# Cattaraugus County

**Pharmacy Benefit Management Services**

**RFP # CCHR2026-2**

---

**Proposed Effective Date: January 1st, 2027**

***Presented by:***

**Arthur J. Gallagher & Co.**
**90A John Muir Dr**
**Amherst, NY 14228**

---

## Table of Contents


**Table of Contents** ..... **- 2 -**

**Confidentiality** ..... **- 3 -**

**Introduction** ..... **- 4 -**

**Objective** ..... **- 6 -**

**Instructions** ..... **- 7 -**

**PBM Corporate Information & References** ..... **- 8 -**

**Minimum Contractual Requirements** ..... **- 9 -**

**Written Response Questions** ..... **- 15 -**

**Fulfillment** ..... **- 18 -**

**Shipping** ..... **- 19 -**

**Clinical Services** ..... **- 20 -**

- **Formulary** ..... - 20 -
- **Prior Authorizations** ..... - 21 -
- **Step Therapy** ..... - 21 -
- **Quantity Level Limitations** ..... - 21 -
- **Utilization Management** ..... - 22 -
- **Incretin Mimetics** ..... - 22 -
- **Specialty Medications** ..... - 23 -
- **Opioid Management/Fraud, Waste, Abuse** ..... - 24 -
- **Adherence** ..... - 24 -
- **Compounding** ..... - 24 -
- **Pharmacogenomics** ..... - 24 -
- **International & Alternative Drug Sourcing** ..... - 25 -
- **Other** ..... - 25 -
- **Fees** ..... - 25 -

**Member Service** ..... **- 26 -**

**Reporting and Website Capabilities** ..... **- 27 -**

**Data Requirements** ..... **- 29 -**

**Formulary and Pharmacy Comparison** ..... **- 30 -**

## Confidentiality

This Request for Proposal (RFP #CCHR2026-2) and all information contained herein, any attachments or exhibits hereto, and all communications in whatever media form, in support of this document are proprietary to Cattaraugus County ("the Client"). Your firm acknowledges the proprietary nature of the aforementioned described information and that your use of such information for purposes other than a vendor/vendee relationship, or the disclosure of such proprietary information to third parties other than for the purpose of advancing the intent of the services contemplated by this document will cause irreparable injury to Cattaraugus County. Vendor's breach of this covenant pertaining to the proprietary information will entitle Cattaraugus County to automatic injunctive relief in addition to any and all other remedies available at law.

Acknowledgment

_____

Name

_____

Company

## Introduction

Cattaraugus County will be involved in the selection of a Pharmacy Benefit Manager (PBM) offering a comprehensive pharmacy benefit management solution for their approximately 967 employees and 2,489 members (including employees). The self-funded prescription plan currently includes active employees, Pre-65 Retirees and COBRA members. Gallagher ("the Consultant") is requesting on their behalf self-funded proposal for the administration of pharmacy benefit management to Cattaraugus County ("the Client"). The response to this RFP will determine the PBM best suited to assist the Client.

The client is looking for a two-year contract with a proposed effective date of January 1st, 2027. Also, Cattaraugus County will be looking for a contract that provides for a market check to review the competitiveness of their contract with the selected PBM after the first 12 months of the contract. This Request for Proposal (RFP) will be asking for information about clinical management, data management, as well as financial offerings. The overall purpose of this RFP is to evaluate the capabilities of selected PBM's to meet the specific needs of the Client.

The bidding PBM will need to take into account the required integration with other benefit providers including but not limited to Medical, Disease Management and Data Aggregation vendors. The chosen administrator will be expected to bear the cost of preparation and installation of appropriate administrative systems, contract preparation, billing, network enhancements, related administrative manuals, enrollment forms, and communication with employees and providers.

Nothing contained in this RFP creates, nor shall be construed to create, any contractual relationship between the Client and any vendor. The Client makes no commitment in or by virtue of this RFP to purchase any services or items from any vendor. Nor does receipt of your proposal place the Client under obligation to enter into an agreement to purchase services from your organization.

Your proposal shall become the sole and exclusive property of the Client. The Client reserves the right to modify, reject, or use without limitation any or all of the ideas from the proposals. The Client will not disclose the pricing contained in any proposal to any party other than its attorneys, representatives, or consultants except as may be necessary to complete a blind analysis of responses provided to this RFP. Vendors from whom proposals are solicited may not discuss this RFP with anyone outside their own organization other than authorized the Client personnel and, or their designee(s).

If your organization is selected to provide the outlined services, you may not advertise or publish the fact that the Client has selected your company as their partner without written permission from the Client. You are not allowed to use the Client name or any trademark of the Client in any advertising or publication or other communication, other than in your proposal, without the prior written consent of the Client.

Expenses incurred in preparing and presenting a proposal to the Client is the sole responsibility of the vendor and may not be charged to the Client in anyway. This RFP is an invitation to share information about your business model, clinical programs, and general insight into the pharmaceutical marketplace which will help the Client determine which PBM(s) is best suited to help them manage their plan. All aspects of the Client business to which you may have access as a result of this RFP are considered strictly confidential.

The Client is specifically interested in how the PBM performs in the following areas:

a) Discount guarantees with per-unit price stability
b) Administrative fee structure
c) Maximizing generic utilization
d) Percentage of earned rebates to the Client with minimum floor guaranteed rebates, without overutilization of brand drugs
e) Performance Guarantees
f) Stable and decreasing PMPM (per member per month) spending trend
g) Stable formulary, focused on lowest net cost drugs
h) Drug monitoring and utilization review programs
i) Innovative programs, such as therapeutic mac, disease management, therapeutic interchange programs, limited network strategies, retail pharmacy partnerships, etc.
j) Periodic reviews – financial, clinical, market, strategic
k) Effective customer, client, and consultant communications and messaging.
l) Mail cost savings opportunities with incentives programs
m) Organizational stability and experience
n) Customer service representative and account manager capabilities.
o) Ability to work with the selected third-party claims administrators, data aggregators, consultant and other entities that may be involved with the administration of the health plan to provide up to daily electronic exchanges of eligibility, and claims information
p) Online member information resources, including mobile applications
q) Biosimilar net cost strategy including guarantees, utilization management and formulary placement

## Objective

The Client is looking for a long-term partner who will provide both the Client and the Consultant with the resources needed in order to assist in managing the Client's pharmacy benefit. Any responses provided in response to this RFP must be included in the client contract or the selected PBM may be disqualified.

