



Request for Proposals

RFP for
Workers' Compensation
Pharmacy Benefits
Management Services

January 10, 2018

The Montana Municipal Interlocal Authority (MMIA), the Montana Association of Counties (MACo) and the Montana School Group Insurance Authority (MSGIA) are collectively seeking individual proposals for a qualified Pharmacy Benefits Manager to provide prescription drug administration for their self-insured workers' compensation programs. This Request for Proposal should be read in its entirety before preparing the proposal.

I. GENERAL INFORMATION

MMIA is a risk retention pool created by the cities and towns of Montana to manage their municipal risks. The interlocal government agency developed out of the need to cover municipal liability and workers' compensation risks and has since expanded to provide property and employee benefit coverages as well.

The Trust/MMIA Workers' Compensation Program started with limited offerings and 13-member entities from across the state. Today, membership stands at 108 incorporated cities and towns across Montana from an eligible pool of 129. The Program provides coverage to an average municipal workforce of 7200 plus 2900 volunteers. Annual revenues exceed \$11 million and total assets are approaching \$56 million.

The Montana Association of Counties (MACo) established the Joint Powers Worker's Compensation self-insured pool (MACo/JPA) in 1985 as authorized by Montana Code Annotated 39-71403(2). Effective July 1, 2015, MACo renamed the pool as the Workers Comp Trust (WCT).

The Trust has its own Agreement, operates as a separate pool with no co-mingling of funds, and members may choose which of the Programs they wish to participate in. MACo works with local agents for placement in the WCT. MACo has in-house adjusting capabilities for its workers' compensation claims.

The Trust has 42 members covering approximately 4,087 county employees in Montana, with an approximate payroll basis of \$165 million. The program receives approximately 300 to 400 claims annually. The workers' compensation pool funds retained losses up to \$750,000 per claim, and places excess coverage for claims above \$750,000 with Safety National.

MSGIA is a risk retention pool created to provide self-funded workers' compensation insurance to approximately 405 out of 420 Montana Public School Districts. MSGIA currently provides coverage for approximately 19,545 K-12 public school district employees. MSGIA is the largest self-funded insurance pool program in Montana.

All materials submitted in response to this RFP will become property of MMIA, MACo and/or MSGIA and will become public record. If the responder submits information in response to this RFP that it believes to be proprietary or trade secret materials, as defined by the provisions of Montana's Uniform Trade Secrets Act, Mont. Code Ann. §§ 30-14-401, *et seq.*, the responder must meet the following requirements:

1. The information to be withheld under a claim of confidentiality must be clearly marked and separated from the rest of the proposal;
2. The proposal may not contain trade secret matter in the cost or price; and

3. The responder's explanation of the validity of a trade secret claim must be set forth in an affidavit, a form for which is attached to this RFP.

Responses to this RFP will be open for public review at all times.

II. STATEMENT OF INTENT

MMIA, MACo and MSGIA are seeking written proposals from qualified Pharmacy Benefits Managers to provide a well-managed, high-quality, cost-effective prescription drug program for their workers' compensation programs. Proposals will be submitted as one document and reviewed as one for all three parties. However, individual contracts with each party separately will result.

PROPOSAL TIMEFRAME

The Following selection schedule has been established:

Feb 8, 2019	Proposal Submission Deadline
Feb 25, 2019 (week of)	Interviews and demonstration, if necessary.
April 15, 2019	Contract awarded

The date shown above for the award of the contract is subject to change without notice.

Representatives of MMIA, MACo and MSGIA will evaluate each proposal based on the information submitted.

III. CONDITIONS FOR PROPOSAL SUBMITTAL

Companies are required to submit one electronic proposal and one hardcopy proposal to the following person and address by 5:00pm February 4, 2019:

Ms. Ann Komac
Claims Manager
Montana Municipal Interlocal Authority
3115 McHugh Dr.
P.O. Box 6669
Helena, MT 59604-6669
akomac@mmia.net

Proposals shall bear an original signature of an individual with the authority to bind the offer to the extent of the proposal. Proposals must be submitted in a sealed envelope prominently marked with the following:

Workers' Compensation PBM Proposal

Failure to do so may result in the proposal being opened prematurely, late or not at all.

