

SOLICITATION ADDENDUM # 1

DATE:	9-10-07
SOLICITATION NO:	RFP # 53700-08-34885
DATE/TIME DUE:	9-21-07 4:00 p.m. Central Time
DESCRIPTION OF THE ADDENDUM:	
This Addendum is issued to provide the following information/clarification:	
1. Will the vendor conference PowerPoint presentation be posted on the RFP website? Answer: Yes	
2. How can we receive a copy of the PowerPoint Presentation? Answer: The PowerPoint presentation from the Vendor Conference will be posted on the RFP Website.	
3. Are you anticipating that the new PBM will mount a retroactive rebate recovery effort on behalf of the state? Answer: No	
4. Will the SPAP develop a program formulary or use the Medicare Part D formulary? Answer: A final decision on which formulary option to use for the HIV SPAP has not been made. Vendors submitting proposals for this RFP should demonstrate the capacity to work with a single, uniquely designed program formulary and also the capacity to work with all of the Medicare Part D prescription drug plan formularies for those plans that provide prescription services to Medicare beneficiaries in Texas	
5. Will the SPAP impose any drug prior authorizations? Answer: At this time the State Pharmacy Assistance Program (SPAP) does not anticipate the need to have additional prior authorizations, beyond those imposed by the enrollee's Medicare Part D prescription drug plan. However, the Department of State Health Services (DSHS) would like to leave open the possibility of implementing prior authorizations at a later date if needed.	
6. Does Texas DSHS have a secure FTP site? Answer: At this time, DSHS does not have a secure FTP site.	
7. Does Texas have a recommended pharmacy network or any minimum requirements for the number (or specific) participating pharmacies? Answer: Texas does not have a recommended pharmacy network or a minimum number of participating pharmacies. Pharmacies need to be geographically distributed throughout the state and provide access to SPAP enrollees who live in urban as well as rural areas.	

8. Section 2.2, On the last bullet of page 10, how would you be using the information the department would be viewing?

[Provide the DSHS SPAP with access to a web-based system that will allow DSHS HIV SPAP staff to view live claims adjudication, and provide training to DSHS HIV SPAP staff on the use of the system. The system must be compatible with Internet Explorer 6.0]

Answer: The DSHS SPAP would like to have a system in place for program staff to view claims that are being processed. It is anticipated that the information obtained by the department through this system would be used by SPAP staff to troubleshoot issues that may arise with an SPAP enrollee obtaining medications.

9. Is a consultant being utilized for evaluation? If so, who?

Answer: No

10. Will DSHS post the vendor conference attendee list?

Answer: Yes

11. For members in program with partial LIS – what level of LIS do they have?

Answer: SPAP enrollees with Partial Low Income Subsidy (LIS) will have Level 4 subsidy; individuals with Level 4 are those responsible for the 15% coinsurance. Individuals with subsidy Level 1, 2 or 3 will not be eligible for the SPAP, as their co pays will be between \$0.00 and \$5.35.

12. How will the move from ADAP to SPAP affect members? How are the members being notified of new benefits.

Answer: All eligibility functions for the SPAP will be done by Texas HIV Medication Program staff. Program staff will orient enrollees to the SPAP benefit and provide them information about enrolling in a Medicare Part D plan. The contractor will be provided a list of all enrollees that are ready to access the SPAP benefit.

13. How is SPAP expecting to get rebates when PhRMA will be paying rebates to the primary payer?

Answer: The expectation is the SPAP will be eligible for rebates during the self pay portions of the Medicare Part D drug benefit. The Texas HIV Medication Program (THMP) does not have experience procuring rebates. The possibility of procuring rebates during the coverage periods where the SPAP pays any percentage of the drug costs needs to be explored.

14. Is the expectation that pharmacies will submit these claims to Part D and SPAP at P.O.S.?

Answer: Yes

15. How is COB process expected to be handled?

Answer: The Coordination of Benefits (COB) process is expected to be a combined effort between the PBM and the SPAP. The COB process and requirements are outlined in Chapter 14 of the Medicare Prescription Drug Benefit manual. The SPAP expects to enter into a data sharing agreement with the Centers for Medicaid and Medicare Services (CMS) to directly share enrollment files. It is expected that the system set up by the PBM reports payments made by the SPAP to the appropriate entities in order for payments made by the SPAP to be appropriately credited toward an enrollees' true out of pocket expenses (TrOOP).

