

New York State Department of Health
Drug and Diabetic Supply Rebate Administration and Management Services
RFP#-16378
Questions and Answers Posted 10/6/2016

Question #	RFP Section	Bidder's Question	Answer
1.	General	Does the State have any specific requirements regarding NIST and FISMA regulations? Will the vendor's solution be expected to comply with NIST/FISMA regulations at the start of operations?	Yes, it will be expected to comply. All the relevant NYS requirements are provided online at: https://www.its.ny.gov/eiso/policies/security .
2.	General	Are there any restrictions or limitations regarding where the primary data center and disaster recovery data center must be located?	Any Data Center or system containing Medicaid Confidential Data (MCD), Personal, Private, and Sensitive Information (PPSI), Personally Identifiable Information (PII) and/or Protected Health Information (PHI) is to be within the continental United States (not overseas) so the information is subject to US laws and regulations. Primary and disaster recovery data centers need to be separated at a distance to ensure that the same event (e.g., flood) cannot takedown both data centers.
3.	General	How many State users will require access to the end user applications respectively? Does the State have a preferred solution for end-user connectivity to these environments / applications?	The State estimates that 20 State users will need access to end user applications. The State does not have a preferred solution for end-user connectivity. NYS has policies relating to remote access,

Question #	RFP Section	Bidder's Question	Answer
			which are available online at: https://www.its.ny.gov/eiso/policies/security .
4.	General	Will the State require access to test environments / applications? Does the State have a preferred solution for end-user connectivity to these environments / applications?	The State will need access to test environments and applications to perform user acceptance testing and independent validation and verification of the solution. The solution will have to meet all requirements for remote access that are stated in the RFP. NYS has policies relating to remote access, which are available online at: https://www.its.ny.gov/eiso/policies/security .
5.	General	Does the State have an approved State Plan Amendment from CMS for the MCO Supplemental Rebates?	Yes. SPA 14-38 State Specific Supplemental Rebate Agreement https://www.health.ny.gov/regulations/state_plans/status/non-inst/index_2014.htm
6.	General	Can the Department please specify the RPO and RTO for this project?	Per Section 3.5 the selected contractor must undergo a comprehensive Risk Assessment. A RPO and RTO will be determined during the implementation phase based on the security plan provided.
7.	1.0 (Calendar of Events) and Section 2.3 (page 4)	The proposed contract start date according to the Calendar of Events is April 1, 2017. At that point in time, the 5 year contract term is to begin. The "Go Live" date referenced in Section 6.3 and explicitly stated in Section 2.3 is April 3, 2017. Attachment C, Form 3 assumes a 6-month Implementation, then followed by 4 ½ years of operations. Are we to assume that the	The anticipated contract start date is April 3, 2017. The Go Live date based on the anticipated contract start date is October 2, 2017. Should the contract start date be delayed for any reason, the Go Live date will be 6 months after the approved contract start date.

Question #	RFP Section	Bidder's Question	Answer
		<p>start of Implementation for purposes of this contract to be Monday, April 3, 2017, with the "Go Live" date to be 6 months later (Monday, October 2, 2017)?</p> <p>If this is not correct, please clarify both the planned Implementation date (Contract Start Date) and "Go Live" date.</p>	
8.	1.0 Calendar of Events and 2.3 Term of the Agreement (page 4 Paragraph #1)	Please confirm operations is to start on Monday, 4/3/17. When does the Department expect implementation to begin?	Please see question #7.
9.	2.1 Introductory Background (page 4)	How many MCOs does the state have?	There are presently 17 Medicaid Managed Care plans and approximately 39 Managed Long Term Care Plans.
10.	2.1 Introductory Background (page 4)	How many MCO plans currently exist? Are they invoiced for rebate separately? Are there supplemental rebates for MCO utilization today?	Please see question #9. MCO utilization is aggregated into a single invoice. Currently, there are supplemental rebates for MCO utilization for certain Anti-retrovirals.
11.	2.1 Introductory Background (page 4)	Will the AIH program be included in Rebate Processing?	Not at this time.
12.	2.1 Introductory Background (page 4)	Will the state implement a single formulary for MCO and FFS?	The State does not intend to implement a single formulary.
13.	2.1 Introductory Background, (page 5) 5 th paragraph	Are all rebate administration functions (e.g., interest calculations, dispute resolution, prior period adjustments) the same as those used by the Medicaid OBRA '90 drug rebate program? If not, please explain the differences.	Yes.
14.	2.3 Term of the Agreement (page 5)	Will the state offer option years in addition to the 5-year contract term	Not at this time.
15.	3.1.1 Medicaid Drug Rebate Programs (page 6)	Rebate checks are currently sent by manufacturers to the Department's Medicaid Financial Management (MFM), which logs and sends the checks to the Bureau of Accounts Management	Currently, checks and payment documents for OBRA rebates are transmitted to DOH Rebate Staff by inter office mail as frequently as daily. Checks

Question #	RFP Section	Bidder's Question	Answer
		<p>(BAM) for deposit and the payment backup to the DOH Rebate Accounting Unit in OHIP.</p> <p>How are the checks and payment documents transmitted to the OBRA rebate vendor? What is the timing and frequency of transmission?</p>	<p>for FFS supplemental rebates are electronically transmitted to the State's current contractor as frequently as weekly</p>
16.	3.1.1a OBRA '90 Drug Rebate Program (page 6)	<p>Can the state please clarify the term utilization disputes and provide an example?</p>	<p>The state follows the Medicaid Drug Rebate Program Dispute Resolution process as per CMS, which can be found at: https://www.medicaid.gov/medicaid-chip-program-information/by-topics/benefits/prescription-drugs/medicaid-drug-rebate-program-dispute-resolution.html</p>
17.	3.1.1a OBRA '90 Drug Rebate Program (page 6)	<p>Within thirty (30) days of receipt of the utilization invoice from the Department, the manufacturers are required to pay the rebate or to provide the Department with written notice of disputed items not being paid because of discrepancies found.</p> <p>The CMS regulations are that labelers have 38 days to pay rebates. Does the state mean 30 or 38 days? If 30 days, how does this affect interest calculation?</p>	<p>CMS – Medicaid Drug Rebate Guide for States, pages 6 and 7, states 37 days from the invoice post mark.</p> <p>https://portal.cms.gov/ddrweb/AdditionalForms/DDRStateDataGuide.pdf#</p>
18.	3.1.1a OBRA '90 Drug Rebate Program (page 6) Paragraph #5	<p>Is FFS and MCO utilization currently combined when invoicing or are these invoiced separately? If together, would the State allow the vendor to separate them and generate a FFS OBRA invoice and a MCO OBRA invoice?</p>	<p>FFS and MCO OBRA utilization are currently invoiced separately. It is expected that the selected contractor will continue issuing separate invoices.</p>
19.	3.1.1a OBRA '90 Drug Rebate Program, (page 6) 4 th paragraph	<p>Will the Contractor be responsible for maintaining a bank account/lockbox, on behalf of the State, to collect OBRA '90 drug rebate payments? If not, will the Contractor have access to any bank account/lockbox, maintained by the State or State contractor, to obtain daily deposit information?</p>	<p>We do not intend for the contractor to do the banking. The contractor will, however, handle all accounting functions.</p>

Question #	RFP Section	Bidder's Question	Answer
20.	3.1.1a OBRA '90 Drug Rebate Program, (page 6) 5 th paragraph	Does the State require Medicaid Managed Care Organization (MCO) utilization to be aggregated in one set of invoices for OBRA '90 drug rebate invoicing or is each Medicaid MCO's utilization to be invoiced separately for OBRA '90 drug rebates?	MCO utilization is currently aggregated into one set of invoices for OBRA drug rebate invoices.
21.	3.1.1b Physician Administered Drug (J-code) rebate program (page 6) Paragraph #1	Does the State or the incumbent vendor have all claims to support the JCODE rebate and supplemental rebate invoices back to inception of the program? If not, how far back are claims available?	The State maintains historical records back to the 2nd Quarter of 1999.
22.	3.1.1.b Physician Administered Drug (J-code) Rebate Program (page 6) Paragraph #1	Are MCO's requiring providers to include the drug NDC when billing for physician administered drugs? Is FFS and MCO utilization currently combined when invoicing or are these invoiced separately? If together, would the State allow the vendor to separate them and generate a FFS JCode invoice and a separate MCO JCode invoice? It is our experience that MCO JCODE utilization billing issues and FFS JCode utilization billing issues and dispute resolution processes are unique to the type of program and separating invoicing leads to more efficient utilization dispute resolution.	The State (or Department) requires NDCs submission as part of the MCO encounter record in any instance where a J-code is reported in the following categories of service: Rehabilitation Therapy; Freestanding Clinic; Hospital OP/Emergency Room; Physician Services; Podiatry; Psychology; Nursing; Nurse Practitioner/Midwives or Clinical Social Worker. Utilization from J-code claims are added to the appropriate FFS or MCO OBRA invoice. The state does not currently create separate invoices for drugs via J-code (i.e. medical claims) from those received from pharmacy claims and the state expects the selected contractor to follow this process.
23.	3.1.1b Physician Administered Drug (J-code) Rebate Program, (page 6)1 st paragraph	Does the State require that utilization for Physician Administered Drug utilization be invoiced separately for OBRA '90 drug rebates or is the Physician Administered Drug utilization to be aggregated with pharmacy utilization in one set of invoices for OBRA '90 drug rebate invoicing?	The state is not requiring Physician Administered Drug utilization be invoiced separately for OBRA '90 drug rebates.

