**Request for Proposals (RFP) ETC0049**

**Administrative Services for the State of Wisconsin**

**Pharmacy Benefit Program**

****

**Issued by the**

**State of Wisconsin**

**Department of Employee Trust Funds**

**On behalf of the Group Insurance Board**

Department Issues RFP: April 4, 2024

Proposals Due: August 1, 2024

Table of Contents

[Table of Contents 2](#_Toc163030009)

[Appendices 2](#_Toc163030010)

[Forms 2](#_Toc163030011)

[Section 8 Cost Proposal Workbook 3](#_Toc163030012)

[1 General Information 4](#_Toc163030013)

[2 PREPARING AND SUBMITTING A PROPOSAL 18](#_Toc163030016)

[3 Proposal Selection and Award Process 25](#_Toc163030017)

[4 Mandatory Requirements and Qualifications 30](#_Toc163030018)

[5 Program Specifications and Requirements 30](#_Toc163030019)

[6 General Questionnaire 30](#_Toc163030020)

[7 Technical Questionnaire 37](#_Toc163030021)

[8 Cost Proposal 52](#_Toc163030022)

[9 Contract Terms and Conditions 53](#_Toc163030023)

Appendices

Appendix 1 – State of Wisconsin Pharmacy Benefit Program Agreement (Program Agreement)

Appendix 2 – Pharmacy Benefit Program Performance Guarantee Workbook

Appendix 3 – 2024 Functional Specification Drug

Appendix 4 – GHIP Employer Information

Appendix 5 – 834 Overview and Companion Guide

Appendix 6 – Data Supplier Agreement (sample)

Appendix 7 – Non-Disclosure Agreement (NDA) (Data Out) (sample)

Appendix 8 – Pro Forma Contract (sample)

Appendix 9 – Department Terms and Conditions v. 12.1.2023

Appendix 10 – NDA Among Vendor, Department, and Board Actuary

Appendix 11 – Merative – Data Supplier Agreement (sample)

Appendix 12 – NDA and Data Supplier Agreement with Benefitfocus (sample)

Forms

Form A – Proposal Checklist

Form B – Mandatory Requirements and Qualifications

Form C – Subcontractor Information

Form D – Request for Proposal Signature Page

Form E – Vendor Information

Form F – Vendor References

Form G – Designation of Confidential and Proprietary Information

Section 8 Cost Proposal Workbook

**Provided by the Board’s Actuary (The Segal Company (Eastern States), Inc. or Segal) after Vendor submits Appendix 10 (due May 1, 2024) to the Department**

* Cost Proposal Workbook
* Claims History File

# 1 General Information

The Wisconsin Department of Employee Trust Funds (Department) is soliciting Proposals from qualified vendors to administer pharmacy benefits as the Pharmacy Benefit Manager (PBM) for the State of Wisconsin Group Health Insurance Program (GHIP) and the Wisconsin Public Employer (WPE) program for Local Government Employees.

The purpose of this Request for Proposals (RFP) is to provide interested and qualified vendors with information to enable them to prepare and submit competitive Proposals. The Department intends to use the results of this solicitation to award a Contract for the Services described herein. The Contract resulting from this RFP (if a Contract is awarded) will be administered and managed by the Department, with oversight by the State of Wisconsin Group Insurance Board (Board). This RFP document, its appendices, forms, Unredacted Proposal, and Cost Proposal Workbook from the awarded Proposer will be incorporated into the Contract.

## 1.1 Procuring and contracting Agency

This RFP is issued by the Department on behalf of the Board. The Department is the sole point of contact for this RFP. The terms “ETF” and “Department” may be used interchangeably in this RFP, its appendices, forms, and linked resources.

Vendors are prohibited from contacting any person other than the individual listed below regarding this RFP. Violation of this requirement may result in the vendor being disqualified from further consideration.

**Wisconsin Department of Employee Trust Funds**

Procurement Lead: Joanne Klaas Email: [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov)

## 1.2 Board and Department Authority

This solicitation is authorized under Chapter 40 of the Wisconsin State Statutes. Procurement statutes and rules that govern other State agencies may not be applicable. All decisions and actions under this RFP are solely under the authority of the Board. On November 15, 2023, the Board delegated to the Department the authority to solicit proposals for a third-party administrator for the State of Wisconsin Pharmacy Benefits Program (Program or Pharmacy Benefit Plan) to provide the Services described herein. The Department is acting as an agent of the Board in carrying out any directives or decisions relating to this RFP, the Contract, and subsequent award.

## 1.3 Introduction

The Department administers the Wisconsin Retirement System (WRS), the Group Health Insurance Program (GHIP) for State employers and many Local Government Entities, and a variety of other public employee benefit programs. (See Appendix 4 – GHIP Employer Information). The WRS has consistently ranked among the top 10 largest public pension funds in the United States, providing retirement benefits for more than 663,000 current and former State and Local government employees and their families on behalf of more than 1,500 employers. Participants in the WRS include public school teachers, current and former employees of State agencies and the Universities of Wisconsin, and employees of most State and Local governments. All State WRS members and those from participating Local employers are eligible to enroll in the GHIP. The Department is overseen by independent governing boards and funds are held on behalf of the benefit program beneficiaries in the Public Employee Trust Fund created and regulated under Chapter 40 of the Wisconsin State Statutes.

### Health Insurance Program Background

The GHIP, administered by the Department and the Department’s contracted health plans (11 plans in 2024), is largely a fully insured plan for employees and retirees (and their survivors) of State agencies, the Legislature, the Universities of Wisconsin, University of Wisconsin Hospital and Clinics, over 400 participating Local Government Employers, Retirees, and their Dependents. The GHIP makes up one of the largest health plan groups in Wisconsin, spending $1.86 billion in health insurance premiums annually and covering more than 240,000 Participants.

Table 1 lists the number of individuals enrolled in the GHIP/WPE programs as of January 2024 All Members enrolled in the GHIP/WPE programs are also enrolled in the pharmacy Program.

**Table 1. 2024 Total Enrollment State/Local, Commercial/Medicare EGWP**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Commercial Members | Medicare Members | Total |
| State | 169,806 | 39,314 | 209,120 |
| Local | 32,771 | 2,352 | 35,123 |
| Total | 202,577 | 41,666 | 244,243 |

Of the 244,243 total Members who have their pharmacy benefits through the Program, 36,079 are enrolled in a high deductible health plan through the GHIP. All 36,079 are Commercial Members.

### Pharmacy Benefits

Prior to 2004, each health plan that participated in the GHIP administered their own prescription drug program for Members enrolled in their plans. Because of this arrangement, the Department was not able to obtain accurate or thorough data to fully understand the scope of how much the Board was spending on pharmaceuticals annually.

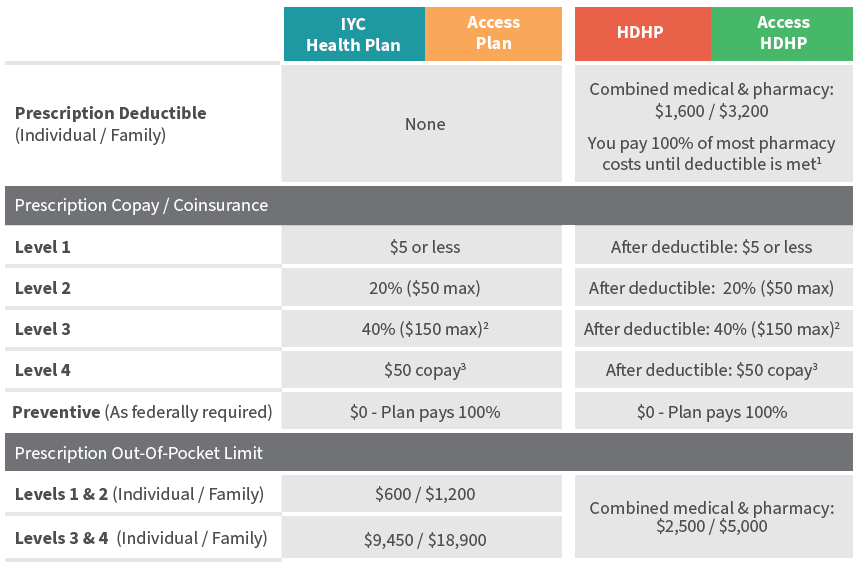
In 2002, the Department began to explore carving out the pharmacy benefits from the GHIP. The Department believed that carving out the pharmacy benefits would lead to access to better rebates and discounts, greater negotiating power for drug rebates, and a more cost-effective benefit design with the drug benefit managed by one entity versus many.

On January 1, 2004, the self-funded pharmacy benefits were officially carved out of the GHIP.

An RFP for administration of the pharmacy benefits program was published in 2010 and 2017. The current [pharmacy benefits program contract](https://etfonline.wi.gov/etf/internet/RFP/PharBeneMgmt16RFP/index.htm) is set to expire December 31, 2025.

Table 2 below shows the pharmacy benefits available to non-Medicare Members.

***Table 2. 2024 Plan Year Pharmacy Benefits for all non-Medicare Members***



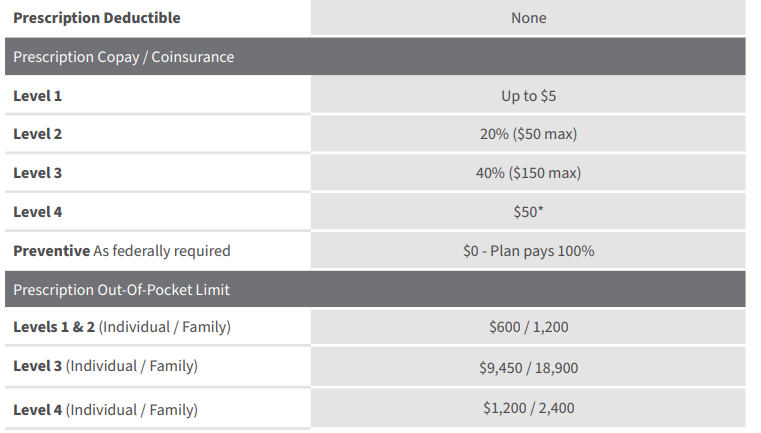
1Before a Member meets their deductible, preventive drugs are covered 100% and certain maintenance medications only require a copayment or coinsurance.

2For Level 3 “Dispense as Written” or “DAW-1” drugs, a doctor must submit a one-time Food and Drug Administration MedWatch to the PBM. If there is no form on file, the Member pays more.

3Must fill at PBM’s specialty pharmacy or University of Wisconsin Health Specialty Pharmacy.

Table 3 below shows the pharmacy benefits available to Medicare Members.

***Table 3. 2024 Plan Year Pharmacy Benefits for Medicare Members***



\*Price if filled at PBM’s specialty pharmacy or UW Health Specialty Pharmacies. If a Member does not fill at one of these pharmacies, they will pay 40% ($200 max). The amounts paid do apply to the Level 4 out-of-pocket limit, rather, to a limit of $9,450 individual /$18,900 family.

The [Pharmacy Benefit Fact Sheet](https://etf.wi.gov/publications/et8933/direct) gives a detailed breakdown of the type of drugs on each formulary tier.

### Data Warehouse Vendor

The Board contracted with Merative for claims and provider data warehouse services. Appendix 1 – State of Wisconsin Pharmacy Benefit Program Agreement Sections 145C Data Warehouse File Requirements and 145E Data Submission Requirements include Contractor requirements related to data submissions and data integration with the Department’s data warehouse.

### Insurance Administration System Vendor

The Department is in the process of implementing an Insurance Administration System (IAS) for insurance benefits enrollment and management. The Contractor awarded a Contract under this RFP will be required to submit data to and receive data from the Department and the Department’s IAS Contractor at no additional cost to the Department.

### Additional Background Information

The [Pharmacy Program Fact Sheet](https://etf.wi.gov/publications/et8933/direct) <https://etf.wi.gov/resource/pharmacy-benefits-program-fact-sheet> provides additional background information on the Program. Table 4 below provides links to additional background information. This information is provided to assist the Proposer in completing an RFP response.

1. **Table 4. Additional Background Information**

|  |  |
| --- | --- |
| Title | Web Address |
| Employee Trust Funds Website | <http://etf.wi.gov> |
| Group Health Insurance Fact Sheet | <http://etf.wi.gov/publications/et8902.pdf> |
| Comparison of Pharmacy Benefits for Retirees Without Medicare | https://etf.wi.gov/its-your-choice/2024/state-employee-and-retiree-health-plan-supplemental-benefits/pharmacy/find-cost-your-drugs |
| Comparison of Pharmacy Benefits for Retirees With Medicare | https://etf.wi.gov/its-your-choice/2024/state-employee-and-retiree-health-plan-supplemental-benefits/pharmacy/find-cost-your-drugs-medicare |
| Open Enrollment Material | [https://etf.wi.gov/decision-guides](https://etf.wi.gov/publications?keywords=Decision%20Guide&field_et_number_value_1=&field_audience_target_id=All) |
| Wisconsin Administrative Code: Chapter ETF 11 Appeals | <http://docs.legis.wisconsin.gov/code/admin_code/etf/11> |
| Wisconsin State Statutes Chapter 40 | <http://www.legis.state.wi.us/statutes/Stat0040.pdf> |
| ETF Insurance Complaint Information | <http://etf.wi.gov/publications/et2405.pdf> |
| Health Insurance Eligibility rules for State Employers (Chapter 3) | <https://etf.wi.gov/publications/et1118/direct> |
| State of Wisconsin Pharmacy Benefit Programs Fact Sheet | <https://etf.wi.gov/publications/et8933/direct> |
| Board Memo and most current audit of the Pharmacy Benefit Program | [<https://etf.wi.gov/boards/groupinsurance/2023/11/15/gib11/direct>](https://etf.wi.gov/boards/groupinsurance/2023/11/15/gib11/direct) |
| Group Insurance Board Agendas, Memos, and Presentations | https://etf.wi.gov/about-etf/governing-boards/group-insurance-board/group-insurance-board-meeting-agendas-and-materials |

## 1.4 Project Scope and Objectives

The Department seeks a PBM to administer a self-insured pharmacy benefit program for all Members of the GHIP and the WPE programs. Services are to include commercial coverage and benefits for the employed Members and their Dependents, early Retirees and their Dependents, as well as Members and their Dependents who are eligible for continuation of coverage (COBRA). In addition, Services are to include coverage for Retirees and their Dependents who are eligible for or already enrolled in Medicare through a Medicare Part D prescription drug plan.

Proposers must be able to provide all Services and meet all of the requirements requested in this RFP and shall remain responsible for Contract performance regardless of any Subcontractor’s work.

All offerings described in the Proposal response regarding programming and capabilities must be available to all eligible Participants unless otherwise noted in the Proposal. For example, a small pilot program shall be clearly described as such.

The objective of this RFP is to acquire a PBM that will be a collaborative and strategic partner in providing Services that will accommodate the current benefit plan design and enhance the value of the pharmacy benefit programs through the following:

* Consistent administration of pharmacy benefits;
* Full Transparency including but not limited to operational, legal, contractual, and financial transparency;
* Focus on innovative plan design while bringing the best value to Members and the GHIP and WPE programs and achieving the lowest net cost to the programs; and,
* Data sharing and strategic coordination with other contractors and/or third-party administrators, such as the Department’s data warehouse vendor, the Department’s Insurance Administration System vendor, participating health insurers, the Board’s consulting actuary, the Board’s contract compliance auditor for pharmacy, the Wisconsin Legislative Audit Bureau, and the wellness and disease management vendor.
* Innovative best practice offerings that align with the [Board’s Initiatives Roadmap](https://etf.wi.gov/boards/groupinsurance/2023/11/15/gib7/download?inline=).

