

## **Attachment C-Scope of Work**

AG18044

Pharmacy Benefits Manager

### **I. DEFINITIONS**

- A. “340B Drug Price” means a Federal statute that requires drug manufacturers to sell select outpatient drugs to eligible health care centers, clinics, and hospitals (termed “covered entities”) at a reduced price.
- B. “340B Quarterly Report” means a spreadsheet submitted quarterly to the OFFEROR by the UDOH for 340B pricing.
- C. “ADAP” means AIDS Drug Assistance Program (ADAP) which means the Program that provides medications, included on the Utah ADAP Formulary, for the treatment of HIV disease to eligible clients. Program funds also pay for health insurance premiums, pharmacy deductibles, and pharmacy co-payments for eligible clients and for services that enhance access to, adherence to, and monitoring of drug treatments.
- D. “Average Wholesale Price (AWP)” means the current average wholesale price for the standard package size of a prescription drug.
- E. “Brand Name Drug” means an FDA approved drug, which is manufactured and distributed by an innovator drug company.
- F. “Business Days” means any day in which normal business is conducted. This is generally considered to be Monday through Friday from 9am to 5pm local time, and excludes weekends and public holidays.
- G. “Claims Data Report” means a spreadsheet submitted with each invoice by the OFFEROR to the UDOH to reconcile the amounts the OFFEROR shall pay the Network Pharmacies.
- H. “COBRA” means Consolidated Omnibus Budget Reconciliation Act.
- I. “Co-payment” means a dollar amount or percentage of cost that an eligible client is responsible for paying to the Network Pharmacy for a covered drug and includes, without limitation, coinsurance, co-pay and deductible. Co-payments may be paid by UDOH’s Utah ADAP on behalf of an eligible client.
- J. “Covered Drug” means any prescription drug and any other drug or item which is ordered by a prescribing provider by means of a prescription order and which is compensable under the terms of an eligible client’s Insurance Benefit Plan.
- K. “DHHS” means United States Department of Health and Human Services.
- L. “Dispensing Fee” means the charge for the professional services provided by the pharmacist when dispensing a prescription (including overhead expenses and profit). Dispensing fees do not include any payment for the drug(s) being dispensed.

- M. "Eligibility and Utilization Report" means a report submitted by OFFEROR to UDOH monthly that shall include eligibility and client utilization information for the reported month. The format requirements of this report will be mutually agreed to by OFFEROR and UDOH.
- N. "Eligible Client" means a person who is eligible for coverage under UDOH's Utah ADAP.
- O. "Exclusion" means any prescription drug, other drug or items which are not covered under UDOH's Utah ADAP Formulary.
- P. "FDA" means United States Food and Drug Administration.
- Q. "Generic Drug" means an FDA approved drug which is manufactured and distributed under the approval of the FDA through an Abbreviated New Drug Application, which is identified by its chemical or non-proprietary name (as determined by the United States Adopted Names Council), and which is listed in the FDA's Approved Drug Products with Therapeutic Equivalence publication (the "Orange Book") as therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredients.
- R. "Health Insurance Premium" means a fee paid for coverage of medical benefits for a defined benefit period. Premiums may be paid by UDOH's Utah ADAP on behalf of an eligible client.
- S. "Health Insurance Verification" means systematic verification of an individual's health insurance eligibility and subsequent coordination of insurance provider payment that shall result in UDOH recoupment.
- T. "HIV" means Human Immunodeficiency Virus
- U. "HRSA" means Health Resources and Services Administration.
- V. "Import Report" means a spreadsheet in a specific format as determined by UDOH, including client-level detail and medication data, submitted electronically with each invoice by OFFEROR to UDOH for import into UDOH's database.
- W. "Lesser Than Logic" means a claim prices off the least amount of all the price types (Submitted, MAC, AWP).
- X. "Maximum Allowable Cost List (MAC List)" means the list of covered drugs adopted by an eligible client's Insurance Benefit Plan that will be reimbursed at a compensation level established by the eligible client's Insurance Benefit Plan for Generic Drugs.
- Y. "Maximum Out of Pocket" (MOOP) means the most an insured client will pay for covered services in a plan year, inclusive of deductibles, copayments, and coinsurance.
- Z. "NCPDP" means National Council for Prescription Drug Programs.
- AA. "NDC" means National Drug Code.
- AB. "Network Pharmacy(ies)" means a group of pharmacies designated by the eligible client's Insurance Benefit Plan and approved by UDOH to provide prescription services under this Contract.

