



Request for Proposals (RFP)

City of Canton, Ohio
Purchasing Department
218 Cleveland Ave. SW, 4th floor
Canton, Ohio 44702

Prescription Benefit Manager Contract

Item/Project

Responsible Department

August 19, 2022 by 2:00 pm - City of Canton, Purchasing Department Fourth Floor

Proposals Due On or Before

Proposal Submitted By:

Company Name

Street Address

City

State

Zip

Contact Person

Phone No.

Email Address

REQUEST FOR PROPOSAL GUIDELINES

The City of Canton is a self-funded health plan reviewing prescription benefit management services. The present relationship is with Optum under AultCare's relationship. The City of Canton offers one benefit design and requests pricing offers for a takeover of prescription administration. The City of Canton is looking for a PBM with assertive drug claim management with a transparent approach. One that includes flexible plan design options, excels at customer service and robust capabilities.

Sealed proposals, in accordance with the City of Canton's specifications for prescription benefit management services, will be received at the office of the City of Canton, City Hall, Purchasing Department, Fourth Floor, 218 Cleveland Ave. SW, Canton, Ohio 44702 until 2:00 pm local time on August 19, 2022, at which time they will be publicly opened and tabulated. Vendors can submit questions via email to purchasing@cantonohio.gov. All Questions must be submitted by **July 29, 2022 at 4:00 pm**.

Proposals must be submitted in a sealed envelope with the forms furnished including the specifications and shall contain the full name of each person, agency/company, submitting the proposal, and shall be signed by an official authorized to execute a contract. Proposal envelopes shall be marked: **"PRESCRIPTON PLAN ADMINISTRATION FOR CITY OF CANTON'S HEALTH CARE PLAN"**

Each proposal and all certificates must include the forms furnished with the specifications, and include an original and a copy of the RFP, including a flash drive, at or prior to the date and hour specified for receiving proposals. The City is not responsible for documents received after the proposal opening and such documents will be rejected.

Unless specifically accepted, all proposals shall incorporate the City of Canton's RFP specifications by reference.

In case of corporations not chartered in Ohio, the proposal shall be accompanied by a current certificate of the Secretary of State, certifying that such corporation is authorized to do business in Ohio.

Each bidder must insure that all employees and applicants for employment are not discriminated against because of race, color, religion, sex, handicap or national origin.

The City of Canton Board of Control reserves the right to reject any or all proposals received, to waive any informalities or irregularities in the proposals received, and to accept any proposal or combination of proposals which is deemed most favorable to the City at the time under the conditions stipulated.

BY ORDER OF THE DIRECTOR OF PUBLIC SAFETY CANTON, OHIO

Andrea M. Perry

The effective plan date is February 1, 2023

The City of Canton



Request for Proposal

*Specifications
for
Prescription Drug Coverage*

Effective February 1, 2023

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SECTION 1

QUOTATION INFORMATION

- Specifications: Proposal specifications may be obtained at the City of Canton Purchasing Department's website at <http://cantonohio.gov/448/Purchasing-Procurement>. Companies or individuals obtaining specifications from the website will be posted to through the website sourcing tool, Vendor Registry. Interested parties that obtain the specifications will receive a notification via the sourcing tool of any addenda or other additional information. It is the responsibility of the interested party to check the web site sourcing tool for any addenda or additional information. **Responses received after 2:00 pm on the response due date will not be considered.**
- Due date: Two (2) sealed copies, including a flash drive of your proposal must be received no later than **2:00 pm local time on August 19, 2022** at the Purchasing Department, Fourth Floor, City Hall, 218 Cleveland Ave SW, Canton, Ohio 44702.
- Send to: Proposals should be sent/delivered to
City of Canton
Purchasing Department
Fourth Floor
218 Cleveland Ave SW
Canton, Ohio 44702
- Questions: Any questions and/or need of clarification should be directed to: purchasing@cantonohio.gov
- Format: Each proposal shall be submitted for a three (3) year period with renewal options, using the forms provided. Multi-year quotes are encouraged. Respondents may quote by line of business.
- Contract: City of Canton desires a contract be signed between the carrier, Prescription Benefit Manager (PBM), or services provider and City of Canton for a period of three years with the option to renew for two additional years upon mutual agreement of both parties. Any renewal will be at the City's discretion.
- Deviations: All assumptions should be clearly stated and any deviations from the specifications MUST be plainly identified and clearly defined as supplemental information submitted with the proposal on a separate page and clearly marked, ASSUMPTIONS AND

DEVIATIONS. Unless otherwise stated, the proposal will be considered as being in strict accordance with the specifications stated in the Request for Proposal (RFP) document.

- Errors/Omissions: Errors and/or omissions in a submitted proposal could result in the proposal being declared invalid.
- Right to reject: The City of Canton reserves the right to reject any and all proposals, to waive any informalities or irregularities in the proposals received, and to award by item or total or any combination of proposals deemed most favorable to the City of Canton.
- Tax exemption: City of Canton is exempt from payment of federal and state taxes.
- Special conditions: Special conditions included in the Request for Proposal document shall take precedence over any general provisions hereinafter set forth.
- Requirement: All electronic file transfers with employee data shall be secure and encrypted.

SECTION 2

GENERAL INFORMATION

Name of account: The City of Canton
218 Cleveland Ave SW, Canton, Ohio 44702

Size of account: Approximately 953 employees on the health plan; 15 opt-outs

Business: Municipality

Coverages desired: Prescription drug card/mail order program

Current funding: Self-funding with stop loss (\$250,000 Aggregating Specific and LCRP Contract Basis of 24/12).

Funding desired: Continue self-funding; stop-loss quotes will be requested at a later date.

Current PBMs/carriers: OptumRx is the PBM (retail & mail service) and is managed by AultCare.