16. Are Part D plans or pharmacies providing member cost share after primary. Is reimbursement based on that cost share or our pharmacy contracted rate?

Answer: All SPAP enrollees will be enrolled in a Part D Plan, and the Part D Plan will be the primary payer. It is expected that SPAP be billed secondary after all other payers have been billed. The reimbursement is based on the SPAP enrollees actual cost share of the medication.

17. Dwayne, are you aware of other SPAP's receiving rebates?

Answer: Yes. The DSHS Kidney Health SPAP is eligible for and receives manufacturer rebates.

18. Timeline-limited time to implement the program. Is Nov 15th the start date or contract award date?

Answer: The initial contract award will be from November 15, 2007 through December 31, 2008. The SPAP would like to begin wrapping around Medicare Part D for eligible enrollees on January 1, 2008.

19. Will the state entertain a contract longer than 1 year?

Answer: The contract will be for one (1) year with up to four (4) additional one-year renewal periods at DSHS's sole discretion.

20. HUB – can we be certified or “pass” if we plan to not use a subcontractor? Does a retail pharmacy constitute a subcontractor?

Answer: Please refer to Section 2 of the HUB Subcontracting Plan (HSP) document. Yes, a retail pharmacy does constitute a subcontractor.

21. Will a HUB vendor get preferred rating in evaluation of RFP?

Answer: No

22. Section 3.14.3, 9th bullet and Section 3.15.3.3, The RFP states that the Technical Proposal must be no more than 50 total pages, excluding required forms and resumes. In Section 2, Corporate Background and Experience, the respondent is required to submit a current financial statement plus two years of audited financial reports. Is this financial information excluded from the 50-page limit? This information alone could exceed 50 pages.

Answer: The financial statement and audited financial reports are not included in the 50-page limit

23. Section 3.14.3, 9th bullet and Section 3.15.3.3, The RFP states that the Technical Proposal must be no more than 50 total pages, excluding required forms and resumes. Section 7 of the RFP requires respondents to submit a HUB Subcontracting Plan. Is the HUB Subcontracting Plan excluded for the 50-page limit?

Answer: The HUB subcontracting plan is not included in the 50-page limit

24. Section 3.15.10, Part 2, Please confirm how many copies of the Cost Proposal should be submitted to the State. Is an electronic copy of the Cost Proposal Required?

Answer: Nine (9) copies and one (1) electronic copy of the cost proposal are required.

25. Section 2.5, Work Plan, Requirement Number 6, Is the State willing to consider using the existing Medicaid Pharmacy Provider Network for this program?

Answer: Yes

26. Location requirements for mail service pharmacy?

Answer: The mail order pharmacy must be located in the continental United States.

27. How much funding is available for this program?

Answer: Agency budget information is not available at this time.

28. Do applicants need to provide any type of matching funds?

Answer: No

29. Do you anticipate this program being very competitive since only one applicant will be awarded funding?

Answer: Yes

30. What is the current funding level and for what period of time are funds allocated (meaning do the funds get allocated each year or is there a guaranteed funding for a specific period of time)?

Answer: There is no current level of funding or guaranteed funds for this newly created DSHS program. Any contract that results from this RFP is subject to the availability of state and federal funds. The initial contract period will be November 15, 2007, through December 31, 2008 with options to renew for up to four (4) additional one-year periods.

31. Also, at the bidders' conference the members from the State indicated that there would be additional posting to the website. Do you know when this might happen?

Answer: Additional information will be posted on September 10, 2007.

32. Is it a requirement for a vendor to utilize the Texas statewide pharmacy network in its proposal and subsequent SPAP?