Question #	RFP Section	Bidder's Question	Answer
24.	3.1.1.c Supplemental Drug Rebate Program (Fee-for-Services) (page 6) Paragraph #1	Please confirm that cash receipts for all rebate types will be received into a lockbox pursuant to the award of this RFP and there will be no cash handling by either the State or the selected rebate vendor.	The State confirms that cash receipts for all rebate types will be sent by manufacturers to the Department's designated bank accounts and/or lock boxes. The State will determine the number of bank accounts and/or lock boxes needed in order to ensure appropriate tracking.
25.	3.1.1.c Supplemental Drug Rebate Program (Fee-for-Services) (page 7) Paragraph #5	Will the new vendor be responsible for collecting supplemental rebate open balances, disputes, prior period pricing changes for the invoicing activity prior to the first quarter of invoicing by the new vendor? If so, will the current vendor migrate contract information and data, accounts receivable information and data, and all information and data necessary to work the SR accounts for the prior periods? Would the current vendor be responsible for financial reporting of the final quarter of collection activity?	<p>The new vendor is expected to be responsible for collecting supplemental rebate open balances, disputes and prior period pricing changes for invoicing activity prior to the first quarter of invoicing.</p> <p>See section 3.2.9 - OHIP staff is currently responsible for investigating and resolving utilization disputes. OHIP staff will continue to address utilization open disputes for all disputes prior to the Go Live date utilizing the dispute resolution module provided by the contractor. All open disputes and history will be transferred over to the new contractor during the implementation period. All disputes associated received on or after the Go Live date will be the responsibility of the Contractor</p> <p>It is expected that the new contractor is able to accept historical accounts receivable information and data to support Supplemental Rebate (SR) accounts for prior periods, in order to</p>

Question #	RFP Section	Bidder's Question	Answer
			provide the State with current and historical financial reporting.
26.	Section 3.1.1c Supplemental Drug Rebate Program (Fee-for-Service), (page 7) 5 th paragraph	Will the Contractor be responsible for maintaining a bank account/lockbox, on behalf of the State, to collect Supplemental Drug Rebate payments? If so, will a separate bank account/lockbox be required or can the bank account/lockbox utilized for OBRA '90 drug rebate payments be used? If not, will the Contractor have access to any bank account/lockbox, maintained by the State or State contractor, to obtain daily deposit information?	No, the contractor will not be responsible for maintaining a bank account/lock box on behalf of the State. The State will maintain the appropriate number of bank accounts/lock boxes, in order to be able to appropriately track activity for the various rebate programs. The lock-box is accessible by the Department's Medicaid Financial Management (MFM) group and the contractor will have visibility into the lockbox deposit activity.
27.	Section 3.1.1.c Supplemental Drug Rebate Program (Fee-for-Services) (page 7)	Rebate checks are currently sent by manufacturers to the Department's supplemental rebate program lockbox. What is the turnaround time from when the state receives the payment to when the rebate unit or contractor will receive the payment details and documentation? How frequently will the Department forward payment documentation to the Contractor?	The current contractor has immediate access to payment details and documentation. The Department expects to maintain this same process. Specific requirements would be agreed upon during implementation.
28.	Section 3.1.1d Supplemental Drug Rebate Program (Managed Care), (page 7) 1 st paragraph	Does the State require that utilization for Supplemental Drug Rebate Program (Managed Care) be invoiced separately for rebates or is the Supplemental Drug Rebate Program (Managed Care) utilization to be aggregated with utilization for Supplemental Drug Rebate Program (Fee-for-Service) in one set of invoices for rebate invoicing?	The State intends to separate the Managed care utilization from the FFS utilization. However, the vendor should be able to manage either invoicing method, in the event of a future change.
29.	Section 3.1.1e Preferred Diabetic Supply Rebate Program, (page 7) 2 nd paragraph	Is the State willing to entertain direct contracts with manufacturers for Diabetic Supply rebates?	Yes

Question #	RFP Section	Bidder's Question	Answer
30.	3.1.2a Elderly Pharmaceutical Insurance Coverage Program (EPIC) Rebate Program, (page 8) 6 th paragraph	Will the Contractor be responsible for maintaining a bank account/lockbox, on behalf of the State, to collect EPIC rebate payments? If so, will a separate bank account/lockbox be required or can the bank account/lockbox utilized for OBRA '90 drug rebate payments be used? If not, will Contractor have access to any bank account/lockbox, maintained by the State or State contractor, to obtain daily deposit information?	No, the contractor will not be responsible for maintaining a bank account/lock box on behalf of the State. The State will maintain the appropriate number of bank accounts/lock boxes, in order to be able to appropriately track activity for the various rebate programs. The lock-box is accessible by the Department's Medicaid Financial Management (MFM) group and the contractor will have visibility into the lockbox deposit activity.
31.	3.2.1c Implementation (page 9)	Is this requirement applicable for EPIC as well?	This requirement is not applicable to EPIC.
32.	3.2.1f Implementation (page 9)	Schedule of parallel testing including all computer processing systems to ensure the data has been appropriately transitioned. This should include a listing of the tests and the internal controls that will be adhered to. Parallel testing is typically done prior to go live. Is parallel testing expected to occur before the April go live date?	Yes, it is expected that parallel testing will occur prior to the Go-live date. Please see amendment 4 for the correct Go Live date.
33.	3.2.2, Supplemental Rebates Paragraph #9-10	Will the historical supplemental contracted rebate price per unit be supplied for import into the new vendor's system? Will the pricing methodology also be made available to support pricing disputes?	The State will have access to historical supplemental contracted rebate price per unit information. Specific requirements regarding the contractor's ability to receive this information would be agreed upon during implementation, pursuant to a legal review.
34.	Section 3.2.2(r) Preferred Drug and Diabetic Supply List Development,	Will the Contractor be responsible for any expenses associated with Drug Utilization Review Board meetings (e.g., board member per diem, meeting space, food, etc.)? If so, please describe the expenses and the frequency thereof?	No, the contractor will not be responsible expenses such as board member per diem, meeting space, food, etc.

Question #	RFP Section	Bidder's Question	Answer
	Rebate Negotiation and Contracting and Consulting Services (page 10)		
35.	3.2.5d Processing Pricing Data for EPIC (page 12)	What data is used from the CMS product file for quarterly invoicing?	None. Manufacturers currently send pricing information directly to the State.
36.	3.2.6a Receipt of Utilization Data, Invoice Pre-processing and Quality Assurance (page 13)	<p>Perform variance analysis to identify clinical and financial outlier claims and other issues with quarterly rebate amounts. The contractor must submit these findings to the Department for review with recommendations on how to correct the data (prior to quarterly invoicing)</p> <p>Can the state clarify if this is to be performed before the trial invoicing period or before the CMS invoices are submitted? Can the state provide examples of variance analyses specifically, clinical and financial outlier claims?</p>	The contractor should leverage its experience and knowledge of rebate invoicing and make recommendations to the State for specific variance analyses that would minimize potential disputes. This could include but is not limited to variances associated with the claim/encounter amount paid vs. rebated amount, an evaluation of billed units vs. expected billed units, etc.
37.	3.2.6a Receipt of Utilization Data, Invoice Pre-processing and Quality Assurance (page 13)	<p>The contractor must submit these findings to the Department for review with recommendations on how to correct the data (prior to quarterly invoicing)</p> <p>Does the state request to review all claim and drug audits generated prior to invoicing?</p>	The State expects that the contractor will summarize the results of their variance analysis and provide the State with a statistically valid sampling of applicable claims level detail.
38.	3.2.6f Receipt of Utilization Data, Invoice Pre-processing and Quality Assurance (page 13)	<p>Adjusting the OBRA, Supplemental, Diabetic Supply, EPIC, and other rebate program units to correct errors for specific NDC/HCPCS/UPN codes (subject to Department approval)</p> <p>Is the UPN code being translated to an NDC? If so, where? Are these invoiced?</p>	<p>NDCs are used for all pharmacy claims. Providers are required to submit a NDC with a HCPCS claim.</p> <p>The contractor should be responsible for updating HCPCS records, including the addition and subtraction of NDCs and HCPCS codes, and to ensure that the NDCs are correct and accurate.</p>

Question #	RFP Section	Bidder's Question	Answer
			UPN codes are not translated to an NDC.
39.	3.2.7a Invoice Generation and Mailing (page 13)	<p>Produce trial quarterly invoices for the rebate programs on an agreed upon State schedule approximately forty (40) days after the end of a calendar quarter.</p> <p>Does the state currently review trial invoices prior to CMS submitting the quarterly CMS file due to states 45 days after the end of the previous quarter? If so, how are the URAs calculated?</p>	The State currently reviews invoices after receipt of the CMS quarterly rebate file, which contains the URAs that are used to calculate invoice amounts.
40.	3.2.7b Invoice Generation and Mailing (page 14)	<p>Accurately produce and electronically bill or mail final quarterly invoices within sixty (60) days after the end of a calendar quarter, with the State's approval.</p> <p>How many days does the Department require to review the invoices prior to approving Contractor to release/distribute the invoices to the manufacturers?</p>	The Department currently requires approximately 20 days to review and approve invoices.
41.	3.2.7e Invoice Generation and Mailing (page 14)	<p>Provide key invoicing statistics to the Department upon finalization of invoices.</p> <p>Please define key invoicing statistics</p>	Key invoicing statistics include but are not limited to: amount invoiced, amount paid on claims/encounters, units invoiced, and number of claims/encounters. The contractor should leverage its experience and provide recommendations for other key invoicing statistics that would ensure accurate invoice generation.
42.	3.2.7e Invoice Generation and Mailing (page 14)	<p>Provide key invoicing statistics to the Department upon finalization of invoices.</p> <p>What key statistics regarding invoice generation does the Department require?</p>	Please see question #41.
43.	3.2.8d Receipt of Rebate Payment, Accounts Receivable	Do both of these requirements relate only to payments received and/or misapplied by this Contractor?	Misapplied payments may result from either non-rebate payments sent to the rebate lock box, or payments that have

Question #	RFP Section	Bidder's Question	Answer
	and Collections (page 14)		been applied to/accounted for under the incorrect rebate program.
44.	3.2.8e Receipt of Rebate Payment, Accounts Receivable and Collections (page 14)	Assuming use of a lockbox, checks are entered and posted as the initial cash receipt within 3 business days. It is not uncommon for manufacturers to fail to provide backup documentation which is necessary to apply the cash to an invoice, so the contractor reaches out to them for it repeatedly until it is attained. Can the penalty be waived when the reason for non-posting is intentional for an appropriate business reason and/or resolution of the matter within 3 business days is beyond the contractor's control?	The penalty may be waived upon state approval with appropriate well documented business reasoning.
45.	3.2.8f Receipt of Rebate Payment, Accounts Receivable and Collections (page 14)	The Contractor will apply credits only to the extent the manufacturer has provided appropriate documentation for such entry, which is necessary to keep the books in synch which is necessary due to the nature of rebate, the nature of migrated data, and the changing of historical invoices. Is this business rule acceptable to the State?	The contractor is responsible for accurately applying rebate labeler credits in accordance with CMS rules and State policies, which will be clarified prior to the go-live date.
46.	3.2.8g Receipt of Rebate Payment, Accounts Receivable and Collections (page 14)	Will the contractor provide supporting documentation for these entries, as required by the contractor, sufficient to satisfy audit inquires and requirements? Can the business rule described in 3.2.8 be applied to this requirement?	Yes
47.	3.2.8h Receipt of Rebate Payment, Accounts Receivable and Collections (page 14)	Write off uncollectible amounts within your systems, in accordance with Department business rules. Can the state provide the department business rules for write-off amounts, e.g., by labeler, NDC?	The State will work with the contractor to finalize and document State and contractor roles and responsibilities and business rules for write-off amounts and specifications for supporting documentation. The State expects the contractor to leverage its knowledge of rebates and make recommendations to the State regarding processes, business rules, required documentation and

