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www.ARMSRx.com

Request for Proposal Pharmacy Benefit Management CIS

January 18, 2019



cis benefits
cisbenefits.org

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I. INTRODUCTION

A. PURPOSE

The purpose of this CIS Request for Proposals (RFP) is to solicit offers from qualified vendors for pharmacy benefit management services for approximately 22,489 Regence covered members. Primary services requested include pharmacy claims adjudication, detailed online reporting, aggressive pharmacy networks and MAC list, rebates, measurable clinical programs, pharmacy and member call center support, member and client portals, mail order and specialty.

B. BACKGROUND

CIS is a public entity that provides insurance and risk management services to Oregon cities and counties and other public entities created by these cities and counties. Based in Salem, CIS was formed in 1981 by its parent organizations, the League of Oregon Cities and Association of Oregon Counties. The majority of cities and counties in Oregon participate in one or more CIS programs (property, liability, workers' compensation, and health benefits). These participating entities are considered CIS member-employers.

A component of CIS is its employee benefits program, which is called CIS Benefits. Approximately 270 public Member Employers offer some combination of medical, dental, vision, life, voluntary life or disability coverage. These Member Employers range in size from one employee to over 600 employees and many are subject to collective bargaining. In addition to insurance products, CIS Benefits offers its members an extensive health risk management/wellness program, sponsored flexible spending account/pretax programs, COBRA and retiree administration, and related services. All premium contributions made by employers/employees become part of either the city or county trust and are used exclusively for the provision of benefits.

Currently, CIS offers a Kaiser health plan option and a Regence health plan option. This RFP applies to membership enrolled in the CIS Regence BlueCross BlueShield of Oregon ("Regence") health plan. CIS currently offers several benefit plan designs, please see copay table below. Pharmacy benefit management services are administered by Express Scripts.

CIS Pharmacy Claims Statistics

CIS Claims Information				
For the Period January 1, 2018 through December 31, 2018				
	Claim Count	Days' Supply	Member Spend	Total Plan Spend
Retail Brand 1-83 Day Supply	26,625	638,364	\$336,964	\$7,140,858
Retail Brand 84+ Day Supply	512	46,487	\$10,235	\$233,218
Retail Generic 1-83 Day Supply	181,991	4,862,900	\$779,736	\$4,163,867
Retail Generic 84+ Day Supply	2,744	245,676	\$11,328	\$128,582
Mail Order Brand	2,436	197,764	\$59,794	\$1,863,857
Mail Order Generic	15,509	1,298,068	\$121,979	\$990,608
Specialty Brand	1,631	48,767	\$226,646	\$9,978,011
Specialty Generic	655	18,395	\$25,433	\$532,184
Number of Employees	8,540			
Number of Members	21,746			

CIS Flat Dollar Copay Plans	Current Benefits		
	Generic	Preferred	Non Preferred
Retail	\$	\$	\$
	5.00	25.00	50.00
Mail	\$	\$	\$
	10.00	50.00	100.00
Specialty 30	\$	\$	\$
	5.00	25.00	50.00
Specialty 90	\$	\$	\$
	10.00	50.00	100.00

CIS Coinsurance Plans	Current Benefits		
	Generic	Preferred	Non Preferred
Retail	20.0%	20.0%	20.0%
Mail	20.0%	20.0%	20.0%
Specialty 30	20.0%	20.0%	20.0%
Specialty 90	20.0%	20.0%	20.0%

II. SCOPE OF WORK

The successful vendor shall provide Pharmacy Benefit Management duties that will include, but are not limited to, the following:

1. Pharmacy claims adjudication
2. Pharmacy networks
3. Pharmacy MAC list
4. Pharmaceutical rebates with detailed reports
5. Utilization on-line reporting
6. Clinical programs
7. Mail Order services
8. Specialty pharmacy services
9. Eligibility
10. Reporting
11. Member Call Center
12. Pharmacy Call Center
13. Implementation of PBM services
14. Account Management
15. Member Portal
16. CIS Portal
17. Accumulator services for Medical and Pharmacy