Eligibility: Minimum 30 hours per week; coverage effective first of month following coincident with or next following sixty (60)- days of employment, with credit given for part-time Employees who transition to full-time.
Elected officials and Council members are eligible.

2022 funding rates: \$650/month/single; \$900/month/single+1; \$1,200/month/family

Current contributions: 10% of funding rates

Rate guarantee period: Minimum twelve (12) months (through 12/31/2023)
Multiple year quotes highly encouraged

Commissions: All quotations are to be provided without broker commission.

Effective date: February 1, 2023

Background information: The City of Canton currently offers one PPO plan, with a choice of networks. There is a combined Medical/Prescription Out-of-Pocket Maximum of \$1,350 per Covered Person/\$2,700 per Family. Once the member has satisfied the combined Medical/Prescription Out-of-Pocket Maximum, there is an additional Prescription Out-of-Pocket Maximum of \$5,000 per Covered Person/\$10,000 per Family. Once the member satisfies the additional \$5,000 per Covered Person/\$10,000 per Family, Prescription Covered Services are payable at 100% for the remainder of the Calendar Year. This is managed under an open formulary.

SECTION 3

INSTRUCTIONS

1. The City of Canton may accept or reject any or all proposals received.
2. Proposals are requested on a stated rate which shall remain firm for the period of the contract.
3. Each line of business may be quoted separately.
4. Each carrier/PBM/vendor submitting a proposal must furnish the following:
 - a. Latest financial statement
 - b. Sample copy of the ASO agreement
 - c. Best insurance rating (carriers)
5. Each respondent MUST complete the Proposal Form/Signature page in Section 9 of this RFP, as well as the Terms & Conditions page.
6. Proposals shall be considered only if the respondent shows it is duly authorized to do business by the Insurance Department of the State of Ohio.
7. Cancellation – the carrier/PBM/services provider shall indicate that the contract shall not be cancelled until one hundred twenty (120) days written notice thereof is given to The City of Canton.
8. Cancellation – City of Canton has the right to cancel any carrier/PBM/services provider with one hundred twenty (120) days written notice.
9. All PBMs must guarantee at least one hundred twenty (120) day written notice in advance of any rate change.
10. State any charges that may be incurred by the City of Canton that are not included in the quoted premium or fee (e.g. set-up fee, claim checks, benefit booklets, ID cards, etc.).
11. It is the intent of the City of Canton that the award shall be for a three-year period with the option to renew two additional years upon mutual agreement. However, the right is reserved to change carriers on any anniversary date.
12. The successful proposer must be willing to accommodate the City's administrative procedures. Before the contract is awarded, proposal finalists may be invited to meet with representatives of the City of Canton to establish the agreement to administer the plan according to City guidelines.
13. City of Canton, or any other entity involved in this project, assumes no liability for any costs incurred by the carrier/PBM in the preparation of their proposal nor during the proposal evaluation process.

INSTRUCTIONS cont.

14. In accordance with opinions from the Ohio Attorney General, the City of Canton cannot accept an Agreement or Contract containing blanket Indemnification or Hold Harmless provisions.
15. The successful proposer must provide to the City of Canton an unqualified SOC1 “Service Organization Controls Report” in accordance with SSAE-16.
16. As a self-funded public-sector employer-sponsored health plan, the City’s plan is subject to regulations from the Ohio Department of Insurance. Successful proposers must administer our plan accordingly.
17. All electronic file transfers with employee data shall be secure and encrypted.

SECTION 4

GENERAL CONDITIONS

The statistical data and general information contained in the specifications are, to the best knowledge of City of Canton, complete and accurate. However, any such data and information released with the specifications are representations and not warranties by the City. Each company submitting a proposal shall assume for itself the sole responsibility for reliance upon information included in the specifications to meet its quoting and underwriting needs and determination of the appropriate rating structure. Any prospective proposer desiring clarification of any section, clause, or wording of the Request for Proposal should direct such questions to purchasing@cantonohio.gov by **July 29, 2022 at 2:00PM**. Failure to request interpretation or question the intent or scope of this Request for Proposal, as provided, shall not be sufficient cause for relief from any provision of a contract issued as the result of this Request for Proposal.

Answers to questions will be issued in writing as official addenda no later than seventy-two (72) business hours prior to the time of the proposal opening. Said addenda will become a component of the request for proposal and should be acknowledged as received on the proposal page. Failure to acknowledge all official addenda in this manner may result in your proposal being disqualified.

All proposals received in response to this Request for Proposal shall be considered as “open offers” from the date of submission through December 31, 2022. During this period, the proposals received will be analyzed.

The City of Canton Board of Control reserves the right to reject any or all proposals, to waive any informalities or irregularities in the proposals received, and to accept any proposal or combination of proposals which is deemed most favorable to the City at the time and under the conditions stipulated.

SECTION 5

BENEFIT HISTORY & PRESCRIPTION PLAN SPECIFICATIONS

Recent Benefit History

The City of Canton provides group carrier plans to all full-time employees. Coverage is offered either on a single, single + 1, or family plan, in which City of Canton pays for 90 percent of the monthly individual premium or for 50 percent of the additional premium that is charged for dependent medical coverage. The employee pays 10 percent of the monthly individual premium. Only administrative services are being reviewed.

The City of Canton is on a self-funded PPO platform. Currently, OptumRx is the PBM and is managed through AultCare. They both provide prescription management and network services. The City currently offers one benefit design but based on union negotiations this could change. The City of Canton requests a pricing for a takeover of PBM administration.

The City of Canton is looking for a PBM with assertive drug claim management with a transparent approach. One that includes flexible plan design options, excels at customer service and robust reporting capabilities.