AC. "Payer of last resort" means an entity that pays after all other programs have been pursued for enrollment and payment. Examples of other programs include, but are not limited to: private health insurance, employer-sponsored health insurance, Medicaid and other State and Federal Programs.

AD. "PCN" means Pharmacy Benefit Processor Control Number.

AE. "PDP" means Prescription Drug Plan.

AF. "Premium Claims Data Report" means a spreadsheet submitted with each premium invoice by the OFFEROR to UDOH to reconcile the amounts OFFEROR shall pay the insurance providers.

AG. "Premium Import Report" means a spreadsheet in a specific format, including client-level detail and health insurance premium data, submitted electronically with each premium invoice by OFFEROR to UDOH for import into UDOH's database.

AH. "Prior Authorization" means UDOH's right to allow payment for non-covered drugs or quantities on a case-by-case basis as described in this Contract.

AI. "Recoupment Report" means a spreadsheet submitted with each health insurance verification services invoice by OFFEROR to UDOH to reconcile the amounts OFFEROR shall recoup from insurance provider(s). The format requirements of this report will be mutually agreed to by OFFEROR and UDOH.

AJ. "Retail Pharmacy Plan" means an Insurance Benefit Plan under which eligible clients may purchase covered prescription drugs from a Network Pharmacy.

AK. "RXBIN" means Prescription Benefit International Number.

AL. "Ryan White Part B Clients" means individuals who meet the income eligibility requirements and other requirements as determined by UDOH.

AM. "Start Date" means the date when eligible clients may obtain prescription services from Network Pharmacies under this Contract.

AN. "Submitted" means the amount the Network Pharmacy submits minus the coded AWP discounted pricing.

AO. "TrOOP" means true out-of-pocket.

AP. "Usual and Customary Charge" means the cash price which a cash paying UDOH or client of a Network Pharmacy pays for a Covered Drug.

AQ. "Utah ADAP Formulary" means a list of certain covered drugs as determined by UDOH.

AR. "Wholesale Acquisition Cost (WAC)" means the net cost of a drug product before any rebates, discounts, allowances or other price concessions that might be offered by the supplier of the product are applied.

## II. UDOH DELIVERABLES

### A. ADAP Formulary

1. UDOH agrees to provide the Utah ADAP Formulary to OFFEROR prior to the start date of this Contract.
2. UDOH agrees to provide written notice to OFFEROR of any modifications of the Utah ADAP Formulary no less than five (5) business days before the effective date. If such modifications are not unreasonably burdensome and are without additional costs to OFFEROR, modifications shall be implemented within a mutually agreed upon time frame.

### B. Eligible Client Files

1. UDOH agrees to provide, in a format designated by OFFEROR, a complete file of all eligible client(s) for the Utah ADAP Formulary covered by this Contract.
2. UDOH agrees to provide OFFEROR with information regarding client eligibility data in order to provide services to eligible clients which includes:
  - a. All eligible client(s) for health insurance premium payment services covered by this Contract;
  - b. The health insurance provider or plan administrator to whom premium payments are to be made;
  - c. The insurance provider point of contact;
  - d. A payment schedule for each eligible client;
  - e. Verification of continued eligibility for premium payment services and the monthly premium due for each eligible client; and
  - f. Notification of any termination of coverage for any client
3. UDOH agrees to be responsible for updating this information no less than seven (7) days prior to the end of each month.
4. UDOH agrees to notify OFFEROR of eligibility changes no later than seven (7) days prior to the end of the month immediately preceding the month during which eligibility changes will become effective.
5. UDOH will provide OFFEROR with access to modify eligibility data based upon information and data received from UDOH. UDOH staff will maintain primary responsibility for updating client eligibility files.
6. OFFEROR may also rely on a real-time web application as a method of identifying eligible clients as proof of eligibility. OFFEROR shall rely solely on these two methods of identifying eligible clients as proof of eligibility.