The Proposer must administer the Uniform Benefits, as written in Section 400 Part III.D of the State of Wisconsin Pharmacy Benefit Program Agreement (Appendix 1), or as approved by the Board prior to January 1, 2026, and subsequent plan years.

The Board will only consider Proposals that demonstrate a fully transparent financial arrangement. No other arrangements will be considered. For the purposes of this RFP, full Transparency is defined as 100% pass-through pricing of network pharmacies such that the Plan is billed no more than network pharmacy reimbursement and 100% pass-through of all manufacturer derived revenue related to Plan utilization, including but not limited to formulary revenue, market share revenue, inflation protection, and administrative and data fees.

If the Proposer owns or is part of a common ownership structure with the mail order and/or specialty pharmacies, the Proposer shall apply a traditional fixed discount guarantee for Brand and Generic medications including MAC pricing. The MAC pricing applied at mail shall be at least equivalent to the MAC pricing applied at retail but in no case shall it produce a higher cost to the plan than the retail MAC.

In addition, all manufacturer and group purchasing organization/rebate aggregator contracts must be readily available and completely auditable by the Department or its designee. Business practices, processes, and clinical methodologies must also be fully disclosed.

The Proposer shall provide full disclosure of all drug manufacturer / rebate aggregator revenue sources.

The basis of payment for services provided by the PBM will be a flat, PMPM administrative fee. Proposers who do not guarantee this fee structure may be eliminated from consideration. Proposers may propose an additional fee structure that may include performance incentives; however, this fee structure will be dependent on negotiations between the Department and the winning Proposer.

1.5 Definitions and Acronyms

Words and terms shall be given their ordinary and usual meanings. Where capitalized in this RFP, the following definitions and acronyms shall have the meanings indicated unless otherwise noted. The meanings are applicable to the singular, plural, masculine, feminine, and neuter forms of the words and terms.

**Active Employee** (State or Local) means a full or part-time Employee whose Employer participates in the Program.

**Board** means State of Wisconsin Group Insurance Board.

**Brand Drug** means a prescription drug identified as such in the PBM’s master file using indicators from FirstDataBank (or other nationally recognized source) and where the Medi-Span code = M, N, or O.

**Brown Bagging** means a patient picks up a prescription at a pharmacy or has it delivered to their home, which is then taken to the patient’s provider (hospital or clinic), for administration.

**Business Day** means each Calendar Day except Saturday, Sunday, and official State of Wisconsin holidays (see also: Calendar Day).

**Calendar Day** refers to a period of twenty-four (24) hours starting at midnight.

**Calendar of Events** means the schedule of events in RFP Section 1.9.

**CDT** means Central Daylight Time covering a time period of mid-March to early November each calendar year.

**Clear Bagging** means a provider’s internal specialty pharmacy dispenses the patient’s prescription and transports the product to the location of drug administration.

**Coinsurance** means that portion of the charge for Covered Products, calculated as a percentage of the charge for such Covered Products, that is to be paid by Covered Individuals pursuant to the Pharmacy Benefit Plan.

**Confidential Information** means all tangible and intangible information and materials being disclosed in connection with the Contract, in any form or medium without regard to whether the information is owned by the State of Wisconsin, a Contractor, or by a third party, which satisfies at least one of the following criteria: (i) Individual Personal Information under Wis. Stat. § 40.07 and Wis. Admin. Code § ETF 10.70; (ii) Personally Identifiable Information under Wis. Stat. § 19.62(5); (iii) Protected Health Information under HIPAA, 45 CFR 160.103; (iv) proprietary information; (v) non-public information related to the State of Wisconsin’s employees, customers, technology (including databases, data processing and communications networking systems), schematics, specifications, and all information or materials derived therefrom or based thereon; (vi) information expressly designated as confidential in writing by the State of Wisconsin; (vii) all information that is restricted or prohibited from disclosure by State or federal law, including Medical Records as governed by Wis. Stat. § 40.07 and Wis. Admin. Code ETF § 10.01(3m); or (viii) any material submitted by the Proposer in response to a Department solicitation that the Proposer designates confidential and proprietary information and which qualifies as a trade secret, as provided in Wis. Stat. § 19.36(5) or material which can be kept confidential under the Wisconsin public records law.

**Contract** means the written, signed agreement resulting from the successful Proposal and subsequent negotiations that incorporates, among other documents, this RFP, and its appendices, attachments, and forms, the successful Proposer’s Proposal as accepted by the Department, an updated Appendix 1 – State of Wisconsin Pharmacy Benefit Program Agreement, an updated and executed Appendix 8 - Pro Forma Contract, its appendices, forms, attachments, subsequent amendments and other documents as agreed upon by the Department and Contractor.

**Contractor** means the Proposer who is awarded the Contract pursuant to this RFP and is a party to an executed Contract with the Department.

**Cost Proposal Workbook or Cost Proposal** means the document submitted by Proposer that includes Proposer’s costs to provide the Services. The Cost Proposal is one of the required documents all Proposers must submit to the Board Actuary. The Cost Proposal is described in Section 8 and elsewhere in this RFP.

**Commercial** means the pharmacy benefit non-Medicare Members are enrolled in. All Members under age 65 are enrolled in the Commercial pharmacy benefit.

**Copayment** means a fixed dollar portion of the charge for Covered Products, which is to be paid by Covered Individuals pursuant to the Pharmacy Benefit Plan.

**Covered Individual** means each person who is eligible for prescription drug benefits under the Pharmacy Benefit Plan, including Participating Members and their Dependents.

**Covered Products** means those Products that are covered under the Pharmacy Benefit Plan. Covered Products may include, but are not limited to, brand or generic prescription medications, medications not requiring a prescription, and/or medical supplies and equipment.

**DAW** means Dispense as Written. See Appendix 1 – Program Agreement DAW definition.

**Deductible** means a predetermined amount of money that a Covered Individual must pay before benefits are eligible for payment.

**Department** or **ETF** means the Wisconsin Department of Employee Trust Funds.

**Dependent** means children, including natural children, stepchildren, adopted children, legal wards, and children in adoptive placement under Wis. Stat. §48.837 (1). Children from live birth (stillborn and unborn children are not eligible) to the attainment of age 26 are eligible for insurance and pharmacy coverage under the Program. A child who is age 26 or older is also eligible if they are incapable of self-support because of a physical or mental disability, which is expected to be of a long-continued and indefinite duration.

**Drug Spend** means the discounted Ingredient Cost of all drugs adjudicated under the Pharmacy Benefit Plan for a given year, plus dispensing fees, net of manufacturers’ rebates, determined on an accrual basis. Drug Spend does not include Contractor’s administrative fees or other administrative expenses of the Pharmacy Benefit Plan, and shall not take into account Deductibles, Copayments, and Coinsurance payments made by the insured Members under the Pharmacy Benefit Plan.

**DUR** means Drug Utilization Review.

**EGWP** means Employer Group Waiver Plan, which is associated with Medicare Part D.

**Eligible Product** means the brand name or generic Product that is included in the Contractor-recommended and Board-approved formulary and for which a Product manufacturer and Contractor have entered into a contractual pricing agreement.

**Employee** means an eligible employee of the State of Wisconsin as defined under [Wis. Stat. §40.02 (25).](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/25) As used herein, a State Employee is an Employee of a State Employer and a local government Employee is an Employee of a local unit of government.

**Employer** means the State, including each State agency, any county, city, village, town, school district, other governmental unit or instrumentality of two or more units of government as defined in Wis. Stat. §40.02 (28).

**Generic Drug** means a prescription drug, whether identified by its chemical, proprietary, or non-proprietary name, that is therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient(s) and approved by the FDA, and which is identified as such in the PBM’s master file using indicators from FirstDataBank (or other nationally recognized source) and has a Medi-Span code = Y or O and the DAW code = 3, 4, 5, 6, or 9.

**GHIP** means the State of Wisconsin Group Health Insurance Program.

**HIPAA** means the Health Insurance Portability and Accountability Act of 1996. See Appendix 9 - Department Terms and Conditions.

**Holiday** means State holidays. See State holidays at:

<https://dpm.wi.gov/Pages/How_Do_I/seeStateHolidays.aspx>

**Identification Cards** means printed cards, approved by the Department, indicating eligibility of Covered Individuals that meet all federal and State guidelines. These cards will be distributed by the Contractor to Members upon initial enrollment, upon a change in the Pharmacy Benefit Plan, or upon request of the Covered Individual.

**Individual Personal Information** or **IPI** is defined in Wisconsin Administrative Code § ETF 10.70(1). See Appendix 2-Department Terms and Conditions.

**Ingredient Cost** means the amount Contractor pays to the pharmacy on behalf of the Board, less any and all income streams, to reflect complete financial Transparency. See the definition for Transparent or Transparency below.

**Legislative Audit Bureau** or **LAB** is a State government organization that supports the Wisconsin State Legislature in its oversight of Wisconsin government and its promotion of efficient and effective state operations by providing nonpartisan, independent, accurate, and timely audits and evaluations of public finances and the management of public programs.

**Local Government, Local Employer** or **Local Unit of Government** means a Wisconsin public employer as defined under Wis. Stat. § 40.02 (28), other than the State, which has acted under Wis. Stat. § 40.51 (7), to make healthcare coverage available to its employees and retirees.

**MAC** means Maximum Allowable Cost.

**Mandatory** means the least possible threshold, functionality, degree, performance, etc. needed to meet a compulsory requirement.

**Member** means an Active Employee or Retiree who is eligible for benefits through the Department.

**NABP** means National Association of Boards of Pharmacy. NABP assists member boards in developing, implementing, and enforcing public health standards.

**National Drug Code** or **NDC** is a unique 11-digit, 3-segment numeric identifier assigned to each medication listed under Section 510 of the US Federal Food, Drug, and Cosmetic Act. The segments identify the labeler or vendor, product (within the scope of the labeler), and trade package (of the product).

**NCQA** means National Committee for Quality Assurance. NCQA accredits health care providers and plans based upon quality improvement and value criteria.

**Online Transaction Processing** means the process of settling claims, from submission through final disposition, between two or more parties.

**Open Enrollment Period** means the enrollment period referred to in Department materials that is available at least annually to Employees allowing them the opportunity to enroll for coverage in benefit plans offered by the Board. Dates for the annual Open Enrollment Period are set by the Board each year and are typically in September – October for Active Employees and Retirees to make changes to, add, or terminate any health benefit for the upcoming year. Program and benefit changes are primarily disseminated to Employees and Members via employer groups and the Department’s website. The changes made during this time are then active on the following January 1. New Employees hired at any point during the year have 30 Calendar Days from the date of hire to make health benefit choices.

**Participating Pharmacy or Pharmacy Network** means a pharmacy or a company that is authorized to represent one or more subsidiary, affiliated, or franchised pharmacy, that has entered into an agreement with the Contractor to provide Covered Products to Covered Individuals.

**Participating Prescribers** means those prescribers who are authorized to prescribe medication to Covered Individuals under the Pharmacy Benefit Plan.

**Payroll Center** means the benefits department of participating State agency that is responsible for completing business processes associated with Program enrollment and changes, payroll deductions, leave benefit administration, and terminations. See Appendix 4 – GHIP Employer Information

**PBM** means Pharmacy Benefit Manager.

**PDP** means a Medicare Part D prescription drug plan.

**Performance Guarantees** means Contractor performance guarantees listed in Appendix 2 – Pharmacy Performance Guarantees and reported to the Department quarterly.

**Pharmacy Benefit Plan** means the portion of the Board’s group health plan that provides for the coverage of certain pharmacological and related Covered Products subject to certain Copayments, Deductibles, or Coinsurance requirements, limitations and exclusions as described in the Uniform Benefits.

**PMPM** means Per Member Per Month.

**Prior Authorization** means a prospective review to verify that certain criteria approved by the Department are satisfied for specific Products prior to processing the claim for such Products.

**Products** means brand or generic prescription medications, medications not requiring a prescription, and/or medical supplies and equipment.

**Program** means the State of Wisconsin Pharmacy Benefit Program created and regulated under Chapter 40 of the Wisconsin State Statutes.

**Program Agreement** means the specific agreement that describes the State of Wisconsin Pharmacy Benefit Program (Appendix 1) offered to eligible Employees and Retirees.

**Proposal** means the Unredacted Proposal and the Cost Proposal, a complete response of a Proposer submitted in the format specified in this RFP, which sets forth the services offered by a Proposer and Proposer’s pricing for providing the Services described in this RFP, including all attachments, forms, appendices, and all other documents referenced herein.

**Proposer** means any individual, company, corporation, or other entity that submits a Proposal in response to this RFP.

**Quarterly** means a period consisting of every consecutive three (3) months beginning in January.

**RDS** means Retiree Drug Subsidy.

**Rebate** means the total dollar amount paid by a Product manufacturer or aggregator organization to the Contractor for Eligible Product utilization. This includes any revenue offered by a Product manufacturer for administrative services.

**Retiree** means a State or local WRS participant who is retired and receives an annuity or lump sum benefit from the Wisconsin Retirement System. See Wis. Stat. §40.02 (49).

**RFP or Request for Proposals** means this Request for Proposal (ETC0049) and its attachments, forms, and appendices for Administrative Services for the State of Wisconsin Pharmacy Benefit Program.

**Services** means all work performed, and labor, actions, recommendations, plans, research, and documentation provided by the Contractor necessary to fulfill that which the Contractor is obligated to provide under the Contract.

**Specialty Drugs** means a type of prescription drug that, in general, are high cost, high complexity drugs used to treat complex or rare conditions. They are often biologics, injected or infused, and may require special handling and more intensive patient monitoring.

**State** means the State of Wisconsin.

**State Statutes** or **Wisconsin Statutes** or **Wis. Stats.** means Wisconsin State Statutes referenced in this RFP, viewable at: <https://docs.legis.wisconsin.gov/statutes/prefaces/toc>

**Subcontractor** means a person or company hired by the Contractor to perform a specific task or provide Services as part of the Contract.

**Supplemental Wrap or Wrap Plan** is an additional drug coverage program for a Retiree who is enrolled in the Department’s EGWP drug plan. The Supplemental Wrap or Wrap Plan provides coverage similar to the coverage the retiree had during employment, including coverage during the Medicare Part D coverage gap or “donut hole.”

**System and Organization Control Reports** or **SOC Reports** are internal security control reports, produced by independent auditors, on the services provided by a service organization that provide valuable information users of the services need to assess and address the risks associated with the services and include SOC1 and SOC2 reports.

**Transparent** or **Transparency** means a fully transparent financial arrangement. No other arrangements will be considered. For the purposes of this RFP, full Transparency is defined as 100% pass-through pricing of network pharmacies such that the Plan is billed no more than network pharmacy reimbursement and 100% pass-through of all manufacturer derived revenue related to Plan utilization, including but not limited to formulary revenue, market share revenue, inflation protection, and administrative and data fees.