Current Carrier History

Currently, OptumRx is the PBM and is managed through AultCare and both provide prescription management and network services.

Benefit Specifications

- Prescriptions - Current benefits should be duplicated, with recommendations for a new plan design

SECTION 6

REQUIRED CARRIER RESPONSES

PLEASE PROVIDE YOUR RESPONSES ON A SEPARATE SHEET FOR ALL QUESTIONS IN SECTION 6. INCLUDE THE SECTION TITLE AND QUESTION NUMBER.

1. Vendor's proposal will be for a 3-year contract term beginning February 1, 2023, with an option to renew for two additional years one year at a time at the discretion of the City.
2. Vendor agrees that upon notification of being selected as a first finalist, it will work collaboratively with Huntington Insurance and the City of Canton to complete a contractual agreement to provide the services requested herein within 90 days.
3. Vendor agrees that its system will be able to administer all of the City of Canton's current pharmacy benefit designs as outlined in the attachments. Vendor agrees to administer and track plan data separately for each of COC's groups (active and COBRA, Union divisions) and by plan.
4. Vendor agrees to implement all clinical and utilization management programs as outlined in the attachments (and recommends value of future program implementation).
5. Vendor agrees that it will be responsible for reimbursing providers for all claims incurred on or after the effective date of the contract and in accordance with the City of Canton's provisions for the submission of direct claims for reimbursement.
6. The City of Canton will not be required to provide an advance deposit.
7. Vendor agrees to provide a complete financial/service renewal proposal at least 180 days prior to the effective date of each renewal period.
8. Vendor agrees to reimburse the City of Canton for any fees it may incur from their current vendor as a result of early termination in order to transition its pharmacy benefit management to your organization.
9. Vendor agrees that the City of Canton may not terminate the agreement at any time during the initial term, but without penalty, upon advance written notice to Vendor at least 90 days prior to renewal.
10. Vendor agrees to immediately notify the City of Canton of any impending litigation involving its company, officers, subsidiaries or subcontractors.
11. Vendor agrees to keep the City of Canton informed of any class action lawsuits related to covered prescription drugs. In addition, you will provide claims data and reporting to use in filing for refunds, judgments, etc. at no additional cost to the City of Canton for up to two years post client termination.

REQUIRED CARRIER RESPONSES cont.

12. Vendor agrees that your contracts with participating pharmacies require them to be in compliance with all applicable local, state and federal laws and regulations and if a pharmacy is out of compliance with these contractual requirements (i.e. dispensing counterfeit drugs), the pharmacy would be subject to removal from your retail networks.
13. Vendor agrees it has the capability to audit 100% of the submitted claims from network providers to identify submission errors and issues of waste, fraud and abuse at no additional cost to the City of Canton. Vendor must provide supporting reports on an annual basis to demonstrate the activity of the network auditing tool.
14. Vendor agrees to provide 100% of all audit recoveries back to the City of Canton with appropriate documentation.
15. Vendor agrees that product purchasing and inventory control procedures are designed and implemented to prevent the introduction of counterfeit products into the U.S. supply chain, and to create end-to-end audit trails in the event of drug product warnings or recalls. Specifically, upon receipt at your mail order pharmacies, your Inventory Control staff verifies that the proper manufacturer NDC number, drug name and expiration dates are received. In addition, you record all lot numbers of products, and you do not purchase repackaged products thereby further limiting exposure to counterfeit drugs. At the time of dispensing or as the product is being prepared for automatic dispensing it is visually inspected by a pharmacist for correct color, shape, and other identifying markings. You will verify that all drugs from your primary or secondary vendors have either been purchased directly from the manufacturer or that the vendor is capable of showing the trail to assure that they are not buying from secondary markets. Secondary wholesalers will only be used to cover for shortages that have occurred with the primary vendor and/or for limited distribution products.
16. Vendor agrees to arrange and pay for a short-term retail supply of a delayed mail order prescription caused by the vendor. In addition, vendor agrees that neither the City of Canton nor its members will be charged for any incremental shipping costs associated with expedited delivery as a result of such delays.
17. Vendor agrees not to pass any increases in mailing/postage fees to the City of Canton during the contract term.
18. The proposed mail facility must image all prescriptions, envelopes, notes and forms of payment (e.g. checks). All images must be accessible to vendor's customer service representatives within 24 hours of receipt.
19. Vendor agrees to pay all guaranteed rebates within 90 days after the end of each quarter and to reconcile the total amount paid to COC against the total rebates received on an annual basis within 120 days after the end of each contract year. Any additional rebates owed to the City of Canton must be paid within 120 days after the end of the year. Any rebates received from manufacturers after the reconciliation will be applied to the next annual reconciliation and will be clearly noted.

REQUIRED CARRIER RESPONSES cont.