### PROPOSED TIMELINE

| Distribution of RFP | Date |
|---|---|
| RFP Release | April 20th, 2026 |
| Questions to Gallagher via email | May 1st, 2026 |
| Proposals Due to Gallagher - electronic submission (preferred via email) | May 22nd, 2026 |
| Proposal Analysis Completed & Presented to Client | June 2026 |
| Finalists Presentations (if applicable) | ASAP after Presented to Client |
| Notification of Final Decision | ASAP after Finalist Presentations |
| Implementation (if applicable) | September 1st, 2026 |
| New Contract with the Client | January 1st, 2027 |

## Instructions

1. Answer every question as designated in that section. If any assumptions are made in providing an answer, those assumptions must be explicitly noted.

2. Provide all guarantees without commissions.

3. This RFP must be completed and submitted in its entirety according to the timeline above. Missing responses will be grounds for disqualification from consideration. There is to be no altering of the lay-out of this document in any way. Answers are to be provided in the available space or in an attached appendix. No questions are to be deleted or altered in any way.

4. The response must include one (1) electronic copy emailed to Jonathan Barnhard at Jonathan_Barnhard@ajg.com and Nicole Hoffstetter at Nicole_Hoffstetter@ajg.com.

5. Failure to respond with the information requested or to provide written notice regarding why you are unable to respond will indicate a lack of interest and the PBM may be removed from the Client's list of potential vendors.

6. Organization of the Response

    - Section I - Letter of Introduction
    - Section II – This Document and the attached Questionnaire
    - Section III - Completed Financial Terms and Exhibits
    - Section IV – Contract Terms including a copy of the Proposed Contract
    - Section V – Excel Formulary
    - Section VI – Pharmacy Disruption
    - Section VII – Sample Utilization and Cost Reports
        a. Access to online tools for clients, members, designees (the Client)
    - Any Additional Exhibits

7. All questions should be sent to Jonathan Barnhard at Jonathan_Barnhard@ajg.com and Nicole Hoffstetter at Nicole_Hoffstetter@ajg.com with a carbon copy to Cindy Hammer at Cindy_Hammer@ajg.com and Danielle Grew at Danielle_Grew@ajg.com.

8. Bidding PBM's must not reach out to the Client directly or indirectly during the RFP process.

## PBM Corporate Information & References

| | |
|---|---|
| **Name:** | |
| **Date Founded:** | |
| **Contact Person:** | |
| **Title:** | |
| **Address:** | |
| **City/State:** | |
| **Phone Number:** | |
| **E-mail Address:** | |
| **Fax Number:** | |

**Current Client References**

Similar Size and Complexity

| | Client Name | Contact Person | Phone Number / Address | Total Members | Contract Start Date |
|---|---|---|---|---|---|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |

**Recently Termed Client References**

Similar Size and Complexity

| | Client Name | Contact Person | Phone Number / Address | Total Members | Contract Start Date |
|---|---|---|---|---|---|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |

## Minimum Contractual Requirements

For this section, **CONFIRM** your agreement with each of the below statements. If you cannot confirm a statement, provide a detailed rational for your disagreement.

## Definitions

1. AWP (Average Wholesale Price) is based on date sensitive, 11-digit NDC as supplied by Medi-Span a nationally recognized pricing source for retail, mail order and specialty drug adjudicated claims. AWP will be based on the actual package size used, NOT the AWP after repackaging. Also, MediSpan will be used for the source for determining a brand vs a generic based on MediSpan's MONY codes. This is an extremely important component of your bid, if this cannot be agreed to then the chances of your PBM being selected will be greatly reduced.

2. Member Copay - Members will pay the lowest of the following: plan copay, ingredient cost plus dispensing fee, U&C, or retail cash price.

3. Rebates - Compensation or remuneration of any kind received or recovered from a pharmaceutical manufacturer attributable to the purchase or utilization of covered drugs by eligible persons. Rebates should be proposed with a percentage share of the total rebate paid by the manufacturer along with a minimum floor guarantee. All rebate revenue earned by the Client will be paid to the Client regardless of their termination status.

4. Paid Claims - Defined as all transactions made for eligible members that result in a payment to pharmacies or members from the client or member copays (does not include reversals and adjustments). Each unique prescription that results in payment shall be calculated separately as a paid claim. Any per claim fees will use only paid claims as a basis for the calculation.

5. Members - All eligible employees and their eligible dependents enrolled under the Client's prescription benefit program.

6. Specialty Pharmaceuticals - The list of specialty drugs as defined by your PBM will be provided to the Client as part of your response as a portion of Section V (Excel formulary). Any future additions or deletions if you are selected to provide these services will be communicated sixty (60) days prior to addition to the specialty drug list along with proposed pricing.

## Claims Retention and Ownership

1. The PBM agrees to provide timely and accurate claims data once a mutually agreeable timeframe has been agreed to but no less than monthly, in the format provided in this RFP. **This data transfer requirement will be required to be a part of the contract with no exceptions allowed.**

2. The claims administrator will be required to maintain all pertinent claim records for seven (7) years from the date of each claim payment.

3. All claims data belongs to the client and will be made available to the Client for the life of the contract. Including but not limited to claims level AWP, ingredient cost, NDC, GPI, brand/generic indicator, specialty indicator, compound indicator, channel identifier, days of supply, date of service, plan pay amount, member pay amount, dispensing fee, therapeutic category, and the Client identifier information.

4. The Client maintains rights to claims data and will be provided all data requested within two weeks of any such request from the Client or our designated consultant. Furthermore, the PBM agrees to furnish monthly claims information to the Client and or its designee(s). See Data Requirements section prior to confirming.

5. No fees may be charged to provide data less than two (2) years old.

6. The PBM shall not disclose any data, facts or information concerning services performed for the Client or obtained while performing such services, except as authorized.

## Data Integration Requirements

1. The PBM will work with any designee(s) appointed by the Client including but not limited to third party claims administrator, data aggregators, benefit consulting firms and other entities that may be involved with the administration of the health plan to provide up to daily electronic exchanges of eligibility and claims information. Any and all first year setup fees and or annual administration fees associated with any of these services must be spelled out.

2. The PBM will also provide daily/weekly/or monthly claims information to the Client, and/or their designee(s) to help it identify the prevalent health risks within its participant population, predict the financial impact of those risks, and target them for intervention through utilization review, case management, and disease management services.

3. The PBM agrees to provide online, real time, claim system access to the Client, and/or their designee(s), including access to historical claims data for up to three years following termination of the agreement.

4. The PBM agrees to provide data integration with the selected medical vendor in order to track shared deductibles, out of pocket maximums, and utilization management services. The minimum frequency that data will be shared is daily.

## Guarantee Requirements

1. Incremental year over year increase in the discount rate to offset inflation is highly recommended.

2. All pricing will be effective and guaranteed for the term of the agreement and will not include adjustments for claims volume shifts amongst the various provider channels (e.g., mail utilization rates decline or 90-day retail utilization increases).

3. No pricing terms will be contingent on participation in any proposed clinical management programs, the Client medical or behavioral health programs, or any other programs proposed by you or any other vendor.

4. There are NO additional fees (beyond those outlined in the Guarantees section) required to administer the services outlined in this Proposal. Any mandatory fees, including clinical and formulary programs fees, must be clearly outlined in the Financial Section.

5. Maximum Brand Mark-up and Minimum Generic Discount Guarantees for both mail and retail shall be defined as follows: 1- Aggregate Ingredient Cost/Aggregate AWP.

6. AWP discount guarantees and rebate guarantees MUST be measured and reconciled on a component (brand, generic, retail, mail order, and specialty pharmacy program) basis only. Surpluses in one component may not be utilized to offset deficits in another component.

7. Both the Aggregate Ingredient Cost and Aggregate AWP from the actual date of claim adjudication will be used. Aggregate Ingredient Cost prior to application of plan specific copayments will be the basis of the guarantee calculation.

8. Both single-source and multiple source generic products are to be included in the generic guarantee measurement.

9. Compounds, Over-the-Counter (OTC) claims, and claims with ancillary charges will be excluded from the guarantee measurement.

10. Zero balance or zero amount claims paid by the Client's plan will NOT be included in the guaranteed measurement for AWP, ingredient cost, or dispensing fees.

11. The guarantee measurement must exclude the savings impact from DUR programs, formulary programs, utilization management programs, and/or other therapeutic interventions.

12. The PBM agrees to provide retail/mail order unit cost equalization to the Client, meaning that mail order unit costs prior to member cost sharing, dispensing fees, and sales taxes charged to the Client will be no greater than those at retail. The PBM agrees to produce a date sensitive comparison report showing unit costs charged to the Client at a GCN level and reimburse the Client on a dollar-for-dollar basis for all instances where mail order unit costs exceed retail unit's costs. Report and reconciliation will be provided on an annual basis.

13. Any shortfall between the actual result and minimum guarantees will be paid, dollar-for-dollar, to the Client within ninety (90) days of the end of each contract year.

14. Annually, PBM will reconcile rebate guarantees **per pharmacy channel** to verify that the Client is receiving the guaranteed rebates. Underpayments in any area will be reimbursed to the client within one-hundred eighty (180) days of the end of the plan year.

15. Guaranteed rebates per brand prescription must be based on a blended average of all brand prescriptions dispensed, not just on formulary prescriptions dispensed.

16. Rebates are guarantees on a percentage of the total rebates paid by the manufacturer to the PBM based on the Client utilization with minimum floor guarantees (i.e., not fixed) basis.

17. Rebates are guaranteed for the life of the 24-month contract as well as any extension of the underlying agreement.

## Notification

1. The Client and/or their designee(s), will review and approve all member communication materials before distribution to members.

2. The PBM agrees to notify the Client in advance when a formulary drug is targeted to be removed from the formulary. The PBM must provide a detailed disruption and financial impact analysis at the same time.

3. The PBM mail order service must notify individual participating members and the Client, and/or their designee(s) prior to substituting products that will result in a higher member copay or higher plan cost.

4. The PBM agrees to notify the Client, and their members at least sixty (60) days prior to the addition of a drug to the specialty drug list and at least ninety (90) days prior to a deletion of a drug from the specialty drug list.

## Transition

1. The PBM agrees to grandfather the current formulary (preferred) copays for up to ninety (90) days following the contract effective date.

2. The PBM agrees to load all current prior authorizations, open mail order refills, and accumulator files that exist for current members from the existing PBM at NO charge to the Client and no later than the effective date of management by the selected PBM. All future edits required as a result of plan design changes implemented by the Client, or our designee, and uploads therefore, shall be completed, after testing, by the PBM within thirty (30) days of request/advisory by the Client and/or its designee(s).

3. All fees include the cost of claims incurred/filled during the effective dates of this contract regardless of when they are actually processed and paid (run-out).

## Termination

1. The PBM agrees to a 24-month contract term effective January 1st, 2027 with a Termination date of December 31st, 2028, with no provision for automatic renewal.

2. The PBM contract will provide one-hundred fifty (150) days advance notice of renewal terms, which shall then be subject to negotiation and written agreement between the parties.

3. The Client will have the right to terminate the PBM contract anytime with ninety (90) days advance written notice.

4. In the event of termination, the prescription drug administrator must agree to transfer to the Client (or another party as designated by the client) all required data and records necessary to administer the plan(s) within thirty (30) days of notification. This data would include, but not be limited to, the following:

    a. List of covered employees and dependents
    b. Preauthorization information for specific medicines
    c. Records or hard copy of claims transaction data as designated by the Client
    d. Current mail order prescriptions

## Contract Requirements

1. The PBM response to this RFP will become part of the contract between the Client and the PBM selected.

2. The PBM will provide **a signature ready contract** incorporating all agreed upon provisions within this RFP including all guarantees. Contract document must be submitted along with proposal response.

3. If the PBM is chosen and a red-line contract is returned, the PBM agrees to return a final contract at the time of the interview for final PBM selection.

4. Required Provisions

    a. Hold Harmless, Defense and Indemnification - The PBM covenants and agrees to indemnify, defend and hold harmless, to the fullest extent permitted by law, the Client, its officers, agents, employees, clients and representatives in connection with this Agreement, from and against any and all loss or expense that may arise by reason of liability for damage, injury or death, or for invasion of personal or property rights, of every name and nature.
    b. Acquisition or Change in Ownership -The PBM agrees that it will notify the Client one-hundred eighty (180) days prior to any acquisition agreement in the case that the PBM ceases to operate under its current organizational structure. Furthermore, the PBM agrees that any such event would qualify as a terminable event in any future agreement and will be grounds for immediate review and or potential termination or modification of the agreement.

5. The PBM agrees to allow the Client and or our designee the rights to audit the financial and non-financial records of the prescription drug administrator and its agents as they relate to the administration of their programs whenever deemed appropriate. Such audits may be performed by the Client personnel or selected outside auditors. The Client will not be held responsible for time or miscellaneous costs incurred by the PBM in association with any audit process including all costs associated with provision of data, audit finding response reports, or systems access, provided to the Client or their designee(s) by the PBM during the life of the contract. Note: This includes any data required to transfer the business to another vendor and money collected from lawsuits and internal audits.

6. The PBM agrees to a sixty (60) day turnaround time to provide its response to claims audit findings.

7. The PBM acknowledges that it is compliant with the Electronic Data Interchange ("EDI"), Privacy and Security Rules of the Health Insurance Portability and Accountability Act ("HIPAA"), and will execute the appropriate Business Associate Addendum ("BAA") as provided by the Client. PBM also agrees that in the event of a privacy violation or data breach, that the PBM will notify the Client and the impacted members to a breach and provide any required remedies within the timelines required by law.

8. The PBM agrees that this agreement or any of the functions to be performed hereunder shall not be assigned by either party to another party, absent advance notice to the other party, and written consent to said assignment, which consent shall not be unreasonably withheld. In the event either party shall not agree to an assignment by the other party, then this agreement shall terminate upon the effective date of said assignment.

9. The PBM will NOT implement or administer or allow any program that results in the conversion from lower discounted ingredient cost drug products to higher discounted ingredient cost drug products without the prior written consent of the Client.

## Privacy

1. If bidding on the Client business, a formal selection process will be followed. PBM's will not contact the Client during the bidding process or in any way influence the outcome of the process.

## Insurance Requirements

1. Professional liability insuring against vendor's errors or omissions in the performance of the services outlined in this RFP per person in an amounts of not less than $3,000,000 per claim/aggregate.

2. Workers Compensation Insurance with statutory limits covering all employees in accordance with the laws of the country, state, province or territory exercising jurisdiction over the employee.

3. Employer's Liability Insurance with a minimum limit of $1,000,000 per occurrence (per employee/per disease/policy limit).

4. Carriers furnishing Workers Compensation and Employer's Liability Insurance shall be required to waive all rights of subrogation against the Client and its officers, its affiliates and their employees, subsidiaries, agent successors and assigns.

5. Commercial general liability insurance with limits of not less than $1,000,000 per occurrence and $3,000,000 in the aggregate.

6. Coverage against theft or other misappropriation of funds, including the Client and Client's funds/property, by whatever means for the vendor, its directors, officers, partners, shareholders, employees or agents.

7. Automobile Liability Insurance covering the use of all owned, non-owned and hired automobiles with a minimum combined single limit of $1,000,000 per occurrence for bodily injury and property damage liability.

8. Network Security and Privacy coverage in the amount of $5,000,000 per occurrence/aggregate.

9. If you are selected as the PBM vendor hereunder, upon execution of a definitive agreement for services, and at any time upon request, you shall submit to the Client a certificate(s) of insurance reflecting the coverage listed above is in force. Said certificate shall state that not less than thirty (30) days prior written notice shall be given to the Client in the event of a cancellation of coverage.

10. The Commercial General Liability and Automobile Liability policies shall contain endorsements naming the Client as an additional insured. All policies required hereunder shall be written by licensed insurers with A.M. Best ratings of at least A-.

11. In the event the vendor will utilize subcontractors to perform any of the services required in this RFP, the vendor shall require that the sub-contractor comply with the above insurance requirements. A certificate of insurance should be provided to evidence that the vendor and/or the vendor subcontractor have the appropriate coverage in place.

## Written Response Questions

1. The Client prefers a traditional pricing model, however the Client is open to any other model if it is financially advantageous. Please confirm that you are proposing a traditional pricing model. If you are including additional pricing arrangements for consideration, please provide any details regarding the advantage of these options.

2. Do you have a website that the Client and its members can utilize in order to obtain information and interact with data? Please describe your website and provide screen shots and temporary access to the Client for testing purposes.

3. Do you have an online reference that will help members to identify a more cost effective therapy? Please provide access to the portals that can be viewed by the Client.

4. How often is the MAC updated and what percentage of the generic drugs in the attached file are found on your MAC drug list?

5. Provide a list of services that are provided free of charge, or included in the base administrative fee. Also, provide a brief description of each service and any that are available at an additional cost.

6. Describe any clinical programs that you may offer. Furthermore, please review the claim file provided in **Exhibit A** and explain what impact your clinical programs would have on the Client's claims experience. Detailed financial savings estimates are required in order for them to be included in the final financial summary.

7. Describe any drug utilization management programs, what levels of interaction are identified, the protocols for each level and what sources are used in developing your logic.

    a. Will these involve additional cost?
    b. Do you have additional programs available for an additional fee?
    c. Provide a concise description of any Retrospective DUR process that you offer.
    d. Describe in general any medication edits such as refill too soon, duplicate therapies, day's supply, prior authorization, step therapy, maximum daily dose, brand to generic, etc. Details regarding these edits are additionally requested in Section V (Excel formulary)
    e. Describe any generic incentive programs that you may offer, how they are funded, and what success you have had with them.
    f. Review the claim file provided in **Exhibit A** and describe any drug utilization edits that would help the Client save money. Detailed financial savings estimates are required in order for them to be included in the final financial summary.

8. Describe your ability to work with any selected medical plan to develop management of annual out of pocket member maximums, a real-time shared accumulator for clients offering High Deductible Health Plans ("HDHP"). Please include any first year start up fees and annual services fees if any for these services.

9. Describe any other innovative programs that you may offer, such as Therapeutic Mac, Disease Management, Therapeutic Interchange programs, Limited Network Strategies, Retail Pharmacy Partnerships, etc.

10. Describe any member outreach programs that you can implement in order to improve plan performance.

11. What is your definition of a specialty drug?

12. Describe your ability to customize a pharmacy network to meet the needs of the Client.

13. Describe your appeals process and any levels or fees for providing this service.

14. Please provide the following information regarding your PBM, specialty, and mail order call center to assist the Clients' members. Where are the locations? Are they physically attached to the dispensing pharmacies?

    a. Operation of each call center in Eastern Standard Time (EST)?
    b. Do physicians have a separate dedicated access line?
    c. Is a pharmacist available twenty-four (24) hours a day, seven days a week, year-round?
    d. How do members reach the pharmacist after hours?
    e. Are incoming calls ever rolled over to another call center?

f. What is the average length of time your customer service representatives have been employed?
g. Please provide your 2023 call center metrics of the center that will manage this book of business including total call center volume, percent of first call resolution, percent of calls not resolved within twenty-four (24) hours?

15. Describe your member payment methods in detail for each pharmacy retail, mail, and specialty.

16. Describe your access and process for enrolling members in drug manufacturer member copay assistance programs for specialty drugs. What percent of your members receive support from each program? Please provide any costs associated with your management of any programs you offer.

17. Define the customer service issues resolution process and timeline expectation for members, and physicians. Please address each segment separately.

18. Is account specific call tracking available?

19. Please describe the general services you will furnish, as well as the specific services you will render, in connection with the implementation of the plan, obtaining claim history from previous vendor, printing of welcome kits, making outreach calls to physicians to transfer scripts, forms, etc.

20. What is your preferred timeframe for an implementation?

    a. Outline the implementation team that would be assigned to the Client.
    b. Define the precise individual(s), their expertise/background, and roles and responsibilities during this process.
    c. What members of the implementation team will continue to support the Client and its members post-implementation?
    d. Define the precise individual(s), their expertise/background, for the account manager(s) that will be responsible for handling the Client. Please identify the number of accounts that they currently manage, the total maximum number of accounts that could be assigned to them, and the number of accounts they currently manage with the size and complexity of the Client. Also, the number of years they have been employed in this position with your company.

21. Please address the following questions involving implementation processes:

    a. Please attach a detailed implementation work plan representation (including timelines, milestones, etc.).
    b. Will the implementation team be available for weekly meetings/conference calls throughout the duration of implementation?

22. Do you have Provider Relation Representatives that visit or call providers and educate them on your program? If so, define how many in the Client geographical area.

23. Describe in detail how you would manage, specific to the Client, a conversion for existing members using medications to your pharmacy program (i.e. refill history, access, requirement of new prescriptions, historical PA's etc.). What member-specific communications introducing your pharmacy services are available? Provide examples.

24. What provider-specific communications introducing your specialty pharmacy services are available? Provide examples.
25. Are customized communication pieces available? Is there an additional charge for this? If so, please provide.

26. Are you willing to provide individual clients with any credits for implementation, communications activities, or cost management activities as an incentive to control cost?

27. Describe any sustainable practices or initiatives the PBM has undertaken to limit its carbon footprint and the environmental impact of its activities.

## Drug Discount Guarantees

If your claim payment to pharmacies is other than a percent off AWP, please describe your approach and estimate what the expected savings off AWP will be.

**Please use data set representing twelve (12) months of data for the Client (Exhibit A – Pharmacy Claims) to populate EXHIBIT C with the pricing terms and guarantees being extended to the client. Please complete the Pricing Grid in as much detail as possible including all caveats, exclusions and conditions to the pricing set forth in the grid.**

**In addition to this exhibit, a separate document (EXHIBIT F) is required to be populated with all admin fees the client would incur if they were to elect your services. Please fill out EXHIBIT F as completely as possible, with any stipulations to those figures populated in the description area provided. This Exhibit should include all base administrative fees, coalition fees, one time charges, stop loss coordination fees, fees related to file exchanges, clinical program fees and any other charge related to the implementation or operation of the client's prescription drug benefit.**

## Specialty Pharmacy Services

### Fulfillment

1. Are there any specific specialty medications that cannot be dispensed or you are unable to provide?

2. Describe in **detail** the order fulfillment process from the receipt of initial prescription order to receipt of medication by the member.

3. Describe the resolution process and associated timelines involving receipt of a prescription order that contains questionable information from the prescriber. Also, please define when and why a member would be notified?

4. What is the average turnaround time for a clean prescription?

5. What is your process when you receive a prescription that is in a manufacturer's limited distribution network that you don't have access to?

6. How do you manage orders when inventory needed to fill the order is not readily available?

7. How do you manage members with outstanding balances to reduce disruptions in therapy?

8. What is your process for verifying that a refill is needed by the member? Include the title of the staff member responsible for this activity.

9. What is the maximum days' supply and quantity that you will dispense at one time?

10. If your pricing does not include all necessary ancillary supplies for administration, include a list of items and the associated charges for each item.

## Shipping

1. Are there additional charges for member-requested expedited shipments? If so, who receives the charge and what is the amount?

2. What is your protocol for "lost" or "damaged" (including temperature-related issues) delivery resolution?

3. Please describe the flexibility in regard to home delivery and the plan for securing prompt delivery to the member.

4. Do you have the potential for after-hours or emergency distribution to a retail pharmacy? Will there be additional charges for this?

5. How do you ship medications with special storage requirements (i.e. refrigeration) or temperature sensitivity? How do you ensure temperature is maintained until the product is delivered?

6. Does your organization perform proactive outbound calls to a member prior to drug shipment to ensure member will be available for receipt of product, is still using product, address is accurate, etc.?

7. Do you have real-time tracking capabilities for deliveries once orders leave your facility? Please describe. Are members notified about order tracking so that they can determine when a shipment should be delivered?

8. Describe any solutions you have developed (including optional shipping solutions or shipping to alternative sites) to minimize member's need to recycle packaging or potential for loss of product, etc.

9. It is appropriate for certain specialty drugs to be filled through retail pharmacies. Do you have arrangements with any retail pharmacies where specialty drugs may be obtained?

## Clinical Services

1. Describe the clinical programs and member education (including nurse/pharmacist access) that you offer related to specialty products that help manage appropriate use and product selection.

2. Please provide detailed information on the people, process, and information sources used to develop your prior authorization ("PA") criteria for specialty drugs along with samples of the servicing documents your PA department uses for making a decision to approve a drug. What percentage of all PA's were approved in 2023?

3. Define all the disease states where you have a formal clinical program. Describe the clinical protocols your organization uses to manage appropriate and cost-effective utilization of specialty medications.

    - Asthma
    - Crohn's Disease
    - Cystic Fibrosis
    - Growth Hormone Deficiency
    - Psoriasis
    - Hemophilia
    - Oncology including oral
    - Hepatitis
    - Rheumatoid Arthritis
    - Multiple Sclerosis
    - HIV
    - Ulcerative Colitis

4. Please describe in detail the Utilization Management programs that your PBM has to offer the Client. In reference to Utilization Management programs, here, we are specifically referring to Prior Authorization rules, Step Therapy rules, and rules to manage Quantity Level Limits. Please respond considering the framework that follows.

## Formulary

1. Provide excel copies of the current formulary option(s) specifically used in this bid.
    a. Clearly delineate which medications are considered generic, preferred brands, non-preferred brands, and excluded.
2. Provide a list of any brand name medications to which you apply a generic and/or Tier 1 copay.
3. Provide a list of any OTC medications that are included as a standard part of your formulary.

## Prior Authorizations

1. Provide a detailed drug-level listing of your Prior Authorization option(s).
    a. Clearly outline different levels or tiers available and the drugs included at each level.
    b. Clearly delineate if these options are available a la carte and/or as part of a package or bundle. If Prior Authorization options are bundled/packaged, please clearly specify different package options.
2. Describe your Prior Authorization protocol. Do your Prior Authorizations restrict approvals to only FDA approved diagnoses, or in the initial Prior Authorization intake, do you also include approvals for instances where evidence-based medicine exists? Please describe in detail.
3. In the appendix of this RFP, please provide a sampling of your Prior Authorization criteria for the following medications or disease states:
    a. Skyrizi
    b. Rinvoq
    c. Mayzent
    d. H.P. Acthar Gel

    **If a drug listed above is excluded from your formulary, please provide the criteria for a similar formulary alternative and please note this exclusion in this section of the RFP.**

1. Describe in detail the ways in which a prescriber can submit a Prior Authorization request to your firm. Please detail how Prior Authorizations can be submitted electronically.
2. PBM agrees to grant agent of Gallagher agent access to real time PA approval platform.
3. PBM agrees to grant agent of Gallagher access to real time claim adjudication platform.

## Step Therapy

1. Please provide a detailed drug-level listing of your Step Therapy option(s).
    a. Clearly outline different levels or tiers available and the drugs included at each level.
    b. Clearly delineate if these options are available a la carte and/or part of a package or bundle. If a package deal, please specify different package options.
2. What is your standard look back period? If it differs by medication, please give examples.
3. What must a member/prescriber do in order to satisfy a Step Therapy rule? Please supply an example.
4. Pertaining to traditional, non-specialty disease states ONLY, do any of your Step Therapy rules include brand medications as first line agents? If so, please specify where and justify why this occurs.
5. Pertaining to specialty medications ONLY, what specialty medications (or classes of medications) do you have the ability to apply Step Therapy rules to? Please supply a detailed listing.

## Quantity Level Limitations

1. Provide a detailed, drug-level listing of Quantity Limit option(s).
    a. Clearly outline different levels or tiers available and the drugs included at each level.

    b. Clearly delineate if these options are available a la carte and/or as part of a package or bundle.
2. Is your standard measurement based on a per prescription or per day basis? Is this different for different medications? If so, please explain.
3. Provide examples of Quantity Level Limitations for PDE-5 inhibitors, selective serotonin receptor agonists, and serotonin 5-HT3 receptor antagonists.
4. Provide quantity level examples for any other medication classes that differentiate your firm from the competition.

## Utilization Management

1. Does your firm have the ability to grandfather existing utilizers if desired by the Client?
    a. Will grandfathering affect pricing, potential savings, and/or rebates?
2. Describe your savings methodology for Prior Authorizations, Step Therapy, and Quantity Level Limits.
    a. If they differ per program, please illustrate this with an example.
    b. Does your firm present actual savings or estimated savings? Please explain.
3. Disclose any fees associated with Utilization Management programs.
    a. What are the fees for Prior Authorizations?
    b. What are the fees for Step Therapy edits?
    c. What are the fees for the rules to manage Quantity Level Limits?
    d. Additionally, please disclose any fees associated with <u>appeals</u> tied to these clinical programs.
4. Review the claim file in **Exhibit A** and explain what impact your clinical programs would have on the client's claim experience. Detailed financial savings estimates are required in order for them to be included in the financial summary.
    a. Specify if your analysis includes grandfathering for Prior Authorizations, Step Therapy rules, or rules to manage Quantity Level Limits.
5. Please highlight the savings associated with any formulary exclusions.
6. Please show your savings prior to program costs and rebate impact.
    a. As a separate line item, please illustrate the costs associated with:
        i. Rebate impact (loss or gain)
        ii. Program fees
        iii. Fees generated by way of appeals (can be estimated)
7. Does your firm offer real-time patient specific benefit information – formulary, Prior Authorizations, Step Therapy, Quantity Limits – to prescribers as they prescribe medications for members?
    a. How is this information accessed by prescribers?
    b. How does this tool aid in prescriber and patient experience?

## Incretin Mimetics

1. Describe any formal program you offer that addresses incretin mimetic utilization for diabetes.
    a. How does this program effectively manage utilization and protect against off-label use?

(i) If utilization management is achieved via prior authorization or smart edits, **please submit all criteria used**, including initiation and continuation requirements.

b. What member engagement strategies are integrated into this program to support appropriate use and adherence to incretin mimetics in diabetic members?
   (i) Please describe when and how members are engaged (onboarding, pharmacist or coach outreach, digital tools, etc.).

2. Describe any formal program you offer that addresses incretin mimetic utilization for weight management and obesity-related conditions.
   a. How does this program effectively manage utilization and ensure appropriate use?
      (i) If utilization management is achieved via prior authorization or smart edits, **please submit all criteria available**, including initiation and continuation requirements.
      (ii) If multiple criteria options are available (e.g., standard criteria vs. more restrictive criteria), **please submit all available options**.
      (iii) Please clearly define the financial impact associated with each utilization management option, including expected changes in utilization, plan cost, and rebate impact, if applicable.
   b. What member engagement strategies are integrated into this program to support appropriate use and adherence to incretin mimetics in this population?
      (i) Please describe when and how members are engaged (onboarding, pharmacist or coach outreach, digital tools, etc.).
      (ii) Is member engagement <u>required</u> for initial and/or for continuation approval of incretin mimetic treatment? Please describe.
   c. Does this program offer any additional fraud, waste, and abuse oversight specific to incretin mimetics? How do these controls protect the plan from inappropriate use or financial exposure?

## Specialty Medications

1. <u>Other than traditional UM</u>, does your PBM have a formal program or programs to manage either the utilization or cost of specialty medications?
   a. What conditions or medications are targeted in this program?
   b. Describe this program and how it leads to cost savings for the member or client.
   c. Does your PBM manage this program or is it managed by an external partner?
2. The following questions pertain specifically to <u>biosimilar specialty medications</u>:
   a. Please name the formulary used in this bid. State if the following medications are on the formulary and what tier they fall in on the formulary used in this bid:
      (a) Reference product Humira
      (b) Biosimilars for Humira (please name each and associated tier)
      (c) Reference product Stelara
      (d) Biosimilars for Stelara (if available)
   b. Describe any formulary strategy that promotes biosimilar utilization. Please provide specific examples.
   c. Describe any clinical edits that promotes biosimilar utilization. Please provide specific examples.

a) What are the requirements before the member can move to the reference product or proprietary brand? Please provide specific examples.
   (a) Do you allow Continuation of Therapy to supersede clinical edits that promotes biosimilar utilization?
   (b) If you do not require a biosimilar in favor of a brand, please state so.

## Opioid Management/Fraud, Waste, Abuse

1. Describe any program that you have to address opioid fraud, waste, and abuse.
    a. Does this program put a day supply limitation on any opioids? If so, please describe your standard limitation.
    b. Does your program have the ability to provide physicians and pharmacists real time or point-of-sale morphine equivalent dosing (MED)? To whom is this provided and how?
    c. At what MED does your MED edit fire? What time period does this MED edit consider? (For instance, is your MED edit solely looking at a specific day of claims, or does it look at a period of time (30 days, 90 days, etc.)?
2. Are the services of this program limited to opioids or are they available for other medications and/or conditions? If so, please list.
3. What differentiates your program from that of the competition.

## Adherence

1. Describe any clinical programs you offer aimed at improving adherence. Please describe for <u>both</u> traditional and specialty medications.
    a. What conditions are targeted?
2. Describe in detail the methodology by which you measure adherence.
3. Does this program lead to cost savings for the member or client? If so, please explain.

## Compounding

1. Describe any program your firm has to manage the compounding of prescription medications.
2. Please specify if this program is administered by way of exclusion, Prior Authorization, or another mechanism.
    a. If by way of exclusion, please supply a list of all excluded items.

## Pharmacogenomics

1. Describe any pharmacogenomics programs that you offer.
    a. For which genetic markers do you require testing as a prerequisite to medication approval? Please give specific examples.
    b. Are you currently using genetic testing as a predictor for efficacy or safety? For which medications is this available? For which medications is this required? Specifically, how is this information used to affect the care of member?

## International & Alternative Drug Sourcing

The Client currently uses CanaRx, an international prescription sourcing program, as part of its overall pharmacy benefit strategy. The Client has experienced success with this program and is looking to continue its operation moving forward.

1. Please confirm whether your firm would support the Client in continuing to use CanaRx under your proposal and describe any requirements, limitations, or anticipated changes that would occur.
    a. If not, please briefly explain why you do not work with CanaRx.
    b. If your firm provides or recommends an international drug sourcing program other than CanaRx, please answer the related questions below:
        i. Please describe your PBM's ability to support international or alternative prescription drug sourcing programs alongside standard retail, mail-order, and specialty pharmacy benefits. Identify any limitations or restrictions.
            1. Do these program(s) focus on specialty drugs, non-specialty drugs, or both? If multiple programs are available, please describe how they differ operationally or clinically.
        ii. How are medications obtained through alternative or international sourcing treated with respect to member cost sharing, deductible and out-of-pocket accumulation, formulary management, rebates, and reporting? Please disclose any financial impacts or offsets associated with these programs.
        iii. Describe how you ensure a seamless member experience, regulatory compliance, and medication safety when alternative or international drug sourcing programs are offered.
        iv. Please confirm that member participation in international or alternative drug sourcing programs is voluntary.

## Other

3. Describe any therapeutic interchange, MTM, medication reconciliation, gaps in care, or any medication optimization programs you offer.
    a. What disease states are targeted?
    b. Does this program lead to cost savings for the member or client? Please explain.
4. Describe any other program or tool that may differentiate you from other PBMs.

## Fees

**Failure to complete this section of EXHIBIT F in its entirety will result in immediate disqualification.**

Please provide a specific, concise line by line listing of ALL available formulary options, Utilizations Management options, and/or clinical programs or tools and their associated fee. Listing should include (but not be limited to) all of the aforementioned programs, as well as the applicable fees for reviews and appeals (internal and external). Be sure to specify fees if there

are various levels or tiers of a program. Be sure to specify fees for both a la carte and bundle/package options. Please consider the following framework:

- Formulary Choice(s)
- Prior Authorizations
- Prior Authorization Reviews (list all types)
- Prior Authorization Appeals (list all levels)
- Incretin Mimetic Prior Authorization Options
- Step Therapy
- Quantity Level Limits
- DUR programs (concurrent, retrospective, etc)
- Opioid Solutions and/or Fraud Waste and Abuse
- Adherence Solution
- Compound Solution
- International Drug Sourcing Program
- MTM, medication reconciliation
- ACA coverage reviews

## Member Service

1. Do you have a dedicated specialty pharmacy customer service call center? If so, what are the locations? Are they physically attached to the dispensing pharmacies?

2. What are the hours of operation of your specialty pharmacy call center in Eastern Standard Time (“EST”)?

3. Do physicians have a separate dedicated access line?

4. Is a pharmacist available twenty four (24) hours a day, seven (7) days a week, year round?

5. How do members reach the pharmacist after hours?

6. Are incoming calls ever rolled over to another call center?

7. What is the average length of time your customer service representatives have been employed?

8. Describe your member payment methods in detail.

9. Describe your access and process for enrolling members in member copay assistance programs. What percent of your members receive support from each program?

10. Define the customer service issues resolution process and timeline expectation for the Client clients, members, and physician. Please address each segment separately.

11. Is account specific call tracking available?

## Reporting and Website Capabilities

1. Describe your specialty reporting capabilities. Provide an example of your standard specialty reporting package.

2. Please show examples of your reports documenting specialty utilization, savings from your clinical programs (i.e. case management, disease management, utilization review, etc.), and adherence metrics.