If the Proposer owns or is part of a common ownership structure with the mail order and/or specialty pharmacies, the Proposer shall apply a traditional fixed discount guarantee for Brand and Generic medications including MAC pricing. The MAC pricing applied at mail shall be at least equivalent to the MAC pricing applied at retail but in no case shall it produce a higher cost to the plan than the retail MAC.

In addition, all manufacturer and group purchasing organization/rebate aggregator contracts must be readily available and completely auditable by the Department or its designee. Business practices, processes, and clinical methodologies must also be fully disclosed.

The Proposer shall provide full disclosure of all drug manufacturer / rebate aggregator revenue sources.

The basis of payment for services provided by the PBM will be a flat, PMPM administrative fee. Proposers who do not guarantee this fee structure may be eliminated from consideration. Proposers may propose an additional fee structure that may include performance incentives; however, this fee structure will be dependent on negotiations between the Department and the winning Proposer.

**Uniform Benefits** means Section 400 of Appendix 1 - State of Wisconsin Pharmacy Benefit Program Agreement.

**URAC** means the Utilization Review Accreditation Commission. URAC accredits a variety of healthcare organizations, including pharmacies, health plans, and provider organizations.

**Universities of Wisconsin** means the Universities of Wisconsin system with locations across the State.

**WAC** means Wholesale Acquisition Cost.

**White Bagging** means the process of when a specialty pharmacy ships a patient’s prescription directly to the provider, (hospital or clinic). The provider holds the product until the patient arrives for treatment.

**WPE** means Wisconsin Public Employer as defined under Wis. Stat. § 40.02 (28), other than the State, which has acted under Wis. Stat. § 40.51 (7), to make health care coverage available to its employees. In the past, WPE has been referred to as “local employer,” an employer that participates in the GHIP.

**WRS** means Wisconsin Retirement System.

1.6 Clarification of the Specifications and Requirements

Vendors must submit all questions concerning this RFP via email (no phone calls) to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov). The subject of the email must state “ETC0049” and the email must be received on or before the date identified in Section 1.9 Calendar of Events for vendor questions. Vendors are expected to raise any questions they have concerning this RFP at this point in the process. Do not include any information within your questions that would identify your company as all submitted questions will be shared publicly on the Department’s website.

Vendors are encouraged to submit any assumptions or exceptions during the above process. All assumptions and exceptions listed must contain a rationale as to the basis for the assumption/exception. The Department will inform vendors what assumptions/exceptions are acceptable to the Department.

Questions must be submitted as a Microsoft Word document (not a .pdf or scanned image) to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov) using the table included below. Copy and paste this table into your Word document and add rows as necessary.

***Table 5. Format for Submission of Clarification Questions***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Q # | RFP / Appendix # and Section # | RFP Page | Question/Rationale | Department Answer |
| Q1 |  |  |  |  |
| Q2 |  |  |  |  |
| Q3 |  |  |  |  |

Q# = Vendor’s question. Leave the “Department Answer” column blank as this is where the Department will enter its replies.

Vendor’s email must include the name of the vendor’s company and the person submitting the questions. A compilation of all vendor questions and the Department’s answers, along with any RFP updates, will be posted to the Department website at <https://etf.wi.gov/node/35431> on or about the date indicated in Section 1.9 Calendar of Events, for Department posts responses to vendor questions.

If a vendor discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the vendor should, upon discovery of such an issue, send an email to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurementAppeals@etf.wi.gov) with “ERROR re ETC0049” stated in the email subject line and explain such error. **Failure to raise any such cognizable error immediately but no later than before the Proposal submission deadline will result in a bar on subsequently raising the issue.**

If it becomes necessary to update any part of this RFP, updates will be published on the Department’s website listed above.

## 1.7 Vendor Conference

There is no scheduled vendor conference for this RFP. A vendor conference is an opportunity for vendors to ask questions. If the Department decides to hold a vendor conference, a notice will be posted on the Department’s website at <https://etf.wi.gov/node/35431>. Note: Unless this notice is posted, no conference will be held.

## 1.8 Reasonable Accommodations

The Department will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities, upon request.

## 1.9 Calendar of Events

Listed below are dates by which actions related to this RFP must be completed. If the Department finds it necessary to change any of the dates and times listed below, it will do so by posting an addendum to this RFP on the Department’s website. No other formal notification will be issued for changes in the estimated dates.

***Table 6. Calendar of Events\****

|  |  |
| --- | --- |
| Date/Time | Event |
| April 4, 2024 | Department Issues RFP on ETF’s website <https://etf.wi.gov/node/35431> |
| May 1, 2024  by 2:00 PM CDT | **Appendix 10** - **NDA** among Vendor, Department, and Board Actuary due. Email to the Department at [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov) |
| May 15, 2024  by 2:00 PM CDT | Vendor **questions** due. Email to the Department at [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov)  Vendor **letter of intent to submit a Proposal** requested. Email to the Department at [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov) |
| May 29, 2024\* | Department posts **responses** to vendor questions on ETF’s website <https://etf.wi.gov/node/35431> |
| August 1, 2024  by 2:00 PM CDT | **Proposals Due:**  Unredacted and Redacted Proposals: Proposers must upload the Unredacted Proposal and, if required by the vendor, Redacted Proposal according to RFP Sections 2.7.2 and 2.7.3 to BOX: [Pharmacy Benefit Manager RFP Vendor Upload Site | Powered by Box](https://etf.app.box.com/folder/246882676714?s=5ev3euinjpu2dgxt6pophm3pa1wp526t)  Cost Proposal Workbook: Proposers must upload and submit their Cost Proposal Workbook to their secure workspace on the Segal system. (Workspaces will be created upon confirmation of receipt of a signed NDA – Appendix 10). See RFP Sections 2.7.1 and 8. |
| October 2024\* | Proposer presentations to the evaluation committee |
| February 19, 2025\* | Group Insurance Board meeting |
| September-October 2025 | Open Enrollment Period for the 2026 plan year |
| January 1, 2026 | Benefits for the 2026 plan year begin |

\*All dates are firm except those with an asterisk.

**Note:** It is the desire of the Department that the Contract be signed prior to the end of April 2025 as the Contractor will assist with the implementation, transition, and Member communication involved with any Benefit Program structure changes for the 2026 plan year. All such work must be completed prior to the commencement of the Open Enrollment Period for the 2026 plan year.

## 1.10 Contract Term

The Department expects the Contract to be executed in April of 2025, after contract negotiations have been successfully completed. The initial Contract term will be approximately three years beginning January 1, 2026 through December 31, 2028. The Board retains the option to renew the Contract for two (2) additional two (2)-year terms, subject to the satisfactory negotiation of terms, including pricing.

1. **Note:** The 2026 benefit period will begin January 1, 2026. The Contractor will assist the Department with the implementation, transition, and Member communications prior to the Services being made available for the 2026 plan year. This implementation and transition period will begin after a Contract is executed and continue until implementation and transition are completed prior to open enrollment in September 2025.

## 1.11 No Obligation to Contract

The Board reserves the right to cancel this RFP for any reason prior to the issuance of a notice of intent to award a Contract. The Board does not guarantee to purchase any specific dollar amount. Proposals that stipulate that the Board shall guarantee a specific quantity of dollar amount will be disqualified.

## 1.12 WI Department of Administration eSupplier Registration

The Wisconsin Department of Administration’s eSupplier Portal is available to all businesses and organizations that want to do business with the State. The eSupplier Portal is not being used for this solicitation for the submission of any Proposer documents. The eSupplier Portal allows vendors to see details about pending invoices and payments, allows vendors to receive automatic, notices of bid opportunities, and, in some cases, allows vendors to respond to State solicitations.

For more information on the eSupplier Portal, and to register, go to:

[https://esupplier.wi.gov/psp/esupplier/SUPPLIER/ERP/h/?tab=WI\_BIDDER](https://vendornet.wi.gov/GenProcurement/StrategicSourcing.aspx?tab=WI_BIDDER).

This is not a mandatory requirement.

## 1.13 Retention of Rights

All Proposals become the property of the Department upon receipt. All rights, title and interest in all materials and ideas prepared by the Proposer for the Proposal, and provided to the Department, shall be the exclusive property of the Department and may be used by the State at its discretion.

# 2 PREPARING AND SUBMITTING A PROPOSAL

## 2.1 Incurring Costs

Neither the State nor the Department are liable for any costs incurred by vendors in replying to this RFP, making requested oral presentations, or demonstrations.

## 2.2 Letter of Intent

A letter of intent indicating that a vendor intends to submit a response to the RFP is highly encouraged (see due date in Section 1.9 Calendar of Events). In the letter, identify the vendor’s organization/company name, list the name, location, telephone number, and email address of one or more persons authorized to act on the vendor’s behalf. Submit the letter of intent via email to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov). The RFP number must be referenced in the subject line of vendor’s email. The letter of intent does not obligate the vendor to submit a Proposal.

## 2.3 Appendix 10 – NDA among Vendor, Department, and Board Actuary

a. By May 1, 2024, 2:00 PM CST sign and email Appendix 10 – NDA among Vendor, Department, and Board Actuary to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov)

b. The data recipient(s) designated in Appendix 10 will receive a system generated email from Segal with a link to a secure workspace. Once your designated recipient(s) clicks the link, they will have access to Segal’s secure workspace containing the Cost Proposal Workbook and the Claims History File, a reference for Proposers.

**\*\*\*You must complete and submit Appendix 10 to the Department in order to receive the Cost Proposal Workbook and Claims History File from Segal, the Board Actuary. \*\*\***

## 2.4 Proposal Due Date and Time

1. Proposers are solely responsible for ensuring that all required documents are received by Segal (Cost Proposal Workbook) and the Department (Unredacted Proposal) on or **before 2:00 PM CDT on August 1, 2024**, the deadline stated in Section 1.9 Calendar of Events.

b. Documents received by Segal (Cost Proposal Workbook) and the Department (Unredacted Proposal) after 2:00 PM CDT on August 1, 2024, the date and time specified in Section 1.9 Calendar of Events, will not be accepted and will be disqualified. If any portion of the Unredacted Proposal or Cost Proposal Workbook is submitted late, the entire Proposal will be disqualified. Proposers may request, via an email to the intended recipient (Segal or the Department) the time and date their documents were received.

c. Neither the Department nor Segal take any responsibility for Proposer submissions or emails that are captured, blocked, filtered, quarantined, or otherwise prevented from reaching the proper destination server by any anti-virus or other security software.

## 2.5 Unredacted Proposal

The Unredacted Proposal submission must include all Proposer documents responsive to the RFP. Proposers must comply with the following requirements. The Department reserves the right to exclude/disqualify any Proposal from consideration that does not follow these requirements.

Include the following documents in the Unredacted Proposal:

a.  **Cover Letter:** This signed letter must be written on the Proposer’s official business stationery and be signed by an official that is authorized to legally bind the Proposer. Include in the letter:

* Name and address of company/Proposer
* Name, title, signature, telephone number and email address of Proposer’s authorized representative
* Name, title, telephone number, and email address of representative(s) who may be contacted by the Department if questions arise regarding the Proposal
* The RFP name and number (PBM ETC0049)
* Executive summary regarding the Proposal
* Date the Proposal was authored

b. **Completed Forms:** complete and upload the following forms to BOX: [Pharmacy Benefit Manager RFP Vendor Upload Site | Powered by Box](https://etf.app.box.com/folder/246882676714?s=5ev3euinjpu2dgxt6pophm3pa1wp526t) (these forms may be included in a single .pdf file)

* Form A – Proposal Checklist
* Form B – Mandatory Requirements and Qualifications
* Form C – Subcontractor Information
* Form D – Request for Proposal Signature Page
* Form E – Vendor Information
* Form F – Vendor References
* Form G – Designation of Confidential and Proprietary Information
* Current Form W-9 Request for Taxpayer Identification Number and Certification (get the latest form from the Department of the Treasury, Internal Revenue Service: [https://www.irs.gov/pub/irs-pdf/fw9.pdf](mailto:ETFsmbProcurementAppeals@etf.wi.gov))

**Form Requirements:**

**Form C – Subcontractor Information:** If awarded a Contract, Contractor has a continuing obligation to submit an updated Form C to the Department as Subcontractors are added / removed.

**Form F – Vendor References.** Proposers must provide at least four (4) references in Form F. References may be contacted to determine the quality of work performed and personnel assigned to the project, etc. The results of any reference checks may be used by evaluation committee members for scoring Proposals. Other reference requirements are stated in Form F. The Department reserves the right to contact other states, agencies, and individuals, about the Proposer even if not listed as references by the Proposer.

**Form G – Designation of Confidential and Proprietary Information.** All Proposers have a continuing obligation to submit an updated Form G up to the date the Department’s Notice of Intent to Award a Contract is issued if the Department requests additional information that the Proposer claims is confidential or proprietary. Merely designating submitted information “confidential” or “proprietary” on the submitted document is insufficient.

c. **Responses to Section 6 General Questionnaire**

d. **Responses to Section 7 Technical Questionnaire**

e. **Assumptions and Exceptions:** If the Proposer has assumptions and/or exceptions to any RFP term, condition, appendix, specification, or form, etc. pertaining to this RFP the Proposer must follow the instructions in Section 2.7.4 below for submitting assumptions and exceptions. If the Proposer has no assumptions or exceptions the Proposer must provide a statement to that effect in their Proposal.

f. **Promotional Materials:** Only provide promotional materials if they are relevant to a specific requirement or request specified in this RFP. If provided, all materials must be included with the response to the relevant requirement and clearly identified as “promotional materials.” Electronic access to such materials is preferred, which includes web links.

## 2.6 Unredacted/Redacted Proposal Submission

a.  **IF** your Proposal includes confidential and/or proprietary information, you must upload two versions of your Proposal, an unredacted version and a redacted version:

1. It is preferred that a single, ***Unredacted*** Proposal file including the documents listed above in Section 2.5 Unredacted Proposal be uploaded to BOX. The Proposal file must be labeled with **Proposer’s name +** the text **“Unredacted Proposal ETC0049”**. This file must contain all electronic, unredacted Proposal files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 (or above) format. The Department requires that all files have optical character recognition capability (not a scanned image). **Do not include Cost Proposal Workbook in this file.** The Cost Proposal Workbook must be submitted only to Segal.

2. It is preferred that a single, ***Redacted*** Proposal file including the documents listed above in Section 2.5 be uploaded to Box. This redacted file must be labeled with **Proposer’s name +** the text **“Redacted Proposal ETC0049”**.This file must contain all electronic Proposal files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 (or above) format **EXCLUDING or REDACTING** all Proposer confidential and proprietary information/documents listed in Form G – Designation of Confidential and Proprietary Information. **Do not include the Cost Proposal Workbook in this file.** TheCost Proposal Workbook must be submitted only to Segal.

**Redacted documents/files:** The Department may need to electronically send redacted Proposals to members of the public and other Proposers when responding appropriately to public records requests. Note that no matter what the method the Proposer uses to redact documents in this file, the Department is not responsible for checking that the redactions match the Proposer’s Form G – Designation of Confidential and Proprietary Information. The Department is not responsible for checking that the redactions, when viewed on-screen via electronic file, cannot be thwarted. The Department is not responsible for responding to open records requests via printed hard copy, even if redactions are only effective on printed hard copy. The Department may post Redacted Proposals on the Department’s public website in exactly the same file format the Proposer provides, and the Department is not responsible if the redacted file is copied and pasted, uploaded, emailed, or transferred via any electronic means, and somehow loses its redactions in that process.