20. Vendor agrees, at a minimum, to: (i) weekly operating calls with the City of Canton for the first quarter after the effective date and monthly thereafter as requested; (ii) quarterly operations meeting with the City of Canton to report and review program performance results if requested; and (iii) an annual onsite review to be held prior to the City of Canton's annual benefit planning meeting.
21. Vendor agrees to supply the City of Canton, at no additional cost, sophisticated on-line reporting tools and on-site training at the City of Canton as needed to manage the prescription drug program.
22. Vendor agrees that the City of Canton will receive hard copies and/or electronic copies of the vendor's standard reporting package within 45 days after the end of each quarter. The standard package will include but not limited to an overview of the plan's performance, drug trend analyses, top drug and therapy class reports, benchmarking to vendor's book-of-business and financial services industry, and the reconciliation of any applicable financial and performance guarantees with breakouts provided at a plan/group level at COC's direction.
23. Vendor agrees to provide a dedicated toll-free 800 number (including IVR capabilities) and web access to the City of Canton members at all times (24/7), including during open enrollment.
24. Vendor will provide, upon request and at the vendor's expense, an agreed-upon supply of materials as determined jointly by the vendor and the City of Canton for benefit fairs and/or during each annual open enrollment campaign.
25. Vendor agrees that a dedicated team of domestic customer service representatives (CSRs) will support the City of Canton account for the life of the contract.
26. Vendor shall maintain a website accessible by members for purposes of requesting prescription refills seeking select customer service assistance (i.e., formulary listing, brand/generic alternatives, status of mail service prescription orders, etc.) and must contain claims history information for member review.
27. Vendor will provide, upon request and at the vendor's expense, an agreed upon supply of materials as determined jointly by the vendor and COC for member communications.
28. Vendor agrees to provide pharmacy claims data feeds at no additional cost to vendors or other third parties. Each data feed may be unique in nature and would range from daily, monthly, quarterly or annual transmission intervals.
29. Vendor agrees to provide necessary data files to respond to government requests or to respond to class action lawsuits free of charge for the length of the contract. Such services shall be provided at COC custom reporting rate after the contract has terminated.

REQUIRED CARRIER RESPONSES cont.

30. Your contract must include the following provisions:

- (a) Any actively-at-work, hospital confinement and evidence of insurability requirements or coverage limitations must be waived (as well as any pre-existing condition limitations that may apply) for employees or dependents joining the prescription plan at open enrollment or at other times throughout the benefit year due to becoming newly eligible, relocation, due to a change in family status, or due to a life (eligibility) changing event.
- (b) Coverage is provided for all eligible employees of COC, as well as eligible dependents as defined by COC and described in the attached information.
- (c) Carrier's administrative services will include claims for COBRA qualified beneficiaries, as required by the Federal Consolidated Omnibus Budget Reconciliation Act of 1985.
- (d) Carrier agrees to correct any eligibility errors retroactively to the effective date of eligibility upon notice by the City of Canton.
- (e) Proposer includes diabetic supplies (Test Strips, Lancets, Syringes) in rebate guarantees.
- (f) Minimum contributions and/or enrollment levels will not be accepted.

31. Vendor must agree to provide unrestrictive operational and financial audit rights, including the ability to audit paid claims data, the vendor's claims processing system, performance guarantees and rebate agreements, as appropriate. The City of Canton requires the ability to conduct these audits at any time during the contract term. Confirm that you will allow the City of Canton or its designee the ability to audit the specialty program including any and all documented patient and provider interventions to verify comprehensiveness and effectiveness of the services provided. It is understood that appropriate confidentiality and HIPAA agreements would be undertaken.

32. Vendor agrees the City of Canton will have the right to select an auditor to perform both operational and financial reviews of its pharmacy benefit program.

33. Vendor agrees to provide an implementation credit to the City of Canton to be used as an offset to documented expenses, including consulting fees, associated with the implementation. Vendor further agrees that the City of Canton may use the credits for a pre-implementation audit of the vendor.

34. Vendor agrees to provide its operational performance guarantees as outlined in the Performance Guarantees section of this RFP on a COC-specific basis. Unless otherwise noted, the City of Canton's results will be reported on a quarterly basis within 45 days from the close of the quarter.

35. Vendor agrees that all performance guarantees will be reconciled annually with any penalties owed to the City of Canton paid within 90 days from the end of the contract year.

36. Vendor agrees to allow the City of Canton to review and approve all standard communication materials before distribution to plan members. Production costs, including postage, for standard communications will be provided at no additional cost to the City of Canton.

REQUIRED CARRIER RESPONSES cont.

37. Vendor agrees to accept and load all open mail order and specialty pharmacy refills, prior authorization histories, and at least six months of historical claims data at no additional cost to the City of Canton during the implementation process.
38. Vendor agrees to provide dedicated clinical pharmacist support, which will interact with the City of Canton's benefits staff, as appropriate. The pharmacist must be licensed and in good standing with national/state Boards of Pharmacy.
39. Vendor agrees to analyze the effectiveness of its clinical programs on an ongoing basis. At least annually the vendor will present a review of programs currently in place and recommendations to the City of Canton for additions or changes. This analysis should include the number of members affected, clinical significance and financial impact.
40. Vendor agrees that all clinical savings guarantees will be made dollar-for-dollar and the City of Canton will retain 100% of any savings achieved or documented in excess of the guarantee.
41. Brand to brand prescription substitutions will be permitted only to promote clinical outcomes and only in circumstances where substituted product results in a lower plan and member cost. Rebates may not be considered when determining plan or member cost.
42. Vendor agrees that any clinical programs included in your proposal will have no shared savings (i.e., The City of Canton is billed for a portion of the savings purportedly generated by the vendor's clinical or utilization management programs).
43. Vendor agrees to utilize one consistent pricing source for determining Average Wholesale Price (AWP) information for use in claims pricing and to disclose its source in the contract with COC. If the Vendor decides to change its pricing source, it agrees to;
 - (1) Provide the City of Canton with at least 90 days' notice of the change.
 - (2) Pass through all financial improvements of the pricing source change to the City of Canton.
 - (3) Provide the City of Canton with a written illustration of the financial impact of the pricing source change (e.g., specific drug examples) and written statement of the expected aggregate annual impact of the pricing source change. The Vendor will provide written illustration and the statement noted above to the City of Canton at least 75 days prior to the change.
44. Vendor agrees that if AWP-based pricing is replaced in the market by another pricing index it will;
 - (1) Provide the City of Canton with at least 90 days' notice of the new pricing methodology.
 - (2) Pass through all financial improvements of the new pricing methodology to the City of Canton.
 - (3) Provide the City of Canton with a written illustration of the financial impact of the pricing methodology change (e.g., specific drug examples) and written statement of the expected aggregate annual impact of the pricing methodology change. Vendor will provide written illustration and statement noted above to the City of Canton within at least 75 days of the change.