### C. Reports

1. UDOH agrees to submit to OFFEROR quarterly a 340B Quarterly Report spreadsheet for 340B pricing.

2. UDOH agrees to provide written notice to OFFEROR if additional reports are requested. Offeror shall provide UDOH with an estimated cost, if any, for production of additional reports. Both parties must agree in writing to provide the additional report within a specific time at any additional cost.
3. UDOH agrees to conduct a financial desk review of OFFEROR's performance of the Contract requirements at the end of each year the Contract is in force. UDOH agrees to provide a written response to OFFEROR about the financial desk review within 30 business days of a review. If problems/deficiencies are identified, OFFEROR shall meet with UDOH to develop a corrective action plan which OFFEROR must follow or risk loss of funds under this Contract.

### **III. UDOH BUDGET, PAYMENTS AND REIMBURSEMENTS**

#### **A. Budget**

1. UDOH shall pay OFFEROR a Fee for Service not to exceed the Contract Amount.
2. Total budget is anticipated to be \$300,000 for five year award. Anticipated break out of award is as follows:
  - a. \$60,000 Year 1
  - b. \$60,000 Year 2
  - c. \$60,000 Year 3
  - d. \$60,000 Year 4
  - e. \$60,000 Year 5
3. Funding is generated from federal grant dollars and may be subject to change. Funding is dependent upon satisfactory OFFEROR performance and continuing availability of Federal funds from HRSA.

#### **B. Payments and Reimbursement**

1. UDOH agrees to pay OFFEROR for health insurance premiums, pharmacy deductibles, and pharmacy co-payment which will be distributed on behalf of UDOH. Health insurance premiums, pharmacy deductibles, and pharmacy co-payments will be paid by OFFEROR to third party on behalf of UDOH as a pass-through payment. The OFFEROR is prohibited from retaining any funds provided to OFFEROR which are to be distributed as pass-through payment for health insurance premiums, pharmacy deductibles, or pharmacy co-payments. OFFEROR shall return to UDOH any funds provided to OFFEROR which are not distributed as payment for health insurance premiums, pharmacy deductibles, or pharmacy co-payments.
2. UDOH agrees to pay the OFFEROR within 30 business days of receiving undisputed invoice(s) which consist of a Billing Statement and a Recoupment Report.
3. UDOH agrees to notify OFFEROR in writing of any invoice adjustment within 30 business days of receipt of the invoice. Notice shall include claim identification information, copy of invoice, and the reason UDOH believes disputed amounts should not be paid.
4. UDOH agrees to coordinate with the Network Pharmacies to charge/bill OFFEROR for eligible clients' co-payments as provided in the Prescription Drug Benefit Plan.

5. UDOH agrees to coordinate with the Network Pharmacies to ensure eligible clients are not charged up-front co-payments.
6. UDOH agrees to provide, in a format mutually agreed to by OFFEROR and UDOH, quarterly pricing loads for 340B Drug Prices.
7. UDOH agrees to provide updated 340B drug prices for new drugs and 340B price changes as available. The same ten (10) business day time frame as described in Section V.B shall apply for implementation.
8. UDOH agrees to pay OFFEROR for all claims that result from errors or omissions in relating to the eligible client files or other information provided by UDOH under this contract.

#### **IV. OFFEROR INVOICING**

1. OFFEROR shall use the invoice template provided by UDOH to submit invoices as follows:
  - a. Pharmacy Billing Services. OFFEROR shall submit claims to UDOH twice a month.
  - b. Payment of Premiums and Premium Payment Services. OFFEROR shall submit invoices to UDOH monthly.
  - c. Premium Invoices. OFFEROR shall submit invoices to UDOH 45 calendar days or more before the payment is due.
  - d. Health Insurance Verification. OFFEROR shall submit signed and dated invoices to UDOH quarterly.
2. OFFEROR shall submit invoices pertaining to health insurance premiums, pharmacy deductibles, and pharmacy co-payments shall be signed and dated and include billing statement, a Premium Import Report, and the Premium Claims Data Report.
3. OFFEROR shall have a detailed, mapped recoupment process for instances where other prescription coverage has been identified, so that claims can be reversed and re-billed to other payers.
4. OFFEROR shall coordinate the reversal and rebill of any pharmacy claim identified as having an alternative payer as requested by UDOH.
5. OFFEROR shall submit a signed and dated invoice which consists of a Billing Statement and a Recoupment Report for health insurance verification services.
6. OFFEROR shall adjudicate electronic claims received from the Network Pharmacies in accordance with the terms of this Contract. Twice a month, OFFEROR shall provide to UDOH an invoice, an Import Report, and a Claims Data Report of health insurance premiums, pharmacy deductibles, or pharmacy co-payments.