* Redact only material you, the Proposer, authored. For example, do not redact the requirement or question you are responding to, only the answer.
* Do not redact page numbers. Page numbers should remain visible at all times, even if the whole page is being redacted.
* List a descriptor of the redacted items on Form G – Designation of Confidential and Proprietary Information; sign the form only once. Add as many lines/pages to Form G as necessary.

b. **IF** your Proposal does not include confidential and/or proprietary information, just upload the Unredacted Proposal to BOX. You are still required to submit Form G.

c. **IF** you are unable to combine/include all required forms, documents, and requested materials in a single Proposal file (unredacted or redacted), you may upload separate document files to BOX. All file names of uploaded documents must contain Proposer’s name as the first word in the file name, examples: “Proposer’s name + reports,” “Proposer’s name + forms,” “Proposer’s name + Assumptions and Exceptions.” All such files must be in Microsoft Word/Microsoft Excel, or Adobe Acrobat 9.0 (or above) format. If a document file includes confidential/proprietary information, include the word “confidential” in the file name along with the descriptive information noted above. Be sure to include the document name and details of the confidentiality, e.g., document name, page and/or section, in Form G – Designation of Confidential and Proprietary Information.

## 2.7 Instructions for Submitting Proposals

### 2.7.1 Submitting Cost Proposal Workbook to Segal

a. Email Appendix 10 – NDA among Vendor, Department and Board Actuary to the Department [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov) before 2:00 PM CDT on May 1, 2024.

b. Segal, the Board Actuary, will provide those you have designated in Appendix 10 with access to secure data and forms associated with this RFP; Cost Proposal Workbook and Claims History File.

c. Submit the Cost Proposal Workbook to Segal using Segal’s secure workspace before 2:00 PM CDT on August 1, 2024. See also RFP Section 8.0 Cost.

d. In the event there are confidential portions of the Cost Proposal Workbook, please identify those in Form G – Designation of Confidential and Proprietary Information.

### Submitting Unredacted and Redacted Proposals to the Department

a. Upload Unredacted Proposal, and if proposal contains confidential information, Redacted Proposal into BOX by 2:00 PM CDT on August 1, 2024. Documents must be submitted to the BOX upload site: [Pharmacy Benefit Manager RFP Vendor Upload Site | Powered by Box](https://etf.app.box.com/folder/246882676714?s=5ev3euinjpu2dgxt6pophm3pa1wp526t) See Section 2.7.3 below for details on how to upload documents to BOX.

b. It is recommended that Proposers begin the process of uploading the Unredacted and Redacted Proposals into BOX and test their system well in advance of the due date and time listed in Section 1.9 Calendar of Events – Proposals Due to ensure submissions can be accomplished by the due date. (If you submit a test document, include the word “TEST” in your file name.)

### Uploading Unredacted and Redacted Proposals to BOX

**Unredacted and Redacted Proposals must be uploaded to the following BOX URL:**

[Pharmacy Benefit Manager RFP Vendor Upload Site | Powered by Box](https://etf.app.box.com/folder/246882676714?s=5ev3euinjpu2dgxt6pophm3pa1wp526t)

**Important Requirements for uploading documents to Box:**

a. Do not upload zipped folders or files to BOX.

b. Do not upload document folders to BOX.

c. Acceptable file types for upload to BOX include .pdf, .doc., or .xls.

1. Do not lock or password protect any Proposal files.
2. Include the Proposer’s name and ETC0049 at the beginning of each file name.
3. Files must be free of all malware, ransomware, viruses, spyware, worms, Trojans, or anything else that is designed to perform malicious operations on a computer.
4. If you experience problems uploading files to BOX, please consult with your IT department first; consider “whitelisting” BOX or turning off your VPN to allow uploads. If you continue to experience issues, send an email to [ETFSMB[Procurement@etf.wi.gov](mailto:Procurement@etf.wi.gov).](mailto:ETFSMBProcurement@etf.wi.gov)

### Instructions for Submitting Assumptions and Exceptions

a. Regardless of any proposed assumption or exception, the Proposal as presented must include all Services requested in the RFP.

b. If you cannot agree to a term or condition as written in this RFP or its attachments, you must make a specific requested revision to the language of the provision by striking out words or inserting language to the text of the provision. Any new text and/or deletion of original text must be clearly color coded or highlighted. Proposers must avoid complete deletion and substitution of entire provisions, unless the deleted provision is rejected in its entirety and substituted with substantively changed provisions. Wholesale substitutions of provisions must not be made in lieu of strategic edits required to reflect Proposer modifications. See Section 2.7.5 below regarding assumptions and exceptions to Appendix 9 – Department Terms and Conditions.

c. Immediately after a proposed revision, you must add a concise explanation concerning the reason or rationale for the revision. Such explanations must be separate and distinct from the marked-up text and be bracketed, formatted in *italics,* and preceded with the term “[*Explanation: ….*].”

d. Submission of any standard Proposer contracts as a substitute for language in Appendix 9 – Department Terms and Conditions is not a sufficient response to this requirement and may result in rejection of the Proposal. An objection to terms or conditions without including proposed alternative language will be deemed to be an acceptance of the language as applicable.

e. If the Proposer has any assumptions or exceptions to information in the Cost Proposal Workbook provided by Segal (See Section 8 Cost Proposal), provide those where indicated in the Cost Proposal Workbook.

f. All provisions on which no changes are noted will be assumed to be accepted by the Proposer as written and will not be subject to further negotiation or change of any kind unless otherwise proposed by the Department.

g. The Department reserves the right to negotiate contractual terms and conditions when it is in the best interest of the State to do so.

h. Exceptions to any RFP terms and conditions may be considered by the Department during Contract negotiations if it is beneficial to the Department.

i. The Department may or may not consider any of the Proposer’s suggested revisions. The Department reserves the right to reject any proposed assumptions or exceptions.

j. Clearly label each assumption and exception with one of the following labels, as applicable:

* + Appendix 9 – Department Terms and Conditions Assumptions and Exceptions
  + RFP/Appendix (excluding Cost Proposal Workbook) Assumptions and Exceptions
  + Cost Proposal Workbook assumptions and exceptions must be clearly indicated and included with your Cost Proposal Workbook submission to Segal.

### Important Information – Department Terms and Conditions

a. The Department may not allow any assumptions or exceptions by the Proposer to any of the sections of Appendix 9 – Department Terms and Conditions that are listed in Table 7 below. Any Proposal with an assumption or exception to language in the sections listed in Table 7 may be rejected unless the Proposer, upon the Department’s request, recants each such assumption or exception in writing.

b. If, during contract negotiations, there are minor issues that need to be addressed due to the Proposer’s inability to meet specific provisions in the sections of the Department Terms and Conditions listed in Table 7 below, the Department may choose to negotiate these issues with the Proposer as the Department sees fit.

c. If there is a difference in interpretation of the Department Terms and Conditions between the Proposer and the Department, the Department may be willing to address those matters during contract negotiations and make clarifications.

d. Be advised that the Department is unlikely to agree to make substantial changes to the language in the sections of the Department Terms and Conditions that are listed in Table 7 below.

***Table 7. No Assumptions or Exceptions Allowed***

**Appendix 9 – Department Terms and Conditions**

|  |
| --- |
| **Section** |
| 3.0 Legal Relations |
| 12.0 Discount for Late Delivery |
| 14.0 Contract Dispute Resolution |
| 15.0 Controlling Law |
| 17.0 Termination of the Contract |
| 18.0 Termination for Cause |
| 18.1 Breach by Pattern or Practice |
| 19.0 Remedies of the Department |
| 24.0 Confidential Information, Privacy and HIPAA Business Associate Agreement |
| 25.0 Indemnification |
| 30.0 Information Security Agreement |
| 41.0 Assignment |

## 2.8 Multiple Proposals

Multiple Proposals from a Proposer for a single RFP will not be accepted.

## 2.9 Withdrawal of Proposals

Proposals will be irrevocable until the Contract is awarded unless the Proposal is withdrawn in writing. Proposers may withdraw a Proposal in writing at any time up to the date and time listed in Section 1.9 Calendar of Events - Proposal Due Date or upon expiration of three (3) Calendar Days after the Proposal Due Date and time, if received by the Department. To accomplish this, the written request must be signed by an authorized representative of the Proposer’s company and submitted to the contact listed in Section 1.1 Procuring and Contracting Agency. If a previously submitted Proposal is withdrawn before the Proposal Due Date, the Proposer may submit another Proposal at any time up to the Proposal Due Date and time.

# 3 Proposal Selection and Award Process

## 3.1 Preliminary Evaluation

1. Proposals will initially be reviewed to determine if Form B – Mandatory Requirements and Qualifications are met, to the extent the Department can make that determination, and if all required Proposal components are received. All components of the Proposal must be submitted prior to the deadline listed in Section 1.9 Calendar of Events. Failure on the part of the Proposer to:

* submit a complete Unredacted Proposal on time and following the instructions for completing the Proposal specified in this RFP, or
* provide Cost Proposal Workbook on time to Segal, the Board Actuary, or
* be able to meet the specifications in this RFP and the appropriate appendices,

may result in rejection of the Proposal regardless of when the Department makes such discovery. In the event that all Proposers do not meet one or more of the RFP requirements, the Department reserves the right to continue the evaluation of Proposals and to select the Proposal that most closely meet the requirements specified in this RFP. Also see Section 2.7.5 regarding possible rejection of a Proposal for making assumptions/exceptions to certain sections of Appendix 9 – Department Terms and Conditions.

b. Failure to respond to each of the requirements in this RFP may be the basis for rejecting a Proposal.

c. All Proposals must be in English.

## 3.2 Clarification Process

The Department may request Proposers to clarify ambiguities or answer questions related to information presented in their Proposal. Clarifications may occur throughout the Proposal evaluation process. Clarification requests will include appropriate references to this RFP and the Proposal. Proposer responses must be submitted to the Department in writing in the manner and timeframe specified by the Department. Failure to provide responses as instructed may result in rejection of a Proposal.

## 3.3 Evaluation Criteria

1. Proposals that pass the preliminary evaluation may be reviewed by an evaluation committee. The evaluation committee may review written Proposals, additional clarifications, oral presentations, or demonstrations of the Proposer’s proposed products(s) and/or service(s) (top scoring Proposers only), site visits, and other information to score Proposals. The Department may request reports on a Proposer’s financial stability (this includes the Department’s request for Proposers to furnish audited financial statements), and if financial stability is not substantiated, may reject a Proposer’s Proposal. The Department may review results of past awards to the Proposer by the State.
2. Proposers are required to provide a copy of their organization’s most recent SOC 2 Type 2 audit report with a letter of attestation (see Section 7.2.3 below and Appendix 9 – Department Terms and Conditions, Sections 6.0 and 30.0) with their Proposal. However, if a Proposer does not currently have a SOC 2 Type 2 report and letter of attestation, the Proposer must, within their Proposal, provide the Department with assurances that they have started a SOC 2 Type 2 audit (include auditor name and projected date of audit completion) and will provide such audit report to the Department **before May 1, 2025**. The Department may reject a Proposal if the report and letter of attestation are not provided, if the assurances are not provided, or if the report provided does not assure the Department that the Proposer is able to provide the services requested in this RFP for the life of the Contract to the Department’s satisfaction.
3. The RFP evaluation committee may contact the references of selected Proposers to determine the quality of services provided and work performed by the Proposer, customer satisfaction, etc. Proposers should use **Form F – Vendor References** to provide references**.** The Department will act as its own reference (therefore do not list the Department as a reference). At least one reference should be an entity with at least 50,000 eligible participants for whom your organization provides Services like those described in this RFP. Reference checks may be used by evaluation committee members to clarify and substantiate information in the Proposals, learn about the Proposer’s past performance and ability to perform the Services described in this RFP and in the Proposal, and may be considered when scoring Proposer responses to the general and technical questionnaires in this RFP.
4. The evaluation committee's scoring will be tabulated, and Proposals will be ranked based on the numerical scores received. The evaluation committee reserves the right to stop reviewing a Proposal at any point during the evaluation process and remove the Proposal from further consideration when the Proposal is not reasonably apt to receive an award.

## 3.4 Proposer Presentations, Demonstrations, Site Visits

**This section is not scored. (0 points)**

**Any presentation, demonstrations or site visits will inform evaluation committee members’ scoring of the General and/or Technical Questionnaires.**

a. At the direction of the evaluation committee and the discretion of the Department, Proposers reasonably apt to receive an award (top scoring Proposers) based on the evaluation of their Proposal and the scores of their General and Technical Questionnaires (RFP Sections 6 and 7) may be required to participate in oral presentations or demonstrations, interviews and/or site visits to supplement the Proposals, if requested by the Department. This may include presentations to supplement or clarify information in the Proposal or demonstrations of Proposer’s key tools, web portal, and reporting capabilities, and interviews with key Department staff, evaluation committee members, and Board members. Proposer presentations and/or demonstrations may be used by evaluation committee members to validate or supplement Proposal information; committee members may change their scores to the Proposer’s responses to items in Sections 6 and 7 based on Proposer presentations/demonstrations.

1. The Department will reasonably attempt to schedule each Proposer presentation or demonstration at a time that is agreeable to the Proposer, however, such presentations or demonstrations must occur within a window of time specified by the Department. Presentations will be held either virtually via MS Teams or in Madison, Wisconsin. Failure of a Proposer to provide a presentation or demonstration or permit a site visit on the date scheduled may result in rejection of the Proposer’s Proposal.
2. By submitting a Proposal in response to this RFP, the Proposer grants rights to the Department to contact or arrange a site visit with any or all of the Proposer’s clients, associates, Subcontractors, and/or references.
3. Proposers invited by the evaluation committee and Department to provide a presentation or demonstration will be given a list of agenda items/talking points the Proposer must address to ensure an objective comparison by the evaluation committee of Proposers’ proposed services.

e. If a presentation or demonstration is required, the Department prefers to have the designated primary contact, program managers, implementation managers, or other key assigned project staff participate in the presentation or demonstration and facilitate discussions. The Department’s objective is to ascertain the designated primary contacts’ familiarity with the Department’s mission and expectations, and ability to explain, communicate, converse, and interact with Department staff. While respecting the role of sales and marketing staff in the sales process, the Department is most interested in interacting with the staff the Department will be interacting with daily to manage the Contract, if the Proposer wins the award.