Question #	RFP Section	Bidder's Question	Answer
			system requirements to support write-offs.
48.	3.2.8h Receipt of Rebate Payment, Accounts Receivable and Collections (page 14)	<p>What are the Department's business rules? Will the contractor provide supporting documentation for these entries, as required by the contractor, sufficient to satisfy audit inquires and requirements? Write offs usually require collaboration between manufacturers, rebate specialists, rebate accountants and rebate managers, and State approval. What will be the process in the event the Contractor disagrees with the proposed write off?</p> <p>Are there exceptions to writing off balances within the contractor's system? Write offs may be applied to financial reporting and written off the State's books but may need to be maintained within the system for a variety of reasons, due to the nature of rebate accounting.</p>	Please see question #47.
49.	3.2.8i Receipt of Rebate Payment, Accounts Receivable and Collections (page 14)	Is it acceptable for the contractor to reconcile with the bank directly, as an independent 3 rd party, using online view only access which is provided to the contractor with lockbox services?	The contractor will not be responsible for banking or reconciling receivables with bank balances.
50.	3.2.8m Receipt of Rebate Payment, Accounts Receivable and Collections (page 15)	Can the State consider negotiating a dunning process used by the contractor which is better aligned with the quarterly cycle associated with rebate, including the Performance Standards.	Yes the State will consider.
51.	3.2.8o Receipt of Rebate Payment, Accounts Receivable and Collections (page 15)	<p>Can the State consider negotiating a "statement" process used by the contractor which is better aligned with the quarterly cycle associated with rebate?</p> <p>How far back in time do the Statements need to report?</p>	<p>Yes the State will consider.</p> <p>Business rules to determine historical look back for producing statements will be agreed upon during implementation.</p>

Question #	RFP Section	Bidder's Question	Answer
		Are all balances for all rebate types, since inception, accurate and valid?	Given the program's history and previous system conversions, it's possible that not all balances are 100% accurate. The State will work with the contractor to evaluate historical balances for accuracy and determine strategies for handling.
52.	3.2.8p Receipt of Rebate Payments, Accounts Receivable and Collections (page 15) Paragraph #18	Interest is accounted for by recording interest received based on Labeler #, Rebate Type, and Invoice. Because there is no interest receivable accrued, it is not applied to a receivable-is this treatment acceptable?	Business rules to determine application of interest charges will be agreed upon during implementation.
53.	3.2.8q Receipt of Rebate Payment, Accounts Receivable and Collections (page 15)	Does this requirement include any outstanding balances, whether partial payment has been made or not? Or is this only inclusive of manufacturers who have not submitted any payment?	Currently, the Department includes <u>all</u> outstanding balances, as of the date notices are generated.
54.	3.2.8r Receipt of Rebate Payments, Accounts Receivable and Collections (page 15) Paragraph #20	Would the State consider receiving these quarterly, following the natural rebate cycle?	No
55.	3.2.8s Receipt of Rebate Payments, Accounts Receivable and Collections (page 15) Paragraph #21	The contractor integrates internal controls throughout all the rebate processes. What does the State expect in regard to "administering an Internal Audit"?	The State expects that the contractor utilize its expertise and audit resources to develop and administer an internal control that ensures compliance with program and operating procedures, accounting principles, and applicable State and Federal requirements.

Question #	RFP Section	Bidder's Question	Answer
56.	3.2.9 Dispute Resolution Process(page 16)	Can you more clearly define the following term: "dispute resolution proposal"?	A <i>'dispute resolution proposal'</i> is a proposal sent to drug manufacturers by the Department, in an attempt to resolve current or outstanding drug rebate disputes.
57.	3.2.14 Customer Service (page 20)	<p>Image and analyze documentation received from all stakeholders.</p> <p>Does this requirement pertain to only rebate-related documentation? Can the Department list the most common types of documentation covered by this requirement and provide an estimate of the number of documents involved?</p>	<p>Yes – this requirement pertains to rebate related documentation</p> <p>Common types of documentation include but are not limited to ROSIs, PQAs, payment documentation, dispute resolution proposals, CMS letters and releases, and letters sent by manufacturers regarding new J-Codes, conversion factors, etc.</p> <p>The Department estimates the number of documents to be 500 –700 per month. Actual numbers are not available, as there is no single tracking system.</p>
58.	3.2.14 Customer Service (page 19)	What are the projected call volumes and types of questions?	<p>The Department estimates the number of calls to be 250 per month. Actual numbers are not available, as there is no single tracking system.</p> <p>Call types include but are not limited to dispute inquiries, requests for claims level detail and invoice copies, and questions regarding payment receipt, 340B policies and utilization.</p>

Question #	RFP Section	Bidder's Question	Answer
59.	3.3 Staffing Requirements (page 22) Paragraph #4	Please confirm that only Key staff positions must be based out of the local office and that Core staff and additional staff are not required to be based in the local office and it is at the discretion of the vendor as to their work location.	Please see Amendment 4. Core staff are not held to this requirement.
60.	3.3 Staffing Requirements (page 22) Paragraph #3 and 4	Can key fill a role of the core staff positions? For example, can the Account Executive or Rebate Manager also be the Rebate Pharmacist?	No, key staff cannot also fill the role of core staff.
61.	3.3 Staffing Requirements (page 22) Paragraph #8	Can the Department please provide the exact address that key staff must be within 10 miles of?	Please see Amendment 4.
62.	3.3 Staffing Requirements (page 22) Paragraph #8	Would the Department consider having key staff located in another state as long as they were committed to traveling to New York on a schedule determined by the Department?	No
63.	3.3(4) Staffing Requirements (page 22)	Do the 'Core' staff positions have to be 100% dedicated to the State?	No, as per section 3.3(4) of the RFP, the Bidder should propose Core staff and include quantity of each title and the percentage of time allocated to the contract.
64.	3.4 Performance Standards (page 23)	"Without additional cost to the Department, and as a material condition of the Contract, the Contractor must furnish, for the period of one year to be automatically extended, without amendment, for additional one year periods from the expiration date, for the duration of the contract (including any extensions), unless notice to not extend is sent by the financial institution at least ninety (90) days prior to the expiration date, an irrevocable Standby Letter of Credit (SLOC) for the benefit of the Department in the amount of 5% of the bid total for the initial five year contract period as proposed in the Financial Proposal."	No. The State will not accept a Performance Bond in lieu of a Standby Letter of Credit.

Question #	RFP Section	Bidder's Question	Answer
		Will the State accept a Performance Bond in lieu of a Standby Letter of Credit?	
65.	3.5 Security Requirements & Deliverables (page 24)	Can the Department please clarify the compliance with DOH CMS means HIPAA HITECH compliance plus state policy?	Yes. The response has to explain how the solution will meet all the controls specified the RFP that are relevant to the solution. For example, if the solution is involves cloud, then FEDRAMP requirements must be addressed. If the solution doesn't involve cloud, then FEDRAMP would not apply.
66.	3.5 Security Deliverables, Item 2 Paragraph #7 (page 24)	This requirement to provide a Security and Privacy Plan is not common for HIPAA HITECH compliance. Is CMS ARS the compliance objective of the Department?	Yes. The proposed solution should comply with CMS ARS. DOH requires a Security and Privacy Plan from all bidders.
67.	3.5 Security Requirements & Deliverables (page 24)	Does the bidder have to be fully compliant to these requirements prior to implementation? Is it acceptable to submit a plan to be compliant in the proposal?	The bidder does not have to be fully compliant to requirements prior to implementation. It is acceptable to submit a plan in the proposal to be compliant.
68.	Section 4.1 Minimum Qualifications (page 25)	Does the Prime Contractor have to meet all minimum qualifications or can one or more qualifications be met via subcontractor(s)?	The Prime Contractor must meet all minimum qualifications.
69.	Section 5.4 and 6.3 A1. (page 25) (Item #1 - Implementation Fee)	Please confirm that the State will pay for the Implementation by milestone as documented in Section 5.4. If this is the case, can Section 6.3 A1, Item #1 be removed?	Please see Amendment 4.
70.	Section 5.5. Administrative Information (page 31)	The scope of this RFP provides little opportunity to outsource to MBE/WBE. Would the state consider reducing the goal to 10%	M/WBE goals will remain at 30%. The Bidder is expected to submit appropriate M/WBE forms in their response to the RFP.

Question #	RFP Section	Bidder's Question	Answer
71.	5.6 Equal Employment Opportunity Reporting (page 29) Paragraph #4	Is it acceptable to provide the full list of employees that will be working on the contract once we have a contract in place?	No.
72.	5.6 Equal Employment Opportunity Reporting (page 29) Paragraph #4	Can the Department define "work force" in this context? Can this list be those that are working directly on this contract and not include those that are a part of shared services?	Yes. Work force is related to staff working directly on this contract.
73.	5.6 Equal Employment Opportunity Reporting (page 29) Paragraph #4	The Department requested quarterly updates to this plan. Does the Department intend to receive quarterly updates of this report throughout the life of the contract? If this quarterly report is required, please further outline the Department's expectations of this report.	Quarterly reports are expected through the life of the contract as outlined in Attachment E, Appendix M, subsection VI.
74.	5.11 Freedom of Information Law "FOIL" (page 31)	DOH is asking for confidential manufacturer rate information. Please confirm that this information, consistent with federal regulations, will be redacted from FOIL requests.	The Department of Health acknowledges Federal Law 42 U.S.C. 1396-r8 (b)(3)(D), which asserts the confidentiality of rebates in certain circumstances. The determination as to what information is exempt from disclosure under FOIL would be made by the Department's Records Access Office (RAO) on a case-by-case basis. Under Public Officers Law Section 89(5), entities may assert in writing whether any material they have submitted, should be redacted from disclosure as "trade secrets" "critical infrastructure information" or information "which if disclosed would cause substantial injury to the competitive position of [their]

Question #	RFP Section	Bidder's Question	Answer
			enterprise," as well as an opportunity to appeal the RAO's determination.
75.	6.2.5 Proposed Approach – Preferred Drug and Diabetic Supply List Development, Rebate Negotiation and Contracting and Consulting services (page 37)	Can the Department clarify whether the contractor is expected to prepare weekly drug files for the pharmacy claims processor and/or prepare PDL change files for the claims processor to load?	Yes the contractor is expected to prepare weekly drug files for the pharmacy claims processor and/or prepare PDL change files for the claims processor to load
76.	6.2.5b(b) Estimate of Expected Rebate Savings (TP Form-1) (page 38)	Is the intent of this requirement that the Contractor have signed supplemental and diabetic supply agreements with manufacturers on the submittal date of the Contractor's bid under which the State's utilization could be submitted for rebates? If not, please explain the State's intent.	Yes, the intent is for the State to be able to evaluate bidders' expected savings for supplemental and diabetic supply rebates, as demonstrated through already established signed contracts with manufacturers.
77.	6.2.5b(b) Estimate of Expected Rebate Savings (TP Form-1) (page 38)	If the previous question is answered "yes", is the State requiring that it be a party to the agreements with manufacturers? If not, please explain the State's requirements. In addition, is the State requiring that the agreements have CMS approval as of the submittal date of the Contractor's bid? If not, please explain the State's requirements.	The State is not requiring that it be a direct party to the agreements with manufacturers. The bidder should ensure that agreements have CMS approval, in order to meet a go-live date of 10/2/2017.
78.	6.2.5b(b) Estimate of Expected Rebate Savings (TP Form-1) (page 38)	Is the intent of this requirement that the Bidder show the State actual signed rebate agreements as evidence of the Contractor's compliance with this requirement? If not, please explain the State's intent and what evidence would suffice.	As stated in the RFP, the bidder must attest that they have signed supplemental and diabetic supply agreements with manufacturers and to show the State such signed rebate agreements, upon request.