#### **V. OFFEROR DELIVERABLES**

1. OFFEROR shall provide management and administrative services for a Utah ADAP Formulary to Ryan White Part B eligible clients as determined by UDOH.

2. Within 24 hours after receiving the quarterly 340B pricing file, OFFEROR shall submit the request to benefit coding for completion. Coding shall be given ten (10) business days to code and input into production. Should OFFEROR not have the coding completed within the allotted ten (10) business day time frame, OFFEROR shall be required to audit the NDCs to determine the financial impact to UDOH. OFFEROR shall make corrections and rebill the UDOH.
3. OFFEROR shall provide an adequate number of Network Pharmacies that will be available to dispense Covered Drugs on behalf of UDOH in the various geographical areas where the eligible clients are located. OFFEROR shall audit selected pharmacies as it deems necessary. OFFEROR shall correct any errors detected through such an audit and shall adjust back to UDOH.
4. OFFEROR shall pay the Network Pharmacies in a timely manner, according to individual Contracts between the OFFEROR and the Network Pharmacies and in accordance with the NCPDP Guidelines.
5. OFFEROR shall provide pharmacy benefits management services to UDOH and eligible clients starting April 1, 2018. Specifically, OFFEROR shall provide pharmacy benefits management services, including claims adjudication, coordination of benefits and point-of-sale processing services to eligible clients with coverage through Medicare Part D, the Health Insurance Marketplace, COBRA, and private insurance, as well as those who are uninsured and receive medication benefits through the Utah ADAP.
  - a. OFFEROR's electronic claims processing shall allow pharmacies to do online adjudication and split billing, resulting in pharmacies and clients not being required to submit manual claims for secondary payment.
  - b. OFFEROR shall allow for coordination of primary, secondary and tertiary payers of prescription claims. OFFEROR shall have the ability to transmit primary, secondary, and tertiary insurance information to pharmacies.
  - c. Prescription claims shall pay with UDOH as final payer based on other payers' payment of claim using lesser-of-logic. The UDOH shall be the payer of last resort.
  - d. OFFEROR shall coordinate coverage and benefits with insurance providers including Medicare Part D PDPs and shall ensure that applicable expenditures are credited toward meeting a client's TrOOP expenditure requirement.
  - e. OFFEROR shall participate in the electronic data exchange processes as specified by the Medicare Program for reporting eligible clients' TrOOP expenses to the Medicare Program Data Offeror.
  - f. OFFEROR shall ensure that UDOH does not pay for a medication(s) not on the Utah ADAP Formulary or on the formulary for the specific insurance or Medicare Part D PDP in which an eligible client is enrolled.
  - g. OFFEROR shall maintain for UDOH an unique Prescription Benefit International Number (RXBIN) and an unique PCN to code for coverage that is supplemental to Medicare Part D.
6. OFFEROR shall maintain a Network of pharmacy locations capable of providing walk-in service to 100% of eligible clients; ensuring communication of billing procedures, access to eligibility, claims adjudication, and coordination of benefits.
  - a. OFFEROR shall establish a working relationship with and offer services to eligible clients by utilizing the University of Utah Pharmacy Network as part of the Network of pharmacy locations.