## 3.5 Proposal Scoring

Proposals submitted will be scored based upon the proven ability of the Proposer to satisfy the requirements specified herein in an efficient, cost-effective manner, taking into account quality of services proposed. Proposals will be scored using the following point system:

***Table 8. Evaluation Criteria***

|  |  |  |  |
| --- | --- | --- | --- |
| **RFP Section** | **Description** | **Total Points** | **%** |
| 6 | General Questionnaire | 100 | 10% |
| 7 | Technical Questionnaires | 700 | 70% |
| 8 | Cost Proposal | 200 | 20% |
|  | **Total** | **1000** | **100%** |
| **top proposers only** | **Description** | **Total Points** | **%** |
| - | Proposer Demonstrations | Not scored but used evaluation committee to clarify proposals | |

1. Proposers whose Proposals are accepted for final consideration will be required to participate in Proposer presentations and/or web-portal demonstrations if requested by the Department (see Section 1.9 Calendar of Events); see Section 3.4 Proposer Presentations, Demonstrations, Site Visits. Proposer presentations/demonstrations to evaluation committee members will be accomplished through video means.
2. Evaluation committee members may alter their scores of a Proposal based on the information they learn from the Proposer in their presentation/demonstration.
3. The evaluation and selection of a Contractor will be based on the information received in the submitted Proposal plus the following optional review methods, at the Department’s or evaluation committee’s discretion: reference checks, presentations, demonstrations, interviews, responses to requests for additional information or clarification, any on-site visits, and/or best and final offers (BAFOs), where requested. Such methods may be used to clarify and substantiate information in the Proposals.

d. At the discretion of the Department, Proposers reasonably apt to receive an award after the initial review of Proposals may be required to provide a copy of their organization’s audited financial statements for the two (2) most recent fiscal years including the audit opinion, balance sheet, statement of operations and notes to the financial statements. If a Proposer receives a request for these documents from the Department, the Proposer must furnish such documents to the Department within five (5) Business Days of the Proposer’s receipt of the Department’s request. If such documents are confidential, the Proposer must submit a revised Form G – Designation of Confidential and Proprietary Information with the documents. The Department may reject a Proposal if the requested documentation is not provided or if the documentation provided does not assure the Department that the Proposer is able to provide the Services requested in this RFP for the life of the Contract to the Department’s satisfaction.

## 3.6 Method to Score the Cost

Scoring of the Cost Proposals will be performed by Segal, the Board Actuary. The lowest Cost Proposal will receive the maximum number of points available for the cost category. Other Cost Proposals will receive prorated scores based on the proportion that the costs of the proposals vary from the lowest Cost Proposal.

## 3.7 Best and Final Offer (BAFO)

a. The Department reserves the right to solicit one or more BAFOs and conduct Proposer discussions, request more competitive pricing, clarify Proposals, and contact references of finalists should it be advantageous for the Department to do so. The Department is the sole determinant of what is most advantageous.

b. If a BAFO is solicited, it will contain the specific information on what is being requested, as well as submission requirements, and a timeline with due date for submission. Any BAFO responses received by the Department (or Segal as may be as directed) after the stated due date may not be accepted. Proposers that are asked to submit a BAFO may refuse to do so by submitting a written response indicating their Cost Proposal remains as originally submitted. Refusing to submit a BAFO, if asked, will not disqualify the Proposer from further consideration.

## 3.8 Contract Award

The evaluation committee may conduct Proposer discussions, clarify Proposals, contact the references of Proposers, and request a Best and Final Offer (BAFO) from Proposers. Information regarding the Proposals will be presented to the Board. One or more Proposals may be presented to the Board for award based on the results of the general, technical, cost evaluations, and references. If the evaluation committee conducted oral presentations or demonstrations, the award will be based on the results of the presentations or demonstrations, as well. The Proposal(s) determined to best meet the goals of the State’s benefits program may be selected by the Board for further action, including oral presentations or demonstrations to the Board, and the Board’s discussion held in closed session regarding the award among other considerations in determining the award decision. The Board has the fiduciary responsibility and authority to make the final contract award decision. Under [Wis. Stat. § 40.03 (6)](mailto:molly.dunks@etf.wi.gov) there is no requirement for the Board to award a contract to the Proposer who scored the most points. The Board reserves the right not to award a Contract.

If Contract negotiations with the Proposer selected cannot be concluded successfully, the Board may negotiate a Contract with another Proposer.

## 3.9 Right to Reject Proposals and Negotiate Contract Terms

a. This RFP does not commit the Board to award a Contract or pay any cost incurred in the preparation of a Proposal in response to the RFP. The Board retains the right to accept or reject any or all Proposals or accept or reject any part of a Proposal deemed to be in the best interest of the Board. The Board will be the sole judge as to compliance with the instructions contained in this RFP.

b. The Department, on behalf of the Board, will negotiate the terms of the Contract, including the award amount and the Contract length, with the selected Proposer prior to entering into a Contract. The Department reserves the right to add contract terms and conditions to the Contract during contract negotiations and subsequent renewals.

## 3.10 Notification of Intent to Award

All Proposers who respond to this RFP will be notified in writing of the Board’s intent to award one or more contracts as a result of this RFP. All decisions and actions under this RFP are solely under the authority of the Board.

## 3.11 Appeals Process

a. Protests (appeals) of the Board’s intent to award a contract must be made in writing and according to the Board’s Vendor Procurement Appeals Policy located [here](file://accounts.wistate.us/etf/files/prod/Finance/Procurement/Contract-R/Contract/ETD/ETD0050-51%20-%20Medicare%20Advantage%20&%20Medicare%20Plus/1.%20Development/RFP%20docs%20DRAFTS/Appeals%20Policy%20from%20web%201.19.2024.pdf), starting at the bottom of page 12.

b. A Proposer who wants to appeal the award must first email a written notice indicating that the Proposer intends to appeal the award decision to [ETFsmbProcurement@etf.wi.gov](https://secure-web.cisco.com/18XmQICqchrDvTdTbkJwv52UHhTJlRpTHvQjvsh90yyrLSNjPSSUjPfdRpo_FVNg_PnYOQiI_0KGsFGumoo5ULGh9GnSVPr29tCbfXb_sfu-Rfu0sUoQOcaxuLU-uJXdEioLY-CH7poGR6srcIJnjn4T_E4ja7d5EcYbbBXhVMgfo21HHP9shqMtba0EnmPRpGQw3mckXjXTxtLJ1RSJ_-Rwd-uLobeYwqbr2-YrSoyyJ2EcLRtWVOPN4nNS_3JumTJRRWNLTO7lY3Op4l7TYRlikI1qyCnc40Kd_xKVr28Pj8TPiOZ4HeOBfqk9eSQUKoh5pN1uV_yW8Fl70Z0JQUA/https:/r20.rs6.net/tn.jsp) ***AND*** to [ETFsmbProcurementAppeals@etf.wi.gov](https://secure-web.cisco.com/1lxk9HZL5s_18LpzpKxrYzLQnyu8TQ663rGp1PeCTVkv2dUIIhYvJQo9iWJ947-FzPrFLWpebxcXXaCymyCfgeRWZFTKVn_PZDeSqFNyjD3J3hk5xZmF-rG8nEjQyqfohhz8-5BqS2h4Iu-2fNayQ_V_VjLtKbCDDKXdrx1O9qd16I08hhr0ljuxURClkGCj9xK5YfzDt8GV0Odb494LqLAZcn1QcLYRMbi7aIiQ4Lic2KZ0OSYhNnp_5a3pnCES15ZPqzXNw5tObTF60yxiREmbssCvj2hoh3135TstlaPcSofugZZ2acECzkh_EF3egKYCFQgEJiHT7bL21Kp90Mw/https:/r20.rs6.net/tn.jsp). The notice of intent to appeal the decision must be receive d no later than five (5) Business Days after the notice of intent to award the contract is issued.

c. Following the notice of intent to appeal, the Proposer’s formal written appeal must be emailed to [ETFsmbProcurement@etf.wi.gov](mailto:ETFsmbProcurement@etf.wi.gov) ***AND*** [ETFsmbProcurementAppeals@etf.wi.gov](https://etf.wi.gov/resource/etf-insurance-complaint-form), addressed to the Board, c/o the Secretary of the Department, within ten (10) Business Days after the notice of intent to award the contract is issued. Appeal rights are lost if no formal appeal is timely received. The formal appeal must state the RFP number, detailed factual grounds for the objection to the contract award and must identify any sections of the Wisconsin Statutes and Wisconsin Administrative Code that are alleged to have been violated. Proposers can appeal only once per award.

d. The subjective judgment of evaluation committee members is not appealable. Following Board action, a written decision will be sent to the appellant. The decision of the Board regarding any appeal is final.

# 4 Mandatory Requirements and Qualifications

**This section is pass/fail. (0 points)**

**Use Form B – Mandatory Requirements and Qualifications to respond.**

Failure of a Proposer to comply with one or more of the items listed in Form B – Mandatory Requirements and Qualifications may disqualify the Proposer. A response to each item in Form B is required.

If the Proposer cannot agree to each item listed in Form B, the Proposer must so specify and provide the reason for the disagreement in the Assumptions and Exceptions section of their Proposal (see instructions in Section 2.7.4 above).

Conditions of the RFP that have the word “must” or “shall” describe a Mandatory Requirement.

# 5 Program Specifications and Requirements

**This section is NOT scored. (0 points)**

The specifications and requirements contained in this RFP and its attachments are the minimum requirements that a Contractor shall meet. If a Proposer cannot agree to the applicable specifications and requirements, the Proposer must so specify and provide the reason for the disagreement in the Assumptions and Exceptions section of their Proposal (see instructions in Section 2.7.4 above).

Appendix 1 – State of Wisconsin Pharmacy Benefits Program Agreement will be updated by the Department periodically to reflect program changes approved by the Board and include State and federal mandated changes; therefore, the Department and the Contractor will negotiate an Amendment to the Contract to modify Appendix 1 when necessary.

# 6 General Questionnaire

**This section is scored. (100 total points)**

a. The purpose of this Section 6 is to provide the evaluation committee, the Department, and the Board with a basis for determining the Proposer’s capability to undertake the Contract.

b. The Proposer must provide point-by-point responses to each and every statement, request, and question in Section 6. Restate the heading of each section being responded to and each question or statement in the section in bold and provide a detailed written response (in non-bolded text). Do not combine questions or responses. Provide only one answer to one question at a time.

c. Your responses must follow the same numbering system, use the same headings, and address each point or sub-point listed in each section. Include the documents requested in Section 6 (if any) immediately after the request for the document(s).Label each document provided with the question it corresponds to (e.g., Response to 6.1.2).

d. Responses should reflect the Proposer's understanding of the requirements and specifications herein, the procedures used to ensure the requirements will be met, and your organization’s qualifications and experience in providing the required Services.

e. You must provide sufficient detail for the evaluation committee, the Department, and the Board to understand how your organization will comply with each requirement. See 5.a. above. If you believe your organization’s qualifications go beyond the minimum requirements or add value, you should indicate those capabilities in the appropriate section of your Proposal.

f. Information described in your Proposal regarding programming and capabilities must be available to all eligible Participants unless otherwise noted in your Proposal.

g. Fees related to any services included in your Proposal must be noted in the Cost Proposal workbook(s) you provide to Segal only. Do not include cost/pricing information in any part of the non-cost Proposal.

h. The evaluation committee may stop reviewing a Proposal if the Proposal format does not follow these instructions. Do not combine questions. Provide only one answer to one question/requirement at a time.

## 6.1 Company Information

**6.1.1** Provide a description of your organization, including:

a. Legal name of the company,

b. Mailing address,

c. State in which the company is domiciled,

d. Year in which your organization was established,

e. Primary line(s) of business and description of experience in primary line(s) of business,

f. Number of employees,

g. Address(es) of the following: your organization headquarters, account manager, customer service, claims processing, IT support and security, implementation team, and other key staff, and

h. Using Form C – Subcontractor Information, provide the same information above for any Subcontractors that will provide services as part of your Proposal. Provide the name and location of each Subcontractor and services for which they are (or will be) contracted. If no Subcontractors will be used, indicate that on Form C.

**6.1.2** Describe fully your organization’s corporate or other business entity structure, including company ownership information.

a. Attach an organizational chart showing principal officers, directors, managers, and staff members who will be associated with providing services related to this RFP.

b. Indicate if your organization is a subsidiary or affiliate of another company, and if yes, list the name(s) of the affiliated companies or parent company.

c. Provide full disclosure of any direct or indirect ownership or control by any administrative service agency and/or financial institution and describe the relationship fully.

**6.1.3** Describe any acquisitions and/or mergers or other material developments regarding your organization (e.g., changes in ownership, personnel, business, etc.) pending now or that occurred in the past five (5) years. Disclose any potential mergers or acquisitions that have been recently discussed by senior officials and could potentially take place within three (3) years after the Contract is executed. If this is confidential information, designate the information as such in Form G – Designation of Confidential and Proprietary Information. (The Department understands if Proposers cannot share certain information due to SEC rules and/or the existence of non-disclosure agreements that may be in place with Proposer regarding certain acquisitions and mergers.)

**6.1.4** List any relevant websites for your company and its offerings.

**6.1.5** Submit evidence of current licensure under the State of Wisconsin’s Office of the Commissioner of Insurance for pharmacy.

**6.1.6** Provide a copy of the 2024 [Pharmacy Benefit Manager Transparency Reporting form](https://oci.wi.gov/Documents/OCIForms/26-906.pdf) that was required to be filed with the Wisconsin Office of the Commissioner of Insurance by June 1, 2024 under Wisconsin State Statute 632.861(7).

**6.1.7** Provide information about any accreditations, certifications or industry designations your company currently holds, and/or has been awarded in the past five (5) years (e.g., accreditation or certification by URAC, NABP, NCQA, etc.). Include only credentials or designations given by nationally-recognized accreditors.

**6.1.8** Describe your experience serving clients with multiple health insurance plans. Include a list of clients for whom your company administers pharmacy benefit programs that are similar to that of the State’s.

**6.1.9** The Contractor will be expected to work closely with the Department’s other GHIP program vendors. Describe your experience collaborating with health plans, dental plans, wellness and disease management vendors, and data warehouse vendors.

**6.1.10**  Submit a copy of your organization’s SOC 1 Type 2 Report. See Section 6-Audit Provisions of Appendix 9 - Department Terms and Conditions for details.

**6.1.11** Describe the nature of any business relationships, partnerships, or co-ownership partnerships currently in place with pharmaceutical manufacturers or retail pharmacies beyond what is typically necessary to conduct benefits administration. Include any ongoing responsibilities, financial, strategic or otherwise, that are in place or that are a result of these relationships and describe these responsibilities in detail.

**6.1.12** Describe your current and previous relationship(s) with the following, current GHIP program vendors.

|  |  |
| --- | --- |
| **Vendor** | **Description of current or previous relationship (if any)** |
| Aspirus Health Plan |  |
| Benefitfocus |  |
| Dean Health Insurance |  |
| Delta Dental of Wisconsin |  |
| Group Health Cooperative of Eau Claire |  |
| Group Health Cooperative of South-Central Wisconsin |  |
| HealthPartners Health Plan |  |
| Medical Associates Health Plan |  |
| Merative |  |
| MercyCare Health Plans |  |
| Network Health |  |
| Optum Financial |  |
| Quartz |  |
| Segal |  |
| University of Wisconsin Specialty Pharmacy |  |
| UnitedHealthcare |  |
| WebMD |  |

## 6.2 Organization Capabilities

**6.2.1** Indicate the number of public sector groups in your organization’s corporate book of business for which you are the organization’s PBM.

|  |  |
| --- | --- |
| Group Size | Number of Public Sector Clients in Your Organization’s Book of Business in the specified group size range |
| 0-5,000 |  |
| 5,001-50,000 |  |
| 50,001 to 100,000 |  |
| 100,001 or more |  |

**6.2.2** Provide a list of your five (5) largest public sector clients for which your organization currently is the organization’s PBM (do not include the State of Wisconsin); include:

a.  Client’s name,

b.  Client’s number of employees,

c.   Client’s total enrollment (members + dependents) in their pharmacy program, and

d.  The number of years your organization has provided services to the client.

