

ADDENDUM NO. 2

DATE: July 24, 2018

TO: All Potential Qualifiers

FROM: Penny Owens, Assistant Purchasing Agent, City of Knoxville

SUBJECT: Addendum No. 2 – RFP for Pharmacy Benefit Manager

RFPS TO BE OPENED: July 26, 2018 at 11:00:00 a.m. (Eastern Time)

This addendum is being published to address the following questions received regarding the above referenced RFP. This addendum becomes a part of the contract documents and modifies the original specifications as noted.

Question #1: Is there a scoring system that the bids will be based on? If so, can you please provide.

Response: Yes. Please refer to Section VIII Evaluation Criteria of the RFP.

Question #2: RFP 7.3 states “Pages must be consecutively numbered.” Would the city consider excluding the attachments from this requirement?

Response: Yes

Question #3: VI. Contract Requirements; Question 6.8; Page 10-12 - Are the requirements negotiable? (i.e. insurance). If yes, should a redline response be included with our proposal?

Response: Any exceptions will be deliberated by the evaluation committee. As such, please do submit any exceptions for consideration/review.

Question #4: Can vendors utilize three ring binders in submission of our hard copy proposals?

Response: No.

Question #5: Please provide the Analysis & Compliance fee so that Cigna can review upon receipt and provide a stand-alone memo explicitly accepting the obligation to pay the Analysis & Compliance fee

Response: The requirement in Question # 4 on Page 33 of Exhibit A, asking for “A stand-alone memo explicitly accepting the obligation to pay the Analysis & Compliance fee described above” is hereby deleted.

Question #6: Response Instructions (Question 4). Regarding the requested stand-alone memo explicitly accepting the obligation to pay the Analysis & Compliance fee described above, please provide a description of the Analysis and Compliance fee.

Response: The requirement in Question # 4 on Page 33 of Exhibit A, asking for “A stand-alone memo explicitly accepting the obligation to pay the Analysis & Compliance fee described above” is hereby deleted.

Question #7: Diversity Business Enterprise Program (DBE) - What is the City’s DBE participation goal for Fiscal Year 2018?

Response: The Fiscal Year DBE Goals are as follows:

Minority-Owned Business: 3.06%

Woman-Owned Business: 10.03%

Small Business: 38.71%

Question #8: Please provide Pharmacy monthly paid claims for the last 12 months.

Response: See attached Excel files with monthly paid claims.

Question #9: Please provide the Analysis & Compliance fee so that Cigna can review upon receipt and provide a stand-alone memo explicitly accepting the obligation to pay the Analysis & Compliance fee.

Response: The City pays both the DeepView analysis fee and their annual audit fee separately and directly. Question #4 on Page 33 of Exhibit A to the RFP is hereby deleted.

Question #10: In order to provide the comparison for Step Therapy in question #6 of the S-2. Please provide a stand-alone Step-Therapy exhibit in Word or Excel for Exhibit “C” Prescription Drug List.

Response: Please see the current 2018 Optum Prescription Drug List attached.

Question #11: Submission Form S-2 Supplemental Questionnaire; Question 6; Page 22 - In response to the following question, is the City looking for an actual analysis or a brief paragraph summary? Provide a comparison of your company’s step therapy program to the program currently used by the City – see Exhibit C for details. If it is a full analysis, can you provide the listing in Excel format?

Response: Please include an actual analysis and a paragraph summary.

Question #12: Regarding the City's onsite medical clinic administered by Premise Health, will the medications dispensed this facility be adjudicated through a retail pharmacy/Point of Sale (POS) system? If not, how will these prescriptions be reflected on a patient's profile and be tracked for their claims history, appropriateness and safety?

Response: The medications are not adjudicated through a retail/POS system. Premise does have safeguards in place to ensure safe dispensing as long as the patient includes all medications taken in their patient profile. However, the Center does not function like a PCP and administer any medications for chronic conditions. Most medications prescribed at the Center are antibiotics and steroids.

Question #13: The City's RFP document does not allow for a PEPM administrative fee, while the Towers document (page 34) allows for vendors to submit a PEPM or per claim administrative fee. Can you please clarify which is permissible here?

Response: COK is not currently charged a PEPM cost, but if this is how a vendor chooses to do business, they can certainly bill one. Fees and savings are both factors in scoring.

Question #14: Would the City of Knoxville be open to a Specialty PBM carve out, separate from the PBM contract?

Response: The City will review and analyze all offers made. While this is not the plan at this point, the City would be open to a proposal and consideration of this setup. Please quote as the RFP states, but this can be an additional option if needed.

Question #15: Response Instructions (Question 4). Regarding the requested stand-alone memo explicitly accepting the obligation to pay the Analysis & Compliance fee described above, please provide a description of the Analysis and Compliance fee.

Response: The City pays both the DeepView analysis fee and their annual audit fee separately and directly. Question #4 on Page 33 of Exhibit A to the RFP is hereby deleted.

Question #16: Please provide the City of Knoxville's preferred data layout for Pharmacy. The preferred data layout provided in Exhibit E of the RFP appears to be for Medical claims – not Pharmacy.

Response: Exhibit E is hereby deleted. Please see the attached "Incumbent Data Request Guide" for the preferred layout. Please confirm your organization will be able to provide pharmacy information to our data warehouse to include similar fields applicable to pharmacy claims.

Question #17: Please confirm the amount of bid requirement in the Subcontractor/Consultant Statement. Are you requesting the total contract value or the admin fee?

Response: Total contract amount to include any admin fees, if applicable.

Question #18: In relation to the following questions, are demo's the same as exhibits or attachments?

16. What functions would the City have on your administrative site as an employer? We currently have the ability to view real-time claim activity to include, drug name, quantity, prescriber, prescriber phone number, pharmacy name and number, and any denial reasons. Would we have this same capability with your organization? Please provide a demo.

17. List the information and services employees can access online (benefit descriptions, provider directories, order ID cards, view EOBs, view claims status, drug pricing, etc.) and provide a demo

Response: We would expect the proposer to include any screenshots/reports/etc. of the admin access that the City would have, as well as any areas in their portal where the City would have access to this information. The City would also like to have a link to a demo of all of this information included in the proposal as well. This answer holds true for both of the questions listed above

END OF ADDENDUM 2