- b. OFFEROR shall establish a working relationship with and offer services to eligible clients by utilizing the Apothecary Shoppe, Inc. as part of the Network of pharmacy locations.
  - c. On behalf of UDOH, these pharmacy locations shall be able to dispense medications included on the Utah ADAP Formulary in the various geographical areas where eligible clients are located; including dispensing by mail.
  - d. OFFEROR shall coordinate with mail-order pharmacies in the Pharmacy Network.
7. OFFEROR shall provide technical assistance to UDOH and pharmacy service providers on inquiries including but not limited to coordination of benefits, claims processing, and billing.
8. OFFEROR shall assign a contact person or maintain a help desk that shall provide technical assistance to pharmacies and UDOH for billing and claims system issues. If a contact person is assigned, then that person shall also have a designated back up. An automated phone system shall be maintained for telephone calls received after hours with response to messages occurring on the next business day.
9. OFFEROR shall assign a contact person with a designated phone number and e-mail address to add a medication(s) to or remove a medication(s) from the Utah ADAP Formulary as directed by UDOH. This person shall also have a designated back up.
10. OFFEROR shall not provide any medical advice to eligible clients. If OFFEROR is unable to answer a question from an eligible client or pharmacy provider, it will be forwarded to a person or entity designated by UDOH. UDOH agrees to be responsible for all errors or omissions relating to information provided to OFFEROR regarding eligibility.
11. OFFEROR shall assign an account executive to assist UDOH with questions and issues.
12. OFFEROR shall participate in relevant meetings as needed between UDOH and pharmacy service provider staff either in-person or via telephone, and other meetings deemed appropriate by UDOH.
13. OFFEROR shall maintain a real-time web application that is capable of receiving and managing client eligibility information to use for claims processing, invoicing, reports, and billing.
14. OFFEROR shall provide and manage a real-time web application to collect client-level data on each eligible client for whom payment was provided by UDOH.
15. OFFEROR's real-time web application shall be capable of implementing and monitoring cost-containment measures (e.g., annual expenditure caps on eligible client services, client or medication prior authorizations, etc.) established by the UDOH.
16. OFFEROR shall provide UDOH with access to a real-time web application that shall allow UDOH staff to view live claims adjudication.
17. OFFEROR shall provide UDOH staff with sufficient training on the use of the real-time web application so staff members are proficient in meeting eligible clients' needs.

18. OFFEROR's systems functionality shall be real-time; the connection and performance shall be fast. Systems delays due to low connectivity and/or slow processing functionality are unacceptable. UDOH agrees to notify OFFEROR within five (5) business days if system delays occur.
19. OFFEROR's system shall be capable of submitting claims to the Utah ADAP once a client has satisfied insurance MOOP limits. These pharmacy claims shall be reported separately on claim level detail invoice and submitted to UDOH with bi-weekly invoices.
20. OFFEROR's system shall have data sharing capabilities with other data management systems as requested by UDOH. Data sharing shall include, but is not limited to, client level start/term dates, coverage detail, and claim data.
21. OFFEROR shall provide health insurance verification services, including recoupment, to UDOH.
22. OFFEROR shall provide pharmaceutical rebate claim filing at least quarterly with the pharmaceutical rebate manufacturer on behalf of the Utah ADAP for eligible pharmaceutical claims as determined by the Utah ADAP.
23. OFFEROR shall provide pass-through health insurance premium payment services on behalf of UDOH to the client's health insurance carrier for client's approved monthly premium amounts for eligible time periods as determined by UDOH for eligible clients. The frequency of these payments may be requested to be paid monthly and/or quarterly.
24. OFFEROR shall develop and execute a transition plan to transfer OFFEROR responsibilities and services upon termination of this Contract without interrupting services to eligible clients.
  1. OFFEROR shall include in the transition plan implementation of the following prior to beginning of services to begin on April 1, 2018:
    - a. Real-time web application online
    - b. staff training to utilize web application
    - c. Installation of hardware, and
    - d. Contract with network pharmacies
25. OFFEROR must provide UDOH with a Staffing and Organization Plan which illustrates offeror's employee and staffing roles, task assignments, and responsibilities for providing services under this scope of work. OFFEROR will notify UDOH of any change to key personnel or staff identified in the Staffing and Organization Plan who are providing services under this scope of work within 30 days.

## **VI. QUALITY ASSURANCE**

1. OFFEROR must provide a quality assurance and monitoring process to include the Network pharmacy(ies) which includes information of Offeror's internal controls, policies and procedures designed to prevent, detect, and report known or suspected fraud and abusive activities of the Program. Internal policies and procedures must be in accordance with state and federal regulations. Offeror must include in policies and procedures methods for

addressing unusual incidents and implementing corrective action plans to prevent and detect potential fraud and abusive activities.

2. OFFEROR shall conduct quality assurance monitoring activities at least semi-annually (six calendar months).
3. OFFEROR shall submit a report of quality assurance activities and findings to UDOH within 30 business days of the semi-annual ending period.
4. Upon award of Contract, OFFEROR shall submit a copy of the Offeror's internal controls, policies and procedures designed to prevent, detect, and report known or suspected fraud and abusive activities of the Program as described in this section.