The RFP evaluation committee may contact the references of selected Proposers to determine the quality of services provided and work performed by the Proposer, customer satisfaction, etc. At least one reference should be an entity with at least 100,000 eligible Participants for whom your organization provides services like those described in this RFP. Use FORM F – Vendor References to provide references. The results of the reference checks will be used to inform evaluation committee members about the Proposer’s past performance and ability to perform the Services.

**6.2.3**  Within the last five (5) years, has your organization been removed or replaced as Pharmacy Benefit Manager of a state or other public sector group with 100,000 or more employees? If yes, list all such removals/replacements and explain the circumstances.

**6.2.4**   Describe your experience serving clients that have complex groups and/or groups with multiple employers, locations, or subgroups. Include a list of clients’ names for whom your company administers pharmacy benefit programs similar to the GHIP.

**6.2.5** Describe your experience in onboarding a new subgroup under an already existing public sector client. In 2023, how many subgroups did your organization create under an already existing public sector client? How long (in days and/or weeks) did it take for your company to create the new subgroup in your system?

## 6.3 Staff Qualifications

**6.3.1** Identify the dedicated Account Manager(s) who would be responsible for day**-**to**-**day contacts with the Department and provide their resume(s). Resumes should include:

a.  The skills and attributes that will ensure that the requirements of the Contract are met**.**

b.  Information about their professional qualifications, including length of tenure with your organization and number of years in the pharmacy industry**.**

c.  A detailed description of the types of large and/or complex employer groups similar to the State of Wisconsin that the Account Manager has been, or currently is, managing**.**

d.  The number of accounts and account size that the Account Manager would oversee when also assigned to manage the State of Wisconsin Program.

e. A specific example of how the dedicated Account Manager has resolved a general administrative problem identified by a client.

**6.3.2**  Provide a list of key staff (e.g. pharmacists, data and reporting, accounting/billing, legal counsel, communications, customer service lead, etc.) who will assist in fulfilling the requirements of the Contract. Include the following for each individual listed:

a. Name, job title, and location (city, state),

b. Primary job responsibilities,

c. Years of related experience,

d. Areas of specializations, and

e. Include an organizational chart that shows the reporting structure for key staff.

**6.3.3**  Describe whether your organization will provide dedicated staff to the Department.

**6.3.4** Provide a statement as to whether or not the services you are proposing can be performed using only present staff, computer equipment, software, and technology or if additional resources will be needed to fulfill the requirements of the Contract.

**6.3.5** Provide the following information for the specific areas listed below that will be serving the State of Wisconsin.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Geographical Locations(s) | Hours of Operation (CST) | Is this service outsourced? Yes or No? | If outsourced, provide the name of the company to which the service is outsourced. |
| Member Service Center |  |  |  |  |
| Claims Administration Office |  |  |  |  |
| Account Management Office |  |  |  |  |
| Mail Order Pharmacy |  |  |  |  |
| Specialty Drug Pharmacy |  |  |  |  |
| Other (specify function area) |  |  |  |  |

## 6.4 Implementation

**6.4.1** Provide an implementation plan that includes both a project overview and details on specific major tasks, deliverables, timelines, and responsibilities for full implementation and operation of the services proposed, including transition from the current contractor to your organization. Clearly delineate the tasks your organization expects the Department to perform and the information you expect the Department to provide. If you are the current contractor, use the points below to describe how you would implement a major change in your current system. Include, at a minimum, the following information in your implementation plan:

a.  A summary overview of the implementation plan,

b.  A detailed implementation schedule,

c.  Points of contact during the implementation,

d.  Major implementation tasks,

e.  Data and Program set-up/configuration process,

f.  Testing of files,

g.  Material and/or resource development,

h.  An overview of the communication/education process during the initial implementation phase,

i.  Training of key staff,

j.  Training of customer service representatives,

k.  Issue evaluation and resolution protocol,

l.  Implementation verification and validation, and

m. Other information your organization would normally include in an implementation plan.

**6.4.2** Describe the structure of your implementation team. Include the following details:

a.  Identify the implementation manager and provide details regarding their background and experience with your organization and with the insurance industry.

b.  Indicate if the implementation manager will be dedicated to the Department for the duration of the implementation. If not, indicate how many other implementations they will support in addition to the Department’s implementation.

c.  Identify any additional key implementation support staff, including those who will be involved in day-to-day implementation work, compliance review, technological support, marketing materials development, training, and employer outreach. Outline the roles and responsibilities for each additional implementation support staff member.

d.  Describe any additional resources available to the Department during implementation.

e.  Explain how your organization and implementation staff will support the Department during implementation.

f.  Outline your organization’s intended training plan for implementation staff.

**6.4.3**  Will the implementation manager and dedicated Account Manager be the same individual?

a.  If so, is this a standard practice with your organization and are any issues foreseen by having the same person fulfill both roles? Be specific.

b.  If not, describe how they will work together during the implementation process and the procedures for transfer of responsibility. Be specific.

**6.4.4** Provide a detailed description and history of program implementations your organization has performed for programs similar to the GHIP, including references for clients you implemented services (within the last 5 years) similar to those requested by the Department. Include the average number of Business Days it took to complete those implementations.

**6.4.5** Indicate whether you plan to implement any major computer system upgrades or conversions, major staff relocations, or telephone system changes during 2025 or the first six months of 2026. If any are planned, identify the specific measures you will take to ensure that such changes will not affect the implementation of the Services. What assurances can you provide that no unanticipated changes will develop between submission of your Proposal and implementation of Services that could impact the implementation?

**6.4.6** Describe how your organization will conduct testing to ensure claims will process correctly on the ‘go-live' date of January 1, 2026.

# 7 Technical Questionnaire

**This section is scored. (700 total points)**

* 1. The purpose of this Section 7 is to provide the evaluation committee, the Department, and the Board with a basis for determining the Proposer’s capability to undertake a Contract.

**Scoring of the Technical Questionnaire will be as follows:**

**Sections 7.1 – 7.5** are not scored but are reviewed closely by Department staff to determine if the Proposer has applicable information technology and security measures in place. Should Department staff have follow-up questions or require clarification to any answers provided for these Sections, the Department will reach out to the Proposer. Should a Proposer’s responses to the questions and requirements in Sections 7.1 – 7.5, or any assumptions and exceptions related to the technology, data, and security requirements in the RFP not satisfy the Department’s information technology and security rules and practices, the Proposal may be disqualified. Section 3.2 Clarification Process applies.

**Sections 7.6 – 7.12** maximum of 700 points.

* 1. The Proposer must provide point-by-point responses to each and every statement, request, and question in Section 7 applicable to the RFP being responded to. Restate the heading of each section being responded to and each question or statement in the section in bold and provide a detailed written response (in non-bolded text). Do not combine questions or responses. Provide only one answer to one question at a time.
  2. Proposer’s responses must follow the same numbering system, use the same headings, and address each point or sub-point listed in each section. Include the documents requested in Section 7 immediately after the request for the document(s).Label each document provided with the question it corresponds to (e.g., Response to 7.1.2).

d. Responses should reflect the Proposer's understanding of the requirements and specifications herein, the procedures used to ensure the requirements will be met, and your organization’s qualifications and experience in providing the required Services.

e. The Proposer must provide sufficient detail for the evaluation committee, the Department, and the Board to understand how your organization will comply with each requirement. If you believe that your organization’s qualifications go beyond the minimum requirements or add value, indicate those capabilities in the appropriate section of your Proposal.

f. Information described in your Proposal regarding programming and capabilities must be available to all eligible Participants unless otherwise noted in your Proposal.

g. Fees related to any services included in your Proposal must be noted in the Cost Proposal workbook(s) you provide to Segal only. Do not include cost/pricing information in any part of the non-cost Proposal.

h. The evaluation committee may stop reviewing a Proposal if the Proposal format does not follow these instructions. Do not combine questions. Provide only one answer to one question/requirement at a time.

## 7.1 Information Technology

**7.1.1** Describe how and where your organization will host the Services.

1. If your organization is headquartered in the United States, provide the state of incorporation.
2. If your organization is headquartered outside the United States, provide the country of incorporation.
3. For your organization and all Subcontractors you intend to use to provide Services, provide the location of all cloud infrastructure where Department data and data provided/received pursuant to the Contract(s) will be stored, processed, and transmitted that are located outside of the contiguous United States (this excludes Hawaii, Alaska, and US Territories).
4. For your organization and all Subcontractors you intend to use to provide Services, provide all locations outside of the contiguous United States where your employees and Subcontractors will have access to Department data.

**7.1.2** Provide your organization’s policies or other documentation that demonstrate compliance with the storage of data that is protected by federal, state, or private-sector regulations.

**7.1.3** Provide your organization’s published policy that indicates employees’ and subcontractors’ access to program participant data is the “minimum necessary” level.

**7.1.4** Describe capabilities of your organization’s systems (related to the provision of Services) related to querying and reporting functions.

**7.1.5** Describe how data imports and exports are handled/provided by your organization’s systems including the ability to support only incremental data changes or a full data history load. Also describe any automation for the import or export process.

**7.1.6** Describe the service level agreement and hours of availability of your organization’s website/web portal including when it is unavailable due to planned maintenance and how unplanned maintenance is managed and communicated to users.

**7.1.7** Describe how the website and web portal your organization would make available for the Program are accessible for disabled users including where the website and web portal are (and are not) Section 508 compliant. Describe specifics on how you meet or will meet WCAG 2.0 Level AA; include any accessibility audit results for your organization.

**7.1.8** Describe your organization’s development process for the website/web portal offered to the Department as part of the Services, including how security and quality assurance are built into the development process and how releases are managed.

**7.1.9** Provide all application programming interface (API) documentation that exists for your organization’s system including but not limited to, descriptions of the APIs, what business functionality they expose, how they are used, and how they are secured.

**7.1.10** Describe the on-going resources your organization will devote to research and development of your system. Include the length of time the system has been in production.

**7.1.11** Provide a roadmap for all platform/application enhancements that are planned for your organization’s system in the next three years.

**7.1.12** Describe how your platform/application and internal IT systems have changed/improved over the previous 3 to 5 years (response should demonstrate how agile and flexible your organization is with regard to staying current with technology and IT best practices).

**7.1.13** Describe how and when your organization will ensure that your system software is in compliance with applicable local, state, and federal statutes and regulations. Also, describe the process and timeline associated with your organization’s proposed system changes to accommodate applicable local, state, and federal statutes and regulations.

**7.1.14** The Department is in the process of implementing Benefitfocus’ Benefitplace eligibility and enrollment software. The Contractor awarded a contract under RFP ETC0049 will be required to submit data to and receive data from the Department and/or Benefitfocus. The Contractor will be required to have the ability to provide and receive repeatable, automatable data interchange with the Department and/or Benefitfocus at no additional cost. In your Proposal, provide a statement that your organization can or cannot (as appropriate) provide data sharing services.

a. Is your organization part of the Benefitfocus Benefit Catalog Vendor program? If so, provide your Benefitfocus vendor or partner identification number.

b. Describe your organization’s experience integrating with the Benefitfocus SaaS platform (if applicable) and other SaaS platforms your organization integrates with.

**7.1.15** Describe how your organization supports mobile applications and their usage and how your web applications are supported on mobile devices.

**7.1.16** Describe any authentication mechanisms, identity stores, and user types that will be used as part of your detailed implementation plan.

**7.1.17** Describe your integration strategies to existing public (State of Wisconsin) and / or private information technology systems as part of your detailed implementation plan.

## 7.2 Computer and Data Processing Facilities, Data Policies

**7.2.1** Provide an overview of your organization’s business continuity/disaster recovery plan (BC/DRP). The Contractor will be required to provide evidence it tests and updates its business continuity plans regularly to ensure that they are up to date and effective.

**7.2.2** Provide an overview of your organization’s Incident Response Plan (IRP). Does your organization utilize any observability tools? If so, which tools and for what purpose?

**7.2.3** Provide a copy of your organization’s most recent SOC 1 and SOC 2 / Type 2 reports along with a Letter of Attestation indicating your organization’s receipt of management’s assertion of control compliance from your organization’s subcontractors. (See Appendix 9 – Department Terms and Conditions, Sections 6.2 and 30.0). If your organization currently does not have a SOC 2 Type 2 audit report and letter of attestation, your organization should take steps to have a SOC 2 Type 2 audit completed so if your organization is selected as a finalist, your organization can meet the requirement of providing the report to the Department no later than May 1, 2025. If you do not currently have a SOC 2 Type 2 report and letter of attestation, you must provide the Department with assurances in your Proposal that your organization has started the audit (include auditor name and projected date of audit completion) and will provide the audit report and letter of attestation to the Department before May 1, 2025. If the report is submitted after you submit your Proposal, include an updated Form G if the report(s) is confidential. If a Proposer does not intend to obtain a SOC 2 Type 2 audit or provide a SOC 2 Type 2 report and letter of attestation to the Department, the Proposer will be disqualified.

**7.2.4** Provide a summary of the results of your organization’s most recent penetration test.

**7.2.5** Describe your organization’s annual risk assessment performed in accordance with accepted principles. If annual risk assessment is not performed, explain why.

**7.2.6** Provide your organization’s policies/guidelines related to security/privacy (e.g., annual training, confidentiality agreement, privacy policy).

**7.2.7** Describe in detail the measures your organization uses to protect the security and privacy of program data, records, forms, participant information, and data processing operations.

**7.2.8** Describe internal controls that are in place to reduce loss of program data, records, forms, participant information, and data processing operations that may occur through fraud, negligence, incompetence, or system errors. Include information about the physical security measures used to control access to your organization’s systems.

**7.2.9** Provide your organization’s data retention procedures/policies for client data evidencing that retention is in accordance with federal and state laws and regulations.

**7.2.10** Describe your organizations disaster recovery procedure if the cloud solution is not available, including processes to bring up the cloud solution and restore connectivity?

**7.2.11** Describe what software applications and supporting platform your organization will use to secure Department and Participant-related records and data. Provide information on how information is secured in transit and at rest.

**7.2.12** Describe in detail the computer and data processing facilities your organization currently uses (owned or otherwise used) and would make available for administering the Program. Include a description of any mainframe, distributive servers, cloud services, and network structures that you will use for providing the Services.

**7.2.13** What additional computer/data processing resources would your organization acquire in order to provide the Services, if any?

**7.2.14** Describe your organization’s policy for preventing data loss in the collection, use, storage, and disclosure of personal data.

**7.2.15** Describe how the web portal would transition to use single sign-on functionality to facilitate ease of use by Participants if that became available.

**7.2.16** Does your organization have a cloud exit strategy to export a client’s data that is processed, transmitted, or stored by your organization? If yes, provide the exit strategy. The Contractor will be required to provide a formal cloud exit strategy during the term of the Contract.

**7.2.17** List all current IT and IT Security certificates your organization holds. Provide current copies of all IT and IT security certifications.