III. SCHEDULE AND SUBMITTAL

A. RFP AND EVALUATION SCHEDULE

ACTIVITY	TARGET DATES
RFP and Intent to Bid distributed to vendors	January 18, 2019
Intent to Bid due to ARMSRx	January 24, 2019, 3:00 pm CST
ARMSRx provides data via secure FTP login upon receipt of executed Intent to Bid/ <i>Data Use Agreement (if necessary)</i>	As received
Q&A Period (e-mail questions, responses provided to all bidders); all questions submitted to Staci@ARMSRx.com and Stephanie@ARMSRx.com	January 18 – January 30, 2019, 3:00 pm CST
Final response to all vendor questions completed (distributed to all vendors)	February 1, 2019, 4:00 pm CST
Electronic and paper versions of RFP Pricing and General Questionnaire responses due to ARMSRx	February 8th, 2019, noon CST
Notification of Finalist(s)	On or before March 11, 2019
Demonstration of live, finalist eligibility and reporting system functionality via webinar	Week of March 11th, 2019
Finalist Presentations	Tuesday, March 26, 2019 – Wednesday, March 27, 2019
Preferred PBM Notification	No later than April 3, 2019
Detailed Agreement for Negotiation	No later than April 12, 2019
PBM Contract Negotiation	Complete by May 31, 2019
Implementation Period – Finalized Open Enrollment Materials needed by September 1 for Open Enrollment in October	June – December, 2019
PBM Effective Date	January 1, 2020

B. RFP CONTACTS

Please direct all questions to the following contact. No direct contact with CIS employees is allowed during this RFP process.

Primary RFP Contact:

Staci Branham
Senior VP of Business Development & Consulting
205-681-8994
Staci@ARMSRx.com

With copy to:

Stephanie Cormier
Senior VP Operations
(251) 460-9001
Stephanie@ARMSRx.com

C. WRITTEN QUESTIONS

If proposers have questions about the RFP, they are encouraged to submit them as soon as possible, but no later than **3:00 p.m. (CST) on January 30, 2019**. Questions must be in writing and may be e-mailed to the contact people above. CIS will not be obligated to answer any questions received after the deadline, or any questions submitted in a manner other than as instructed above.

D. PROPOSAL SUBMITTAL

1. General

Proposals must be received by **Noon (CST) on February 8, 2019**. Any proposal received after this date and time will not be considered.

Delivery of proposals by the specified deadline is the sole responsibility of the Proposer. CIS will not be responsible for, nor accept as a valid excuse, any delay the method of delivery used by the Proposer causes except where it can be established that CIS was the sole cause of the late receipt.

2. Method of Submittal

The proposal must be submitted in electronic form in an email to the RFP Contacts. CIS is also requesting three (3) total printed copies mailed to the following addresses:

ONE COPY MAILED TO:

CIS
Attention: Carolyn E. Van Dyke, CGBA
Benefits Director
1212 Court St. NE
Salem, OR 97301

ONE COPY MAILED TO:

Staci Branham
ARMSRx
5371 Pine Mountain Road
Reamlap, AL 35133

ONE COPY MAILED TO:

Stephanie Cormier
ARMSRx
905 Regents Drive East
Mobile, AL 36609

3. Evaluation Criteria

All proposals received in accordance with these RFP instructions will be evaluated to determine if they are complete and meet the requirements specified in this RFP. An award will be made to the Proposer whose offer is judged to be the most advantageous to CIS, though CIS expressly reserves the right to reject all proposals and make no award under this RFP.

The following criteria will be considered in evaluating the proposals:

- Quality of the proposal, including an expressed understanding of CIS' requirements
- Ability to agree to the critical definitions provided in the RFP for brand and generic guarantees. In addition, what constitutes claims as eligible for rebates will be evaluated
- Cost Schedule
- Qualifications; including delivering lower cost through clinical programs, exceptional account management services, actionable reporting, exceptionable member and pharmacy call center and communications
- Experience, particularly with similar projects
- Account Management and Implementation Staffing & Project Management
- Project Management and implementation of historical claims and clinical programs throughout the course of the contract
- References
- Miscellaneous, including exceptions/deviations

IV. GENERAL INSTRUCTIONS

A. ORAL COMMUNICATIONS

Any oral communication by CIS' contact person(s) or designee concerning this RFP is not binding and shall in no way modify the RFP or the obligations of CIS, a proposer or selected firm(s).