Answer: We are assuming that the Texas Statewide Pharmacy Network is the same as the Texas Medicaid Pharmacy Network. The vendor is not required to have the same pharmacies as this network. The Texas HIV Medication Program currently utilizes a network of approximately 400 pharmacies, it would be helpful if many of these pharmacies are also available to SPAP enrollees but this is not required.

33. Does the state of Texas wish the existing state SPAP (The Kidney Health Care Pharmacy) to play a role in the HIV/AIDS SPAP, and if so what is the role?

Answer: No, the programs are separate and have separate funding streams.

34. Will a vendor proposal be significantly compromised if a HUB is not utilized?

Answer: Please refer to Section 2 of the HUB Subcontracting Plan (HSP) document.

35. Regarding pharmacy dispensing, adjudications, and data sharing components will the state allow a vendor to build that system between now and the start of the program or does the vendor's system need to be part of an existing system?

Answer: The vendor has the option of building a system between now and the start of the program. The vendor's system does not need to be part of an existing system.

36. Is there an expectation by the state of a relationship between the Texas State Pharmacy Network, and if so what is that expectation?

Answer: We are assuming that the Texas Statewide Pharmacy Network is the same as the Texas Medicaid Pharmacy Network. There is no expectation by the state of a relationship between the Medicaid Pharmacy Network and the HIV SPAP pharmacy network.

37. Is there any specific information regarding mail order services the vendor needs to be aware of?

Answer: No. The SPAP is requesting a mail order pharmacy because some of the program enrollees are located in rural areas, where they might not have access to a network pharmacy.

38. What are the state's expectations regarding data sharing between the vendor and state pharmacies, CMS, and Medicare Part D Plans?

Answer: The SPAP expects to enter into a data sharing agreement with CMS to directly share enrollment files. It is expected that the system set up by the PBM will report payments made by the SPAP to the necessary entities in order for these payments to be appropriately credited toward an enrollees' true out of pocket expenses (TrOOP). The SPAP will exchange enrollment files with the vendor.

39. Will a vendor proposal be considered that does not have access to live time adjudications or will need a certain time frame to build this system?

Answer: A proposal that does not have access to live time adjudications will be considered. If live time adjudication is not available please explain how the SPAP will resolve any issues when an enrollee is having problems accessing their medications. If the vendor is planning on building this type of system as a future addition, the time frame for building the system should be specified.

40. Will vendor staff be required to train DSHS staff? If the vendor is expected to train DSHS staff will the vendor be allowed to build the costs of developing training materials into the budget? What credentials will be required of the trainer?

Answer: It is expected that the vendor would provide training to DSHS staff on how the SPAP will interface with the PBM system. Some funding has been allocated for start-up costs for the first year; proposals with start up costs in the estimate will be accepted. There are no required credentials for the trainer.

41. What outreach to clinics and hospital district pharmacies will be required, if any? Will this require and onsite person or intermittent vendor visits? What credentials will be required of this employee?

Answer: The SPAP will provide educational outreach to service providers. This outreach will include information about the SPAP benefit and will explain the application and enrolment processes. An onsite person or vendor visits are not required, but having a contact person available for pharmacy's concerns would be helpful.

42. Which drug purchasing system already in place and under evaluation from the state would it like a vendor to utilize in its proposal?

Answer: The SPAP is not requesting the vendor to directly purchase medications; DSHS is expecting the vendor to set up a system to pay claims on behalf of program enrollees.

43. Regarding the 50 page proposal limit and addendum items, are there guidelines regarding what can be considered an addendum item, i.e. can Financial Capacity documents (pg. 18 No. 3) be considered addendum items or must they be considered in the 50 page limit?

Answer: The financial statement, audited financial reports, and HUB contracting plan are not included in the 50-page limit.

44. Section 2.3, page 11 Please explain what is meant by the following statement that appears in the RFP: "Report DSHS HIV SPAP enrollee out-of-pocket payments to the CMS TrOOP facilitator monthly, following CMS guidelines."

Answer: All payments made by the SPAP must be reported to the TrOOP Facilitation Contractor in order for the Medicare Prescription Drug Plans to know the correct coverage level for the enrollee. If these expenditures are not correctly reported the client will not move into the catastrophic coverage level. This will need to be done at least monthly, but may be more often depending on how the system is set up.