REQUIRED CARRIER RESPONSES cont.

45. Methodology and Resolution of changes in pricing source/methodology
- (1) "Brand drugs" are defined as products for which the Medi-Span Multisource Code Field equals "M", "N" or "O" as of the fill date for the dispensed NDC-11.
 - (2) "Generic drugs" are defined as all products with a Medi-Span Multisource Code Field equal to "Y" as of the fill date.
 - (3) Vendor agrees that in the event of a pricing methodology change or a change in the Vendor's pricing source, in which the Vendor does not agree to pass through pricing improvements to the City of Canton, or if the change results in a higher gross cost (before member cost share) to the City of Canton, that the City of Canton reserves the right to renegotiate financial terms of the contract or to terminate with 90days written notice at any point during the contract term without penalty or early termination charges.
46. Vendor agrees to pass on additional savings due to any market checks conducted during the allotted contract period.
47. Upon termination of the contract, you will provide all necessary documentation, claims files, prescription history and other data needed for the successful transition of the program to the appointed vendor and at no additional cost to COC. This includes, but is not limited to; all Open mail-order and specialty pharmacy refills, prior authorization histories, and at least six months of historical claims data. Two sets of each of these files must be supplied. Additionally, you will agree to provide ongoing support for the COCs RDS reconciliation up to 15 months after the end of the last contract year. This agreement must be included in your contract if awarded PBM business.
48. Vendor agrees to provide their definition of a specialty drug that must be in line with current industry norms. Unless Client's benefit plan requires it, no greater than a 30 days' supply of specialty medications will be dispensed per copay, without prior written program approval by Client.
49. Vendor agrees that all ancillary supplies (e.g., needles, syringes, tubing, etc.) required for self-administering specialty products will be provided to members at no additional cost.
50. Vendor agrees to notify the City of Canton of new specialty drugs as they are approved by the FDA and released to the market. Vendor further agrees to enter into good faith negotiations with the City of Canton in the event there is a dispute over the designation or proposed discount of a new specialty drug.
51. Vendor agrees the City of Canton will not be responsible for any outstanding member copayments owed to vendor for mail order or specialty pharmacy prescriptions. Collecting such fees will be the sole responsibility of the vendor.
52. Vendor agrees to provide administrative support for the City of Canton Medicare Part D drug program, including, but not limited to: eligibility maintenance and reconciliation, quarterly drug cost reporting and submission to CMS, annual drug cost reconciliation, preparing and distributing letters of creditable coverage, and ensuring compliance with all CMS and Retiree Drug Subsidy (RDS) requirements. Vendor will fully disclose to COC and CMS in the Part D subsidy billing package all rebates, including those you retain as a formulary management fee, as required by CMS guidance. Vendor also

REQUIRED CARRIER RESPONSES cont.

agrees to allow the City of Canton or its designee to audit the Vendor's administration of the Medicare Part D drug program, including the reconciliation process without additional charges to the City of Canton.

53. Vendor agrees to provide standard and Medicare coordination of benefits (COB), for both Parts B and D, if the appropriate COB indicators are provided with COC eligibility files.
54. Vendor agrees it has the ability to administer a 90-day supply at retail benefit design and will provide pricing upon request.
55. Vendor, associated Broker(s), or third parties such as a Collective Sponsor must agree to disclose all sources of revenue for managing the City of Canton's pharmacy program, including the percentage of total revenue coming from specific PBM programs, administrative fees, manufacturers and prescription delivery channels (retail, mail, specialty pharmacies).
56. Vendor must agree that its pricing is based on the City of Canton's current plan design as outlined in the attachments.
57. Vendor must agree that its pricing is not contingent upon City of Canton participation in any other clinical, formulary or utilization management programs or dependent upon changes to City of Canton current plan designs.
58. The proposed fees are based on current City of Canton enrollment and are not subject to revision should actual enrollment as of the effective date be lower or higher than expected.
59. The proposed fees are clearly identified on the proposal forms; otherwise, it will be considered that fees for any additional items will be waived by your plan.
60. The Supplier agrees to an annual renewable contract with guaranteed premium rates and/or administrative fees for a minimum of 3 years. Proposals with longer guarantee periods will receive favorable considerations.
61. Following the fee guarantee period, fees will not change more than once within a 12-month contract period. Written notice must be provided 180 days in advance of the contemplated change. For any renewal rate changes, City of Canton requires a complete analysis performed by administrator.
62. Vendor agrees that all financial guarantees are offered with dollar-for-dollar penalties such that the City of Canton will be made whole if its actual performance fails to meet the vendor's guaranteed level.
63. Vendor will measure all guarantees and pay/credit the City of Canton 100% of any shortfall within 90 days of each annual period, with the exception of the rebate guarantees which shall be reconciled within 120 days after the end of each annual period, with the City of Canton retaining 100% of any additional savings achieved

REQUIRED CARRIER RESPONSES cont.