B. CHANGES TO RFP

If it is necessary to make material changes to the RFP, CIS will issue a written RFP addendum. This includes responses to written questions received by the specified deadline. All such addenda issued shall become part of the RFP.

CIS will e-mail written RFP addenda to all recipients of record of the original RFP and post such addenda on CIS' website (www.cisoregon.org/about/rfs). Recipients of record are those parties to whom CIS directly sent a copy of the RFP.

It is the responsibility of each proposer to ensure they have all addenda CIS has issued. This may be done by going to the website listed above prior to the proposal submittal deadline.

C. EXCEPTIONS / DEVIATIONS

Any exceptions to or deviations from the requirements set forth in this RFP, must be declared in the deviation sections in the questionnaire.

D. AUTHORIZATION TO DO BUSINESS

The Proposer must be authorized to do business in the State of Oregon and in the local jurisdiction in which it is located or where the work will be performed.

E. PRE-CONTRACTUAL EXPENSES

CIS shall not be liable for pre-contractual expenses incurred by a proposer in the preparation of its proposal and proposers shall not include any such expenses in their offers. Pre-contractual expenses are defined as expenses incurred by the Proposer to: (1) prepare and submit its proposal to CIS; (2) negotiate with CIS on any matters related to this RFP; and (3) any other expenses incurred by the Proposer prior to the date of award, if any.

Issuance of this RFP and receipt of proposals does not commit CIS to award a contract. CIS reserves the right to postpone the award for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one proposer simultaneously, or to cancel all or part of this RFP.

F. WITHDRAWAL; PROPOSAL IRREVOCABLE FOR 90 DAYS

A Proposer may withdraw its proposal at any time prior to the submittal deadline by sending CIS a request in writing from the same person who signed the submitted proposal. As of the deadline for submittal, any proposal received by CIS and not withdrawn becomes an irrevocable offer available for acceptance by CIS immediately and for **ninety (90)** days thereafter. The Proposer is responsible for the accuracy of the proposal submitted, and no allowance will be made for errors or price increases that the Proposer later alleges are retroactively applicable.

G. DISPOSITION OF PROPOSALS

All materials submitted in response to this RFP become the property of CIS, except for information identified by the Proposer as being proprietary. A blanket statement that all contents of the proposal are proprietary will not be honored by CIS. Please note that as a public entity, CIS is subject to Oregon public records law, which may require the disclosure of information regarding proposals or a subsequent contract.

H. IMMATERIAL DEFECTS IN PROPOSAL

CIS may waive any immaterial deviation or defect in a proposal. CIS' waiver shall in no way modify the RFP documents or excuse the Proposer from full compliance with the RFP if awarded the contract.

I. WRITTEN AGREEMENT

The Proposer selected for contract award through this RFP shall be required to enter into a written agreement with CIS governing the provision of professional services to CIS members and other eligible entities. The agreement will include pertinent terms and conditions set forth in this RFP and will reflect the Proposer's offer or the outcome of contract negotiations. The agreement will also include, to the extent applicable, the provisions described in Section L below and any terms or conditions added by addendum.

It is anticipated that the Proposer may enter into separate agreements with subcontractors to fulfill the terms of this contract. CIS will not be a party to those separate agreements, nor in any fashion a guarantor or indemnitor of them.

J. TERM OF CONTRACT

If a contract is awarded through this RFP, it will be effective upon full execution of the agreement, which CIS expects to be **on or about January 1, 2020**. No agreement with CIS shall be in effect until a contract has been approved by the CIS Board of Trustees or designee and has been signed by both parties.

K. NEWS RELEASES

News releases pertaining to any award resulting from this RFP may not be issued without the prior written approval of CIS.

L. CIS CONTRACT CONSIDERATIONS

CIS contracts will be subject to the following standards. These are not exclusive and other contract clauses and provisions will obviously be applicable as well. However, these are areas respondents to CIS RFP should be aware of in considering and preparing responses.

MANDATORY PROVISIONS:

1. **Indemnity Provision.** There shall be no provision requiring CIS to indemnify contractor for contractor's acts or omissions. Indemnity provisions should be mutual and reciprocal. Our standard indemnity clause is as follows:

Contractor agrees to hold harmless, indemnify, and defend CIS, and its officers and employee from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature resulting from, arising out of, or related to the acts or omissions of Contractor or its officers, employees, subcontractors, or agents in performance of services pursuant to this Contract. CIS agrees to hold harmless, indemnify, and defend Contractor and its officers and employees from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature resulting from, arising out of, or related to the acts or omissions of CIS or its officers, employees, subcontractors, or agents pursuant to this Contract.