45. Section 2.3, page 11, Will HIV SPAP enrollees have co-pays?

Answer: SPAP enrollees will not have co-pays.

46. RFP Section 3.7, page 15 Regarding RFP requirement 3.7 which states "all products produced by a respondent, including without limitations the proposal, all plans, designs, software, and other contract deliverables, become the sole property of DSHS", is it the State's intention to take ownership of or obtain an irrevocable license of syndicated software that is not developed for the express purpose of meeting the Texas HIV SPAP requirements? Our software is deployed for multiple clients and will be deployed for DSHS' purposes after data-driven tables are configured and, if necessary, minor, incremental changes are made to the applications and/or database. Does DSHS intend to take ownership of or obtain an irrevocable license of our software and databases given these parameters?

Answer: Only software that is developed per contract specification and paid for by DSHS is subject to DSHS ownership. The use of off-the-shelf software or proprietary software in fulfilling the performance of the contract is not subject to a claim by DSHS.

47. The RFP requires that the vendor support the collection of rebates on the claims generated by this program. Does the State have plans or legislation in place authorizing the mandate and collection of rebates for this program from manufacturers? If not, does the State expect that the vendor who is awarded this contract will be responsible for contracting and invoicing for rebates generated from the program.

Answer: The state does not have plans or legislation in place authorizing the mandate and collection of rebates for this program from manufactures. Yes, the state does expect the selected vendor to contract and invoice for rebates.

48. Additionally, since this is a SPAP program and the members will be primarily part of Medicare Part D and receive their primary coverage under their PDP plan, does the State's intended legislation or plans include authorization to collect rebates on the amount of the claim that is paid for by the program?

Answer: Yes

49. Will the SPAP develop a program formulary or will the SPAP follow the Medicare Part D plan formulary? –

Answer: A final decision on which formulary option to use for the HIV SPAP has not been made. Vendors submitting proposals for this RFP should demonstrate the capacity to work with a single, uniquely designed program formulary and also the capacity to work with all of the Medicare Part D prescription drug plan formularies for those plans that provide prescription services to Medicare beneficiaries in Texas.

50. Will the SPAP impose any drug prior authorizations? A) If so, will the contractor or the Texas DSHS/SPAP staff be responsible for prior authorization processing?

Answer: At this time the SPAP does not anticipate the need to have additional prior authorizations, beyond those imposed by enrollee's Medicare Part D prescription drug plan. However, the SPAP would like to leave open the possibility of implementing prior authorizations at a later date if needed.

51. Will the ADAP negotiated rebate agreements be applicable for the SPAP AARV drugs or is the contractor required to negotiate rebate for these medications? If the ADAP negotiated rebate agreements are applicable, will designated Texas DSHS or ADAP staff work with the contractor in the rebate administration process?

Answer: The AIDS Drug Assistance Program (ADAP) negotiated rebate agreements will not be applicable for the SPAP; the contractor will need to negotiate rebates for these medications. The Texas ADAP is direct purchase and does not have any experience with rebates. DSHS HIV SPAP and ADAP staff will work with the contractor to establish the rebate process.

52. Section 2.2, oversee the payment of Medicare Part D deductibles, coinsurance, co-payments and costs of medications during any gaps in coverage for Texas residents enrolled in a Medicare Part D Prescription Drug Plan who participate in the Texas HIV SPAP;

Will WHI be responsible for managing member movement through the Initial, Coverage Gap, and Catastrophic phases of coverage? Or, will the client only send members on their eligibility file when they enter the coverage gap and then term them once they reach the Catastrophic phase?

Answer: It is our understanding that the Part D plan is responsible for tracking a member's movement through the initial, coverage gap and catastrophic phases of coverage. The Texas HIV SPAP will help with wrap-around coverage during all phases; therefore the SPAP will send the vendor the list of all SPAP enrollees regardless of their coverage phases. Enrollees will continue to receive wrap-around coverage after they reach the catastrophic phase.

