment with Reason Codes by Quarter</u>	Based on the adjustment timeframe requested, this report provides the total dollars, adjustment type and reason code Labeler and year/quarter. This report also summarizes by year/quarter and adjustment timeframe requested.	X	X	X	X	X	X
<u>Summary of Interest Adjustment by Quarter.rpt</u>	This report pulls all interest adjustments at labeler/yrqtr level, including interest write off adjustment and interest amount adjustment. It pulls by adjustment dates.	X	X	X	X	X	X

Database							
Category	Database Description	Program Name					
Database		Medicaid		Supplemental			EPIC
		FFS	MCO	Supply	PDL	Direct	
<b>Claims</b>							
Claims	This database lists original, voided and excluded claims per year/quarter. Database field names are provided in below examples.	X	X	X	X	X	X
Queries	Queries will be designed program specific including but is not limited to Labeler summary, NDC9 Summary, Summary by NDC, Compound Claims.	X	X	X	X	X	X

## EPIC Claims Database Example

Qtr	NDC	OCC	Total Pharmacy Reimb	Patient Pd	Reimb. Under EPIC	EPIC Pmt	TPL (Other Payer Amount Paid)	U&C	Actual or Assumed Provider Reimb
20132	NDC1	8	\$7.74	\$5.00	\$5.00	\$0.00	\$0.00	\$57.59	\$7.74
20132	NDC2	8	\$52.58	\$5.00	\$5.00	\$0.00	\$0.00	\$154.79	\$52.58

Lesser of U&C and Provider Reimb	Original Quantity Dispensed	Units (Non-Prorated)	Proration Factor	Prorated Units	Provider Number	Date of Service	Paid Date	Rx Number	Cardholder ID
\$7.74	120.00	120.00	0.65	77.52	1477657xxx	04/01/2013	04/15/2013	1	xxxxxxxxxx
\$52.58	30.00	30.00	0.10	2.85	1477657xxx	04/01/2013	04/15/2013	2	xxxxxxxxxx

DAW	Compound	Days Supply	Billed Amt	Co-Pay	Deductible	Refill Code	Claim Type	Other Payer Amt Recognized	ICN
0	N	30	\$57.59	\$0.00	\$5.00	0	O	0.00	000149xx043801
0	N	30	\$154.79	\$0.00	\$5.00	2	O	0.00	000149xx043901

GAD	AWP	FUL	SMAC	NPI	OPPR1 CODE	OPPR1 AMT	OPPR12 CODE	OPPR12 AMT	FINALPRICETYPE
\$83.95	\$64.09	\$13.38	\$7.74	1477657xxx	0	0.00	0	0.00	MCNY
\$188.17	\$142.25	\$0.00	\$52.58	1477657xxx	0	0.00	0	0.00	MCNY

VERSION NUM	LIS
D0	
D0	

### Medicaid Fee for Service (FFS) Claims Database Example

Service Date	Report Date	Payment Date	Claim Reference Number (CRN)	Link Crn	Formulary Code	Prov Id	Prescription Number	Claim Status Type Code
08/08/12	08/01/12	08/13/12	xx22100063626230	xx22100063626201	NDC11	00000000	1	1
08/22/12	08/01/12	08/27/12	xx23500079107530	xx23500079107501	NDC11	00000000	2	1

Recip Id	Service Claim Count	Quantity Dispensed	Other Insurance Paid Amount	Medicaid Paid Amount	Medicare Paid Amount	Total Paid	Charged Amount
xxxxxxx	1	9	0	1118		1118	1472.99
xxxxxxx	1	9	0	1118		1118	1735.99

### Medicaid Managed Care Organization (MCO) Claims Database Example

Service Date	Report Date	Crn	Link Crn	Formulary Code	Prov Id	Claim Status
10/08/12	10/01/12	xx29000249115520	xx29000249115520	NDC11	xxxxxxx	1
11/21/12	12/01/12	xx33200302687220	xx33200302687220	NDC11	xxxxxxx	1

Enct Plan Id	Recip Fiscal County Code	Scripts	Quantity Dispensed	Mc Plan Total Paid Amt	Medicare Paid Amount	Oth Insurance Paid Amount	Total Paid
xxxxxxx	07	1	9	1135.45	0	0	1135.45
xxxxxxx	07	1	9	1135.45	0	0	1135.45