64. Vendor agrees that the following financial guarantees are offered on a component basis and that a surplus against one guarantee will not be used to offset a shortfall against another guarantee:
- a. Retail brand AWP discount
 - b. Retail overall generic AWP discount
 - c. Retail dispensing fee
 - d. Mail-order brand AWP discount
 - e. Mail-order generic AWP discount
 - f. Mail-order dispensing fee
 - g. Retail generic dispensing rate (GDR)
 - h. Mail-order GDR
 - i. Minimum retail rebate guarantee per claim
 - j. Minimum mail-order rebate guarantee(s) per claim
 - k. Specialty rebate guarantee per claim. Illustrate your specific rebate percentage
 - l. Rebates earned on OTCs, multisource brands and / or single source generic drugs shall accrue to the Plan, irrespective of DAW claim status.
 - m. Proposed rebates do NOT require Client to make changes to plan designs outlined on the Plan Design tab.
 - n. Proposed rebates do NOT require Client to implement step therapy, prior authorization, therapeutic substitution or other formulary management programs as outlined on the Plan Design tab.
 - o. Proposal includes diabetic supplies (Test Strips, Lancets, Syringes) in rebate guarantees
65. Vendor must process all retail claims at the lesser of:
- a. The contracted discount rate plus dispensing fee
 - b. MAC rate plus dispensing fee; or
 - c. the pharmacy's submitted usual and customary (U&C) amount.

REQUIRED CARRIER RESPONSES cont.

66. Vendor must process all mail order claims at the lesser of:
- The contracted discount rate plus dispensing fee or
 - MAC rate plus dispensing fee.
67. Vendor must agree to adjudicate all claims priced at U&C with the ingredient cost equal to the submitted U&C price and a \$0.00 dispensing fee.
- "Brand drugs" are defined as products for which the Medi-Span Multisource Code Field equals "M", "N" or "O" as of the fill date for the dispensed NDC-11.
 - Generic drugs" are defined as all products with a Medi-Span Multisource Code Field equal to "Y" as of the fill date.
70. Vendor must adjudicate all retail claims such that members always pay the lowest of:
- The applicable copayment;
 - The drug's eligible charge; or
 - The pharmacy's U&C amount, including the pharmacy's sale price, if any.
- Vendor agrees not to adjudicate retail claims based on Zero Balance Logic (ZBL) or require members to pay a minimum copay amount.
71. Vendor must adjudicate all mail order claims such that COC members always pay the lower of the applicable copayment or the drug's eligible charge. Vendor will not be allowed to require members to pay a minimum copay amount.
72. Vendor must provide a minimum retail brand AWP discount guarantee and a minimum mail-order brand AWP discount guarantee on an annual basis. The guarantees shall include all single-source and multi-source brand drugs and should be higher than the AWP discounts passed through for single-source brand drugs alone. At retail, this guarantee must include specialty brand drugs dispensed at retail pharmacies but exclude claims priced at U&C.
73. Vendor must provide a minimum retail generic discount guarantee and a minimum mail-order generic discount guarantee on an annual basis. The guarantees must include all generic drugs, including MAC and non-MAC generics, multi-source and single-source generics, and any generic products involved in patent litigations and/or products available in limited supply. At retail, this guarantee must include specialty generic drugs dispensed at retail pharmacies but exclude claims priced at U&C.
74. Vendor agrees to provide its complete retail and mail-order MAC list(s) by drug name, strength and GCN with the associated unit price if it is selected to be a finalist and upon COC request thereafter. The lists will remain confidential.

REQUIRED CARRIER RESPONSES cont.

75. Vendor agrees to use the same MAC product list for retail and mail-order reimbursement and that the unit cost of every individual product on the MAC product list will always be the same or lower at mail than at retail. Vendor further agrees that at both retail and mail-order the AWP discount percentage for each product on the MAC list will be better (i.e., deeper) than the AWP discount percentage for non-MAC'd brand and generic drugs.
76. Vendor must offer maximum per claim dispensing fee guarantees for brand and generic drugs priced at the discounted ingredient cost or MAC rate at retail, mail-order, and specialty pharmacies.
77. Vendor agrees that all compound drugs dispensed at retail and mail order will be priced using the proposed guaranteed retail and mail order pricing formulas, respectively; compound drugs will not be subject to a mark-up.
78. Vendor must price all specialty drugs dispensed at retail at the same generic or brand pass through rates as other non-specialty drugs and include these claims in the calculation of the retail component guarantees.
79. Vendor must agree to offer consistent pricing for all mail order prescriptions regardless of the days' supply.
80. Vendor must quote all administrative fees on a per employee per month (PEPM).
81. Vendor must offer a minimum overall effective discount (OED) guarantee for all brand and generic specialty drugs dispensed by the specialty pharmacy.
82. Vendor must agree to offer generic dispensing rate (GDR) guarantees for both retail and mail-order prescriptions. GDR shall be defined as the number of generic prescriptions dispensed divided by the total number of prescriptions dispensed.
83. Vendor agrees to provide a guaranteed rebate payment or credit equal to the greater of 100% of actual Total Rebates (as defined below) or the Minimum Per Script Rebate Guarantees (as defined below)

MINIMUM PER SCRIPT DEFINITION

Vendor agrees to provide minimum rebate guarantees on a per claim basis to be applied for all claims, including but not limited to, all generics regardless of generic exclusivity status, zero-balance claims, formulary brand, non-formulary brand and specialty drug prescriptions regardless of delivery channel. The guaranteed amounts may vary by retail, mail-order, and specialty drug claims, and amounts may vary based on pre-defined plan design parameters (e.g., incentive plan designs and non-incentive plan designs), but all rebate guarantees shall be provided without minimum or average days' supply requirements.

REQUIRED CARRIER RESPONSES cont.

REBATE DEFINITION

Vendor agrees that “Total Rebates” will be defined as all compensation or remuneration the vendor receives from pharmaceutical manufacturers (brand and generic), attributable to the purchase or utilization of covered drugs (including specialty drugs) by an eligible participant. Compensation includes, but is not limited to: discounts; credits; rebates, regardless of how categorized; fees; market share incentives;

commissions; mail service and specialty purchase discounts; and administrative management fees; and educational grants received from manufacturers in relation to the provision of utilization data to manufacturers for rebating, marketing, and related purposes.