53. Section 2.2, coordinate benefits with all Part D Plans in the state of Texas, without discrimination, based upon the Part D plan in which the individual is enrolled as clarified by the Centers for Medicare and Medicaid Services (CMS) Coordination of Benefits (COB) guidelines dated July 1, 2005, and any subsequent updates to these guidelines : http://cms.hhs.gov/PrescriptionDrugCovContra/02_RxContracting_COB.asp;

If a member is filling at a pharmacy that is in the primary payor's network but not WHI's network, the primary claim will pay but the secondary claim to WHI will reject via POS. What is the client's expectation under this scenario? Would they consider a Walgreens only network to eliminate this issue?

Answer: The Texas HIV SPAP is designed to serve indigent individuals who do not have the resources to pay up front costs and then be reimbursed later. The SPAP must function in a way that its enrollees will have access to pharmacies that work with their Medicare Part D plan and will also work with the SPAP. If the SPAP enrollee uses a pharmacy that is not in the SPAP network they will not be able to receive the SPAP benefit. Any network of pharmacies will be considered as long as it provides convenient access to program enrollees.

54. Section 2.2., implement and monitor cost containment measures (such as annual expenditure caps on client services, and client or medication prior authorizations) established by DSHS;

This would potentially result in a member needing to obtain two separate PA's for the same Rx; one through the Primary PDP and another through WHI as secondary?

Answer: At this time the SPAP does not anticipate the need to have additional prior authorizations, beyond those imposed by the enrollee's Medicare Part D prescription drug plan. However, the SPAP would like to leave open the possibility of implementing prior authorizations at a later date if needed. The proposed Texas HIV SPAP rules have an annual expenditure cap on program services. Instead of requiring a prior authorization at the pharmacy level, the SPAP would like the vendor to provide a list of enrollees nearing their annual cap so that these records can be reviewed by program staff.

55. Section 2.2, coordinate coverage and benefits with CMS and the Medicare Part D plan and ensure that applicable expenditures are credited toward meeting the enrollee's true out-of-pocket expenditure requirement;

What if a member already has coverage through the Coverage Gap phase under their PDP?

Answer: The SPAP will pay the co pays for its members who are enrolled in a plan with coverage through the coverage gap.

56. Section 2.2, ensure the SPAP does not pay for medications that are classified as excluded from coverage under Medicare Part D;

WHI could manage this through the use of Other Coverage Codes provided by the pharmacy. An industry-wide issue regarding the use of other coverage codes is that some pharmacies use them properly and some do not. WHI cannot control this. Would the client entertain the thought of a Walgreens only network? This way we would be able to better manage and educate the use of Other Coverage Codes at POS.

Answer: The SPAP wants to insure it does not pay for medications not on the formulary of the Part D Plan in which the client is enrolled. If a specific medication is not available through an individual client's Part D Plan formulary, that particular client will need to work with their physician to find a comparable medication that is available through their Part D Plan's formulary, or they can appeal to their plan to have that medication added to the plan formulary.

57. Will the state also produce plan/program documents and member/client materials or will that be the responsibility of the PBM? Will the state produce ID cards or will that be the responsibility of the PBM?

Answer: The state will prepare educational materials and will distribute them to enrollees. The THMP has never used utilized ID cards; traditionally enrollees have been provided an approval letter that they take to the pharmacy to verify enrollment. For the new Texas HIV SPAP the use of ID cards would be considered.

Failure to acknowledge receipt of this addendum may result in offer rejection. Offerors may acknowledge receipt of this addendum by one of the following methods:

1. Sign and return this addendum to HHSC with the solicitation response; or
2. Acknowledge receipt of this addendum on the face of the offer, **or**;
3. If response has already been submitted by respondent, respondent may acknowledge receipt of this addendum prior to solicitation due date and time by signing and faxing to:

Elizabeth Ward	512-206-5416	512-206-5475
Attn:	Phone:	Fax:

Authorized Signature: _____ Date: _____

Printed or Typed Name of Authorized Signature: _____

Business Entity Name: _____