## Medicaid J-CODE Claims Database Example

Recip Id	Drug Name	Formulary Code	Jcode	Conversion Factor
XXXXXXXX	SANDOSTATIN LAR DEPOT (1&1/2"X19G,PFS) 10 MG	NDC11	J2353	0.1
XXXXXXXX	SANDOSTATIN LAR DEPOT (1&1/2"X19G,PFS) 10 MG	NDC11	J2353	0.1

Crn	Link Crn	Claim Status Type Code	Service Date	Report Date
xx10100017067720	xx10100017067704	1	12/12/11	04/01/13
xx16100020694120	xx16100020694103	1	04/19/12	06/01/13

Prov Id	Paid Amount	Total Paid	Total Rebate	Oth Insurance Paid Amount
XXXXXXXX	716.20	3581.01	2819.11	0.00
XXXXXXXX	735.48	3677.40	2819.11	0.00

Medicare Paid Amount	Unchanged Proc Units	Quantity Dispensed	Service Claim Count	Ri	Prov Cos Code
2864.81	30	3	1	I	0460
2941.92	30	3	1	I	0460

**Attachment J  
Minimum Staffing Requirements**

KEY STAFF	GENERAL RESPONSIBILITY	QUALIFICATIONS/EXPERIENCE
Account Executive (Key)	Ultimate responsibility for the Drug Rebate program <ul style="list-style-type: none"> <li>• Acquisition of adequate resources</li> <li>• Formal communication and correspondence with the Department</li> <li>• Foster cooperative relationship among State and Contractor staff</li> <li>• Ensures compliance with all SLAs; and</li> <li>• Ensures compliance with the approved Quality Management Plan               <ul style="list-style-type: none"> <li>• Production of a monthly report to the Department that includes results on performance measures and SLAs associated with this RFP</li> </ul> </li> <li>• Contract Administration</li> <li>• Scheduling and provision of resources</li> <li>• Focal point of contact for the Department regarding financial and administrative issues and concerns</li> </ul>	<ul style="list-style-type: none"> <li>• At least five (5) years previous account executive experience on a large-scale Drug Rebate project</li> <li>• At least two (2) years previous experience with a Medicaid program or other similar organization with significant pharmacy operations components</li> <li>• At least 3 years ongoing relationship management with a large client</li> <li>• At least 3 years implementing quality improvement and customer satisfaction monitoring programs</li> <li>• Demonstrated ability to effectively communicate with customer's senior management; and</li> <li>• Demonstrated strong analytical, organizational and problem solving abilities</li> </ul>
Director Quality Assurance/Internal Audit (Key)	<ul style="list-style-type: none"> <li>• Monitor performance to ensure compliance with the contract</li> <li>• Responsible for implementing continuous improvements</li> <li>• Ensures all services provided meet or exceed contract requirements</li> <li>• Ensures the quality of all deliverables including but not limited to reports, documentation, testing, and responses to telephone inquiries and correspondence</li> </ul>	<ul style="list-style-type: none"> <li>• At least three (3) years experience in managing the Quality -Assurance component of a large-scale integrated healthcare IT system, preferably a Medicaid program</li> <li>• At least five (5) years experience in managing financial, technical and business quality programs</li> <li>• Demonstrated ability to communicate effectively, orally and in writing with all levels of management</li> <li>• At least two (2) years experience analyzing performance metrics and identifying corrective actions needed to comply with contract requirements</li> <li>• Demonstrated ability to manage independent testing of software quality</li> </ul>
Rebate Manager (Key)	<ul style="list-style-type: none"> <li>• Responsible for Management and oversight of all rebate operations, including but not limited to invoicing, reconciliation, supplemental rebate negotiations and bid solicitation, reporting and</li> </ul>	<ul style="list-style-type: none"> <li>• At least five (5) years' experience managing pharmacy rebates operations, preferable with experience relating to both OBRA and supplemental rebates</li> <li>• Demonstrated knowledge of Federal law and regulations relating to the Medicaid drug rebate</li> </ul>



	<p>analysis and responses to audit findings and requests for information</p> <ul style="list-style-type: none"> <li>• Work with Department staff to monitor the market, examine utilization trends, rebate opportunities, new technologies, and strategies to achieve program goals</li> <li>• Work with Department staff, create work plans to implement agreed upon strategic direction for the pharmacy rebate programs</li> </ul>	<p>program, Medicare Part D and EPIC; knowledge of NYS pharmacy laws and regulations is preferred</p> <ul style="list-style-type: none"> <li>• At least three (3) years experience with contract negotiations</li> <li>• Bachelor's degree in Business Management or related field is required; MBA or related higher level degree is preferred</li> <li>• Demonstrated ability to analyze data and develop action plans</li> <li>• Demonstrated ability to collaborate with others in order to achieve the program's strategic goals</li> </ul>
Financial Analyst (Key)	<ul style="list-style-type: none"> <li>• Work with Department clinical staff to assess, track, analyze and monitor the financial performance of the pharmacy/rebate program, and make recommendations regarding rebate opportunities in order to achieve program goals</li> <li>• Provide the Department with up to date developments in the prescription drug field that financially impact rebates and pharmacy programs and collaborate with other State Medicaid programs</li> <li>• Develop and update pharmacy/rebate program reports and dashboards</li> <li>• Develop fiscals for pharmacy/rebate related proposals and/or budget initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• At least three (3) years of direct experience in analyzing and reporting on pharmacy and/or rebate program activity</li> <li>• Knowledge of pharmacy claim payment practices and policies</li> <li>• Bachelor's degree in business or accounting, financing or related field</li> <li>• Demonstrated strong analytical and problem solving skills</li> <li>• Demonstrated ability to analyze and synthesize large data sets</li> <li>• Demonstrated ability to collaborate with others in order to achieve the strategic goals of the pharmacy rebate programs</li> <li>• Demonstrated ability to communicate effectively, both orally and in writing with all levels of management</li> </ul>
<b>CORE STAFF</b>	<b>GENERAL RESPONSIBILITY</b>	<b>QUALIFICATIONS/EXPERIENCE</b>
Rebate Negotiator (Core)	<ul style="list-style-type: none"> <li>• Manage work plans to implement agreed upon strategic direction for the pharmacy rebate programs.</li> <li>• Conduct NY supplemental and non-Medicaid rebate negotiations.</li> <li>• Conduct rebate negotiations</li> <li>• Interface with manufacturers to clarify bids and/or contract provisions</li> <li>• Interface with State staff, as needed to ensure that the State's position/strategy is reflected in negotiations</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor's degree in business or accounting, financing or related field.</li> <li>• Demonstrated experience in conducting prescription drug rebate negotiations with drug manufacturers and labelers; experience in leading rebate negotiations is preferred.</li> </ul>
Rebate Attorney (Core)	<ul style="list-style-type: none"> <li>• Develop legal agreements, rebate contracts</li> <li>• Provide guidance to the State on legal actions related to rebate activities</li> </ul>	<ul style="list-style-type: none"> <li>• NYS licensed attorney</li> <li>• Three or more years experience with pharmacy rebate related issues</li> </ul>

Rebate Analyst (Core)	<ul style="list-style-type: none"> <li>• Assists Rebate Account Managers with analyzing rebate program and ensuring that program goals are met</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor's degree in business or accounting, math or financing with experience in data analysis</li> <li>• Two or more years' experience in rebate administration</li> </ul>
Rebate Pharmacist (Core)	<ul style="list-style-type: none"> <li>• Assist Rebate Account Managers with oversight of all day to day rebate operations</li> </ul>	<ul style="list-style-type: none"> <li>• NYS licensed RPh or Pharmacist</li> <li>• Three or more years' experience with rebate operations</li> <li>• Demonstrates strong analytical, organizational and problem solving abilities</li> </ul>
Systems Liaison/Business Analyst (Core)	<p>Responsibilities include:</p> <ul style="list-style-type: none"> <li>• Acting as primary liaison to the Department regarding project status, meetings, reporting requirements, scope changes</li> <li>• Designing and maintaining business requirements and project documentation</li> <li>• Prioritization and development of business specifications and tracking of system changes and enhancements</li> <li>• Creating and executing project work plans, revising as appropriate to meet changing needs and requirements</li> <li>• Defining resources and schedule for project/program implementation</li> <li>• Creating strategies for risk mitigation and contingency planning</li> <li>• Directing project team and manages conflicts including those that are due to resource issues</li> <li>• Identifying and resolving project issues</li> </ul>	<ul style="list-style-type: none"> <li>• At least five (5) years in project management oversight responsibilities, e.g., planning, design, development, implementation, and operation of large-scale Information Technology project</li> <li>• At least three (3) years health care claims processing environment, including development of system architecture and interfaces</li> <li>• At least three (3) years experience in scheduling and controlling all aspects of a large-scale IT system preferably in the health care field</li> <li>• Demonstrated strong analytical, organizational and problem solving abilities</li> <li>• Demonstrated ability to bridge business and system requirements</li> <li>• Strong organizational, presentation, and customer service skills</li> </ul>

Qualifications/Experience and General Responsibility may change at the discretion of The Department of Health.