## 7.3 Information Security

**7.3.1** Does your organization maintain an up-to-date inventory of all user accounts?

**7.3.2** Does your organization have controls in place to prevent the installation or execution of unauthorized software on all assets?

**7.3.3** Has your organization restricted administrative/elevated rights to only those technology personnel with the need to maintain the organization's systems based upon the principle of least privilege and supported through technical controls?

**7.3.4** Does your organization utilize an identity and access management (IAM) tool?

**7.3.5** Has your organization implemented multifactor authentication (MFA) wherever possible?

**7.3.6** Does your organization logically segregate a client’s data from other clients’ data?

**7.3.7** Has your organization implemented the following endpoint protections?

* Anti-virus software with real-time signature upgrades
* Anti-malware software with Heuristic capabilities
* Host firewalls
* Web filtering capabilities enabled

**7.3.8** Does your organization follow an established framework for asset hardening? If yes, are the configurations maintained and enforced using an automated tool?

**7.3.9** Does your organization maintain an inventory of all assets that includes responsible owners that is updated at least weekly? If yes, please describe how this is done.

**7.3.10** Will your product/service require any on-premises deployment?

**7.3.11** Will your system need to integrate with any other public cloud solution?

**7.3.12** Will backups of client data be captured and maintained at intervals established based on client need?

**7.3.13** Will backups be available at client request?

**7.3.14** Are backups tested at least semi-annually?

**7.3.15** Can client data be deleted upon request?

**7.3.16** Does your organization have methods in place to detect and prevent the loss of client data?

**7.3.17** Will your organization or your Subcontractor(s) keep all Department data and data provided/received pursuant to the Contract within, and only accessible from, the contiguous United States?

**7.3.18** Are formal policies and standards communicated to your staff at least annually?

**7.3.19** Does your organization utilize a centralized log management system that alerts appropriate staff when an incident occurs?

**7.3.20** Is your system capable of providing audit logs? If yes, what format are they provided in?

**7.3.21** Is your system capable of providing audit logs to be sent to a client’s central logging system? If yes, explain what methods are used?

**7.3.22** Does your organization send audit logs to a centralized logging tool?

**7.3.23** Does your organization only utilize non-deprecated encryption methods wherever possible?

**7.3.24** Does your organization support IP and geo-location restrictions?

**7.3.25** Does your organization perform security posture checks?

**7.3.26** Are patches for hardware and software applied within thirty Calendar Days of being released when technically possible?

**7.3.27** Does your organization have an emergency patch management process?

**7.3.28** Does your organization follow formal change control processes and procedures in alignment with an established framework?

**7.3.29** Does your organization outsource any software development? If yes, does outsourced software follow formal change control processes and procedures that require supervision and monitoring?

**7.3.30** Does your organization follow an industry standard when designing, developing, and implementing applications and components? If yes, what standard does your organization use?

**7.3.31** Does the organization use a web application scanning tool for deployed web applications?

**7.3.32** Does the organization follow a regular cadence for web application scanning?

**7.3.33** Does your organization conduct vulnerability scanning at least weekly?

**7.3.34** Are vulnerabilities prioritized based upon the common vulnerability scoring system?

**7.3.35** Are critical vulnerabilities remediated within at least thirty Calendar Days?

**7.3.36** Provide confirmation that your organization conducts annual risk assessments in accordance with the HIPAA Security Rule.

**7.3.37** Describe how you will keep digital banking information unreadable while at rest, in compliance with National Automated Clearing House Association (NACHA) requirements.

**7.3.38** Does your organization utilize any artificial intelligence (AI) tools? If so, which tools and for what purpose?

## 7.4 Data Privacy

**7.4.1** Provide documentation that demonstrates your organization’s compliance with the HIPAA Privacy Rule.

**7.4.2** Describe how your organization ensures compliance with the HIPAA Privacy Rule’s minimum necessary standard, including how role-based access relates to this process.

**7.4.3** Provide a copy of your organization’s auditing policy as it relates to ensuring the proper use and disclosure of protected health information (PHI).

**7.4.4** Describe how your organization monitors, controls, and prevents the use of identifying information, including personally-identifiable information (PII) and protected health information (PHI) in generative artificial intelligence (AI) applications, such as ChatGPT.

**7.4.5** Provide the number of unauthorized disclosures of PHI your organization has experienced in the last two (2) years, including the number of individuals and incidents involved.

**7.4.6** Describe how your organization responded to the unauthorized disclosures listed above (if any). Provide a copy of your organization’s policy related to responding to unauthorized disclosure of PHI.

**7.4.7** Has your organization had, or has your organization ever been involved with a business partner who has had, a privacy breach or investigation in the last three (3) years? If so, provide a brief description, including if and how you responded to your clients who were affected by the breach.

**7.4.8** Describe the processes you have in place to ensure that PHI and PII in external e-mails are properly secured to prevent unauthorized access.

## 7.5 Audit

**7.5.1** Describe your experience relative to a Contractor’s audit responsibilities below:

a. **Items Open to Audit.** All Contractor books, records, ledgers, and journals relating to the Program will be made available for inspection and audit by Department internal audit staff or their designees, the State of Wisconsin Legislative Audit Bureau, or designated agents, attorneys, and accountants, at any time during normal working hours. Records requested shall be provided by the Contractor electronically in a format acceptable to the Department.

c. **Program or Contract Audits.** The Department may require program or Contract audits. The audits will be completed by the Department, or a firm contracted by the Department to complete the contract audits. These audits will be in addition to the annual Legislative Audit Bureau audits and periodic audits by Department staff. The audits will be based upon Department specifications and follow generally accepted auditing standards, when applicable. A report of findings and recommendations will be delivered to the Contractor and the Department within the guidelines established by the Department. The Department will use the findings and recommendations of each such report as part of its ongoing monitoring of the Program and the Contractor.

**7.5.2**  Describe how your organization, tracks, and stores all billing information, incentive payments (if applicable), performance guarantees, and supporting documentation. What is your turnaround time for being able to provide requested information for an audit? What personnel resources do you make available to ensure audits are conducted timely and accurately?

## 7.6 Formulary Design & Management

**7.6.1** Describe if and how your organization assesses the cost-effectiveness of drugs prior to review by the Pharmacy and Therapeutics (P&T) committee. Include the research sources your organization consults, and the methodology used to determine inclusion in the formulary. List the individuals involved in this review and their respective roles and include their research and clinical qualifications.

**7.6.2** Provide details on members of your P&T committee. Expressly call out those members’ backgrounds and associations, including any funding received from drug manufacturers, and your methods for monitoring such potential conflicts. Detail the committee’s process in reviewing and approving drugs for addition to the formulary. Address how many client members serve on the committee and how and why those public members are selected.

**7.6.3** Provide details on any experience your organization has in drug tiering by clinical use of the drug within drug class. Specifically address your organization’s approach to diabetes, hypercholesterolemia, weight-loss, and asthma, as well as any other clinical conditions of focus for your organization.

**7.6.4** Describe what changes you would recommend for the State’s current benefit design to encourage member adherence to medications and improve overall plan value.

**7.6.5**  Describe your communication policy regarding formulary changes and your procedures for notifying and educating members and prescribers. Include the frequency of formulary changes and the minimum amount of notification time provided to affected individuals. Provide a sample of notification/educational communication materials.

**7.6.6**  Describe the prescriber engagement strategies your organization employs to encourage adherence to formulary design. Include your methods and means of outreach to prescribers, frequency of contact, and any direct opportunities for engagement given to prescribers and/or responsible prescriber team members (e.g., meetings, conferences, direct outreach, etc.). Describe the impact on prescribing adherence trends and quantify impact on program costs.

**7.6.7** Describe the member engagement strategies your organization employs to encourage members to utilize medications in the lowest possible cost sharing tier and to take non-covered medications as little as possible. Include means of contact, timing, level of detail provided, and any other information communications strategies that your organization has found successful. Include an example of such member communication for smoking cessation, diabetes, rheumatoid arthritis, multiple sclerosis, and any other conditions for which you have programs, and describe the impact on member engagement, outcomes, and cost savings for members and the plan administrator.

**7.6.8** Describe how your organization will manage and administer the following programs, including incentive programs and each program’s expected impact on overall costs and member health:

* Generic utilization and substitution;
* Therapeutic Interchange;
* Dispense as Written (DAW);
* Prior Authorization;
* Quantity Limit/Limited Supply;
* Extended Supply;
* Step Therapy; and,
* 90-Day-At-Retail.

Describe any additional programs that assist in managing costs. See Appendix 1 - State of Wisconsin Pharmacy Benefit Program Agreement for program requirements.

**7.6.9** Describe what cost sharing structures you have found to be most effective in managing costs without compromising adherence based on your experience with your book of business at large. Include specific group examples that detail size of groups, proportion of members affected, length of time in formulary structure, drug classifications/categories and/or disease states of focus in the formulary restructuring. Describe the adherence trends and impact on cost for members and the plan administrator.

**7.6.10** Provide detail on any innovative formulary or benefit design strategies that your organization has implemented that were not described above. Describe how this improved quality of care and/or reduced costs for the employer and/or member.

**7.6.11** Describe, in detail, how the following scenario would work if you were awarded the Contract to administer the State of Wisconsin Pharmacy Benefit Program: The ETF Program Manager for the State of Wisconsin Pharmacy Benefit Program informs you that the State would like to add coverage for a drug to the non-EGWP drug formulary as soon as possible at whatever tier or level you recommend. Describe this process in detail including, but not limited to, the following: How long it will take to add this drug to the non-EGWP drug formulary, and how long it will take to update published formularies.

## 7.7 Pharmacy Network Design and Management

**7.7.1** Provide a list of the number of brick-and-mortar pharmacies in your network as of April 1, 2024, that are located in:

a. Wisconsin (how many pharmacies are in each Wisconsin county)

b. Minnesota (within 50 miles of Wisconsin border)

c. Upper Peninsula of Michigan (within 50 miles of Wisconsin border)

d. Illinois (within 50 miles of Wisconsin border)

e. Iowa (with 50 miles of Wisconsin border)

f. Nationwide (by state)

**7.7.2** Provide details about any distribution channels your organization owns or partners with, such as mail service, retail, and specialty pharmacies. Describe whether your ownership/partnership relationship impacts cost, customer service, and access. Identify the advantages of using these channels. Specifically, state whether these relationships are ownerships or partnerships.

**7.7.3** Describe your organization’s experience tiering pharmacy networks. State if you are able to tier by pharmacy performance metrics such as fill rates, safety, quality, and availability of medications, etc., and explain your methodology. Include what impact your network tiering strategy has had on member access and/or employer costs and provide specific examples of tiering with existing clients.

**7.7.4** Submit a copy of your pharmacy credentialing worksheet or other documentation showing your credentialing process and a sample pharmacy contract according to the formatting requirements specified in Section 2.4 Proposal Organization and Format. See Section 225 Pharmacy Network Administration of Appendix 1 - Wisconsin Pharmacy Benefit Program Agreement for specific credentialing requirements.

**7.7.5**  Describe your mail order pharmacy partner(s) and/or subsidiaries and the services they offer, particularly expedited delivery of mail order prescriptions.

a. Describe your policy on handling expedited shipping to members due to service issues or errors.

b. Describe how you promote your mail-order service, including population segmentation and methods of outreach. Include a sample marketing/communications plan according to the formatting requirements specified in Section 2.4 Proposal Organization and Format.

c. Describe whether members are able to order online, and which strategies your organization or your partner organization has gleaned from the wider digital marketplace and applied to mail order pharmacy in order to promote its use.

d. Describe how a client would have any additional mail order pharmacies added to their network.

**7.7.6**  Describe whether your organization has a pharmacy provider relations committee or group. Such groups provide troubleshooting and other support to maintain positive relationships with participating pharmacies. Describe the specific services and support your group or committee provides to pharmacies. Provide a manual or other supporting documentation on the work done by the committee and detail the impact that your provider relations committee has had on member experience, access, and provider relationships according to the formatting requirements specified in Section 2.4 Proposal Organization and Format.

**7.7.7** Describe whether your organization is able to push messaging to pharmacies at point of sale to prompt member-pharmacist discussions regarding generic drug availability, drug cost changes, or other relevant program information. Include information on impact to member education or plan awareness, utilization of generic drugs, and cost to employers.

**7.7.8** Provide information on the frequency of network audits and your actions taken based on the results. Provide specific examples of audit outcomes and remediation efforts undertaken for your clients. Specifically highlight measures that your organization takes to combat fraud and ensure contract compliance.

**7.7.9** Describe how your organization uses network incentives to reward quality, safety, patient satisfaction, and achieving established clinical measures, such as improved generic utilization or consultation provided for specific drug classes. Provide specific program examples and program outcomes.

**7.7.10** Detail any provider network strategies or approaches that your organization is currently using that were not covered in the above questions. Describe how this improved access and/or reduced costs for members and/or employers and include any additional performance guarantees and the percentage of fees you are willing to offer the Department tied to improved access, cost reduction, or other recommended outcomes or measures.

**7.7.11** Describe what programs your organization has in-place to assist members and plan sponsors in identifying the lowest cost of specific generic, brand, specialty and biosimilar drugs and in particular where the lowest drug cost may be outside of your existing network (e.g. a cost plus mail order pharmacy).

**7.7.12** Provide a network pharmacy disruption report and identify the number of claims and participants outside of the network and indicate the specific non-network pharmacies utilized.

## 7.8 Specialty Drug Utilization Management

**7.8.1**  Describe what specialty drug contracting strategies you are using with manufacturers to reduce costs for employers. Highlight how your contracts focus on value, risk, indications, and clinical efficacy and include the results of your contracting strategies.

**7.8.2**  Describe the specialty pharmacy network that will be available under the Contract to ETF Members. Explain the organizational structure of these pharmacies, including ownership, and detail how these pharmacies handle first fill of specialty drugs and/or immediate access needs. Include whether access to these pharmacies is exclusive, or if not, how access to other, non-preferred specialty pharmacies is provided.

**7.8.3** Describe how your organization responds to manufacturer-sponsored rebate programs that nullify member cost sharing. Describe whether your organization is able to monitor the use of coupons for drugs, and any strategies or programs your organization uses to encourage or discourage the use of rebate programs. Include any materials from your website or handouts that your organization has created on this subject.

**7.8.4**  Describe what your organization does to promote member adherence to specialty medications once approved for use. Include examples of specific drugs and/or disease states addressed, length of programming, nature of member outreach, and participation and success rates by population.

**7.8.5** Describe your organization’s experience with White Bagging, Brown Bagging, and Clear Bagging programs for specialty drugs.

1. How many of your public sector clients currently have White, Brown, and/or Clear Bagging each?
2. How long have you maintained a White, Brown, and/or Clear Bagging program?
3. How long would it take for you to implement White, Brown, and/or Clear Bagging programs for a new client?

**7.8.6** Describe any other programs or strategies not mentioned above that your organization is using to manage specialty drug utilization and the impact that this has had on member utilization and overall health, and on program costs. Include any additional performance guarantees and the percentage of fees at risk you are prepared to offer the Department, tied to engagement and health outcomes, as well as details on the metrics you would use for such guarantees.