## **VII. OFFEROR COMPLIANCE**

1. OFFEROR shall adhere to the HRSA Ryan White Part B Universal, Program, and Fiscal Monitoring Standards  
(<https://hab.hrsa.gov/sites/default/files/hab/Global/universalmonitoringpartab.pdf>  
<https://hab.hrsa.gov/sites/default/files/hab/Global/programmonitoringpartb.pdf>  
<https://hab.hrsa.gov/sites/default/files/hab/Global/fiscalmonitoringpartb.pdf>).
2. OFFEROR shall comply with UDOH requests for yearly Ryan White Part B Program fiscal audits to assess OFFEROR's compliance with the HRSA Ryan White Part B Program Fiscal Monitoring Standards  
(<https://hab.hrsa.gov/sites/default/files/hab/Global/fiscalmonitoringpartb.pdf>).
3. OFFEROR shall comply with Federal Legislation (<http://www.gpo.gov/fdsys/pkg/PLAW-111publ87/html/PLAW-111publ87.htm>) and the Utah State Rule (<http://www.rules.utah.gov/publicat/code/r388/r388-805.htm>) regarding Ryan White Part B CARE Act services.
4. OFFEROR shall adhere to the Utah Ryan White Part B Program Policy and Procedure Manual  
(<http://health.utah.gov/epi/treatment/resources/2016%20Ryan%20White%20Part%20B%20Policy%20and%20Procedure%20Manual.pdf>).
5. OFFEROR shall comply with Federal guidelines for the Enhancement of Employee Whistleblower Protection  
([http://health.utah.gov/epi/treatment/resources/whistle\\_blow\\_protect.pdf](http://health.utah.gov/epi/treatment/resources/whistle_blow_protect.pdf)).

## **VIII. OFFEROR REPORTING**

1. OFFEROR shall submit to UDOH electronically with each paid claims invoice an Import Report spreadsheet in a format specified by UDOH, including client-level detail and medication data, for import into UDOH's database.
2. OFFEROR shall submit to UDOH with each pharmacy invoice a Claims Data Report spreadsheet to reconcile the amounts the OFFEROR shall pay the Network Pharmacies.

3. OFFEROR shall submit to UDOH with each premium invoice a Premium Claims Data Report spreadsheet to reconcile the amounts OFFEROR shall pay the insurance providers.
4. OFFEROR shall submit to UDOH electronically with each premium invoice a Premium Import Report spreadsheet in a format specified by UDOH, including client-level detail and health insurance premium data, for import into UDOH's database.
5. OFFEROR shall submit to UDOH electronically with each health insurance verification services invoice a Recoupment Report in a format mutually agreed to by the OFFEROR and UDOH.
6. OFFEROR shall submit to UDOH monthly an Eligibility and Utilization Report that shall include eligibility and client utilization information for the reported month. The format requirements of this report will be mutually agreed to by OFFEROR and UDOH.
7. OFFEROR shall provide UDOH with on-demand access to downloadable, real-time client and service data in one of the following formats: XML, CSV, XLSX, or ACCDB .
8. OFFEROR shall provide the UDOH with on-demand access to ad hoc reporting tools through OFFEROR's real-time web application.
9. OFFEROR shall provide all annual, semi-annual, quarterly, monthly, and semi-monthly reports and exchange of data as requested by UDOH to describe various aspects of Utah ADAP activity as required by HRSA. Additional reporting requirements shall be identified by UDOH as State and Federal legislation are updated.
10. OFFEROR shall provide an automated process of ongoing screening for other prescription benefits for eligible clients. OFFEROR shall identify and report to UDOH eligible clients' enrollment in and eligibility for other payers.
11. Failure to comply with deadlines and Contract requirements may result in an interruption of fee payments by UDOH to OFFEROR and/or other sanctions including Contract termination.

## **VIII. REVIEWS**

1. OFFEROR shall cooperate with any Federal or State investigation regarding the Ryan White Part B Grant.
2. OFFEROR shall have a current employee code of ethics, a corporate compliance plan (for Medicare and Medicaid providers), and bylaws and/or policies that include ethics standards or business conduct practices.