Question #	RFP Section	Bidder's Question	Answer
79.	6.2.9b Proposed Approach – Receipt of Utilization Data, Invoice Pre-processing and Quality Assurance (page 40)	Carry out a number of variance analyses to determine whether the utilization data received from the NYS Contractor is complete and correct. Can the state provide examples of variance analyses currently being used by NY?	The contractor should leverage its experience and knowledge of rebate invoicing and make recommendations to the State for specific variance analyses that would minimize potential disputes. This could include but is not limited to variances associated with the claim/encounter amount paid vs. rebated amount, an evaluation of billed units vs. expected billed units, etc.
80.	6.2.9c Proposed Approach – Receipt of Utilization Data, Invoice Pre-processing and Quality Assurance (page 40)	Exclude specific drugs, supplies, and claims (e.g. 340B claims) from rebate information processing based on CMS and the Department's listing of non rebatable drug products and claims. Can the state clarify how the non-CMS items will be furnished to the contractor?	Presently, non-rebatable and 340B excluded providers lists are maintained by Department staff and given to the contractor prior to invoicing (NDCs and provider claims excluded from invoicing). The State expects the contractor to leverage its knowledge of rebatable drugs and claims and make recommendations to the State regarding how best to maintain and manage such information.
81.	6.2.9e Proposed Approach – Receipt of Utilization Data, Invoice Pre-processing and Quality Assurance (page 40)	Process utilization data from the Department or its contractor(s) converting j-codes, where applicable, into active NDCs with correct units. Does the state have active policy with providers to bill the actual NDC given at the time of service and include on the claim?	Yes. See page 10-11 of the following Medicaid update article: https://www.health.ny.gov/health_care/medicaid/program/update/2013/august13_mu.pdf
82.	6.2.9g Proposed Approach – Receipt of Utilization Data, Invoice Pre-processing and	Maintain information related to providers that are public health service entities (340B providers) that have separate agreements with rebate labelers and ensure that the invoice process includes or excludes the related claims.	Yes. The state currently use modifiers via claims identifying 340B drugs billed by qualified providers.

Question #	RFP Section	Bidder's Question	Answer
	Quality Assurance (page 40)	Does the state currently use modifiers via claims identifying 340B drugs billed by qualified providers? Are the 340B providers validated during claims adjudication?	340B providers are not currently validated during claims adjudication.
83.	6.2.10c Proposed Approach – Invoice Generation and Mailing (page 40)	Reconcile claims utilization data with rebate data (on a quarterly basis) to ensure that the appropriate claim utilization data has been invoiced to the appropriate participating labelers. Does the Department have a specific reconciliation process it requires? If so, please describe the expectation?	No, the State does not have a specific process it requires, but expects the contractor to utilize a process that demonstrates knowledge of the rebate invoicing process and ensures rational and appropriate invoicing for participating labelers.
84.	6.2.10f Proposed Approach – Invoice Generation and Mailing (page 40)	Generate off cycle/special invoices that may be requested by the State due to statutory changes, responses to audits or some other reason that would necessitate such invoices. Can the state please give examples of special invoices as well as statutory changes that may necessitate off cycle invoices from CMS mandated invoices?	Special invoices: out of normal quarterly rebate invoicing where legitimate utilization that may have not been included in a prior invoices, as identified by an audit or program review.
85.	6.2.11q Proposed Approach – Receipt of Rebate Payments, Account Receivable and Collections (page 41)	Automatically generate notices to rebate labelers regarding outstanding accounts receivable balances based on Department business rules. Can state provide examples of the department's business rules?	Presently, the Department sends out dunning letters for aged account balances of 45, 60, 75, and 90 days. However, the Department is open to alternative business rules that accomplish collection goals.
86.	Section 6.2.13c Proposed Approach – Support of the Medicaid Information Technology Architecture (page 42)	Facilitate more automated reporting of drug rebate monies to CMS. Can the state clarify “more automated reporting” compared to current operational procedures?	As noted in Section 3.2.10, DOH is targeting capability Level 2 for the Manage Drug Rebate business process. Level 2 is defined by CMS as the agency focuses on cost management and improving quality. Processes are a mix of manual and automated and standards are introduced. The State desires a solution that automates the generation of the quarterly CMS report

Question #	RFP Section	Bidder's Question	Answer
			indicating drug rebate receivables and ensures automated and accurate data supporting the Manage Drug Rebate process to minimize the need for user corrections and consolidation of disparate data.
87.	6.2.14b Proposed Approach Data Records and Reporting (page 43)	What is the expected volume of adhoc reports within the contract period? We would like to clarify that this would not be a limitless number of reports and would like to see it specified within the response.	It is estimated that there will be on average 5 adhoc report requests a month. Sophisticated and flexible reporting systems will reduce the number of required adhoc reports.
88.	6.2.15(l) Proposed Approach – Data Storage, Transfer and Sharing (page 44)	Will any hardcopy documents be turned over to the Contractor? If so, how many boxes of hardcopy documents will be turned over and where are the hardcopy documents currently located? Also, will the Contractor be expected to pay costs associated with shipping the hardcopy documents?	The State estimates that approximately 250 boxes of hardcopy documents will be turned over. Hardcopy documents are located at the Department's Albany office and/or current contractor's office at 220 Washington Ave Ext, Albany NY 12203. The State will cover shipping costs.
89.	6.2.15(l) Proposed Approach – Data Storage, Transfer and Sharing (page 44)	Will electronic rebate records be turned over to the Contractor? If so, please detail the types of records that will be turned over (e.g., invoices, payments, dispute resolutions, etc.) and for which quarters (e.g., 1Q1991 through present). Also, is all historical invoice and rebate payment electronic data in the same format? If not, please explain.	Yes. Electronic records will be turned over to the contractor. The State will work with the contractor to develop specifications regarding which data elements and time periods will be turned over. Not all data will be in the same format, as the various rebate programs are not all processed through the same system.
90.	6.2.16h Proposed Approach Budgeting, Forecasting and	Please confirm that the annual SSAE 16 is the only compliance audit the contractor needs to provide for this project.	Yes. The SSAE 16 Audit It is the only Audit that is specifically referenced in the RFP.

Question #	RFP Section	Bidder's Question	Answer
	Audit Support, (page 45)		
91.	Section 6.2.16a Proposed Approach Budgeting, Forecasting and Audit Support (page 45)	Conduct targeted audits of rebate labelers. How does the Department define targeted audits? Is there a number of labelers per quarter that are required to be audited?	The Department expects the contractor to prioritize and manage audits for rebate labelers, utilizing an efficient strategy that provides the most value to the program. Business rules to determine number of labelers and frequency of audits will be agreed upon during implementation.
92.	Section 6.2.17h Proposed Approach – Customer Service(page 46)	Develop and deliver pertinent alerts when necessary. Can the state provide examples of what it considers “pertinent alerts”?	Examples of pertinent alerts would include notifications to stakeholders regarding special invoices and implementation of newly enacted rebate programs.
93.	Section 6.3	Please confirm that Year 1 Operations is 12 months long, thus implying that Year 1 Operations is in both Contract Year 1 (for 6 months) and Contract Year 2 (for the remaining 6 months).	Yes, that is correct.
94.	Attachment #C RFP pages 57 – 60 Form 1 Column Headers E & H	There is no instruction for this column header for either the Implementation fee or the Monthly Base Operation fee. Also, are the total lines supposed to be populated (specifically Cells E18 & H18)? Please provide direction.	The Bidder is not expected to enter any information in columns E and H.
95.	Attachment #C RFP pages 57 – 60 Form 1 Column Header J	There is no instruction for this column header for Please provide direction.	The Bidder is not expected to enter any information in column J.

Question #	RFP Section	Bidder's Question	Answer
96.	Attachment #C RFP pages 57 - 60	<p>Please confirm if Contract Year 1 includes both the assumed Implementation timeframe of 6 months plus the first 6 months of Operations.</p> <p>Dollar amounts for these positions must be the same on both Form 2 and Form 3. Form 3 annual hours for each position appears to include the Implementation timeframe.</p> <p>Form 3 assumes the same number of hours per contract year. Assuming 2080 hours / year for each FTE: Systems Analyst – 3120 hours = 1.5 FTE Senior Systems Developer – 3120 hours – 1.5 FTE Systems Developer – 4160 hours – 2.0 FTE</p> <p>Does the state expect system changes during the Implementation period? If not, then shouldn't Contract Year 1 hours be cut in half for all positions to account for 6 months of Base Operations? Please clarify.</p>	<p>In terms of FP-Form 2 and the term of the contract, Contract Year 1 includes the implementation timeframe of 6 months and the first 6 months of operations. In terms of FP-Form3, the implementation period spans 6 months, and Contract Year 1 for Base Operations spans one (1) year.</p> <p>Yes. The State expects that all rebate programs will transition from their current systems to a new system.</p> <p>No changes to FP Form-3 will be made.</p>
97.	Attachment #C RFP pages 57 - 60 Form 3	<p>Monthly Base Operations Fee Fees for Years 1 – 4, per the Column D provided calculations are each 12 months in length. Year 5 is 6 months.</p> <p>Please confirm the underlying assumption that the expected Implementation timeframe is 6 months.</p> <p>Please confirm the intent that Base Operations Year 5 is to be 6 months in length.</p>	<p>These statements are both correct.</p>
98.	Attachment E, Appendix A –	<p>Will the Contractor be able to assign to a successor-in-interest or as a result of a merger or change in control?</p>	<p>Any proposed assignment of the contract is subject to prior written</p>

Question #	RFP Section	Bidder's Question	Answer
	Standard Clauses for New York State Contracts, Section 2. Non-Assignment Clause (page 68)		approval from the Department and the Office of State Comptroller.
99.	Attachment E, Appendix A, Section 22, Compliance with New York State Information Security Breach and Notification Act (page 71) Paragraph #6	<p>Contractor shall comply with the provisions of the New York State Information Security Breach and Notification Act (General Business Law Section 899-aa; State Technology Law Section 208).</p> <p>Contractor reserves the right to further discuss this requirement.</p>	As part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.
100.	Attachment E, State of New York Agreement, Section III.C - Term of Contract, (page 74)	Will the Department consider increasing the termination for cause to 30 days, to be consistent with term for convenience?	As part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.