3. Would you provide any ad-hoc customized reporting capabilities to the Client?

4. If on-line access to utilization information and reporting is available to the Client, please answer the following questions:

    a. What system requirements are needed to support use of the program?
    b. Please define the scope of utilization data (i.e. pharmacy, medical etc.) and report customization capabilities. Provide examples.
    c. Ability to model plan design/formulary changes and perform forecast projections based upon historical utilization.
    d. How frequently is the information updated?
    e. Define the scope of training that will be offered to the Client.
    f. Define the scope of on-going support that will be available to the Client.

5. What type and scope (i.e. industry wide or book of business) of benchmark data do you include in your performance review reports?

6. Describe your ability to provide the Client physician-specific and provider-specific reports. Provide an example and define any additional fees for this service.

7. Please provide your Fulfillment of Promise to Deliver scores:
   Fulfillment of Promise to Deliver = (number of prescriptions filled on the date scheduled for delivery) / (number of prescriptions filled during same time period)

    a. Overall
    b. Multiple Sclerosis
    c. Oral oncology
    d. Hepatitis C
    e. Inflammatory Conditions

8. Please provide your adherence (MPR) scores for the following disease states (please include scores by member and by drug):

    a. Hepatitis C
    b. Multiple Sclerosis
    c. Inflammatory Conditions

8. Please provider your MPR score by the above diseases for your specialty pharmacies vs. retail pharmacy claims that you process.

9. Please provide a report or combination of reports that identify your value to the Client in providing specialty pharmacy services?

10. Prescription Drug Data Collection (RxDC) Compliance requirements.

    a. The Section 204 RxDC Compliance requirements are part of the Transparency Provisions of the Consolidated Appropriations Act of 2021 requiring Plan Sponsors to submit data to CMS annually regarding health plan utilization and spend. As a Self-Funded entity, the Plan Sponsor cannot extend liability for accurate and timely submissions to another vendor regardless of which organization submits the data.
    b. Therefore, the PBM Agrees to furnish to the Plan Sponsor or it's designee all data files required for the pharmacy components of the submission. This would include formatted D3-D8 files and narrative elements as prescribed by CMS. Furthermore, the PBM agrees to share data in excess of the prescribed top 25 or 50 identified in the RxDC requirements if integration with another PBM data set is required. For example, if the PBM provided benefits for only a portion of the Calendar Year the Plan Sponsor would be required to combine two data files from different PBM's to complete a single data file. In this case having only the top 25 or 50 from each PBM could leave a gap for those drugs or therapies not on both lists.
    c. These data and narrative elements will be required no later than May 1st for the prior Calendar Year in order to file by June 1st. The Plan Sponsor has RxDC filing capability and desires a certain level of control given the potential liability of a failed submission.

11. Medicare Creditability Coverage Services

    a. Indicate if Creditable Coverage determination services are offered by your firm, including actuarial certification, and
    b. Detail the cost for these services in Exhibit F to be provided for the client's specific compliance requirements.

## Data Requirements

The winning PBM will be required to transmit data to the Client or its designee(s) on a monthly basis or more frequent basis, if possible. The format of this file will be provided to the finalists and all costs incurred to develop the data transmission will be borne by the PBM alone. The below data elements are a sample of the minimum data required. Please confirm that you will provide all of the information below on a per claim data set on an at least monthly basis to two third party vendors at no additional charge. Failure to agree to share all data elements below for all claims utilized by the client may result in elimination from the Client's potential Vendor list.

- Paid/Reversed Indicator (1, -1) – service counter (-1 reversed, or net neutral script)
- 11-digit NDC
- Drug Name
- Drug Strength
- Quantity Dispensed
- GPI
- Acute/Maintenance Indicator
- Formulary Tier
- Therapeutic Drug Class
- Service Date
- Paid Date
- Client ID
- Group/Location ID
- Active/Retiree Status
- Plan Code
- Brand/Generic Indicator
- Medical Rx Claims Indicator
- MONY Code
- Dispensed as Written Code
- Specialty Drug Indicator
- Limited Distribution Indicator
- Compound Indicator
- Over-the-Counter Indicator
- Biosimilar Indicator
- 340B Indicator/Code
- Discount Exclusion Indicator
- Rebate Exclusion Indicator
- Mail/Retail Code
- Coordination of Benefit Indicator
- Days of Supply
- AWP Unit Price
- AWP Total
- Ingredient Cost
- Plan Payment Amount
- Copayment Amount
- Coinsurance Amount
- Deductible Amount
- Not Covered Amount
- Dispensing Fee
- Refill Indicator
- NABP
- Provider NPI
- Pharmacy Name
- Pharmacy State/Zip Code
- Member Name
- Member Identifier
- Prescribing Physician Name
- Prescribing Physician NPI
- Prescribing Physician Phone Number

Please confirm that you will provide a reconciliation of rebates paid by pharmacy channel (retail, mail and specialty) on a quarterly basis coinciding with rebate checks and that this rebate information will be provided to the Client as well as to another designated third party as determined by the Client.

## Formulary and Pharmacy Comparison

1. Complete Data Set **Exhibit A** (sections with green headings require input from your firm) and provided with RFP: To conduct a Formulary Disruption Report, please identify member disruption for differences in tiers and excluded drugs. This data set must list differences of all pharmaceuticals filled by the Client over the last twelve (12) months.

    a. For each drug/NDC please identify the formulary tier.
    b. Identify any and all edits that are triggered by this drug, such as Step Therapy, Prior Authorization, Quantity Limits, Maximum Daily Dose, etc.
    c. Identify the preferred alternative for all drugs that are excluded or are on the third tier of your formulary.
    d. If applicable, provide a rationale for excluding a drug or for placing it on the third tier. Please keep the explanations limited in length and variety. If a generic equivalent is available, please state Generic Equivalent Available and identify the alternative drug column as instructed above. For any other situation please provide a brief rationale that would aid the Client in understanding and explaining disruption.
    e. If the medication utilized has a biosimilar alternative on the formulary, please identify the alternative biosimilar drug, both the brand name and generic+4 letter if applicable.
    f. Please identify if the medication is eligible for rebate minimum guarantees.
    g. If the medication is not on eligible for minimum rebate guarantees under your proposed contract, please identify the exact exclusion category for which the medication is excluded.