**7.8.7** Does your organization allow for partnering with new specialty pharmacies to expand the network for a client?

**7.8.8** Describe your organization’s strategies to reduce the cost of specialty drugs by leveraging biosimilar drugs and include a list of biosimilar drugs currently on your proposed formulary as well as any specialty drugs removed from your formulary and replaced by biosimilars.

**7.8.9** How does your organization demonstrate the net cost savings of biosimilars to plan sponsors and what processes are in-place for plan sponsors to validate such savings?

## 7.9 Revenue and Cost Models

**7.9.1** Describe your organization’s experience working under a fully transparent revenue and cost model with respect to financial, operational, and contracting aspects of PBM services. Include the following:

1. Whether you offer both Transparent retail pharmacy discounts as well as pass-through rebates;
2. What proportion of your business currently operates under a Transparent pricing model; and,

c. What access to financial information your organization provides to demonstrate Transparency to clients.

**7.9.2**  Provide details on your organization’s ability to apply prospective Maximum Acquisition Cost (MAC) price list for generics. Provide examples of the impact that implementing prospective MAC has had on overall program costs and member access.

**7.9.3**  Describe whether your organization has experience offering per member per year cost trend guarantees based on drug classification, the recommended guarantee structure, and overall impact this strategy has had on costs to employers. Include specific examples of contracts where you have provided trend guarantees and the impact on program costs and outcomes.

**7.9.4**  Describe your experience working under performance guarantees specifically for clinical outcomes, the structure of those guarantee programs, and the impact on employer cost, member cost, and member adherence. Include specific examples from other clients.

**7.9.5**  Describe any other pricing or cost model strategies that were not mentioned above with which your organization has had success. Include specific examples and the impact those strategies have had on overall program cost.

## 7.10 Clinical Programs and Member Engagement

**7.10.1** Provide information that demonstrates your organization can effectively administer the programs listed below in order to partner with the pharmacist, other health professionals and the member to ensure the optimum therapeutic outcomes for State members. Also provide information that demonstrates your organization’s ability to promote the safe and effective use of medications and help members achieve targeted outcomes.

* Drug Utilization Reviews - retrospective, concurrent and prospective
* Medication Therapy Management

Provide at least one specific example of applying each of the above programs and the outcomes that your organization assisted clients in achieving, both in terms of member health and program costs.

Include how your organization currently leverages analytics, and what enhancements you might be able to make with access to medical and wellness data.

**7.10.2**  Describe any programs your organization offers that allows prescribers to find out if a medication is on the patient’s formulary, the cost of the drug when the patient picks it up from an in-network pharmacy, and if the formulary requires a step-therapy or a prior authorization for the drug that is being prescribed.

**7.10.3** Detail any clinical programs your organization has developed in partnership with medical coverage plans. Describe the proportion of eligible members engaged in these programs, the impact on member health outcomes, and the effect on employer costs.

**7.10.4**  Provide at least three specific examples of applying the above programs and the outcomes that your organization assisted clients in achieving, both in terms of member health and program costs.

**7.10.5**  Detail any programs your organization has that allow patients to receive their medications by health care professionals in their homes. Mention if the cost of this program is included in your Cost Proposal Workbook. Include the Wisconsin counties in which your program is available. Any additional costs for this program must be noted in your Cost Proposal Workbook.

**7.10.6** Medicare-enrolled Members have creditable coverage through the Department’s contracted PBM. Medicare-enrolled Members are enrolled in an EGWP with enhanced coverage beyond the standard Part D benefit.

a. Describe your organization’s ability to provide Medicare Part D EGWP coverage for Medicare-enrolled Members. Identify any Subcontractor that would be used to provide Part D coverage to Medicare enrolled Members. Include samples of member communications materials that your organization provides to EGWP participants.

b. Indicate whether you are able to provide an enhanced EGWP and customize those products to meet Program specifications. See Appendix 1 - Wisconsin Pharmacy Benefit Program Agreement for program requirements.

c. Describe your organization’s experience in reporting Part D membership to the Centers for Medicare & Medicaid Services (CMS). Also, describe any reports your organization receives from CMS and what is done with those reports upon receipt.

d. Describe your organization’s experience coordinating with Medicare Advantage plans in all aspects of program administration.

## 7.11 Customer Service

**7.11.1** Explain how your organization plans to meet the current and future customer service needs required under the Contract and the performance standards listed in Appendix 2 for Customer Service. Provide examples of reports or materials related to meeting these requirements. Provide responses to the following questions highlighting some of the performance standards using data across your book of business from the most recent four (4) quarters.

a. What percentage of customer service calls were answered within 30 seconds?

b. What percentage of calls were abandoned?

c. What percentage of calls were resolved within two Business Days of initial call?

d. What percentage of electronic written inquiries were responded to within two Business Days?

**7.11.2** How many staff are assigned to respond to customer service inquires (telephone and electronic)? What kind of customer service training has this staff received? How often is this training refreshed? Where is this staff located? How many languages, other than English, is your customer service team able to accommodate? Please list them.

**7.11.3** How do you propose to train staff on the specifics of the current Program? How will this staff have ongoing access to information so they can support Members on services available through your organization and provide referrals to other GHIP program vendors/programs if appropriate? How will you train staff if there are changes to the Program?

**7.11.4** Patients demonstrate a wide range of ability with regard to understanding prescription drug coverage, adherence recommendations, and treatment effects of their medications. Describe your organization’s efforts to address health literacy issues specific to prescription drugs and drug coverage, and to promote informed decision‐making skills and active patient participation in their health care. Responses should address the following topics:

a. Health literacy policies and practices;

b. Evaluation of effectiveness of oral, printed, and web communications (including billing statements, benefit and enrollment materials, and information on provider network); and,

c. Initiatives to increase patient engagement. Provide at least one (1) example.

**7.11.5**  Describe how your organization handles direct member reimbursement (DMR). Include the process for members to receive reimbursement, your standard turnaround time for both clean claims and claims that require intervention, and any customer-focused features you have added to streamline the reimbursement process.

**7.11.6** The Contractor must provide a toll-free telephone number for customer service for all Members, Employers, and the Department to handle Member requests and questions. Provide the address, hours of operation, and number of staff who will answer these calls.

**7.11.7** Does your organization currently have a mobile app for participants to access program information? If so, what is the name of this app? Is it available in the Apple App and Google Play Stores? Is there a cost to participants to use the app? If your organization has an app, include screen shots of the app and a full explanation of the app’s capabilities, and describe the process for getting the Program on the app. Would there be a charge to the Department for having the Program on your app? All costs must be noted in your Cost Proposal Workbook.

**7.11.8**  Indicate your organization’s intent to develop a public facing website specifically for this Program. Would there be a charge to the Department for you creating this website? All costs must be noted in your Cost Proposal Workbook.

**7.11.9** Do you offer a website and mobile app where a member must log in to see specific information about their pharmacy coverage? If you do, does the website include:

|  |  |  |
| --- | --- | --- |
| **Member Can:** | **Yes** | **No** |
| a. Securely access pharmacy claims history |  |  |
| b. Securely access up to date out-of-pocket limit information |  |  |
| c. Securely access up to date high deductible health plan combined medical and pharmacy deductible information |  |  |
| d. Securely upload and/or file prior authorizations, grievances, and appeals |  |  |
| e. View documents specific to a member’s plan such as drug formularies |  |  |
| f. Display a pharmacy identification card for use in obtaining covered prescription drugs |  |  |
| g. See how much a drug will cost at specific pharmacies when covered by the formulary or if paying for the drug out of pocket |  |  |
| h. Send a question via encrypted email |  |  |
| i. Receive customer service support via live chat |  |  |
| j. Other (list other information) |  |  |

**7.11.10** Explain how Members who may not have internet would be able to access Program information.

## 7.12 Miscellaneous

**7.12.1** Describe how pharmacy claims are reviewed when a Prior Authorization, Step Therapy, and/or a diagnosis restriction is assigned to a drug. Are any specific algorithms, technology, and/or tools used to assist in reviewing these claims?

**7.12.2** Describe how your formulary covers Continuous Glucose Monitors (CGMs). Include the names of all current CGMs covered under your formulary and on what tier of your formulary each CGM is covered.

**7.12.3**  What percentage of your current clients cover weight-loss drugs on their drug formulary? If a client who does not cover weight-loss drugs makes the decision to add the drugs to their formulary, how many Calendar Days would there be between making that decision and a member getting their weight-loss drug covered under the formulary?

**7.12.4**  Describe all programs available to Commercial and EGWP members to ensure drug safety and ways to manage medications? These programs may include, but are not limited to, identifying the following for a member:

a. possible medication errors

b. drugs that aren’t appropriate because of a members age or gender

c. combinations of drugs that could harm a member if taken at the same time

d. prescription that contains ingredients a member maybe allergic to

e. dosage errors

f. overprescription of opioids

Describe how your drug safety and management program(s) work for members and what happens when an issue is raised. How does your organization work with prescribers to remedy any issues that arise?

**7.12.5** Are you willing to provide a one-time implementation allowance to fund, as approved by the Department, implementation support, pre-implementation audits, readiness assessments, communication plans, outside printing costs, etc.? If you are willing to provide a one-time implementation allowance, enter the amount you are willing to provide in your Cost Proposal.

**7.12.6** Confirm your agreement with the performance guarantees listed in Appendix 2- Pharmacy Benefit Program Performance Guarantee Workbook.

**7.12.7** Include any additional, proposed performance guarantees within your Unredacted Proposal.

**7.12.8**  Describe how you will monitor the development of and provide advice to the Department concerning State and/or federal regulations or legislation impacting the Program?

# 8 Cost Proposal

**This section is scored by Segal, the Board Actuary (a maximum of 200 points)**

* 1. By May 1, 2024, 2:00 PM CST sign and email Appendix 10 – NDA among Vendor, Department, and Board Actuary to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov)
  2. The data recipient(s) designated by vendors in Appendix 10 will receive a system generated email from Segal with a link to a secure workspace. Once your designated recipient(s) clicks the link, they will have access to Segal’s secure workspace containing the Cost Proposal Workbook and the Claims History File which contains participant drug claims experience for the most recent twelve (12)-month period. No data will be made available prior to these forms being signed and submitted by Proposer, and no modifications will be accepted.

For informational purposes, the Segal point of contact is as follows:

George Bognar

bognarG@SegalCo.com

202.567.0222

c. Proposers must submit the Cost Proposal Workbook to Segal’s Secure File Transfer system before 2:00 PM CDT on August 1, 2024 (RFP Section 1.9 Calendar of Events) in the same format in which it was received from Segal. Cost Proposals received by Segal after 2:00 PM CDT on August 1, 2024 will not be accepted and will be disqualified.

The Board is looking to contract with an organization that has proven success in managing drug costs and can submit data timely in the required formats.

Proposers must submit two separate quotes for each of the commercial and EGWP programs. The first quote must be based on the Department’s current formulary, and the second quote must be based on the Proposer’s proposed formulary. Proposer’s quotes must be on a 100% Transparent basis, as defined in Section 1.5 Definitions and Acronyms, for calendar year 2024.

The Department reserves the right to clarify any pricing discrepancies related to Proposers’ assumptions. Such clarifications will be to provide consistent assumptions from which an accurate cost comparison can be achieved for scoring.

# 9 Contract Terms and Conditions

**This section is NOT scored. (0 points)**

## 9.1 Final Contract

a. The Department may execute a Contract with the awarded Contractor. Appendix 8 - Pro Forma Contract (sample). The Contract and any subsequent renewal(s) will incorporate all terms and conditions included in this RFP, including all forms, appendices, attachments, etc., made a part of this RFP, and Contractor’s Proposal. The Department will draft the Contract.

b. By entering into a Contract with the Department, the Contractor guarantees it has the resources to provide and perform the Services per the terms of the Contract. After the date the Contract is executed, if the Contractor requires additional resources to fulfill the terms of the Contract, the Contractor will bear all costs for such additional resources.

## Payment Terms

**9.2.1** If a Contractor is not already set up in the State’s payment system, Contractor must complete the State’s banking and payment forms to facilitate the Department’s payments to the Contractor. The Department will provide the forms to the Contractor.

**9.2.2** The Department will process ACH payments to the Contractor within thirty (30) Calendar Days of the Department’s receipt of a proper, Department approved invoice and its supporting detail.

**9.2.3** Commercial invoices must be itemized by cost categories of claims actually incurred. Cost categories include State Active, Local Active, State Retiree and Local Retiree. EGWP invoices must categorize State and Local claims. Both commercial and EGWP invoices must include the Plan Year of service provided for each claim. Administrative fee invoices shall follow the same categorization and include member counts by category.

**9.2.4** Invoices shall include the invoice date, invoice number, billing period and contractually obligated invoice due date along with the invoice total. Invoices and their supporting detail will be submitted in accordance with the Department’s direction. Invoicing frequency will be determined in consultation with the selected vendor.

**9.2.5** Rebates, subsidies, and coverage GAP discount payments are expected to be received by the Department timely and shall include the same categorizations and detail as invoices when applicable.

**9.2.6** The Board is not obligated to reimburse the Contractor for billing in excess of the limits set forth in the Contract, and the Contractor will not be obligated to continue performance of work under the Contract or to incur costs for additional requirements identified by the Board that are not specified in the Contract, unless and until an amendment to the Contract is approved by the Board and signed by the Contractor and the Board.

**9.2.7** The Department will provide the Contractor with an invoice for any missed performance standards after the calendar quarter in which the performance standard was not met by the Contractor. Funds owed to the Board must be paid within thirty (30) Calendar Days from notification of penalties or monies owed. The Contractor has thirty (30) Calendar Days to document any dispute of amounts owed. After thirty (30) Calendar Days, the Department may collect owed funds by deducting the amounts from the payments made to the Contractor, and the Contractor may be subject to further penalties.

**9.2.8** Other payment terms and conditions are listed in Appendix 9 – Department Terms and Conditions.

**9.2.9** Final payment arrangements, if different than stated herein, will be finalized during Contract negotiations.

## 9.3 Cooperative Purchasing Clause

Other institutions, such as state, local and public agencies, occasionally express interest in participating in Department contracts. The Department would like the Contractor to extend the terms, conditions and prices of the Contract that results from this RFP to any such entity. Any institution that would contract with the Contractor for the Services provided under the Contract will finalize their own contract with the Contractor and issue their own purchasing documents. The Contractor agrees that the Department bears no responsibility or liability for any agreement between the Contractor and the other entity that desires to exercise this option. Note your agreement or disagreement with this clause on Form E – Vendor Information.

## 9.4 Non-Disclosure Agreements

The Department will share Proposals with its consulting actuary, Segal. To that end, Proposers are required to complete and return Appendix 10 – NDA among Vendor, Department, and Board Actuary to the Department, see Section 2.3 above.

The Contractor will be required to sign agreements similar to Appendix 11 – Merative Data Supplier Agreement and Appendix 12 – NDA and DSA with Benefitfocus. Appendices 11 and 12 are included with this RFP as **samples** and must be negotiated among the parties named within and signed prior to implementation.

## 9.5 Data Agreements

The Contractor will be required to sign agreements similar to Appendix 6 – Data Supplier Agreement and Appendix 7 – Non-Disclosure Agreement (NDA) (Data Out), which are attached to this RFP as **samples** and must be negotiated among the parties named within and signed prior to implementation.