84. Vendor agrees to pay all minimum rebate guarantees within 90 days after the end of each quarter and to reconcile the total amount paid to COC against the total rebates received on an annual basis within 120 days after the end of each contract year. Any additional rebates owed to COC must be paid within 120 days after the end of the year. Any rebates received from manufacturers after the reconciliation will be applied to the next annual reconciliation and will be clearly noted. COC may request the rebate payments be made in the form of a separate check and not applied as an offset to a billing invoice at no cost.
85. Preferred payment of rebate is a check payment. Is this available?
86. Outline your inflation control program available to the COC.

SECTION 7

FUNDING INFORMATION

Self-Funding

Fees and premiums may be quoted on either a composite or single/single +1/family basis.

If a change in PBMs is made, the new administrator may or may not be expected to handle run-out claims from the prior plan. This will be discussed with finalists prior to award of the contract. Please indicate clearly in Section 9 if there is a difference in your first-year fees for the two scenarios.

Multiple year quotes are encouraged.

For printing charges of claim forms, claim checks, and ID cards: you will see lines on the rate forms in Section 9 for these components. If you can structure your administrative fee to cover these items, please do so. Otherwise, be as specific as possible on ANY additional or one-time charges.

SECTION 8

PROPOSED QUESTIONS

PLEASE PROVIDE YOUR RESPONSES ON A SEPARATE SHEET FOR ALL QUESTIONS IN SECTION 8. INCLUDE THE SECTION TITLE AND QUESTION NUMBER.

GENERAL

1. Please provide a brief history and description of your company and its current ownership structure.
2. What is the total number of self-funded clients and employee lives you currently administer?
3. Describe your insurance coverage, including carrier(s) and amounts (e.g. malpractice, errors & omissions, bonding).
4. What are your hours of operation? How are after-hours calls handled?
5. Please provide the name of the firm that conducts your SOC1 audit.
6. Do you have an internet website? Does the website allow employees, providers and the City of Canton to check eligibility and claim status? What other website features and services are available, both for employees and the City of Canton?

PRESCRIPTION DRUG PROGRAM / PHARMACY BENEFIT MANAGER

1. Is your organization owned or controlled by any other organization? Are you quoting our program in conjunction with any other entity? If so, please explain the relationship and how it will benefit the City of Canton plan.
2. What is the nature of your relationship with pharmaceutical manufacturers, and what responsibilities do you have to those manufacturers?
3. If yours is a local network, describe your network footprint and how will our participants obtain medications out of your service area?
4. Describe the pricing arrangements you will offer to the City of Canton, including dispensing fees, per-claim fees, implementation costs, discounts from AWP, rebates available, etc. What performance and/or savings guarantees can you offer to the City of Canton? (If prescription discount information is considered confidential, include your response to this question in a separate sealed envelope.)
5. What is your source for AWP? How frequently will discounts from AWP be updated for the City of Canton?

PRESCRIPTION DRUG PROGRAM / PHARMACY BENEFIT MANAGER cont.

6. Describe your Maximum Allowable Cost (MAC) program for generics. Based on your latest data, what is the effective discount from AWP of your MAC prices? (If prescription discount information is considered confidential, include your response to this question in a separate sealed envelope.)
7. Please confirm that the plan participant will be charged no more than the actual ingredient cost if it is lower than the co-pay.
8. The City of Canton prefers payment of any and all rebates in check format. Is this available?
9. Outline your inflation program available to the City of Canton.
10. What clinical programs do you have available to the City of Canton, and what is the cost for each? Include your programs and recommendations for specialty medications.
11. How will you ensure a successful transfer of open mail-order prescriptions?
12. Describe your procedure for mail service refills. Can members request mail order refills via the internet? By phone?
13. Confirm your ability to accept and transfer data, at a frequency determined by the City. Are there additional charges?
 - a. To / from the City
 - b. To / from the City's vendors (e.g. medical plan, stop-loss vendor, wellness vendor, disease management vendor, data warehouse, etc.)
14. Confirm your ability to administer internal reviews of adverse benefit determinations as required by the Patient Protection and Affordable Care Act, as well as external reviews as required by the State of Ohio.
15. List any other services you offer that have not been specifically requested in this RFP. Provide fees and charges for these services.
16. Please provide performance guarantees.
17. Please disclose any carve-out Pharmacy interface fees if any.

FINANCIAL & REPORTING

1. Please complete the spreadsheet for the administrative rates for the listed services (including optional services you would recommend) on the attached. The completion of the spreadsheet is a requirement for consideration.
2. Please disclose any additional fees that are not included.

FINANCIAL & REPORTING Cont.

3. If additional plan options are added, will you impose restrictions or additional costs? For example, multiple plan design such as HDHP/HSA?
4. When and how often would the City of Canton remit funding for PBM claims? What documentation is included with each claims invoice?
5. Do you hold adjudicated claims pending receipt of funds, or do you release claim payments and then bill the City of Canton for reimbursement?
6. Include with your proposal a sample of the monthly reporting package the City of Canton will receive. Are reports available electronically, or on a website? When are reports posted? Are we able to have access to run our own hoc reports? If so, please describe the process and special programming skills or language knowledge is required.
7. If you are proposing membership in a consortium arrangement for the City of Canton plan, please address the following issues:
 - a. What are your consortium's termination provisions (e.g. advance notice, costs)?

SYSTEM CAPABILITIES

1. Will you communicate with the PBM on all data required to operate the City of Canton health plan? Please disclose any additional fees if applicable.
2. What percent of your ASO clients have 1,000 – 3,000 covered employees?
3. What percentage of your claims are auto adjudicated? Is there a minimum dollar threshold that is not auto adjudicated?
4. What claims are audited?
5. What additional responsibilities do the claim processors have (telephone inquiries, correspondence, filing, etc.)?
6. What is the case load per processor? What is the number of claims that each processor is expected to process?
7. Are there automatic system edits for plan age limits?