2. **Independent Contractor Status.** The following shall be included in CIS contracts:

Contractor shall perform the required services as an independent contractor and not as an "officer, employee, or agent" of CIS as those terms are used in ORS 30.260 through 30.300. Although CIS reserves the right to evaluate the quality of the service provided by Contractor, CIS will not control the means or manner of Contractor's performance.

3. **Governing Law and Venue.** The governing laws and venue for any disputes arising out of the contractual relationship shall be Oregon. The contract shall include the following clause or the substantial equivalent:

This contract shall be governed by the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding between CIS and Contractor arising from or related to this contract shall be brought and conducted in the Circuit Court of Marion County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought in the U.S. District Court for the State of Oregon.

4. Insurance. Except under special circumstances, and with the approval and consent of CIS' Executive Director, the following minimum insurance provisions shall be specified in the contract:

During the term of this contract, Contractor shall maintain in force insurance coverage compliant with the requirements listed below:

- a. Workers' Compensation insurance in compliance with ORS Chapter 656, if Contractor employs "subject workers".
- b. Comprehensive General Liability insurance applicable to the services provided to CIS, with a combined single limit, or the equivalent, of not less than \$1,000,000 each occurrence for Bodily Injury, Personal Injury, and Property Damage, including contractual liability coverage applicable to the indemnity provided under this contract.
- c. Automobile Liability insurance applicable to the operation of Contractor's trucks or automobiles with a combined single limit of not less than \$1,000,000 each accident for Bodily Injury and Property Damage, including coverage for owned, non-owned, and hired vehicles, as applicable.
- d. Notice of Cancellation or Change. There shall be no cancellation, material change, reduction of limits without 30 days prior written notice from the Contractor or its insurer(s) to CIS.
- e. Certificates of Insurance. As evidence of the insurance coverages required by this contract, the Contractor shall provide acceptable insurance certificates to CIS as soon as practicable upon written request by CIS. If requested, complete copies of insurance policies, shall be provided to CIS.

OTHER CONTRACT CONSIDERATIONS:

1. Limitations on Liability and Warranties. Responses to RFPs should include a description of any limitations on liability to either CIS or purported third party liability limitations the Proposer would seek to include in a contract with CIS. These provisions are disfavored and will be a consideration in our review and comparison of RFP responses.
2. Termination. While termination provisions are negotiable, any provision that would not permit CIS to terminate the contract with a reasonable notice period, without further obligation, would be strongly disfavored and allowed only with the consent of the Executive Director. Our preferred termination provision is as follows:
 - a. This contract may be terminated at any time by mutual written consent of the Parties.
 - b. CIS may, at its sole discretion, terminate this contract, in whole or in part, upon 30 days' written notice to contractor. In the event of such a termination, CIS agrees to pay Contractor the fees and expenses reasonably incurred prior to such termination.
 - c. CIS may terminate this contract immediately upon notice to Contractor, or at such later date as CIS may establish in such notice, if Contractor commits any material breach or default of any covenant, warranty, obligation or agreement under this contract, or fails to perform in a timely manner the services under this contract, and such breach, default, or failure is not cured within 30 calendar days after delivery of CIS' notice, or such longer period as CIS may specify in such notice.
 - d. Contractor may terminate this contract upon 10 days' written notice to CIS if CIS fails to pay Contractor pursuant to the terms of this contract and CIS fails to cure within 30 days after receipt of Contractor's written notice, or such longer period as Contractor may specify in such notice.
3. Dispute Resolution. CIS disfavors mandatory arbitration provisions. Our position is that alternative dispute resolution is acceptable, but arbitration should be undertaken only when both parties agree to it at the time of the dispute. If arbitration is undertaken, we will not consent to the rules and procedures of the American Arbitration Association. Other standard rules are available, or the parties can simply agree to

rules and procedures as they deem appropriate. Provisions requiring mediation as a precedent to other legal action are acceptable.