Question #	RFP Section	Bidder's Question	Answer
101.	Attachment E, Appendix D: General Specifications, item B (page 76)	Would the Department consider adding to this requirement "The Department and selected Vendor shall collaborate to determine an acceptable project plan within 90 days of contract signing. This shall serve as the primary measure for key tasks, dates, and deliverables."	As part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.
102.	Attachment E State of New York Agreement Indemnification (p 75)	A. The CONTRACTOR shall be solely responsible and answerable in damages for any and all accidents and/or injuries to persons (including death) or property arising out of or related to the services to be rendered by the CONTRACTOR or its subcontractors pursuant to this AGREEMENT. The CONTRACTOR shall indemnify and hold harmless the STATE and its officers and employees from claims, suits, actions, damages and costs of every nature arising out of the provision of services pursuant to this AGREEMENT. B. The CONTRACTOR is an independent contractor and may neither hold itself out nor claim to be an officer, employee or subdivision of the STATE nor make any claims, demand or application to or for any right based upon any different status. Will the State accept any changes in wording in to this provision?	As part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.
103.	Attachment E, State of New, York Agreement, Section V.A –	Given the broad scope of the indemnification, will the State consider limiting Contractor's liability and scope of indemnification by adding the following provision to the contract?	No.

Question #	RFP Section	Bidder's Question	Answer
	Indemnification (page 75)	<p>"The Contractor shall indemnify and hold harmless Department, its agencies, officers, employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, arising out of: (a) any material breach or violation by Contractor of any of its certifications, representations, warranties, covenants or agreements; (b) any actual or alleged death or injury to any person, damage to any property or any other damage or loss claimed to result in whole or in part from Contractor's negligent performance; or (c) any grossly negligent act, activity or omission or willful misconduct of Contractor or any of its employees, representatives, subcontractors or agents or (d) the services or goods provided under the contract infringing, misappropriating or otherwise violating any intellectual property, (patent, copyright, trade secret or trademark) rights of a third party. Contractor's aggregate liability to Department in connection with this contract (whether under contract, tort or any other theory of law or equity) shall not exceed, under any circumstances, two (2) times the fees paid or payable by Department to Contractor during the one year preceding Department' claim, except for the liability incurred in year one of the contract, Contractor shall be responsible for two (2) times the fees paid or payable by Department to Contractor in year one. Notwithstanding the forgoing, neither Party shall be liable for incidental, special, consequential or punitive damages."</p>	
104.	Attachment E, Appendix D: General Specifications, item C (page 76)	<p>Contractor would like to add to this requirement "The Department shall notify the Vendor of any material defect in workmanship in writing. The Vendor must produce an acceptable plan to remedy the issue within 10 business days. The Department shall provide no less than 60 days to remedy the solution depending on the complexity and severity of the issue. Should the Vendor be unable or unwilling to correct the material defect, (then they whole we'll do it ourselves) up to a maximum cost of 110% of the bid value. "</p>	<p>As part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New</p>

Question #	RFP Section	Bidder's Question	Answer
			York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.
105.	Attachment E, Appendix D: General Specifications, item L (page 77)	<p>Because the services that will be provided by Contractor to the Department are not unique to the Department, will the Department consider recognizing that the services are not assignable or considered "Work for Hire" by adding the following provision to the Agreement?</p> <p>Notwithstanding anything to the contrary, the Department acknowledges and agrees that any software and services to be provided by Contractor in connection with this Agreement shall be regarded as Software-As-A-Service, and shall not be subject to any assignment of ownership rights to the Department."</p>	As part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.
106.	Attachment E State of New York Agreement Work for Hire (p 77)	<p>L. Any contract entered into resultant from this request for proposal will be considered a "Work for Hire Contract." The Department will be the sole owner of all source code and any software which is developed for use in the application software provided to the Department as a part of this contract.</p> <p>Will the State please confirm this relates only to work paid for by the State under this Contract and that it will not be the sole owner of any pre-existing source code or software used by the Contractor in performing this contract?</p>	Confirmed

Question #	RFP Section	Bidder's Question	Answer
107.	Attachment E Work for Hire (p 77)	Will the State please confirm that source code modifications customized pursuant to this contract AND paid for by the State will be owned by the State however, any COTS source code, proprietary source code and source code developed pursuant to this contract but not paid for by NY will remain solely with the Contractor or other independent software vendor proprietary owner.	Confirmed that source code modifications customized pursuant to, and paid for under the contract will be owned by the State, and confirmed that COTS source code and proprietary source code not developed for, and paid for, by the State will not be owned by the State. Reference is made in the question to "source code developed pursuant to this contract but not paid for by NY." Without further information, the State cannot confirm whether or not such source code would be owned by the State.
108.	Attachment E, Appendix D: General Specifications, N(2) Date/Time Warranty Statement (page 78)	Will the Department permit Contractor to limit its damages to direct damages resulting from delays, errors or untimely performance?	No.
109.	Attachment E, Appendix D: General Specifications, item Q (page 79)	Contractor would like to add to this requirement "The Department and Vendor shall meet within 30 days of contract signing to establish operational and delivery metrics that will form the basis of determining whether or not work is not progressing in a satisfactory manner. "	As part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should

Question #	RFP Section	Bidder's Question	Answer
			<p>NYSDOH determine that that constitutes the best interests of New York State.</p>
110.	<p>Attachment E, Appendix D: General Specifications, item Q (page 79)</p>	<p>If it is to no fault of the vendor and it is solely due to the changes of deliverables at the request of the state, will the state be willing to pay reasonable fee for such additional deliverables?</p> <p>Also, would the Department consider adding the following to this requirement: “The Department and Vendor shall meet within 30 days of contract signing to establish operational and delivery metrics that will form the basis of determining whether or not work is not progressing in a satisfactory manner, including setting a timeline in which the state will approve deliverables.”</p>	<p>Item Q. of Appendix D relates to the contractor’s inability to satisfactorily perform contract requirements due to inadequate personnel or equipment. In such a case, the Department may require the contractor to use additional personnel or take other steps in order to perform, but this would not constitute “additional deliverables” and the contractor would not be entitled to additional compensation. If the State requests “additional deliverables” that are still within the scope of the contract, this may require a contract amendment which would be negotiated.</p> <p>With regard to the additional language proposed: as part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH</p>

Question #	RFP Section	Bidder's Question	Answer
			determine that that constitutes the best interests of New York State.
111.	Attachment E, State of New York Agreement, Section III.E- Term of Contract (pages 74-75)	In the event there is such a termination, will Contractor be compensated for any transition activities that may occur?	Should any transition activities be deemed necessary by the Department that are not already anticipated in the contract, the Department may negotiate an appropriate amendment to cover such activities.
112.	Attachment E T. Provisions Upon Default (p 79)	<p>1. In the event that the Contractor, through any cause, fails to perform any of the terms, covenants or promises of this agreement, the Department acting for and on behalf of the State, shall thereupon have the right to terminate this agreement by giving notice in writing of the fact and date of such termination to the Contractor.</p> <p>2. If, in the judgment of the Department of Health, the Contractor acts in such a way which is likely to or does impair or prejudice the interests of the State, the Department acting on behalf of the State, shall thereupon have the right to terminate this agreement by giving notice in writing of the fact and date of such termination to the Contractor. In such case the Contractor shall receive equitable compensation for such services as shall, in the judgment of the State Comptroller, have been satisfactorily performed by the Contractor up to the date of the termination of this agreement, which such compensation shall not exceed the total cost incurred for the work which the Contractor was engaged in at the time of such termination, subject to audit by the State Comptroller.</p> <p>Will the state please confirm it will provide at least 90 days written notice for the Contractor to address any transition concerns?</p>	As part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.
113.	Attachment E Provisions Upon Default (p. 79)	Will the state please provide reimbursement for the reasonable value of any nonrecurring costs incurred by not amortized in the price of the contract, the Contract price for completed deliverable delivered to an accepted by the State, a price commensurate with the actual cost of performance for partially completed	The current language of this section of Appendix D suits the Department's needs. However, NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the

Question #	RFP Section	Bidder's Question	Answer
		<p>deliverables, the recovery of allowable costs incurred or obligated but unbilled as of the date of termination, unamortized costs, costs incurred in the performance of the work terminated, including, but not limited to start-up costs and preparatory expense allocable thereto, the cost of settling and paying termination settlement under terminated subcontracts and leases, accounting , legal, clerical, and other expenses reasonably necessary for the preparation and negotiation of termination settlement proposals and the termination claim; and a fair and reasonable profit on the foregoing costs?</p>	<p>contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.</p>
114.	Attachment E Termination (p. 80)	<p>U. Upon termination of this agreement, the following shall occur:</p> <ol style="list-style-type: none"> 1. Contractor shall make available to the State for examination all data, records and reports relating to this Contract; and 2. Except as otherwise provided in the Contract, the liability of the State for payments to the Contractor and the liability of the Contractor for services hereunder shall cease. <p>Will the State please confirm that “data, records and reports relating to the Contract” shall be construed to mean those records directly relating to the performance of the contract and such “data, records and reports” will not include confidential or proprietary information or any cost data, which is considered confidential and proprietary?</p> <p>Will the State also confirm that any documents paid for or created under the Contract are understood to be the State’s property but any pre-existing works or documents not made or conceived for the express purpose of this contract, even if actually constructively reduced to practice during the course of the Contract, remain the property of the Contractor?</p>	<p>This provisions of this section do not relate solely to ownership. The Department and other State and federal agencies must be permitted access to examine all data, records, and reports relating to the contract.</p>

Question #	RFP Section	Bidder's Question	Answer
115.	Attachment E, Appendix D, Section W. Contract Insurance Requirements (page 80)	Will the State accept any changes in wording in order to align its commitment under the Contract with the existing policies in place will fully meet the needs of the State under this RFP?	As part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.
116.	Attachment E, Appendix D, Section W. Contract Insurance (page 80) Paragraph #1-5	Will DOH accept that bodily injury, property damage and contractor's liability are contained within the General Commercial liability coverage and not separate policies for each?	There is no specific requirement as to the number of policies the Contractor must have. If the Contractor can provide all of the required coverages under one single policy, it will likely be acceptable.
117.	Attachment E, Appendix D, Section W. Contract Insurance (page 80 Paragraph #5	Can DOH confirm that Protective Liability Insurance refers to Professional Liability (E&O) policy? If not, please clarify.	Protective Liability Insurance refers to coverage purchased by the contractor to protect the State for the State's liability exposures resulting from negligent acts of the Contractor or its subcontractors.
118.	Attachment E, Appendix D, Section W. Contract Insurance (page 80) Paragraph #1-5	Will DOH consider the following edits to the insurance language: 1. The successful bidder must without expense to the State procure and maintain, until final acceptance by the Department of Health of the work covered by this proposal and the contract, insurance of the kinds and in the amounts hereinafter provided, in insurance companies authorized to do such business in the State of New York covering all operations under this proposal and the contract, whether performed by it or by subcontractors. Before	As part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New

Question #	RFP Section	Bidder's Question	Answer
		<p>commencing the work, the successful bidder shall furnish to the Department of Health a certificate or certificates, in a form satisfactory to the Department, showing that it has complied with the requirements of this section, which certificate or certificates shall state that the policies shall not be changed or canceled until thirty days written notice has been given to the Department. The kinds and amounts of required insurance are:</p> <p>A policy covering the obligations of the successful bidder in accordance with the provisions of Chapter 41, Laws of 1914, as amended, known as the Workers' Compensation Law, and the contract shall be void and of no effect unless the successful bidder procures such policy and maintains it until acceptance of the work (reference Appendix E).</p> <p>General Commercial Liability covering Policies of Bodily Injury Liability, and Property Damage Liability and Contractors Liability Insurance of the types hereinafter specified, each within limits of not less than \$500,000 for all damages arising out of bodily injury, including death at any time resulting therefrom sustained by one person in any one occurrence, and subject to that limit for that person, not less than \$1,000,000 for all damages arising out of bodily injury, including death at any time resulting therefrom sustained by two or more persons in any one occurrence, and not less than \$500,000 for damages arising out of damage to or destruction or property during any single occurrence and not less than \$1,000,000 aggregate for damages arising out of damage to or destruction of property during the policy period.</p> <p>Contractor's Liability Insurance issued to and covering the liability of the successful bidder with respect to all work performed by it under this proposal and the contract.</p> <p>Protective Professional Liability Insurance issued to and covering the liability of the People of the State of New York with respect to all operations under this proposal and the contract, by the</p>	<p>York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.</p>

Question #	RFP Section	Bidder's Question	Answer
		successful bidder or by its subcontractors, including omissions and supervisory acts of the State.	
119.	Attachment E, Appendix D: General Specifications, Section BB. Provisions Related to New York State Information Security Breach and Notification Act, (page 83) Paragraph #1	CONTRACTOR shall comply with the provisions of the New York State Information Security Breach and Notification Act (General Business Law Section 899-aa; State Technology Law Section 208). CONTRACTOR shall be liable for the costs associated with such breach if caused by CONTRACTOR'S negligent or willful acts or omissions, or the negligent or willful acts or omissions of CONTRACTOR'S agents, officers, employees or subcontractors. Contractor reserves the right to further discuss this requirement.	As part of the Transmittal Letter, bidders are required to certify that they accept the contract terms and conditions as set forth in the RFP. NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.
120.	Attachment E, Appendix D: General Specifications Section BB- Provisions Related to NY State Information Security Breach and Notification Act (page 83) Paragraph #1	Given the broad scope of the indemnification, will the State consider replacing the indemnification with the following? "Indemnification. In the event of any unauthorized use or disclosure of Protected Health Information constituting a "Breach" as defined under 45 C.F.R. § 164.402 which is caused by the negligent act(s) or omission(s) of Business Associate, Business Associate agrees to indemnify STATE, to the extent Business Associate is responsible, from and against (i) any administrative fines or penalties assessed against STATE by the Secretary or other regulatory authority having jurisdiction; (ii) any award which may be made pursuant to a state Attorney General action and levied against STATE; and (iii) in the event of any such Breach requires the issuance of notice(s) to affected individuals pursuant to the relevant provisions of ARRA, all direct reasonable costs associated with production and delivery of such required notice(s). Business Associate's indemnification obligations under this section are	The current language of this section of Appendix D suits the Department's needs. However, NYSDOH reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the RFP without modification should NYSDOH determine that that constitutes the best interests of New York State.

Question #	RFP Section	Bidder's Question	Answer
		<p>subject to STATE (a) making written demand for indemnification from Business Associate pursuant to the foregoing; (b) to the extent STATE has notice of same, promptly notifying Business Associate of any investigation or the filing of any action by the Secretary, any State Attorney General, or other regulatory authority having jurisdiction; (c) granting to Business Associate the right to determine the means and methods by which any required notices are delivered to affected individuals (Business Associate hereby acknowledging that STATE shall retain the right to determine the content of same), and (d) granting to Business Associate the sole right to control any associated defense or negotiation for settlement or compromise. Business Associate agrees to work cooperatively with STATE to ensure that liability is properly determined and assigned by the Secretary or other regulatory authority having jurisdiction with regard to any such Breach."</p>	
121.	Attachment E, Appendix H Violations (p 87)	<p>A. Any violation of this AGREEMENT may cause irreparable harm to the STATE. Therefore, the STATE may seek any legal remedy, including an injunction or specific performance for such harm, without bond, security or necessity of demonstrating actual damages.</p> <p>B. Business Associate shall indemnify and hold the STATE harmless against all claims and costs resulting from acts/omissions of Business Associate in connection with Business Associate's obligations under this AGREEMENT. Business Associate shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and save harmless the STATE from suits, actions, damages and costs, of every name and description relating to breach notification required by 45 CFR Part 164 Subpart D, or State Technology Law § 208, caused by any intentional act or negligence of Business Associate, its agents, employees, partners or subcontractors, without limitation;</p>	The language currently in Department's approved HIPAA Attachment best suits the needs of the Department.

Question #	RFP Section	Bidder's Question	Answer
		<p>provided, however, that Business Associate shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the STATE.</p> <p>Will the State accept any changes in wording in this provision?</p>	
122.	Attachment E, Appendix H Section IV(B) Termination for Cause (page 87)	Because the State may have obligations to the Business Associate under HIPAA (Such as: Obtaining any consent that may be required by the Privacy Regulation prior to furnishing PHI; and having notice of privacy practices that permits Department to use and disclose PHI in the same manner Contractor is permitted to use and disclose), will the Department consider making termination for breach mutual?	The language currently in Department's approved HIPAA Attachment best suits the needs of the Department.
123.	Attachment E, Appendix H, Section V(B) Violations (page 87)	Given the broad scope of the indemnification, will the State consider replacing its broad indemnification with the following? "Indemnification. In the event of any unauthorized use or disclosure of Protected Health Information constituting a "Breach" as defined under 45 C.F.R. § 164.402 which is caused by the negligent act(s) or omission(s) of Business Associate, Business Associate agrees to indemnify STATE, to the extent Business Associate is responsible, from and against (i) any administrative fines or penalties assessed against STATE by the Secretary or other regulatory authority having jurisdiction; (ii) any award which may be made pursuant to a state Attorney General action and levied against STATE; and (iii) in the event of any such Breach requires the issuance of notice(s) to affected individuals pursuant to the relevant provisions of ARRA, all direct reasonable costs associated with production and delivery of such required notice(s). Business Associate's indemnification obligations under this section are subject to STATE (a) making written demand for indemnification from Business Associate pursuant to the foregoing; (b) to the extent STATE has notice of same, promptly notifying Business Associate of any investigation or the filing of any action by the Secretary, any State Attorney General, or other regulatory	The language currently in Department's approved HIPAA Attachment best suits the needs of the Department.

Question #	RFP Section	Bidder's Question	Answer
		authority having jurisdiction; (c) granting to Business Associate the right to determine the means and methods by which any required notices are delivered to affected individuals (Business Associate hereby acknowledging that STATE shall retain the right to determine the content of same), and (d) granting to Business Associate the sole right to control any associated defense or negotiation for settlement or compromise. Business Associate agrees to work cooperatively with STATE to ensure that liability is properly determined and assigned by the Secretary or other regulatory authority having jurisdiction with regard to any such Breach."	
124.	Attachment L TP-Form 1 (page 111)	Is Attachment L to be submitted or not? If it is to be submitted, please provide further direction.	Yes, Attachment L must be submitted. Attachment L has been amended.
125.	Attachment L TP-Form 1 (page 111)	Columns A, B and C are not prepopulated. Is there an updated attachment with these columns populated? If not, when will a prepopulated form be provided?	See question #124.
126.	Attachment L TP-Form 1 (page 111)	Estimate of Expected Rebate Savings: Columns A, B, C and E are not prefilled. Should we expect a revised form to be released?	See question #124.
127.	Attachment N - Invoicing Section (page 113-143)	What are the State's expectations should vendor current applications have controls in place for items that they are requesting reports for? (e.g. Negative Units - the Rebate Management System has controls in place to prevent negative unit amounts - would we lift these controls or keep them?)	The State is open to ideas and processes that would put controls in place such that negative unit amounts or other outliers are eliminated. In the interim, the State expects the vendor to produce reports.
128.	Attachment N - Invoicing Section (page 113-143)	Would the state allow the vendor to eliminate the need for labels by using window envelopes for invoices and sending dunning notices via email using a mail merge process?	Yes the State will consider the use of window envelopes and using email and a mail merge process for sending dunning notices.
129.	Attachment N - Invoicing Section (page 113-143)	Would copies of the labeler invoices be acceptable? If not, what is the difference between the labeler and State copies?	Yes, copies of the labeler invoices would be acceptable.

Question #	RFP Section	Bidder's Question	Answer
130.	Attachment N - Reporting Requirements (page 113-143)	Are all of the reports to be created and sent to the State for review or does the information being made available within the system for review?	The State is open to the idea of accessing reports via the contractor's reporting system. Specific requirements would be agreed upon during implementation.
131.	Attachment N (page 117)	Invoice Media – Field names must be unique. What is specifically meant by field names? Can the state provide examples?	Field names must be unique to these programs: Medicaid OBRA, Medicaid Supplemental, Medicaid Diabetic Supplies, EPIC.
132.	Attachment N (page 119)	Excluded NDC report – active indicator. Can state clarify what is meant, or provide example, of an active indicator as it pertains to excluded NDCs?	This report provides a list of NDCs that are terminated and/or are not rebatable. The term "active indicator" which would be indicated on the report as "A", means that they are "actively excluded."
133.	Attachment N (page 125)	Dispute Resolution ID Log. Can state provide example of this report, specifically the ID log and further clarification of the DR ID?	The Dispute Resolution ID log is a report that lists all resolved disputes within a designated time frame, by NDC. The "DR ID" is the "Dispute Resolution Identifier" which is a unique value that references a specific dispute.
134.	Attachment N (page 137)	This report allows the rebate amount to be projected for the selected labeler and qtr. The amount projected is based on paid rate or if the paid rate is not present then it is based on 3% of reimbursement amount for non-innovators and 30% of reimbursement amount for innovators. Can the state provide an example of this report? What is meant by the paid rate? What is a projected URA? What is a calculated URA under the CMS federal rebate program?	This report is a tool used to project rebate amounts for selected Labelers/NDCs. The reference to paid rate should be disregarded. The projected URA is based on the "current" URA, assuming the same level of claims utilization for a specific NDC. There is no adjustment or calculation within the report to estimate a future URA.
135.	Attachment N (page 137)	Reports.	Specific report specifications and programming requirements will be agreed upon during implementation.

Question #	RFP Section	Bidder's Question	Answer		
		Are there specific calculations that can be shared to help provide examples of how these reports are generated?			
136.	Attachment P General	Can the State please confirm if a single Incident results in the failure of a Contractor to meet two or more of the SLAs, the state shall have the right to select any one of such multiple Service Level Defaults for which it shall be entitled to receive Service Level Credits. Will the State be entitled to Service Level Credits, as applicable, for the other Service Level Defaults that have a Root Cause other than the Incident referred to above.	The State reserves the right to select any or all service level defaults for which it is entitled to receive service level credits.		
137.	Attachment P Performance Standards General (pages 147-156)	Will the State accept a transition period (i.e. 90 days) during which the Contractor can measure and report but during which the State will not apply any SLA damages.	The State will not accept a transition period for SLAs after the 'Go Live' date.		
138.	Attachment P Performance Standards (pages 147-156)	Are these the performance standards that are currently in place? If so, can the Department provide details on the amount of penalties that have been assessed over the course of the last contract?	Not all these performance standards are currently in place. The amount of penalties assessed is not available at this time.		
139.	Attachment P A.1 Performance Standards and Damages (page 148)	Can the State please confirm that the references to "actual damages" in this section are to be read as referring to the damages calculations/formulas in the table beginning on p 149 and not to some?	Actual damages are defined in the tables provided in Attachment P		
140.	Attachment P A.2.1.a System Availability (page 149)	Damages read: "For each .01 to .25% below the standard of ninety-nine and five-tenths percent (99.5%) that the contractor's online rebate processing system including its reporting system based on access hours availability, and calculated on a monthly basis, excluding periods of scheduled down time, which shall be reported in advance to DOH and kept to a minimum, is not available, the contractor shall credit against the Program's	For each .01% to .025% below 99.5% = 99.49% - 99.25% - assess \$10,000; 99.24%-99.00% - assess an additional \$10,000. Example: Reporting Month: May <table border="1" data-bbox="1444 1344 1927 1416"> <tr> <td>Online rebate processing</td> <td>99%</td> </tr> </table>	Online rebate processing	99%
Online rebate processing	99%				

Question #	RFP Section	Bidder's Question	Answer									
		administrative fee the amount of \$10,000." Can you provide an example as to how this is calculated?	system availability									
			First .25% below 99.5%	Assess \$10,000								
			Additional .25% below 99.5%	Assess additional \$10,000								
			Total Damages	\$20,000								
141.	Attachment P A.2.2.a Customer Service – Correspondence both hardcopy and electronic (page 150)	Can you provide an example showing how these damages will be calculated?	<p>For each .01% to .50% below 98% within 5 business days = 97.99% -97.50% - assess \$2,000; 97.49%-97% - assess an additional \$2,000. Example: Reporting Month: May</p> <table border="1" data-bbox="1444 708 1934 1068"> <tr> <td data-bbox="1444 708 1688 850"># of pieces of correspondence received on 5/2/16</td> <td data-bbox="1688 708 1934 850">105</td> </tr> <tr> <td data-bbox="1444 850 1688 959"># turned around in 5 business days - by 5/9/16</td> <td data-bbox="1688 850 1934 959">102</td> </tr> <tr> <td data-bbox="1444 959 1688 1036">% turned around in 5 business days</td> <td data-bbox="1688 959 1934 1036">97.1429%</td> </tr> <tr> <td data-bbox="1444 1036 1688 1068">Total Damages</td> <td data-bbox="1688 1036 1934 1068">\$4000.00</td> </tr> </table>		# of pieces of correspondence received on 5/2/16	105	# turned around in 5 business days - by 5/9/16	102	% turned around in 5 business days	97.1429%	Total Damages	\$4000.00
# of pieces of correspondence received on 5/2/16	105											
# turned around in 5 business days - by 5/9/16	102											
% turned around in 5 business days	97.1429%											
Total Damages	\$4000.00											
142.	Attachment P A.2.3.a Rebates – Rebates Invoicing Timeliness (page 151)	Can you provide an example showing how these damages will be calculated?	<p>For each calendar day beyond the 60 days up to and including the day the 100% are mailed or transmitted = Day 61 - assess \$5,000 per Program; Day 62 - assess an additional \$5,000 per Program Example: Reporting Quarter: 1st Q 2016</p>									

Question #	RFP Section	Bidder's Question	Answer							
			% of invoices mailed within 60 days - by 5/30/16	95%						
			% of invoices mailed on the 61 st day -5/31/16	3%						
			% of invoices mailed on the 62 nd day - 6/1/16	2%						
			Total Damages	\$10,000						
143.	Attachment P A.2.3.b Rebates – Rebates Pricing Data Timeliness (page 151)	Can you provide an example showing how these damages will be calculated?	<p data-bbox="1430 589 1944 950">For each EPIC manufacturer labeler not contacted within 38 days after the end of the quarter for 1st notice = Day 39 - assess \$200 – not progressive For each EPIC manufacturer labeler not contacted within 2 business days after the production of the final quarterly invoice for 2nd notice = Day 2 - assess \$200.</p> <p data-bbox="1430 950 1944 982">Example: 1st Q 2016</p> <table border="1" data-bbox="1430 982 1944 1177"> <tr> <td data-bbox="1430 982 1688 1092"># of labelers not contacted by 5/8/16.</td> <td data-bbox="1688 982 1944 1092">2</td> </tr> <tr> <td data-bbox="1430 1092 1688 1177">Damages</td> <td data-bbox="1688 1092 1944 1177">\$400</td> </tr> </table> <table border="1" data-bbox="1430 1209 1944 1388"> <tr> <td data-bbox="1430 1209 1688 1388"># of labelers not contacted within 2 business days after the production of the</td> <td data-bbox="1688 1209 1944 1388">2</td> </tr> </table>		# of labelers not contacted by 5/8/16.	2	Damages	\$400	# of labelers not contacted within 2 business days after the production of the	2
# of labelers not contacted by 5/8/16.	2									
Damages	\$400									
# of labelers not contacted within 2 business days after the production of the	2									

Question #	RFP Section	Bidder's Question	Answer							
			final quarterly invoice							
			Damages	\$400						
			Total Damages	\$800						
144.	Attachment P A.2.3.c Rebates – Rebates Price Submissions (page 152)	Can you provide an example showing how these damages will be calculated?	<p>For each EPIC price submission not entered within 1 day of receipt into the rebate system = Day 2 assess \$200</p> <p>Example:</p> <table border="1" data-bbox="1444 643 1934 906"> <tr> <td data-bbox="1444 643 1688 717">Pricing data received date</td> <td data-bbox="1688 643 1934 717">5/6/16</td> </tr> <tr> <td data-bbox="1444 717 1688 824">Pricing data loaded and calculated date</td> <td data-bbox="1688 717 1934 824">5/10/16 (2nd business day)</td> </tr> <tr> <td data-bbox="1444 824 1688 906">Damages</td> <td data-bbox="1688 824 1934 906">\$200</td> </tr> </table>		Pricing data received date	5/6/16	Pricing data loaded and calculated date	5/10/16 (2 nd business day)	Damages	\$200
Pricing data received date	5/6/16									
Pricing data loaded and calculated date	5/10/16 (2 nd business day)									
Damages	\$200									
145.	Attachment P A.2.3.d Rebates – Timeliness of Providing Claims Level Detail (page 152)	Can you provide an example showing how these damages will be calculated?	<p>For each claim detail file not sent out within seven (7) business day = Day 8 assess \$500 per claim detail file per Program; Day 9 assess an additional \$500 per claim detail file per Program.</p> <p>Example:</p> <table border="1" data-bbox="1444 1157 1934 1373"> <tr> <td data-bbox="1444 1157 1688 1268">Date the State or labeler requests a claim detail file</td> <td data-bbox="1688 1157 1934 1268">5/2/16</td> </tr> <tr> <td data-bbox="1444 1268 1688 1373">Date that the claim detail file is sent</td> <td data-bbox="1688 1268 1934 1373">5/13/16 (9th business day)</td> </tr> </table>		Date the State or labeler requests a claim detail file	5/2/16	Date that the claim detail file is sent	5/13/16 (9 th business day)		
Date the State or labeler requests a claim detail file	5/2/16									
Date that the claim detail file is sent	5/13/16 (9 th business day)									

Question #	RFP Section	Bidder's Question	Answer								
			<table border="1"> <tr> <td>Damages</td> <td>\$1,000</td> </tr> </table>	Damages	\$1,000						
Damages	\$1,000										
146.	Attachment P Performance Standards - A.2.3.e - Accuracy of Drug Rebate Invoices (page 152)	Can you provide an example showing how these damages will be calculated?	<p>For each .1% to 1.0% below 100% accuracy rate = 99.9% - 99.0% assess \$20,000; 98.9% – 98.0% assess an additional \$20,000</p> <p>Example: Reporting Month: May</p> <table border="1"> <tr> <td>Online rebate processing system availability</td> <td>98%</td> </tr> <tr> <td>First .1% to 1.0% below 100%</td> <td>Assess \$20,000</td> </tr> <tr> <td>Additional .1% to 1.0% below 100%</td> <td>Assess additional \$20,000</td> </tr> <tr> <td>Total Damages</td> <td>\$40,000</td> </tr> </table>	Online rebate processing system availability	98%	First .1% to 1.0% below 100%	Assess \$20,000	Additional .1% to 1.0% below 100%	Assess additional \$20,000	Total Damages	\$40,000
Online rebate processing system availability	98%										
First .1% to 1.0% below 100%	Assess \$20,000										
Additional .1% to 1.0% below 100%	Assess additional \$20,000										
Total Damages	\$40,000										
147.	Attachment P Performance Standards - A.2.3.e - Accuracy of Drug Rebate Invoices (page 152)	In our experience, even when a contractor operates a fully compliant rebate program, there is almost always 1% of outstanding invoices. There are some circumstances that are out of the contractor's control, such as manufacturer response time, etc. How are the penalties calculated? Does the Department consider circumstances out of the contractor's control when assessing these penalties?	As indicated in the Specifications Section on page 152 (<i>A.2.3.e- , for the Accuracy of Drug Rebate Invoices</i>), the measurement methodology and measurement results must be approved by the State. As such, provisions for circumstances outside of the contractor's control would be addressed through this approval process. See above (question # 146) for an example of how penalties are calculated.								
148.	Attachment P Performance	Can you provide an example showing how these damages will be calculated?	For each 1% or fraction collection rate for each .1% to 1.0% below 90% @ 60								

Question #	RFP Section	Bidder's Question	Answer								
	Standards - A.2.3.f - Accounts Receivable – Rebates (page 153)		<p>days = 89.9% - 89% assess \$5,000; 88.9% – 88% assess an additional \$5,000; 92% @ 90 days =91.9% - 91% assess \$5,000; 90.9% - 90.0% assess an additional \$5,000; 95% at 180 days = 94.9% - 94% assess \$5,000; 93.9% - 93% assess an additional \$5,000.</p> <p>Example: Invoices mailed on 3/31/16</p> <table border="1" data-bbox="1444 618 1929 980"> <tr> <td data-bbox="1444 618 1688 727">88% collected within 60 days – by 5/30/16</td> <td data-bbox="1688 618 1929 727">Assess \$10,000</td> </tr> <tr> <td data-bbox="1444 727 1688 836">91% collected within 90 days – by 6/29/16</td> <td data-bbox="1688 727 1929 836">Assess \$5,000</td> </tr> <tr> <td data-bbox="1444 836 1688 945">95% collected within 180 days – by 9/27/16</td> <td data-bbox="1688 836 1929 945">Assess \$0</td> </tr> <tr> <td data-bbox="1444 945 1688 980">Total Damages</td> <td data-bbox="1688 945 1929 980">\$15,000</td> </tr> </table>	88% collected within 60 days – by 5/30/16	Assess \$10,000	91% collected within 90 days – by 6/29/16	Assess \$5,000	95% collected within 180 days – by 9/27/16	Assess \$0	Total Damages	\$15,000
88% collected within 60 days – by 5/30/16	Assess \$10,000										
91% collected within 90 days – by 6/29/16	Assess \$5,000										
95% collected within 180 days – by 9/27/16	Assess \$0										
Total Damages	\$15,000										
149.	Attachment P Performance Standards - A.2.3.f - Accounts Receivable – Rebates (page 153)	<p>Accounts Receivable Rebates - The contractor guarantees to maintain and maximize the rate of drug rebate accounts receivable collection within 60, 90, and 180 days of invoicing for each program (Medicaid OBRA, Medicaid Supplemental Drug, EPIC and Diabetic Supply). The standard is calculated and reported on a quarterly basis.</p> <p>Does the state factor in disputed amounts by labelers when calculating percentages recouped by contractor?</p>	Yes, 5% of rebates can go uncollected after 180 days without penalty because of unresolved disputes.								

Question #	RFP Section	Bidder's Question	Answer								
150.	Attachment P Performance Standards - A.2.3.f - Accounts Receivable – Rebates (page 153)	In our experience, even when a contractor operates a fully compliant rebate program, there is almost always 1% of outstanding invoices. There are some circumstances that are out of the contractor's control, such as manufacturer response time, etc. How are the penalties calculated? Does the Department consider circumstances out of the contractor's control when assessing these penalties?	Yes, the State will consider circumstances out of the contractor's control when assessing these penalties. See question #148 for example of how penalties are calculated.								
151.	Attachment P – Performance Standards, Section A.2.3.f (page 153)	Please confirm amounts in dispute are not included in the collection rate calculation. If the aforementioned can't be confirmed, please explain.	The State confirms that the amounts in dispute are not included in the collection rate calculation.								
152.	Attachment P A.2.3.g Rebates – Rebates Timeliness of Receipt Processing (page 154)	Can you provide an example showing how these damages will be calculated?	<p>For each month where less than 97% of rebate payments are posted within 3 business days of receipt = 96.9% or lower assess \$5,000. Less than 100% of rebate payments not posted within 7 business days = 99.9% or lower assess \$5,000.</p> <p>Example: Reporting Month: May</p> <table border="1" data-bbox="1444 976 1934 1239"> <tr> <td data-bbox="1444 976 1688 1049">Receive rebate payments</td> <td data-bbox="1688 976 1934 1049">5/2/16</td> </tr> <tr> <td data-bbox="1444 1049 1688 1122">96% are posted on 5/5/16</td> <td data-bbox="1688 1049 1934 1122">Assess \$5,000</td> </tr> <tr> <td data-bbox="1444 1122 1688 1195">99% are posted on 5/11/16</td> <td data-bbox="1688 1122 1934 1195">Assess \$5,000</td> </tr> <tr> <td data-bbox="1444 1195 1688 1239">Total Damages</td> <td data-bbox="1688 1195 1934 1239">\$10,000</td> </tr> </table>	Receive rebate payments	5/2/16	96% are posted on 5/5/16	Assess \$5,000	99% are posted on 5/11/16	Assess \$5,000	Total Damages	\$10,000
Receive rebate payments	5/2/16										
96% are posted on 5/5/16	Assess \$5,000										
99% are posted on 5/11/16	Assess \$5,000										
Total Damages	\$10,000										
153.	Attachment P Section A.2.3.g Rebates – Rebates Timeliness of	The contractor guarantees that at least ninety-seven percent (97%) of the time that payments will be posted within three (3) business days of receipt and one hundred percent (100%) posted within	Entering data on the ROSI or PQA document is one task. Posting receipts in a timely manner to the accounting records of the contractor is another task.								

Question #	RFP Section	Bidder's Question	Answer						
	Receipt Processing (page 154)	seven (7) business days of receipt. The standard is calculated and reported on a monthly basis. If the Contractor enters all the payment information submitted by the manufacturer on the ROSI/PQAS documentation, does that qualify as posting the payment?	Posting a payment means that the payment has been entered into the contractor's rebate accounting system.						
154.	Attachment P A.2.3.h Rebates – Drug Rebate Reporting (page 154)	Can you provide an example showing how these damages will be calculated?	<p>For each business day beyond the agreed upon timeframe for which accurate financial reporting has not been provided = 1 business day beyond timeframe - assess \$200; 2 business days beyond timeframe assess an additional \$200.</p> <p>Example:</p> <table border="1" data-bbox="1444 737 1934 997"> <tr> <td data-bbox="1444 737 1688 878">Contractor guarantees to provide accurate financial report</td> <td data-bbox="1688 737 1934 878">On 5/2/16</td> </tr> <tr> <td data-bbox="1444 878 1688 959">Contractor provides report</td> <td data-bbox="1688 878 1934 959">On 5/4/16</td> </tr> <tr> <td data-bbox="1444 959 1688 997">Total Damages</td> <td data-bbox="1688 959 1934 997">\$400</td> </tr> </table>	Contractor guarantees to provide accurate financial report	On 5/2/16	Contractor provides report	On 5/4/16	Total Damages	\$400
Contractor guarantees to provide accurate financial report	On 5/2/16								
Contractor provides report	On 5/4/16								
Total Damages	\$400								
155.	Attachment P - Performance Standards - A.2.3.k - Rebate Disputes – Timeliness (page 156)	Can you provide an example showing how these damages will be calculated?	<p>For each .01 to 1.0% below 90% not resolved within 3 months = 89.9% - 89% assess \$10,000; 88.9% - 88% assess an additional \$10,000.</p> <p>For each .01 to 1.0% below 100% not resolved within 5 months = 99.9% - 99% assess \$10,000; 98.9% – 98% assess an additional \$10,000.</p> <p>Example: Reporting Month: May</p>						

Question #	RFP Section	Bidder's Question	Answer	
			88% of disputes are resolved within 3 months	Assess \$20,000
			99% of disputes are resolved within 5 months	Assess \$10,000
			Total Damages	\$30,000
156.	Attachment P - Performance Standards - A.2.3.k - Rebate Disputes – Timeliness (page 156)	<p>Rebate Disputes – Timelines</p> <p>Contractors have no direct control over the actions of the manufacturers so we work in good faith on dispute resolution. If the contractor has made every effort to resolve the dispute with the labeler, however, the labeler either chooses not to resolve the dispute or lacks the resources to resolve the dispute in a timely a manner within the 5 month timespan, does the state intend to penalize the contractor?</p>	See response to question #150 above.	
157.	Attachment P - Performance Standards - A.2.3.k - Rebate Disputes – Timeliness (page 156)	<p>In the example you use a payment dispute and we are not familiar with that term. Would this expectation be specific to CMS identified utilization dispute codes reported with payments. It is not uncommon for manufacturers to ignore repeated request for resolution after the rebate specialist has provided them the documentation to support the invoiced utilization. As long as the contractor can demonstrate repeated efforts to work with the manufacturer, provider, pharmacy or claim processing vendor to resolve utilization disputes, can the penalty be waived. The penalty be waived when the reason resolution timeliness is for an appropriate business reason and/or resolution timeliness is beyond the contractor's control? How does the state define when a dispute is resolved? Is this standard currently in place? If so, how are the penalties calculated and have previous vendors been able to satisfy this requirement?</p>	<p>The State will consider circumstances out of the contractor's control when assessing these penalties.</p> <p>A dispute is resolved either by:</p> <ol style="list-style-type: none"> 1. a written agreement between the State and the manufacturer regarding the number of rebatable units and the resultant amount due; or 2. the State making the determination in the absence of mutual agreement. <p>This standard is not currently in place.</p>	
158.	Attachment P – Performance	Please confirm for this requirement a dispute is considered resolved when agreement is reached with manufacturer and dispute status is independent of payment status by manufacturer	See answer to number 157 above	

Question #	RFP Section	Bidder's Question	Answer
	Standards, Section A.2.3.k (page 156)	or provider/claims processing system correcting claims. If the aforementioned can't be confirmed, please explain when a dispute is considered resolved.	Yes - Dispute status is completely independent of payment status.