Any proposal received after the time and date listed above will not be considered. It is the sole responsibility of the submitting entity to deliver the proposal to MMIA on or before the due date.

Upon submission, all proposals become the property of MMIA, MACo and MSGIA which has the right to use any idea presented in any proposal submitted in response to this RFP, whether or not the proposal is accepted.

IV. PROPOSAL EVALUATION AND SELECTION PROCESS

Method of Award and Evaluation Process

Emphasis will be placed on a combination of cost, the quality of the service offered, experience factors, the competency of the prospective firm and outside references. It is the intent of MMIA, MACo and MSGIA to review all proposals and judge the merit of those proposals in accordance with the general criteria outlined in this RFP.

All qualified submissions received by the deadline will be analyzed according to the criteria outlined in the RFP. Failure to comply with the provisions of the RFP may result in disqualification and may cause the proposal to be ineligible for evaluation. In addition to materials provided in your response to this RFP, the reviewing parties may request additional material, information or references from submitting entities or others if warranted.

After receipt of all proposals and prior to the determination of the award, the Reviewing Parties may initiate discussions and/or interviews with one or more companies should clarification or negotiation be necessary. Companies may also be required to make an oral presentation and/or product demonstration to clarify their RFP response or to further define their offer. In either case, companies should be prepared to send qualified personnel to Helena, Montana, to discuss

technical and contractual aspects of the proposal. Interviews, oral presentations and product demonstrations, if requested, shall be at the responding company's expense.

Contract Terms

After reviewing all proposals, MMIA, MACo and MSGIA may each select a firm with whom they seek to contract for the pharmacy services outlined herein. Should this occur, MMIA, MACo and MSGIA and the selected firm(s) will then enter into separate negotiations regarding the specific contract terms that will govern each entities project. The selected firm(s) will be responsible for designating an individual(s) with the authority to appropriately negotiate and execute a contract on its behalf.

Proposals submitted in response to this RFP may become a part of any subsequent contract. If, for any reason, the selected firm deviates in any way from previously proposed services and/or personnel assignments during the project, the MMIA, MACo and/or MSGIA may discontinue work with the vendor without notice.

All information, reports, and other work products in the possession of the firm(s) are the property of MMIA, MACo and/or MSGIA. In the event MMIA, MACo and/or MSGIA discontinue or postpones the project or chooses to discontinue working with the firm(s), all work product will be immediately provided to MMIA, MACo and/or MSGIA.

Lobbying

Except as required herein, any attempt to contact members of MMIA, MACo or MSGIA or any organization or member of an organization that sponsors MMIA, MACo or MSGIA will result in immediate rejection of the firm's proposal. Questions regarding this RFP must be forwarded to Ms. Ann Komac, Claims Manager, Montana Municipal Interlocal Authority, 3115 McHugh Dr., P.O. Box 6669, Helena, MT 59604-6669, (Tel.) (406) 443-0907, (Fax) (406) 449-7440, (E-mail) akomac@mmia.net.

Development Costs

MMIA, MACo and/or MSGIA will not be responsible for any costs incurred by applicants in preparing responses to this RFP.

V. REJECTION OF PROPOSALS AND CANCELLATION OF AWARD

MMIA, MACo and MSGIA reserve the right to reject any and all proposals. MMIA, MACo and MSGIA also reserve the right to cancel or amend this RFP at any time. Any changes in the status of the RFP will be brought to the attention of all parties that have received same.

MMIA, MACo and MSGIA further reserve the right, without any liability to cancel the award of any proposal at any time before the execution of the agreement by all parties.

VI. ORGANIZATION INFORMATION

1. Provide the full legal name of your organization, state of incorporation or headquarters, date incorporated and number of years your firm has been in business. If in business less than five years, provide identification of predecessors in business if any.
2. Submit the resume, including the name, title, mailing address, e-mail address, and telephone and fax number of the project manager and/or main contacts that will work on the accounts MMIA, MACo and MSGIA.
3. Identify all employees who will be actively involved on each account including their years of service, and roles and responsibilities.
4. Describe any significant litigation and/or government action taken, proposed or pending against your company during the most recent five (5) years.
5. List the name(s) of principal owners of your company or parent company. Furthermore, describe the history of your organization and any key changes in ownership within the last five years.
6. Provide the financial strength of your company. In particular, provide ratings from AM Best, Moody's, Standard and Poors, or another appropriate rating standard.
7. If publicly traded, provide copies of your company's Annual Report and audited financial statements. If not publicly traded, provide the best available financial statement for your most recent three years.
8. Describe the services offered by your organization during initial installation of this account, and please provide a timeline for installation. The timeline should begin with notification of contract award and continue through first month's billing.
9. What percentage of your business is in workers' compensation? How many workers' compensation clients do you serve? If you provide services for other lines of business, what other lines?
10. How many clients do you have in the State of Montana? How many are public sector entities?

11. Describe the terms and conditions under which your company may terminate services.
12. Provide a list of your firm's five largest clients along with the name of a contact person and phone number. Indicate how long each client has utilized your services.
13. Provide a name and contact number for at least two former clients who have terminated their relationship with you within the last 12 months.
14. Describe in detail how your firm complies with protocols of HIPAA.
15. Describe how you will facilitate an audit of your claim files when requested by MMIA, Maco or MSGIA to verify pricing discounts; said audit to be at your expense.

VII. CLIENT SERVICES

1. Describe how your company responds to client inquiries. Include the hours of operation, staffing, experience level and training.
2. Describe how you will include local pharmacies in the program.
3. Will MMIA, MACo or MSGIA and its members be allowed to suggest pharmacies to be considered for inclusion or deletion in your network?
4. Is a registered pharmacist available for clinically-related inquiries?
5. Detail the process your company will use to communicate information on the use of the pharmacy card to injured employees with specific attention to first fill, the timeline for issuing permanent cards to employees, and mail order prescription drugs.
6. How will you work with MMIA, MACo or MSGIA to educate and introduce the program to members?
7. Verify that your company can perform an audit of an individual's prescription drugs upon request by MMIA, MACo or MSGIA.

VIII. QUALITY CONTROL

1. Provide information on your firm's quality control procedures.
2. Describe your policies and procedures to ensure privacy of protected health information.
3. Describe how your company will obtain and update participant eligibility records.
4. Describe the procedures and your company's option for handling first fill prescriptions.

5. Describe how your company prevents prescriptions from being released to injured workers whose claims have been denied.
6. Describe your company's cost containment features.
7. Provide information on the performance guarantees your firm will make, including penalties for failure to meet standards.
8. Verify that your company will hold MMIA, MACo and MSGIA and its program participants harmless from collection activities by participating pharmacies and that the negotiated payment will be considered payment in full.
9. How does your organization stay compliant with Montana-specific requirements for mandated pharmacy fee schedules?
10. Will your organization provide identification cards and replacement cards upon request?
11. Can prescription drug cards be produced within 24 hours, if necessary?
12. Is there an extra charge for expedited card production?
13. Provide additional information relevant to performing services for MMIA, MACo or MSGIA not requested elsewhere in this RFP.

IX. SYSTEM

1. MMIA, MACo and MSGIA all use ORIGAMI claims and risk management software.
2. What experience do you have working with ORIGAMI?
3. If you do not have experience working with ORIGAMI, provide a timeline for building an electronic bridge to ORIGAMI.
4. Describe your electronic data interface capabilities, and the frequency, type, and method of data transfer you will need from MMIA, MACo and/or MSGIA. Describe your ability to electronically transfer payment and billing information to the appropriate claim in MMIA, MACo or MSGIA's computer systems.
5. How will you handle claimants who are currently receiving workers' compensation benefits as of the effective date of this program?
6. What transition activities will be required to avoid interruption of pharmacy benefits?
7. What fees, if any, will be associated with transition?
8. How will data be categorized when it is down-loaded into the ORIGAMI system?

9. Describe your computer system security measures.
10. Describe disaster recovery procedures for your claims and network systems.
11. Does your company provide a help desk for support services? Please provide details including hours of availability and turn-around time to solve issues submitted for review and correction.
12. How many times during the last six months was your system unavailable to network pharmacies for more than ten minutes?
13. Verify that your company can accommodate a testing phase before going live to ensure that all information is being received.

X. . IMPLEMENTATION AND CONVERSION

1. Identify the team and process involved in implementation and conversion. Please include timetable for implementation and conversion, the job description of each member of the team, and any and all fees associated with implementation and conversion.
2. Do you have a dedicated implementation and conversion manager, and will this be the same contact throughout the contract?
3. Describe the client training your company will provide for MMIA, MACo or MSGIA staff.
4. How will you notify claimants living in states other than Montana?

XI. NETWORK STRUCTURE AND DRUG LISTS

1. Provide a list of network pharmacies (including large pharmacy chains) in Montana and bordering states where your company is currently doing business.
2. Discuss your network's ability to provide service on a 24/7 basis throughout Montana.
3. Provide details regarding whether you lease a network or own the contracts with the pharmacies or pharmacy chains.
4. Will you solicit new pharmacies when necessary? If yes, is there a fee?
5. Do you provide pharmaceutical reviews? If yes, is there a fee?
6. Do your pharmacy contracts specify workers' compensation as the type of prescriptions being dispensed? Please provide a sample contract.

7. Confirm that generic prescriptions will be dispensed first and that only drugs on the network formulary list will be dispensed unless an exception is pre-approved by an MMIA, MACo or MSGIA adjuster.
8. Provide a list of your network formulary drugs. Describe your company's approach to the use of generic substitutions.
9. How are drug formularies determined?
10. What is your definition of Average Wholesale Price? How often is the AWP list updated and what is the mechanism for change?
11. Describe your process for mail-order drugs for lifetime medical management claims.
12. Will your company identify claimants where substantial savings can be realized by moving them to a mail order refill program? Will your company initiate contact with the MMIA, MACo or MSGIA adjuster to assist with this transition?
13. Provide information regarding your firm's discounted drug pricing, including MAC (maximum allowable cost) pricing for multi-source drugs and retail agreements that accept the discounted prices as payment in full.
14. Describe your firm's procedure for notifying network providers and familiarizing them with MMIA, MACo or MSGIA's workers' compensation program.
15. How will claims be submitted to MMIA, MACo or MSGIA for non-provider fill prescriptions?

XII. CLAIMS ADMINISTRATION

1. Describe your company's checks and balances for ensuring that all claims have been posted to the correct claim.
2. When will MMIA, MACo or MSGIA be notified that a prescription has been filled and how soon will details regarding the prescription be provided?
3. Can your organization support multiple claims by a single claimant? If so, what does your system use to identify a particular claim to bill MMIA, MACo or MSGIA?
4. Provide drug utilization review activities performed by your company including, prevention of fraud and abuse, key prescribing and utilization patterns, measurement of program effectiveness, and calculation of savings.
5. Provide how your firm plans to ensure that prescriptions not compatible with the workers' compensation claim will be denied under workers' compensation.
6. Do you have a drug interaction program? If so, please explain it in detail.

7. Describe your process for first fill using the formulary and matching the drug to the bodily injury.
8. How will you guarantee payment on first fill?
9. How will your company absorb the cost of non-authorized prescriptions and payments made in error?
10. How will you handle payment of attorney liens, and how will the company absorb unpaid attorney liens?
11. What percentage of your pharmacy claims are submitted and adjudicated electronically?
12. Describe the process of discounting when the prescription is included in a hospital bill and commingled on a HCFA.
13. Do you provide any ancillary services such as DME, MSA, etc.? Please provide specifics.
14. Does your company meet with its customers in-person on a regular basis to discuss areas of improvement, review reports, etc.? If so, how often?

XIII. FEES AND COSTS

1. Detail your billing process.
2. When discounting payments, provide the percentage of discount your company will receive for administration fees.
3. Describe all rebates and discounts and how they will be applied to the MMIA, MACo or MSGIA accounts.
4. Will your firm require an initial deposit on account? If yes, please explain.
5. Provide a list of services included in your administration fees.
6. Do you charge a dispensing fee? If so, when and how much?
7. Do you charge for paper bills? If so, what is the fee?
8. Do you provide mass mailing services, and if so, is there a fee?
9. Do you provide letter templates? If yes, is there a fee?
10. Describe how your company determines AWP discounts for generic and brand name drugs.

11. What type of performance guarantees will you offer? Provide the percentage of the fees you are willing to put at risk.

XIV. REPORTS

1. Describe the types of reports that can be provided, the frequency with which they can be provided, the types of information available, and the fees associated with production of each report.
2. Please provide sample reports and set forth any and all fees associated with their production.
3. Will MMIA, MACo or MSGIA have the capability to generate or request reports, both custom and standard, and search and sort data? If yes, is there a fee?
4. Will adjusters have the ability to review individual employee prescription records/history?

XV. LICENSE AND CERTIFICATION REQUIREMENTS

Identify and provide copies of all appropriate licenses and certificates necessary to perform services outlined in this RFP within Montana and/or outline how you intend to acquire the necessary licenses and certificates.

XVI. INSURANCE

Each proposal should include a summary of the candidate's insurance coverage and limits applicable to the work to be performed under this RFP including, but not limited to, coverage for general liability, employer's liability coverage, professional liability/errors and omissions, fidelity/employee dishonesty and workers' compensation.

AFFIDAVIT FOR TRADE SECRET CONFIDENTIALITY

STATE OF _____)
County of _____) ss.

_____ (Affiant), being first duly sworn under oath, and representing _____ (hereafter "Vendor"), hereby deposes and says that:

1. I am an attorney licensed to practice in the State of _____, representing the Vendor referenced in this matter, and have full authority from the Vendor to submit this affidavit and accept the responsibilities stated herein.

2. I am aware that the Vendor is submitting proposals to the Montana Municipal Interlocal Authority (MMIA), Montana Association of Counties (MACo) and Montana Schools Group Insurance Authority (MSGIA).

3. I have read and am familiar with the provisions of Montana's Uniform Trade Secrets Act, am familiar with the case law interpreting it, and understand that all information received in response to this RFP will be available for public examination except for:

- (a) trade secrets meeting the requirements of the Act; and
- (b) matters involving individual safety as determined by MMIA.

4. I am aware that in order for the Vendor to claim confidential material, this affidavit must be fully completed and submitted to MMIA, and the following conditions must be met by the Vendor:

- (a) information to be withheld under a claim of confidentiality must be clearly marked and separated from the rest of the proposal;
- (b) the proposal may not contain trade secret matter in the cost or price; and
- (c) the Vendor's explanation of the validity of this trade secret claim is attached to this affidavit.

5. I and the Vendor accept that, should MMIA, MACo or MSGIA determine that the explanation is incomplete, inadequate or invalid, the submitted materials will be treated as any other document in MMIA, MACo or MSGIA's possession, insofar as its examination

as a public record is concerned. I and the Vendor are solely responsible for the adequacy and sufficiency of the explanation. Once a proposal is opened, its contents cannot be returned to the Vendor if the Vendor disagrees with the reviewer's determination of the issue of trade secret confidentiality.

6. I, on behalf of the Vendor, warrant that the Vendor will be solely responsible for all legal costs and fees associated with any defense by MMIA of the Vendor's claim for trade secret protection in the event of an open records request from another party which the Vendor chooses to oppose. The Vendor will either totally assume all responsibility for the opposition of the request, and all liability and costs of any such defense, thereby defending, protecting, indemnifying and saving harmless MMIA, MACo and MSGIA, or the Vendor will immediately withdraw its opposition to the open records request and permit MMIA, MACo and MSGIA to release the documents for examination. MMIA, MACo and MSGIA will inform the Vendor in writing of any open records request that is made, and the Vendor will have three working days from receipt of the notice to notify MMIA, MACo or MSGIA in writing whether the Vendor opposes the request or not. Failure to provide that notice in writing will waive the claim of trade secret confidentiality and allow MMIA, MACo and MSGIA to treat the documents as a public record.

Documents that, in the opinion of MMIA, MACo or MSGIA, do not meet all the requirements of the above will be available for public inspection, including any copyrighted materials.

Affiant's Signature

Signed and sworn to before me on _____ (date) by

(Affiant's name).

Notary Public for the State of _____
My Commission Expires: _____