SERVICE & REPORTING

1. Supply an organized chart identifying the functions and reporting relationships of key people directly responsible for all services to the City of Canton?
2. Do you have a dedicated account management team? Give the name and title of the person(s) with overall responsibility for managing the City of Canton and their tenure?
3. Do you have a dedicated customer service team? Where are they based?
4. What are your customer service hours?
5. Will the City of Canton have direct contact and access to all above-names person(s)?
6. Does your organization agree to attend onsite meetings if requested for open enrolment and commit to quarterly claim reviews in person if requested and ensure all reporting will be provided at least five business days' prior for review? Will you provide staff to assist with open enrollment and education meetings? Is there an additional charge for this service?
7. How do you receive and process eligibility? Please cover both electronic and paper submission, as well as timeframes for processing new hires and changes to employee records.
8. Please provide three references of current government clients (preferably a city) and one reference of a client you lost within the last two years. Ideally, these references would be similar in size to the City of Canton.
9. Do you provide an SPD? Including a wrap document? Describe the process for drafting, reviewing and finalizing summary plan descriptions (SPDs). Is there an additional fee for SPD production? Describe what you are capable of providing for the SPD (e.g. camera-ready copy, CD, completed handbooks).
10. Do you provide an SBC?
11. Will you include the pharmacy information in both the SPD and SBC if the Pharmacy Benefit Manager is carved out?
12. What is the fee and turnaround time for customized reporting?
13. Do you have electronic ID cards available?
14. Do you provide ID cards? Describe your company's ID card production and distribution process, including the time frame in which the initial card run would be completed. Provide a sample of the welcome kits our participants will receive.
15. What enrollment vendors do you work with? Are there any additional fees?? What if the client utilizes a vendor you do not currently have a relationship with?

SERVICE & REPORTING Cont.

16. Explain in detail the steps (timeline) you anticipate will be needed to ensure a smooth implementation. Include a definition of specific activities and a timetable of events. The timetable should assume an award notification date of October 15, 2022 and plan implementation schedule, which includes completion of all enrollment packets, enrollment meetings, system updates and ID card issuance for an effective date of February 1, 2023.
17. The City of Canton requires that you provide year-end financial information, renewal rates, and fees 180 days prior to the policy anniversary date. Additionally, the City of Canton will be provided all service agreements, contracts, amendments, reports, and claims data. The City of Canton requires all agreements to be executed by the vendor first. Will you agree to these requirements? Please provide a sample of your organization's contract.
18. Will the City of Canton have access via portal to access reports regarding their health plan? What type of reports will be available on the portal?
19. Does your organization agree to provide any ad hoc reporting requests that are not customized within ten business days? Please disclose any reporting fees or customized reports. Please provide a sample of your organization's monthly reporting.
20. Does your organization agree to cooperate and ensure successful interface of all City of Canton data with outside vendors at no additional cost? This assumes that the City of Canton awards coverages to an outside vendor. (including, but not limited to prescription, care management, data analytics, and utilization review vendors)
21. If administration is awarded to two separate vendors, will you agree to work with each other to ensure that the benefit plans match?
22. Describe the history of your organization and ownership of your company?
23. Do you contemplate any agreements, or are agreements being negotiated between you and other parties, which may affect the plan's ownership, corporate structure, or management during the next year?
24. Provide the name and address of your company and all outside used in this RFP. Include local, toll-free telephone and fax numbers.
25. Are you HIPPA – EDI compliant?
26. Describe your procedure for maintaining compliance and notify the client of mandates and regulations that are required or need to be implemented.

SECTION 9

PROPOSAL FORM

Self-Funded Rating

TO: The City of Canton
218 Cleveland Ave SW
Canton, Ohio 44702

FROM: Name _____
Address _____

Telephone Number (_____) _____

Now comes the undersigned proposer, who after having carefully examined the Invitation, Specifications, Guidelines, and all attachments to this package hereby agrees that it will furnish the services for the City of Canton Self-Funded Health Benefits Program as follows:

<u>RETENTION ITEMS (unit costs)</u>	<u>YEAR 1</u> 2023	<u>YEAR 2</u> 2024	<u>YEAR 3</u> 2025
Claims Administration Fee Prescription	_____	_____	_____
Claim Forms, and ID Cards	_____	_____	_____
Other First Year Non-Recurring Fees	_____	_____	_____
Other	_____	_____	_____

Minimum # of Covered Employees for Quoted Fees: _____

Addenda Acknowledgement

I hereby acknowledge the following official addenda (leave blank if no addenda were issued)

Addenda Number(s) _____

Proposer further agrees that the signing of this Proposal Form represents its acceptance of the terms and conditions set forth within said Request for Proposal.

Proposer states that its proposal is made without any understanding or agreement with or in conjunction with any other person, agency, company or other entity, unless expressly identified herein. Proposer further states that its proposal is fair in all respects and that same has been made without fraud or collusion.

Proposer further agrees that if its proposal is accepted, it shall enter into an agreement and complete enrollment as shown in the Request for Proposal, within 30 days of such award and that if, within 30 days after such award the proposer fails to execute the agreement, then the proposal shall be forfeited.

Signature Clause

Where Proposer is a Corporation:

Name of Corporation

President

Secretary

Where Proposer is a Partnership:
(List All Partners)

Name of Partnership

Where Proposer is an Individual:
(List Firm Name and Style Thereof)

Name of Firm

COUNTY OF: _____

STATE OF OHIO: _____

SWORN TO AND SUBSCRIBED TO, before me, a Notary Public, as knowing and voluntary act on this _____ day of _____, _____.

Notary Public

SEAL

My Commission Expires:
