State of Wisconsin

DOA-3261 (R08/2003)

s. 16.75, Wis. Statutes

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **PROPOSALS MUST BE SEALED AND ADDRESSED TO:**  Department of Employee Trust Funds  P.O. Box 7931  Madison, WI 53707-7913 | | | Proposal envelope must be sealed and plainly marked in lower corner with due date and Request for Proposal # ETJ0007. Late proposals shall be rejected. The soliciting purchasing office on or before the date and time that the proposal is due MUST date and time stamp proposals. Proposals dated and time stamped in another office shall be rejected. Receipt of a proposal by the mail system does not constitute receipt of a proposal by the purchasing office. Any proposal that is inadvertently opened as a result of not being properly and clearly marked is subject to rejection. Proposals must be submitted separately, i.e., not included with sample packages or other proposals. Proposal openings are public unless otherwise specified. Records will be available for public inspection after issuance of the notice of intent to award or the award of the contract. Vendor should contact person named below for an appointment to view the proposal record. Proposals shall be firm for acceptance for 180 days from date of proposal opening, unless otherwise noted. The attached terms and conditions apply to any subsequent award. | | | | | |
| REQUEST FOR PROPOSAL | | |
| THIS IS NOT AN ORDER | | | Proposals MUST be in this office no later than  March 3, 2010; 3:00 PM, CST | | | | | Public Opening |
| VENDOR (Name and Address) | | | No Public Opening |
| Name (Contact for further information)  Jeff Bogardus | | | | | |
| Phone  608/266-3099 | | | | Date  January 28, 2010 | |
| Quote Price and Delivery FOB  Madison | | | | | |
| Description | | | | | | | | |
| Request for Proposal (RFP) ETJ0007 for administrative services as the Pharmacy Benefit Manager for the State and Wisconsin Public Employees Group health Insurance Programs offered to State of Wisconsin and certain local government employees by the State of Wisconsin Group Insurance Board.  RFP ETJ0007 amendments and questions and answers will be posted on the ETF Web site <http://etfextranet.it.state.wi.us> and will not be mailed. | | | | | | | | |
| Payment Terms: | | | Delivery Time: | | | | | | |
| In signing this proposal we also certify that we have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or firm to submit or not to submit a proposal; that this proposal has been independently arrived at without collusion with any other vendor, competitor or potential competitor; that this proposal has not been knowingly disclosed prior to the opening of proposals to any other vendor or competitor; that the above statement is accurate under penalty of perjury. We will comply with all terms, conditions and specifications required by the State in this Request for Proposal and all terms of our proposal. | | | | | | | | |
| Name of Authorized Company Representative (Type or Print) | Title | | | | Phone (       ) | | | |
| Fax (       ) | | | |
| Signature of Above | | Date | | Federal Employer Identification No. | | Social Security No. if Sole Proprietor (Voluntary) | | |
|  | |  | |  | | |

This form can be made available in accessible formats upon request to qualified individuals with disabilities

**Request for Proposal # ETJ0007**

**Administrative Services as the State of Wisconsin**

**Pharmacy Benefit Manager**



##### Issued by the State of Wisconsin

##### Department of Employee Trust Funds

On behalf of the Group Insurance Board

Release Date: **January 28, 2010**

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1. BIDDING PROCEDURES AND REQUIREMENTS
   1. RFP Information

This section of the Request for Proposal (RFP) details the procedures the proposer must follow to submit a proposal for the administrative services as the State of Wisconsin’s Pharmacy Benefit Manager (PBM).

* + 1. **Introduction**

The purpose of this document is to provide interested and qualified parties with information to enable them to prepare and submit competitive proposals to administer pharmacy benefits as the Pharmacy Benefit Manager (PBM). The State of Wisconsin as represented by the Group Insurance Board (Board) intends to use the results of this process to award a contract to administer the Pharmacy Benefits program as described in Sections B, C and E for execution on January 1, 2011, through December 31, 2013. The Board retains the option by mutual agreement with the PBM awarded this contract to renew the contract for two (2) additional two (2)-year periods extending the contract through December 31, 2017. Implementation of the PBM services will begin July 1, 2010, and must be completed by December 31, 2010.

This procurement is authorized under Chapter 40 of the Wisconsin State statutes. All decisions and actions under this request for proposal are solely under the authority of the Group Insurance Board. Statutes and rules relating to procurement by other state agencies may not be applicable.

For program information, please refer to *Section E* of this RFP.

The basis of payment for services provided by the PBM will be a flat, per member per month (PMPM) administrative fee. Vendors who do not guarantee this fee structure may be eliminated from consideration. Vendors may propose an additional fee structure that may include performance incentives; however, this fee structure will be dependent on negotiations between the Department and the winning bidder.

Prospective vendors must submit proposals for the administrative services that demonstrate a fully transparent financial arrangement. No other arrangements will be considered. For the purposes of this RFP, full transparency is defined as a 100% pass-through of prices to the State and WPE programs paid to retail, internet and mail-order pharmacies. It also includes 100% pass-through of all drug manufacturer revenue such as, but not limited to, discounts and rebates; administration fees; data fees; clinical program fees; education and research grants; invoice charge-back fees; future rebates on new, rebate eligible products such as Specialty Drugs for example; and product selection switching incentives. In addition, all pharmacy contracts must be readily available and completely auditable, and business practices, processes and clinical methodologies must be fully disclosed.

In conjunction with the provisions of the “Standard Terms and Conditions and Supplemental Standard Terms And Conditions for Procurements for Services” provided in Appendix D, the basis for contracting with the winning vendor will be this RFP and the current contract between the State of Wisconsin and the current PBM, which is provided in Section E. of this RFP. However, *Part 6, Section 6.02 Claims Account*, of the current PBM contract will not be considered as part of the contracting basis, and will be negotiated with the winning vendor separately. Furthermore, the vendor must have the capability to accommodate future changes the Board may make to the plan design.

* + 1. **Procuring and contracting agency**

This RFP is issued for the State of Wisconsin Group Insurance Board by the Department of Employee Trust Funds. The Department is the sole point of contact for the State in the selection process.

Prospective proposers are prohibited from contacting any person other than the individual listed here regarding this RFP. Violation of this requirement may result in the bidder being disqualified from further consideration.

**Express delivery**: **Mail delivery**:

Jeff Bogardus Jeff Bogardus

Dept. of Employee Trust Funds Dept. of Employee Trust Funds

801 West Badger Road PO Box 7931

Madison, WI 53713-2526 Madison, WI 53707-7931

Telephone: (608) 266-3099

FAX: (608) 267-0633

E-mail: [jeff.bogardus@etf.state.wi.us](mailto:jeff.bogardus@etf.state.wi.us)

* + 1. **Definitions**

The following definitions are used throughout the RFP:

**Annuitant** see “Retiree or Annuitant” below

**AWP** means Average Wholesale Price.

**Bidder** see “Vendor or Proposer or Bidder” below

**Board** means the State of Wisconsin Group Insurance Board.

**Continuant** means a State (including eligible Graduate Assistants) or WPE member who has left employment with the State or a local employer, but is eligible to continue group health insurance coverage under the State or WPE group health insurance programs.

**Contractor** means the bidder who is awarded the contract.

**Covered Individual** means each eligible member participating in the State or WPE group health insurance program with prescription drug coverage.

**DAW** means “Dispense As Written”

**Department** means the Wisconsin Department of Employee Trust Funds.

**DUR** means Drug Utilization Review.

**EGWP** means Employer Group Waiver Plan; associated with Medicare Part D

**ETF** means the Wisconsin Department of Employee Trust Funds.

**MAC** means Maximum Allowable Cost.

**PBM** means the Pharmacy Benefit Manager.

**PDP** means a Medicare Part D prescription drug plan.

**PMPM** means Per Member Per Month.

**Proposer** see “Vendor or Proposer or Bidder” below

**RDS** means Retiree Drug Subsidy.

**Retiree or Annuitant** means a State or WPE member who is retired and receives an annuity or lump sum benefit from the Wisconsin Retirement System.

**RFP** means Request for Proposal.

**State** means State of Wisconsin.

**Transparent/Transparency** means a 100% pass-through of prices to the State and WPE programs paid to retail, internet and mail-order pharmacies. It also includes 100% pass-through of all drug manufacturer revenue such as, but not limited to, discounts and rebates; administration fees; data fees; clinical program fees; education and research grants; invoice charge-back fees; future rebates on new, rebate eligible products such as Specialty Drugs for example; and product selection switching incentives. In addition, all pharmacy contracts must be readily available and completely auditable, and business practices, processes and clinical methodologies must be fully disclosed.

**Vendor or Proposer or Bidder** used interchangeably, means a firm or individual submitting a proposal in response to this RFP.

**WAC** means Wholesale Acquisition Cost.

**WPE** means the Wisconsin Public Employers, referring to non-State (local) employers that participate in the group health insurance program.

Please see the glossary on the ETF home page at: <http://etf.wi.gov/glossary.htm> for further definitions.

* + 1. **Clarification of the specifications and requirements**

Any questions concerning this RFP must be submitted in writing on or before the date identified in *Part 1.7*, to the individual identified in *Part 1.2*.

Proposers are expected to raise any questions they have concerning the RFP at this point in the process. If a proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the proposer should immediately notify the individual identified in *Part 1.2* of such error and request modification or clarification of this RFP document.

In the event that it becomes necessary to provide additional clarifying data or information, or to revise any part of this RFP, supplements or revisions will be published on the Department’s Extranet at <http://etfextranet.it.state.wi.us/> which is part of the Department’s Web site.

* + 1. **Vendor conference**

A vendor conference may be held on the date identified in *Part 1.7* at the address identified in *Part 1.2*. The conference is an opportunity to ask questions. All proposers who intend to respond to this RFP are encouraged to attend the vendor conference either in person or via a telephone conference call should one occur. The Department will not be responsible for costs incurred by vendors attending the vendor conference. Representatives will be limited to two per vendor. If the Department decides to hold the vendor conference, a notice will be posted on the ETF web site referenced in *Part 1.4*. **NOTE:  Unless this notice is posted, no conference will be held.**

Written or e-mailed questions are due by the date listed in *Part 1.7* and may be addressed at the vendor conference, should one occur.

Only written responses will bind ETF. ETF will prepare written responses to written and oral questions by the date identified in *Part 1.7.*

Responses to all questions submitted will be published on the Department’s Web site listed in *Part 1.4*.

* + 1. **Reasonable accommodations**

ETF will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities upon request. If you will need accommodations at the vendor conference, contact the individual identified in *Part 1.2.*

* + 1. **Estimated timetable for RFP and project implementation**

Important dates by which actions related to this RFP must be completed are listed in the timetable below. The events with specific dates will be completed as indicated unless otherwise changed by the Board or the Department. In the event that the Board or the Department find it necessary to change any of the specific dates and times in the calendar of events listed below, it will do so by issuing a supplement to this RFP via the ETF Extranet. No other formal notification will be issued for changes in the estimated dates.

|  |  |
| --- | --- |
| DATE | EVENT |
| January 28, 2010 | Issue RFP |
| February 4, 2010; 3:00 p.m. CT | Letter of intent and vendor questions due |
| February 8, 2010 | Vendor conference (if necessary) |
| February 11, 2010 | Post answers to questions on ETF Extranet |
| March 3, 2010; 3:00 p.m. CT | RFP proposals due |
| April 13, 2010 | GIB Meeting/Vendor Recommendation from Staff. |
| April 14, 2010 (estimated) | Notify Vendors of intent of award contract |
| April 19, 2010 (estimated) | Begin contract negotiations |
| July 1, 2010 | Transition implementation start date |
| January 1, 2011 | Contract Start Date |

* + 1. **Letter of Intent**

A letter of intent indicating that a proposer intends to submit a response to this RFP should be submitted to the Department by the date indicated in *Part 1.7.*  In the letter, identify the proposer's organization and give the name, location, telephone number, fax number and e-mail address of one or more persons authorized to act on the proposer's behalf. Proposers may mail the letter of intent via U.S. mail or e-mail to the address in *Part 1.2.* The letter of intent does not constitute the proposer submitting a response.

* + 1. **Contract term and funding**

The contract term for PBM administrative services will commence on January 1, 2011 and shall extend through December 31, 2013. The vendor who is awarded the contract will be responsible for Plan Year 2011 PBM program enrollment activities in the fall of 2010. A plan year begins January 1 and runs through December 31. The implementation start date will be approximately July 1, 2010. The Board retains the option by mutual agreement of the Board and the vendor to renew the contract for two (2) additional two (2)-year periods extending the contract through December 31, 2017.

Cost increases for any contract renewals may be capped at the rate of inflation or 3% per annum (whichever is lower) from the contract effective date to the renewal date as measured by the National (U. S. City Average) consumer price index for all urban consumers (CPI-U) unless justified by the contractor and otherwise agreed to by the Board.

* + 1. **Due Diligence and Errors/Omissions Coverage**

The selected vendor shall exercise due diligence in providing services under any contract awarded. In order to protect the Board and any Department employee against liability, cost, or expenses (including reasonable attorney fees) which may be incurred or sustained as a result of vendor errors or other failure to comply with the terms of the awarded contract, the selected vendor shall maintain errors and omissions insurance in an amount acceptable to the Department in force during the contract period and shall furnish the Department with a certificate of insurance for such amount. Further, this certificate shall designate the Group Insurance Board and its affiliated boards as additional insured parties.

**Any exceptions to this requirement must be stated in writing and included in the proposal submitted.**

* + 1. **Criminal Background Verification**

Any vendor awarded a contract will be expected to adhere to the Department’s requirements regarding criminal background checks.

* + 1. **Financial Stability Verification**

High scoring vendors may be asked to substantiate their financial stability. This includes furnishing a copy of your company’s audited financial statements from the last two years. The Department reserves the right to request additional information to verify your company’s financial status.

* + 1. **Business Associate Agreement**

A Business Associate Agreement must be entered into with the vendor and ETF at the time a contract is issued. It is the intention of the Agreement to comply with the federal regulations implementing the Health Insurance Portability and Accountability Act of 1996 (HIPAA) concerning the privacy, security and transaction standards on the confidentiality of personal information.

* 1. Preparing and Submitting a Proposal
     1. **General Instructions**

The evaluation and selection of a vendor will be based on the information submitted in the proposal, references, any required presentations, and responses to requests for additional information or clarification.

**Failure to respond to each of the requirements in *Sections B, C, and D* of this RFP may be the basis for rejecting a proposal.**

Elaborate proposals (e.g., expensive artwork), beyond that sufficient to present a complete and effective proposal, are not necessary or desired.

* + 1. **Incurring costs**

The State of Wisconsin, the Department and the Board are not liable for any costs incurred by vendors in replying to this RFP, attending the vendor conference, or making requested oral presentations.

* + 1. **Submitting the proposal**

**Vendors must submit one (1) original (marked “Original”) and ten (10) complete paper copies of the proposal, including the transmittal letter and other related documentation as required by this RFP.**

**Two (2) complete electronic copies of the proposal must also be provided on CD-ROM.**

Each paper copy of your proposal must follow the format indicated in *Part 2.4* of this document. Each electronic copy of your proposal and associated appendices and exhibits must be saved in the format they are provided (Microsoft Word or Excel format)*.*

Electronic versions of the RFP and all appendices and exhibits are available on ETF’s Extranet. Proposals submitted via fax or email will not be accepted. Receipt of a proposal by the State mail system does not constitute receipt of a proposal for purposes of this RFP.

All paper copies of your proposal must be packaged and sealed.  
The following information MUST show on the outside of the package:

* + “[*Proposer's Name and Address*]”
  + “RFP for Administrative Services as the Pharmacy Benefit Manager”
  + “ETJ0007”
  + “Due Date: March 3, 2010, 3:00 p.m. CT”

**An original (marked “Original”) plus two (2) paper copies of your Cost Proposal (*Section D.*) must be sealed and submitted as a separate part of the proposal.**

**Two (2) complete electronic copies of your Cost Proposal (*Section D.*) must also be provided on a separate CD-ROM using the template provided.**

All paper copies of your Cost Proposal must be packaged and sealed.  
The following information MUST show on the outside of the package:

* + “[*Proposer's Name and Address*]”
  + “COST PROPOSAL”
  + “RFP for Administrative Services as the Pharmacy Benefit Manager”
  + “ETJ0007”
  + “Due Date: March 3, 2010, 3:00 p.m. CT”
    1. **Proposal organization and format**

Proposals must be typed and submitted on 8.5 by 11-inch paper and bound securely. The response must exactly follow the same numbering system, use the same headings, and address each point given in *Sections B, C, and D*.

Only provide promotional materials if they are relevant to a specific requirement of this request. If provided, all materials must be included with the response to the relevant requirement and clearly identified as “promotional materials.” Electronic access to such materials is preferred.

Proposers responding to this RFP must comply with the following format requirements.

Failure to provide any requested information in the prescribed format may result in disqualification of the proposal.

* + - 1. PROPOSER CHECKLIST: Complete the proposer checklist provided as *Appendix A* to this RFP and include it with your proposals.
      2. Tab 1 - TRANSMITTAL LETTER: A signed transmittal letter must accompany the proposal. The transmittal letter must be written on the vendor’s official business stationery and signed by an official that is authorized to legally bind the vendor. Include in the letter:
         1. Name and title of proposer’s representative;
         2. Name and address of company;
         3. Telephone number, fax number, and e-mail address of representative;
         4. RFP number and Title: ETJ0007, – RFP for Administrative Services as the Pharmacy Benefit Manager;
         5. A brief statement indicating the proposer’s understanding of the work to be done, the commitment to perform the work within the time period, and a statement indicating why the firm believes it is best qualified to administer the programs;
         6. An itemization of all materials and enclosures submitted in response to the RFP;
         7. A statement that the vendor believes that its proposal meets all the requirements set forth in the RFP, including the Mandatory Requirements in *Appendix B*;
         8. A statement that acknowledges that the vendor will conform to all rights and terms specified in this RFP including the Standard Terms and Conditions and Supplemental Terms and Conditions and Conditions for Procurements for Services in *Appendix D* with exceptions listed in point 9 below;
         9. A statement and description of any exceptions to the any of the terms and conditions presented in the RFP. Exceptions to the Board’s contract terms and conditions may be considered during contract negotiations if it is beneficial to the Board. If exceptions to the standard contract language are not presented in the transmittal letter, they may not be discussed or considered during contract negotiations;
         10. A statement that the vendor will participate in presentations or demonstrations, if requested to do so by ETF;
         11. A statement that the individual signing the proposal is authorized to make commitments, including financial, on behalf of the vendor for all aspects of this RFP, and that she/he has not participated and will not participate in any action contrary to the RFP; and
         12. The vendor’s assurance that the entire proposal, including prices quoted, will remain in full force and effect for at least 180 days from the proposal due date.
      3. Tab 2 – REQUIRED FORMS  
         The vendor must complete and/or include the following required State of Wisconsin forms:
         1. Mandatory Requirements – *Appendix B*.
         2. Designation of Confidential and Proprietary Information – *Appendix C.*
         3. Standard Terms and Conditions *– Appendix D*
         4. Lobbying Form – *Appendix E.*
         5. Vendor Information Sheet – *Appendix F* (DOA-3477)
         6. Vendor Reference Sheet – *Appendix F* (DOA-3478). The vendor must provide three (3) references. The Board will determine which, if any, references to contact to assess the quality of work performed and personnel assigned to the project. The results of any references will be used in scoring proposals as explained in *Part 3.0, Proposal Review and Award Process*.
         7. Privacy of Personal Data/Mitigation of Privacy Breach -- *Appendix G*
         8. Exhibit 1 - Staffing Levels, Location & Outsourcing of Services
         9. Exhibit 2 – Formulary Review
         10. Exhibit 3 - GeoAccess Network Accessibility
         11. Exhibit 4 – Pharmacies and RX Claims Processors
      4. Tab 3 - RESPONSE TO PROPOSAL QUESTIONS AND STATEMENTS: Provide a point-by-point response to each and every proposal question in the sections of this RFP outlined below. Responses to questions must restate the question or statement and be in the same sequence and numbered as they appear in this RFP. Use tab separations for each section. Provide a succinct explanation of how each requirement is addressed. The RFP sections that require a response are:
         1. Section B--Proposer Qualifications
         2. Section C--Administration of the Pharmacy Benefits Management program.
      5. **Under separate cover:** Submit response to Section D, Cost Proposal, according to the instructions provided in *Section A, Part 2.3* and *Section D*. **No mention of the cost proposal may be made in any other part of the response to this RFP**.
    1. **Multiple Proposals**

Multiple proposals from a vendor are not permissible.

* + 1. **Contacting Vendor References and Conducting Site Visits**

By submitting a proposal in response to this RFP, the vendor grants rights to ETF to contact or arrange a visit with any or all of the vendor’s clients and/or references.

* 1. Proposal Review and Award Process
     1. **Preliminary evaluation**

Proposals will initially be reviewed to determine if mandatory requirements are met. Failure to meet mandatory requirements as stated in *Appendix B* or failure to follow the required instructions for completing the proposal as specifically outlined in Section A., may result in the rejection of the proposal. In the event that all vendors do not meet one or more of the mandatory requirements the Department reserves the right to continue the evaluation of the proposals and to select the proposals which closely meets the requirements specified in this RFP.

* + 1. **Proposal scoring**

Proposals that pass the preliminary evaluation will be reviewed by an evaluation committee and scored against stated criteria. The committee will review written proposals, references, additional clarifications, oral presentations, site visits and other information to evaluate whether the proposal fulfills all of the specifications and requirements for this RFP. The evaluation committee's scoring will be tabulated and proposals will be ranked based on the numerical scores received.

Based on the results of the evaluation and taking into account all of the evaluation factors, the proposal determined to be most advantageous to the Board may be selected by the Board for further action.

* + 1. **Evaluation criteria**

Proposals will be evaluated based upon the proven ability of the proposer to satisfy the requirements in an efficient, cost-effective manner, taking into account quality of service with minimal tolerance for error. Selection of the winning vendor will be driven by what is most advantageous to the Board and what is the best value and benefit for our members.

* + 1. **Oral presentations**

The proposer may be required to provide a personal interview with the Board or Department staff. Failure of a proposer to make a presentation to the Board or Department on the date scheduled or to respond to requests for additional written information may result in rejection of the submitted proposal.

* + 1. **Right to reject proposals and negotiate contract terms**

This RFP does not commit the Board to awarding a contract, or pay any cost incurred in the preparation of a proposal in response to this RFP.

The Board reserves the right to reject any and all proposals. The Board may negotiate the terms of the contract, including the award amount, with the selected vendor prior to entering into a contract. The Board reserves the right to add contract terms and conditions to the contract during the contract negotiations.

* + 1. **Audits Prior To Award**

The Board reserves the right to have responses contained within your organization’s proposal audited, at their expense, prior to awarding a contract.

* + 1. **Award**

The contract will be awarded to the vendor whose proposal is determined to be the most advantageous to the Board and whose proposal provides the best value and benefit to our members.

* + 1. **Notice of Award**

All vendors who respond to this RFP will be notified of the Board's intent to award the contract as a result of this RFP.

All decisions and actions under this RFP are solely under the authority of the Board. Statutes and rules relating to procurement by other State agencies may not be applicable.

1. PROPOSER QUALIFICATIONS

All proposers must respond to the following by restating each question or statement and providing a detailed written response. Instructions for formatting the written response to this section are found in Section A., Part 2.0 Preparing and Submitting a Proposal.

* 1. Organization Capabilities

The vendor must have the ability to administer the services the current PBM provides, respond to and maintain compliance with applicable laws, regulations, rules and policies, and provide efficient and effective liaison with the Department.

Answers to the following questions should address your organization’s ability to administer the PBM program, provide support for the RDS program, and provide pharmacy benefit coverage and support for Medicare Part D. The Department reserves the right to request additional information to verify your company’s financial status as indicated in Section A., Item 1.12.

* + 1. Company’s name, home office, address of the office providing services under the contract and the telephone number, fax number and e-mail addresses for the individuals who will be providing services under the contract.
    2. Provide information about your company’s principal business, information about your company’s ownership, number of employees, number of offices and locations.
       1. Include any pending plans for your company’s expansion, relocation, consolidation, merger, acquisition, or sale.
       2. Provide a review of the evolution of the growth of your organization, highlighting any acquisitions, and/or mergers over the past five years.
       3. Provide your company’s short and long-term strategic business plans.
    3. Provide information about any accreditations, certifications or industry designations your company currently holds, and/or has been awarded in the past 5 years.
    4. Provide information about any fidelity and surety insurance or bond coverage your company carries to protect your clients.
       1. Specifically describe the type and amount of the fidelity bond insuring your employees that would protect this plan in the event of a loss.
       2. Provide an affirmation statement that you will furnish a copy of all such policies for review by legal counsel if requested.
    5. Is your company authorized to do business in the State of Wisconsin? (Vendors who do not currently meet this requirement must provide evidence showing that the company will comply with this requirement before entering into a contract with the Board.)
    6. Provide a description of any and all contracts currently held by your company with State of Wisconsin agencies, including the University of Wisconsin and related public authorities or entities. The response must:
       1. Identify the entity
       2. Describe the services provided
       3. Identify the length of the contract including the start date.
    7. Please outline and describe the nature of any business relationships, partnerships, or co-ownership partnerships currently in place with pharmaceutical manufacturers or retail pharmacies. Does your organization have any ongoing responsibilities, financial, strategic or otherwise, that are in place or that are a result of these ties to the pharmaceutical manufacturers or pharmacies? If so, describe these responsibilities in detail.
    8. Provide information about past contract performance. The response must include specific detailed information regarding legal action(s), including pending actions, taken against your company in the past three (3) years, for:
       1. Any and all situations where your company has defaulted on a contract to administer a benefit plan.
       2. Any and all litigation regarding contracts to administer a benefit plan.
       3. Any and all situations where a contract has been canceled or where a contract was not renewed due to alleged fault on the part of your company.
    9. General Program Experience
       1. Provide details of your company’s experience servicing clients with multiple employers and/or employer plans with multiple health insurance providers. Include a list of clients for whom your company administers similar pharmacy benefit programs with multiple employers and/or employer plans with multiple health insurance providers.
       2. Describe your company’s experience with administering pharmacy benefits. Provide a summary that includes the number of years that your company has provided such services, number and type (governmental or private) of clients, the total number of eligible employees, and the total number of actual participants that your company currently serves. Identify those clients who are large employers with multiple payroll processing centers.
       3. Describe your company’s expertise and experience in implementing PBM services for a program that is comparable in size to the State and WPE programs, based on the number of covered lives.
       4. Provide a statement that indicates the commitment of your organization to maintaining transparent pricing arrangements.
          1. Do you offer both transparent retail pharmacy discounts as well as pass-through rebates?
          2. How many of your clients currently operate under a transparent pricing model?
          3. How does your organization demonstrate transparency to its clients?
       5. Describe your company’s experience with administering RDS benefit programs. Provide a summary that includes the number of years that your company has provided such services, number and type of clients (governmental or private), the total number of eligible employees, and the total number of actual participants that your company currently serves. Identify those clients who are large employers with multiple payroll processing centers.
       6. Describe your company’s experience with administering Medicare Part D prescription drug benefit programs and identify the types of plans administered (e.g. fully insured PDP, 800-Series EGWP, Direct-Contract EGWP). Provide a summary that includes the number of years that your company has provided such services, number and type of clients (governmental or private), the total number of eligible employees, and the total number of actual participants that your company currently serves. Identify those clients who are large employers with multiple payroll processing centers.
  1. Staff Qualifications
     1. Provide an overview of how the State and WPE relationship will be managed, both strategically and on a day-to-day basis. Provide an organizational chart or charts that indicate current or proposed positions assigned to both the PBM program and the RDS program, at the local and home office level. Include the key individuals who will be assigned overall contract management and responsibility for contracting with pharmacies.
     2. The Department works directly with local and/or home office staff of the current PBM on all administrative matters. Identify the key contact person who will be responsible for day-to-day contacts with the Department and describe his or her professional qualifications, work experience and scope of authority.
     3. Identify key staff members who would have responsibility for the day-to-day operation of the plans. Identify the duties and scope of authority for each of the key staff who will be responsible for managing the programs. Include information about their professional qualifications and work experience in the following areas: customer service, service to participating employers, enrollments, claims processing, information technology and data processing, accounting, and legal services.
     4. Will hiring additional staff be necessary to accommodate the State and WPE program? If so, how many new staff will be required and in where will they be assigned?
  2. Vendor References
     1. Selected organizations may be contacted to determine the quality of work performed. The results of the reference check will be provided to reviewers and used in scoring the written proposal.
     2. Use the Reference Sheets in *Appendix F* to provide three (3) references for each program (PBM, RDS and Medicare Part D). Each reference must identify the company/agency for which you have provided services and the type of program administered (i.e. PBM, RDS, or Medicare Part D). Detail should include the services provided, the numbers of years the services have been provided; the number of covered lives; the number of claims processed; and the total drug spend. At least one reference must be a public sector employer plan with 50,000 or more eligible employees. Furthermore, at least one reference must be from a company/agency that you have provided services for, for a minimum of two consecutive years.
     3. The Department reserves the right to contact references other than those provided.

1. ADMINISTRATIVE CAPABILITIES

Section C addresses the functions and services the PBM program requires. The proposer will need to reference the current program history and outline of services the Contract Administrator for the State of Wisconsin PBM program provided in Section E. The proposer’s response should reflect your understanding of the program requirements, the processes and procedures that will be used to ensure the requirements will be met, and your company’s experience in providing the required services. Your proposal must, at a minimum, provide the current level of service to participants and to the State. Proposals may include alternatives to current procedures, reports, etc. as is deemed appropriate to ensure the effective and efficient administration of the contract. The current PBM contract will be part of the basis for the contract with the winning vendor.

* 1. Client, Member and Provider Services.

The PBM must exhibit the ability to build and maintain strong, close working relationships with the State, our members, and their participating plans and providers.

* + 1. Provide information on the specific areas listed in **Exhibit 1** of this document regarding staffing levels, location and outsourcing of services.
    2. Customer Service Representatives.
       1. Describe how your organization responds to inquiries, from receipt to resolution. Provide sample materials, if possible. Also include information about how inquiries are tracked.
       2. Describe the initial and ongoing training related to our programs that will be provided to your customer service representatives and any customer service performance improvement measures that are regularly undertaken by your organization.
       3. Provide the following information for 2009:

|  |  |  |  |
| --- | --- | --- | --- |
| Total number of inquiries handled by the Customer Service department: | | | |
| Telephone |  | | |
| E-mail |  | | |
| FAX |  | | |
| Letter |  | | |
| Average caller hold time | |  | |
| Abandoned call rate | |  | |
| Percent of telephone inquiries resolved during the initial call | | |  |
| Percent of telephone inquiries resolved within 24 hours of initial call. | | |  |
| Average turn-around time for replies to e-mail inquiries. | | |  |
| Average turn-around time for replies to FAX and letter inquiries. | | |  |

* + - 1. Performance Standards and Penalties
         1. Please provide a statement that confirms your organizations commitment to meeting the performance standards and adhering to the penalties as outlined in Item 3. of the First Amendment to the Pharmacy Benefit Management Contract, (Part 9. Performance Standards for Contractor) as included in Section E of this RFP.
         2. Describe any other proposed performance metrics and associated penalties.
      2. Provide your established procedures that will evaluate member exception requests such as copayment reductions, vacation override authorizations, or other requests for coverage outside of established Prior Authorization, Step Therapy and quantity limit programs.
    1. Grievance and Appeal Process  
       Refer to the grievance and appeal provisions provided in the Guidelines/Uniform Benefits and the Navitus Member Handbook in Section E. Participants who feel that their questions or issues have not been properly addressed by customer service staff may file a formal complaint, grievance or appeal with the PBM. Provide a description of the procedures that will be followed to adequately and appropriately review, evaluate and resolve complaints, grievances and/or appeals in a timely manner. In addition, ensure the following is included in your response:
       1. The documentation that is used to make a determination.
       2. The average number of appeals or complaints filed annually, tracking mechanisms used, speed of resolution, and the number/percent of appeals that escalated beyond the grievance process.
       3. Describe how your organization will report complaint, grievance and appeal status and results to the Department.
       4. Include an example of a determination letter that will be provided to a participant explaining the approval or denial of an appeal.
    2. Describe how your organization will provide member-level claims data to the Board’s actuary and participating health plans. Also describe how you propose to work with the Board’s actuary and each participating health plan independently to agree on a format, and the frequency of providing this data
    3. Services Provided to the Department.
       1. Describe how your organization will provide technical and industry expertise to advise the Department on issues relating to our programs’ pharmacy benefits. Provide information about the staff that will be available to the Department for advice and consultation as needed for program administration.
       2. Describe how you will monitor the development of and provide advice to the Department concerning state or federal regulations or legislation that may affect the programs.
       3. The Department must have access to the PBM’s claims data, specific to our programs. Department access includes the ability to view plan data and standard reports. Reports that include extensive utilization, cost, and pharmacy data, which includes health plan and program level detail, must be provided to the Department to ensure effective monitoring of all aspects of the program.
          1. Describe your organization’s capabilities to produce standardized and ad hoc reports, including the reports as described in Section E., Part 3.0, Item 3.9 of this RFP. Provide samples of reports specified above in addition to descriptions and samples of other reports that you recommend be made available. Describe any report customization that is available.
          2. List the information or data that will be available to the Department via your organization’s web site.
          3. Describe the abilities of your staff who would be assigned to provide data analysis services for our programs.
    4. Published Materials and Access to Information.  
       The PBM will be required to provide a member handbook and develop informational bulletins, brochures, or newsletters directed to employers and/or members. The Department retains approval rights of all material prior to distribution to employers or employees.
       1. Describe the member handbook and informational materials that may be used to ensure all eligible employees are aware of and understand plan benefits, as well as clinical programs. Provide a sample of the member handbook and examples of materials such as brochures, forms, video presentations, posters, e-mail messages, etc. Specify what types of communications may be sent via e-mail.
       2. An internet site must be developed specifically for the State and WPE programs. Describe the information that will be available to employees, employers and the Department, as well as any features available for pharmacists and prescribers, on your internet site. Provide the evaluation committee with access to a demonstration site that illustrates the capabilities of your internet site, if available. Also indicate who will be responsible for resolving web site access problems (password and authorization problems, slow response time, system down-time, etc.)?
          1. Please indicate which of the following pharmacy benefit related options are available to members on the Internet:

1. Mail order forms
2. Formulary
3. Formulary change notice
4. Mail order refills
5. Preferred drug list
6. Mail order tracking
7. Member-specific plan information
8. Online Customer Service Representative inquiries
9. Pharmacy locator
10. Pharmacy inquiries on-line
11. Drug information
12. Real time responses to questions
13. Personal drug profiles
14. Voluntary compliance reminders
15. FAQ’s
16. Pre-recorded webcasts/presentations
17. Other (please specify)
    * + - 1. Please indicate which of the following pharmacy benefit related options are available to pharmacists and prescribers on the Internet:
18. Interface for prescribing
19. Custom formularies
20. On-line prescribing
21. Preferred drug list
22. Messaging
23. Online Continuing Medical Education
24. Patient profiles
25. Drug information
26. Patient-specific formulary advice
27. Prior authorization request   
    (on behalf of patient)
28. Formulary
29. Formulary change notice
30. Other (please specify)
    * + 1. If members need user IDs and passwords to access information through your web site how are those managed? Are users IDs/passwords assigned by your organization or can users create their own?
        2. Will your organization provide an Interactive Voice Response (IVR) system for the State and WPE program?
           1. Describe the information that will be available to employees through your IVR system. Provide the evaluation committee with access to a demonstration site that illustrates the capabilities of your IVR system
           2. Provide the following information about your IVR system for 2009:

|  |  |
| --- | --- |
| Average number of hits on your IVR system per month. |  |
| Average time it takes a caller to navigate through your IVR system. |  |
| Percent of callers who are dropped from the IVR system. |  |
| Percent of callers that opt out of the IVR system. |  |

* 1. System Capabilities
     1. Describe your organization’s system capabilities that will meet the needs of our programs. At a minimum include the following:
        1. Required data elements and format/layout for eligibility feeds that will be provided by the Department, as shown in the Eligibility File Format & Layout Documents referred to in Section E of this RFP.
        2. Capabilities for loading and correcting data in real time, such as “immediate eligibility” processes that might override normal automated processes.
        3. An explanation of how your PBM will be able to share pharmacy data with the Board’s actuary, prescribers and health plans to be fully engaged in clinical programs for the benefit of our members
     2. The Department currently generates and uses an 8-digit Member ID Number for all health insurance related programs. These Member ID Numbers will be used to identify State and WPE members when providing pharmacy benefit eligibility data to the PBM. Confirm that your organization has the ability to use these Member ID Numbers and describe how you will accommodate this requirement.
     3. Describe the measures and controls you use to protect the security and privacy of program data, records, forms, participant information, and data processing operations. At a minimum include the following:
        1. Information about the physical security measures used to control access to your company’s systems.
        2. Internal controls that are in place to reduce loss that may occur through fraud, negligence, incompetence, or system errors.
        3. Information about independent or third-party audits (e.g. SAS 70) of your security and privacy protection measures to include the type of audit(s) performed, who performed the audit(s), the identification of any shortcomings and any actions you took to correct those shortcomings. Copies of the reports produced by the service auditor (e.g. SAS 70 – Type II report) are not required for this RFP; however, be prepared to provide copies of the reports upon request of the Department, acting on behalf of the Board..
     4. Provide a description of your system back-up procedures including the frequency of updates, retention schedule, the amount of time it takes to place a back-up into production, and a schedule of periodic business back-up testing.
     5. Provide a description of your business recovery plan as it relates to the equipment, software and data tapes, and the personnel to be used in providing the services described in this RFP. Include contingency plans for continuation of critical business functions and the recovery of archived data because of backlogs, during an emergency (i.e. natural disasters, pandemic, or other catastrophic events), or other unforeseen events.
     6. If any proposed system or any of its parts used for the administration of this program (such as, but not limited to, claims processing, data warehousing, etc) is not owned and/or developed by your company, please explain what contractual arrangements have been made and with whom.
  2. Claims Administration/Processing

Each prospective PBM will be required to re-price a full run of claims as part of Section D – Cost Proposal.

* + 1. Describe your claims processing system and capabilities to show how your organization adjudicates claims. At a minimum include the following:
       1. Procedures and the criteria used to authorize or reject claims to assure that all claims paid are in compliance with our pharmacy benefit plan design.
       2. How your system processes the DAW codes; COB payments; and claim reversals and adjustments.
       3. Quality control procedures and system edits used for controlling and tracking claims
    2. Describe how your system handles electronic claims adjudication at the point of service including rejected claims, COB adjudication (including Medicare Part B), and any messaging provided to pharmacists. Indicate if the messaging to the pharmacist is customizable.
    3. Describe how your organization processes manual claims. Does your organization offer members an option to submit manual claims online (e.g. online submission of claims requests through a secure web application)? If so, provide details. What is the turn-around time for manual claims processing?
    4. List any performance measurements your organization currently uses to evaluate claims processing volume, accuracy, turnaround time, etc. Specify how these measurements are derived.
    5. Describe your organizations processes for tracking and recovering the overpayment of claims.
  1. Transition, Implementation and Turnover Plans
     1. Describe the timetable and specific tasks involved to have the State’s program operative for the 2011 Plan Year (open enrollment for the State and WPE group health insurance programs occurs in October 2010). Include a detailed implementation plan and business plan or timeline. At a minimum be specific with regard to the following:
        1. Amount of time needed for implementing the new program
        2. Recommended activities/tasks and timing
        3. Responsibilities of the vendor and the Department staff
        4. Transition with incumbent, including providing members 90 days notice regarding formulary changes, and the communication of transition issues to all plan members.
        5. Length of time implementation team will be available and accountable to the State.
        6. Identify the staff members, by area of expertise, who will be assigned to the implementation team.
        7. Identify the staff members assigned to attend open enrollment/educational sessions at various State and WPE locations throughout the State of Wisconsin.
     2. Describe your processes for transferring historical data from the previous vendor. Indicate if the process is manual or electronic.
     3. Describe your process for handling the transition of mail order prescriptions.
     4. Provide a proposed transition of care plan. At a minimum, the transition plan must address:
        1. Individuals who are in a course of treatment;
        2. Transition of prescriptions;
        3. The communication of transition issues to all plan members.
     5. Describe your processes to show that your organization can monitor and transition any “grand-fathering” arrangements (e.g. copayment reductions) that the current PBM maintains.
     6. Provide a comprehensive turnover plan that provides a timeline of major tasks, activities, and information that will be provided to a succeeding vendor when relinquishing responsibilities at termination of contract
  2. Formulary Management & Clinical Programs.

The prospective PBM must be able to provide a formulary that is equivalent to and as comprehensive as the current formulary and must be able to accommodate the current clinical programs that are in place. The formulary must be evidence based and reflect lowest net cost.

* + 1. Formulary
       1. Provide details and the capabilities of your organization to provide a three tier drug formulary that is at a minimum equivalent to and as comprehensive as the current formulary used by the State and WPE programs. Provide sample formulary documents. At a minimum include the following:
          1. Complete **Exhibit 2** provided with this RFP. Indicate which drugs would be included in your proposed formulary and at what proposed tier level under a three tier drug formulary model.
          2. Describe your policy regarding formulary changes and your procedures for educating and notifying members. Indicate how often the formulary is changed. Confirm that your organization will provide, at a minimum, a 60-day notification of formulary changes to affected individuals.
          3. Describe how drugs are evaluated for possible inclusion on the formulary.
          4. Describe the basis of your formulary development and maintenance?
          5. Provide specific information where a higher cost option of therapeutic equivalent drug has been included in your formulary and provide rationale for doing so.
       2. Wisconsin physicians and clinical providers play a significant role in the development of the current formulary. In addition, the Department should be consulted regarding decisions of the formulary committee that affect our programs. Describe how your organization will incorporate these features into the development of the formulary. Indicate if you have a pharmacy and therapeutics committee (P&T) and include details about individuals involved in formulary development and review, whether a P&T committee exists or not. Include the background and associations of all individuals and do any of them accept grant money from drug manufacturers? How is this monitored?
    2. Generics  
       Describe how your organization will manage and administer generic utilization and substitution for the State and WPE programs.
    3. Explain how your organization will administer each provision listed below for members of the State and WPE group health insurance program. Describe your strategies and your incentive programs related to formulary drug products and indicate the effect on overall costs.
       1. Therapeutic Interchange
       2. Dispense As Written (DAW)
       3. Prior Authorization
       4. Quantity Limit
       5. Extended Supply
       6. Step Therapy
       7. Pill Splitting
       8. 90-Day-At-Retail
    4. Management of Clinical Programs  
       Provide information that demonstrates your organization can effectively administer the programs listed below in order to partner the pharmacist, other health professionals and the member to ensure the optimum therapeutic outcomes for our members. Also provide information that demonstrates your organization’s ability to promote the safe and effective use of medications, and help our members achieve targeted outcomes.
       1. Drug Utilization Reviews - retrospective, concurrent and prospective.
       2. Disease Management
       3. Medication Therapy Management
    5. Trend Analysis  
       Your organization must be able to provide the Department and the Board’s actuary with a comprehensive, annual trend analysis report as background for making pricing decisions. At a minimum the report must:
       1. Contain extensive utilization and drug spend data that presents future trend drivers, both industry wide and specific to our programs;
       2. Provide information on the generic pipeline, drug indication changes that may affect drug utilization, specialty drug utilization trends, new drug introductions and other similar trend drivers;
       3. Show the impacts of, and provide recommendations for addressing price inflation, rebate performance and other pricing related drivers, in addition to pharmacy network trends and opportunities.

Describe your organizations Trend Analysis reporting capabilities. Provide sample reports that reflect your organization’s ability to provide thorough trend analysis for the Department and the Board’s actuary.

* + 1. Specialty Drug Program
       1. Describe in detail how your organization will manage specialty and compound drugs based on the State’s current plan design. Include details about the Specialty pharmacy you contract with.
       2. Provide detailed information about your organization’s capabilities to administer a specialty drug program should all specialty drugs be administered by the PBM. Provide specific details of models that differentiate between the inclusion and exclusion of injectable medications as they are currently covered under the State’s Uniform Benefit provisions. Indicate specific results your specialty drug program has achieved for your current and past clients in terms of reduced program costs (quantitative and qualitative).
    2. Confirm that injectable drugs will be managed in accordance with the provisions in Uniform Benefits as required in Appendix B., Item 6.
  1. Network Accessibility and Disruption
     1. Please provide a description of your national (broadest) network, your narrow network (a narrow network will have less access but reflects your best pricing), and your network that most closely matches ETF’s current network. Identify any major chains that are being excluded from your narrow network. Vendors will be required to provide pricing details in the cost proposal (Section D.) for each network described. Refer to the Current Pharmacy Network document in Section E.
     2. Please provide a GeoAccess network accessibility report outlining network access based on the parameters shown in the table included as **Exhibit 3**. Refer to the Member Census – Zip Codes document in Section E.
        1. This GeoAccess analysis must be provided for your national network, your narrow network, and your network that most closely matches ETF’s current network as you’ve described in the previous question.
        2. Please provide the GeoAccess summaries in both paper and electronic (Microsoft Excel) formats. Provide back-up detail in electronic (Microsoft Excel) format for employees who fall both within and outside the access standards.
        3. Your match should include all valid zip codes in which participants reside, including those not in your service area.
     3. Major Pharmacy Chains
        1. Please indicate which major chain stores are not included in the “Narrow Network” and “ETF’s Current Network Match” categories.
        2. Confirm that your organization has no knowledge or intention of dropping any major pharmacy chains from the network that is in place at the time this contract will be negotiated. Explain your process of delivering continuity of care to members affected by network disruption.
     4. Pharmacy Contracts
        1. How often are pharmacy contracts renegotiated?
        2. Do you anticipate renegotiating pharmacy contracts in the next 12 to 24 months? Have you renegotiated any pharmacy contracts in the last 12 to 24 months? If you have, what was the financial impact to your organization and your customers?
        3. Do you have a system for maintaining credentialing information? How often is each pharmacy re-credentialed? What information is verified during pharmacy re-credentialing?
        4. Copayments vs. Drug Costs
           1. If a copayment is greater than the cost of the drug as determined by the reimbursement formula, what will the member be charged?
           2. If a copayment is greater than the actual cost of the drug based on the pharmacy’s everyday cash price, what will the member be charged?
     5. Mail Order Pharmacies
        1. The PBM must be able to provide a mail-order program that maintains a high level of customer satisfaction and ease of use for our members. In addition, the formulary used by the mail order pharmacy must, at a minimum, match the formulary applied to retail pharmacies. Describe in detail your mail services pharmacy arrangements and your organization’s ability to provide mail-order services to the State and WPE members.
        2. Describe expedited delivery services of mail order prescriptions that you offer. What is your policy or how do you handle expedited shipping to members due to service issues or errors?
     6. Please complete the table in **Exhibit 4** regarding retail, mail service and specialty pharmacy information, in addition to information about your prescription drug claims processors.
     7. Provide information on the frequency of network audits and your actions taken based on the results.
     8. Describe how is your organization using network incentives to reward quality, safety, patient satisfaction, and clinical measures, such as improved generic utilization?
  2. Medicare Part D
     1. Provide a summary of your organizations capabilities in supporting the Department in their participation in the Medicare Retiree Drug Subsidy (RDS) program as offered by the Centers for Medicare and Medicaid Services (CMS). Itemize and describe all the services that are included in the fees you have identified in Section D Part 8.0 of this RFP. If there are specific services that are not included in the fees please identify those separately. **DO NOT PROVIDE ANY SPECIFIC FINANCIAL INFORMATION IN RESPONSE TO THIS QUESTION.** Only refer to the fees identified in Section D.
     2. Medicare Part D Coverage Options.

Currently State Medicare eligible retirees have creditable coverage through the current PBM. The State Medicare eligible retirees are included in the RDS program as long as they are not enrolled in a Medicare Part D PDP.

WPE Medicare eligible retirees are enrolled in a fully insured Medicare Part D PDP, with a Wraparound Benefit to supplement the PDP.

* + - 1. Describe the ability of your organization to provide Medicare Part D coverage for Medicare eligible retirees enrolled in the WPE group health insurance program. Identify any subcontractor that would be used to provide Medicare Part D coverage to the WPE Medicare eligible retirees and note that the Board reserves the right to approve the subcontractor. Also identify what type of plan would be used (e.g. fully insured PDP, 800-Series EGWP, Direct-Contract EGWP)
      2. Describe the ability of your organization to provide Medicare Part D coverage for Medicare eligible retirees enrolled in the WPE group health insurance program that would also include State Medicare eligible retirees as an alternative to the RDS program. Identify any subcontractor that would be used to provide Medicare Part D coverage to the State and WPE Medicare eligible retirees and note that the Board reserves the right to approve the subcontractor. Also identify what type of plan would be used (e.g. fully insured PDP, 800-Series EGWP, Direct-Contract EGWP)
      3. Describe the ability of your organization to provide support for the State in the event the Board decides to pursue contracting directly with Medicare as an employer group PDP and provide any related client experience.

1. COST PROPOSAL

Please complete the questions and tables in this section.  
Questions and tables for completion are contained in a separate electronic document labeled:

***PBM\_RFP\_SecD\_Cost Proposal.docx***

These tables are to be submitted in a separate sealed envelope.  
The tables must be submitted in the prescribed format.

The basis of payment for services provided as the PBM will be a flat PMPM administrative fee. Vendors who do not guarantee this fee structure may be eliminated from consideration. Vendors may propose an additional fee structure that may include performance incentives; however, this fee structure will be dependent on negotiations between the Department and the winning bidder.

For purposes of this RFP “Transparent/Transparency” means a 100% pass-through of prices to the State and WPE programs paid to retail, internet and mail-order pharmacies. It also includes 100% pass-through of all drug manufacturer revenue such as, but not limited to, discounts and rebates; administration fees; data fees; clinical program fees; education and research grants; invoice charge-back fees; future rebates on new, rebate eligible products such as Specialty Drugs for example; and product selection switching incentives. In addition, all pharmacy contracts must be readily available and completely auditable, and business practices, processes and clinical methodologies must be fully disclosed.

Costs associated with transitioning and implementing your PBM services for the State and WPE programs must be amortized over seven years. These costs must be identified and factored in to the administrative costs.

1. PROGRAM BACKGROUND INFORMATION

The section includes information relating to the State and WPE group health insurance pharmacy benefits and the Medicare Part D related coverage and is provided to assist the proposer in completing the RFP response document. **This section is for informational purposes; no response is required from the proposer.** For additional information on the programs, please review the following program information and related Web sites:

**Reference Materials**

|  |  |
| --- | --- |
| **Document** | **Web Address** |
| Employee Trust Funds Internet Site | <http://etf.wi.gov> |
| WI State Statutes Ch. 40 | <http://www.legis.state.wi.us/statutes/Stat0040.pdf> |
| State of Wisconsin Pharmacy Benefit Program Information  (Fact Sheet) | <http://etfextranet.it.state.wi.us/etf/internet/RFP/PharBeneMgmt10/PBMFactSheet.pdf> |
| Prescription Drug Benefit/ PBM Program Specifics | <http://etf.wi.gov/members/benefits_pbm.htm> |
| “It’s Your Choice” Group Health Insurance Booklets: | |
| 2010 State Decision Guide | <http://etf.wi.gov/publications/dc_content/dc_2010/decision_guide_state_2010.pdf> |
| 2010 State Reference Guide Incl. Guidelines/Uniform Benefits | <http://etf.wi.gov/publications/dc_content/dc_2010/reference_guide_state_2010.pdf> |
| 2010 WPE Decision Guide | <http://etf.wi.gov/publications/dc_content/dc_2010/decision_guide_local_2010.pdf> |
| 2010 WPE Reference Guide Incl. Guidelines/Uniform Benefits | <http://etf.wi.gov/publications/dc_content/dc_2010/reference_guide_local_2010.pdf> |
| Navitus Health Solutions web site | https://www.navitus.com/ |
| Navitus Member Handbook | PBM\_RFP\_ETF\_MemberBooklet\_2010.pdf |
| PBM Contract | PBM\_Contract\_Main\_20090824120706438.pdf  PBM\_Contract\_1stAmend\_20090824121053509.pdf  PBM\_Contract\_2ndAddendum\_20090824121143520.pdf  PBM\_Contract\_BusAssocAddendum\_20090824121122916.pdf |
| Retiree Drug Subsidy Program | <http://rds.cms.hhs.gov/> |
| CMS – Medicare Section | <http://www.cms.hhs.gov/home/medicare.asp> |
| DeanCare Rx web site | <http://www.deancare.com/DeanCareRx/members/wisPublicEmployees.asp> |
| Pharmacy Network: ALL Contracted Pharmacies | PBM\_RFP\_2009\_ALL Contracted Pharmacies.xlsx |
| Pharmacy Network: Contracted Independent Pharmacies | PBM\_RFP\_2009\_Contracted Independent Pharmacies.xlsx |
| Top 30 Independent Pharmacies | PBM\_RFP\_2009\_Top 30 Contracted Independent Pharmacies.xlsx |
| Eligibility File Format & Layout Documents | PBMAuditFlatFileFormat.doc  PBMDUFileLayout.doc  PBMETFRequiredFieldMapping.doc |
| Member Census Data – Zip Codes | PBM RFP\_Member Census Data – Zip Codes\_April 2009\_.xlsx” |
| Member Census Data – Coverage | PBM RFP\_Member Census Data – Coverage\_April 2009\_.xlsx |

* 1. Overview
     1. The State and WPE group health insurance programs are employer-sponsored programs offering group coverage to employees of state and participating local government employers, as well as retirees and dependents. Employees and retirees may choose between two fee-for-service, self-insured health plans and 17 alternate, fully insured, health plans (i.e. HMOs), with specific provider networks. Refer to the “It’s Your Choice: 2010 Decision Guide” books for both State and WPE programs. The number of available alternate health plans can vary from year to year.
     2. The Department and the Board have statutory authority for program administration and oversight [Wis. Stat. §§ 15.165 (2) and 40.03 (6)]. HMO’s follow Board guidelines for eligibility and program requirements. All HMOs offer a prescribed benefit package called Uniform Benefits and participate in a yearly competitive premium rates bid process. The self-insured plans are administered under separate contract.
     3. Pharmacy benefits for the State and the WPE group health insurance programs became self-funded in 2004. Since 2004, the average costs for prescription drug claims paid by the State are in excess of $180 million annually, associated with more than 3.9 million valid claims.
     4. The pharmacy benefit program covers the following State and WPE members:
        1. Approximately 200,000 actively employed members and their dependents.
        2. Approximately 1,000 members and their dependents on continuation coverage (COBRA).
        3. Approximately 36,000 retirees and their dependents.
     5. The RDS program involves more than 20,000 unique Medicare eligible State members and more than $10 million of Federal subsidy annually.
     6. Approximately 2,000 Medicare eligible WPE members are covered by a fully insured Medicare Part D prescription drug plan (PDP).
  2. Pharmacy Benefit Program Provisions
     1. Benefit Plan Parameters - Refer to the following as indicated above:
        1. Navitus Member Handbook, Pharmacy Benefit Schedule (Page 1)
        2. Guidelines/Uniform Benefits.
        3. PBM Contract Exhibit 1 – Benefit Plan Parameters
     2. Client, Member and Provider Services
        1. Customer Service Representatives are available to members, pharmacists and prescribers 24 hours a day, seven days a week (excluding some Holidays) via a toll-free, customer service call center.
        2. Grievance and Appeal Process - Refer to Uniform Benefits, Section IV., J. and K.; and the Navitus Handbook and web site.
        3. Participant Materials and Access to Information - Refer to the ETF and Navitus web sites as well as the Navitus Handbook.
        4. Identification of callers - PBM Customer Service Representatives are required to verify the identity of callers and adhere to all applicable privacy laws
     3. System Capabilities
        1. Eligibility Data Feeds.  
           The Department provides daily eligibility files (ANSI 834 format) to the PBM.  
           Refer to Eligibility File Format & Layout Documents included. Member ID’s are generated by the Department and used by the PBM for benefit eligibility claims processing, and identification.
        2. Immediate Eligibility Processes.  
           The PBM has established manual processes to provide benefit coverage in situations where the need to receive a prescription is urgent and cannot immediate eligibility is required, outside the normal process of daily eligibility file feeds. An example of applying this process is when a mallows a member to receive coverage
        3. Claims Data Sharing with Participating Health Plans and the Board’s actuary.  
           Claims extract files are provided by the PBM to participating health plans in order to add plan paid amounts to the health benefit lifetime maximum and to include pharmacy data in disease management and quality measures. Data is provided on an individual claims basis. A claims extract file is also provided to the Board’s actuary for trend analysis
        4. The Board’s actuary and health plans work directly with the PBM to establish file formats, data delivery frequency and data delivery methods. Six health plans use custom file formats and plans can elect to receive the data on a daily, bi-monthly or monthly basis.
     4. Claims Administration/Processing
        1. Point of Service Electronic Claims Processing including standard and customizable messaging, secondary claims processing with Medicare Part B as primary,
        2. Manual Claims Processing
        3. Tracking & Recovering Overpayments  
           The PBM has established processes for tracking pharmacy benefit overpayments. In addition, the PBM is responsible for recovery of the overpayments in conjunction with processes established by the Department.
     5. Formulary Management
        1. Three Tier Formulary
           1. $5 (Level-1), $15 (Level-2) and $35 (Level-3) copayment structure. Only Level-1 and Level-2 copayments are applied to the members’ out of pocket maximums.
           2. A 20% Coinsurance structure applies to diaphragms and spacers/peak flow meters, as well as disposable diabetic supplies.
           3. There is no copayment or coinsurance applied to glucose monitors included on the formulary.
        2. Formulary Changes & Grandfathering
           1. Formulary changes are posted on the PBM’s web site and updated bi-weekly.
           2. Members affected by formulary changes that move a drug from a lower copayment level to a higher copayment level, or remove the drug from the formulary all together, are notified by letter. Affected members are provided at least a 60-day, and up to a 90-day window to continue to either receive the drug at the lower copayment level or receive the drug at the copayment level applied before the drug is removed from the formulary.
        3. The PBM utilizes both a Formulary Advisory Committee (FAC) and Pharmacy & Therapeutics Committee (P&T) to develop and maintain an evidence based formulary. Wisconsin physicians and clinical providers play a substantial role in the development of the formulary.
           1. Role of the FAC:
           2. Determines the copayment level for new generic approvals as well as line extension branded formulary products, based on availability, cost and contractual issues with the drug manufacturers.
           3. Reviews new drugs approved by the FDA and determines when to forward them on to the P&T for review and approval.
           4. Initiates drug class reviews and then forwards to the P&T for discussion.
           5. Reviews issues arising from complaints, grievances, prescriber contacts and other sources, and determines whether to address the issues directly or forward on to the P&T to address.
           6. All FAC decisions are approved by the P&T.
           7. Role of the P&T:
           8. Reviews and determines the copayment level for drugs already approved for use on the formulary.
           9. Determines the copayment level, as well as the need for prior authorization and its criteria, for new drugs being placed on the formulary.
           10. Reviews and approves drug class reviews brought from the FAC.
           11. Reviews and approves policies developed for the PBM.
           12. Reviews and approved ongoing FAC activities and decisions.
        4. Generic utilization  
           Generic equivalents are dispensed unless the prescriber specifies that the brand name drug should be used and indicates that no substitutions may be made. Formulary copayment and Prior Authorizations apply where applicable.
        5. Specialty Drugs and Self-administered Injectables  
           Refer to Uniform Benefits, Section III. Benefits and Services, Part D. 1. l.   
           Member participation in the PBM’s specialty pharmacy program is voluntary.
     6. Clinical Programs included in the Pharmacy Benefit
        1. Therapeutic Interchange
     7. Dispense As Written (DAW)  
        State and WPE members do not currently pay the difference between the costs of generic and brand name drugs in DAW-1 and DAW-2 situations.
     8. Prior Authorization
     9. Quantity Limit
     10. Extended Supply
     11. Step Therapy
     12. Pill Splitting
     13. 90-Day-At-Retail  
         A member must have three consecutive claims processed for the maintenance medication in the PBM's claims system immediately before the 90-day supply is requested. In addition, three copayments are required for the “90-Day-At-Retail” program.
     14. Drug Utilization Reviews
     15. Medication Therapy Management
     16. Trend Analysis  
         The current PBM annually provides the Department and the Board’s actuary with a comprehensive trend analysis report as background for making pricing decisions. The report contains extensive utilization and drug spend data; factors that impact drug pricing trends; new drug introductions, generic pipeline information and FDA drug indication changes that may affect utilization; in addition to developments in the pharmaceutical industry.
     17. Pharmacy Network
         1. Retail Network Accessibility  
            Refer to the Pharmacy Network Access Reports
         2. Mail Order  
            Members currently receive mail order pharmacy coverage through a mail order vendor subcontracted by the PBM
     18. Performance Standards  
         Refer to the PBM Contract Part 9 – Performance Standards for Contractor,   
         as incorporated by Item 3 of the First Amendment to the PBM Contract.
     19. Reports  
         Refer to the PBM Contract Exhibit 2 – Standard Board Communications,   
         as incorporated by Item 4 of the First Amendment to the PBM Contract.
     20. Medicare Part D.
         1. Retiree Drug Subsidy
            1. The PBM reports claim information to CMS (i.e. cost reporting) as necessary for the subsidy reimbursement under 42 CFR Subpart R (RDS Program). Claim information/cost reporting applies only to State, Medicare eligible retirees and Medicare eligible dependants of State retirees.
            2. The Department determines and reports eligibility for inclusion in six unique benefit options. Eligibility files are provided to the PBM for cost reporting purposes on a quarterly basis.
         2. WPE, Medicare eligible retirees and Medicare eligible dependents of WPE retirees are not included as part of the RDS program.
            1. These members are covered by a CMS-endorsed insured PDP product with fully-insured wrap-around coverage that covers any gaps between what is covered by the PDP product and the existing plan benefits available to qualifying members.
            2. The benefit was designed to ensure that WPE Medicare eligible members receive the same benefits that State Medicare eligible retirees receive.

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| **STATE OF WISCONSIN**  **Pharmacy Benefits Management Program**    **REQUEST FOR PROPOSAL #ETJ0007**  **APPENDICES** |
| APPENDIX A Vendor’s Checklist |
| APPENDIX B Mandatory Requirements |
| APPENDIX C Designation of Confidential and Proprietary Information (DOA-3027) |
| APPENDIX D Standard Terms and Conditions (DOA-3054) and Supplemental Standard Terms and Conditions (DOA-3681) and Special Terms and Conditions |
| APPENDIX E Lobbying Form (OMB 0348-0046) |
|  |
| APPENDIX F Vendor Information (DOA-3477) and References (DOA-3478) |
| APPENDIX G Privacy of Personal Data Mitigation of Privacy Breach |

Appendix A  
Proposer’s Checklist

**RFP #ETJ0007**

**Mandatory**

**This appendix must be completed with proposal.**

( ) 1. TRANSMITTAL LETTER

( ) 2. AGREEMENTS

Appendix B – Mandatory Requirements

Appendix C – Designation of Confidential and Proprietary Information

Appendix D – Standard Terms and Condition and Supplemental Standard Terms and Conditions for Procurements for Services

Appendix E – Lobbying Information

Appendix F – Vendor Information and Reference Sheets

Appendix G – Privacy of Personal Data and Mitigation of Privacy Breach

( ) 3. RESPONSE TO SECTION B BIDDER QUALIFICATIONS

( ) 4. RESPONSE TO SECTION C ADMINISTRATIVE REQUIREMENTS

( ) 5. RESPONSE TO SECTION D COST PROPOSAL

( ) 6. EXHIBITS

Exhibit 1 – Staffing Levels, Location and Outsourcing of Services

Exhibit 2 – Formulary Review

Exhibit 3 – GeoAccess Network Accessibility

Exhibit 3 – Pharmacies and RX Claims Processors

PROPOSING VENDOR NAME: DATE:

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AUTHORIZED REPRESENTATIVE:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Appendix B  
Mandatory Requirements

**RFP #ETJ0007**

**Mandatory**

**This appendix must be completed with proposal.**

The following requirements are mandatory and must be met by all vendors submitting proposals. Failure to comply with one or more of the mandatory requirements may disqualify the proposal. However, if you disagree with any of the statements below, ETF may consider your proposal only if the issue is addressed in Section A, Part 2.4(b), Transmittal Letter.

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| --- | --- | --- |
| **MANDATORY REQUIREMENTS** | **Check One** | |
| **Agree** | **Disagree** |
| 1. The vendor has no conflict of interest with regard to any other work performed by the firm for the State of Wisconsin. |  |  |
| 1. The vendor adheres to the instructions in this RFP on preparing and submitting the proposal. |  |  |
| 1. The vendor has not been suspended or prohibited from performing government work. |  |  |
| 1. The vendor has not been the subject of any disciplinary action or inquiry during the past five years. |  |  |
| 1. The vendor has provided at least three references, with at least one reference from a public sector employer plan with 50,000 or more eligible employees as requested in Appendix F. |  |  |
| 1. The vendor agrees to meet all contractual requirements as stated in this RFP, including all Appendices. |  |  |
| 1. The vendor agrees that the basis of payment for services provided as the PBM will be a flat PMPM administrative fee. Vendors who do not guarantee this fee structure will be eliminated. Any additional fee structures will be dependent on negotiations between the Department and the winning bidder |  |  |
| 1. The vendor agrees to provide 100% financial transparency, as defined in Section A., Part 1.0, Item 1.3 (Definitions), of this RFP. |  |  |
| 1. The vendor agrees that Wisconsin physicians and clinical providers will play a substantial role in the formulary development. The vendor further agrees to consult with the Department regarding decisions of the formulary committee that affect State and WPE program and member pharmacy benefit. |  |  |

# Appendix B – RFP #ETJ0007 – Mandatory Requirements

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| 1. The vendor agrees to provide support as a cost reporter for the Retiree Drug Subsidy (RDS) program. The vendor further agrees to provide RDS-related audit and reconciliation support, as well as Medicare Part D expertise and guidance, as needed. |  |  |
| 1. The vendor agrees to provide member-level claims data to the Board’s actuary and participating health plans. The vendor further agrees to work with the Board’s actuary and each participating health plan independently to agree on a format, and the frequency of providing this data. |  |  |
| 1. The vendor agrees to, at a minimum, meet the performance standards and adhere to the penalties as outlined in Item 3. of the First Amendment to the Pharmacy Benefit Management Contract, (Part 9. Performance Standards for Contractor) as included in Section E of this RFP. |  |  |

Appendix C  
Designation of Confidential and Proprietary Information

**RFP #ETJ0007**

**Mandatory**

**This appendix must be completed with proposal.**

**STATE OF WISCONSIN**

DOA-3027 N(R01/98)

The attached material submitted in response to Proposal #ETJ0007 includes proprietary and confidential information which qualifies as a trade secret, as provided in s. 19.36(5), Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Open Records Law. As such, we ask that certain pages, as indicated below, of this proposal be treated as confidential material and not be released without our written approval.

Prices always become public information when proposals are opened, and therefore cannot be kept confidential.

Other information cannot be kept confidential unless it is a trade secret. Trade secret is defined in s. 134.90(1)(c), Wis. Stats. as follows: "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique or process to which all of the following apply:

1. The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
2. The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

IN THE EVENT THE DESIGNATION OF CONFIDENTIALITY OF THIS INFORMATION IS CHALLENGED, THE UNDERSIGNED HEREBY AGREES TO PROVIDE LEGAL COUNSEL OR OTHER NECESSARY ASSISTANCE TO DEFEND THE DESIGNATION OF CONFIDENTIALITY AND AGREES TO HOLD THE STATE HARMLESS FOR ANY COSTS OR DAMAGES ARISING OUT OF THE STATE'S AGREEING TO WITHHOLD THE MATERIALS.

Failure to include this form in the bid/proposal response may mean that all information provided as part of the bid/proposal response will be open to examination and copying. The State considers other markings of confidential in the proposal document to be insufficient. The undersigned agrees to hold the State harmless for any damages arising out of the release of any materials unless they are specifically identified above.

# Appendix C – RFP #ETJ0007 – Designation of Confidential and Proprietary Information

We request that the following pages from our response to Proposal #ETJ0007 not be released (indicate Section, Page # and Topic):

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This document can be made available in accessible formats to qualified individuals with disabilities.

Appendix D  
Standard Terms and Conditions

**RFP #ETJ0007**

**Standard Terms and Conditions and Supplemental Standard Terms and Conditions for Procurements for Services**

**Vendor agrees to the Terms and Conditions as stated in this Appendix D.**

**Exceptions must be addressed in   
Section A, Part 2.4(b), Transmittal Letter**

**Standard Terms and Conditions (Request for Bids / Proposals)**

Wisconsin Department of Administration

Chs. 16, 19, 51

DOA-3054 (R10/2005)

**SPECIFICATIONS:** The specifications in this request are the minimum acceptable. When specific manufacturer and model numbers are used, they are to establish a design, type of construction, quality, functional capability and/or performance level desired. When alternates are bid/proposed, they must be identified by manufacturer, stock number, and such other information necessary to establish equivalency. The State of Wisconsin shall be the sole judge of equivalency. Bidders/proposers are cautioned to avoid bidding alternates to the specifications which may result in rejection of their bid/proposal.

**2.0 DEVIATIONS AND EXCEPTIONS:** Deviations and excep­tions from original text, terms, conditions, or specifications shall be described fully, on the bidder's/proposer's letter­head, signed, and attached to the request. In the absence of such statement, the bid/proposal shall be accepted as in strict compliance with all terms, conditions, and specifica­tions and the bidders/proposers shall be held liable.

**3.0 QUALITY:** Unless otherwise indicated in the request, all material shall be first quality. Items which are used, demonstrators, obsolete, seconds, or which have been discontinued are unacceptable without prior written approval by the State of Wisconsin.

**4.0 QUANTITIES:** The quantities shown on this request are based on estimated needs. The state reserves the right to increase or decrease quantities to meet actual needs.

**5.0 DELIVERY:** Deliveries shall be F.O.B. destination freight prepaid and included unless otherwise specified.

**6.0 PRICING AND DISCOUNT:** The State of Wisconsin quali­fies for governmental discounts and its educational institu­tions also qualify for educational discounts. Unit prices shall reflect these discounts.

**6.1** Unit prices shown on the bid/proposal or contract shall be the price per unit of sale (e.g., gal., cs., doz., ea.) as stated on the request or contract. For any given item, the quantity multiplied by the unit price shall establish the extended price, the unit price shall govern in the bid/proposal evaluation and contract administration.

**6.2** Prices established in continuing agreements and term contracts may be lowered due to general market conditions, but prices shall not be subject to increase for ninety (90) calendar days from the date of award. Any increase proposed shall be submitted to the contracting agency thirty (30) calendar days before the proposed effective date of the price increase, and shall be limited to fully documented cost increases to the contractor which are demonstrated to be indus­trywide. The conditions under which price increases may be granted shall be expressed in bid/proposal documents and contracts or agreements.

**6.3** In determination of award, discounts for early payment will only be considered when all other con­ditions are equal and when payment terms allow at least fifteen (15) days, providing the discount terms are deemed favorable. All payment terms must allow the option of net thirty (30).

**7.0 UNFAIR SALES ACT:** Prices quoted to the State of Wisconsin are not governed by the Unfair Sales Act.

**8.0 ACCEPTANCE-REJECTION:** The State of Wisconsin reserves the right to accept or reject any or all bids/proposals, to waive any technicality in any bid/proposal submitted, and to accept any part of a bid/proposal as deemed to be in the best interests of the State of Wisconsin.

Bids/proposals MUST be date and time stamped by the soliciting purchasing office on or before the date and time that the bid/proposal is due. Bids/proposals date and time stamped in another office will be rejected. Receipt of a bid/proposal by the mail system does not constitute receipt of a bid/proposal by the purchasing office.

**9.0 METHOD OF AWARD:** Award shall be made to the lowest responsible, responsive bidder unless otherwise specified.

**10.0 ORDERING:** Purchase orders or releases via purchasing cards shall be placed directly to the contractor by an authorized agency. No other purchase orders are authorized.

**11.0 PAYMENT TERMS AND INVOICING:** The State of Wisconsin normally will pay properly submitted vendor invoices within thirty (30) days of receipt providing goods and/or services have been delivered, installed (if required), and accepted as specified.

Invoices presented for payment must be submitted in accordance with instructions contained on the purchase order including reference to purchase order number and submittal to the correct address for processing.

A good faith dispute creates an exception to prompt payment.

***Standard Terms and Conditions (Request for Bids / Proposals)***

**12.0 TAXES:** The State of Wisconsin and its agencies are exempt from payment of all federal tax and Wisconsin state and local taxes on its purchases except Wisconsin excise taxes as described below.

The State of Wisconsin, including all its agencies, is required to pay the Wisconsin excise or occupation tax on its purchase of beer, liquor, wine, cigarettes, tobacco products, motor vehicle fuel and general aviation fuel. However, it is exempt from payment of Wisconsin sales or use tax on its purchases. The State of Wisconsin may be subject to other states' taxes on its purchases in that state depending on the laws of that state. Contractors perform­ing construction activities are required to pay state use tax on the cost of materials.

**13.0 GUARANTEED DELIVERY:** Failure of the contractor to adhere to delivery schedules as specified or to promptly replace rejected materials shall render the contractor liable for all costs in excess of the contract price when alternate procurement is necessary. Excess costs shall include the administrative costs.

**14.0 ENTIRE AGREEMENT:** These Standard Terms and Conditions shall apply to any contract or order awarded as a result of this request except where special requirements are stated elsewhere in the request; in such cases, the special requirements shall apply. Further, the written contract and/or order with referenced parts and attach­ments shall constitute the entire agreement and no other terms and conditions in any document, acceptance, or acknowledgment shall be effective or binding unless expressly agreed to in writing by the contracting authority.

**15.0 APPLICABLE LAW AND COMPLIANCE:** This contract shall be governed under the laws of the State of Wisconsin. The contractor shall at all times comply with and observe all federal and state laws, local laws, ordinances, and regulations which are in effect during the period of this contract and which in any manner affect the work or its conduct. The State of Wisconsin reserves the right to cancel this contract if the contractor fails to follow the requirements of s. 77.66, Wis. Stats., and related statutes regarding certification for collection of sales and use tax. The State of Wisconsin also reserves the right to cancel this contract with any federally debarred contractor or a contractor that is presently identified on the list of parties excluded from federal procurement and non-procurement contracts.

**16.0 ANTITRUST ASSIGNMENT:** The contractor and the State of Wisconsin recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the State of Wisconsin (purchaser). Therefore, the contractor hereby assigns to the State of Wisconsin any and all claims for such overcharges as to goods, materials or services purchased in connection with this contract.

**17.0 ASSIGNMENT:** No right or duty in whole or in part of the contractor under this contract may be assigned or dele­gated without the prior written consent of the State of Wisconsin.

**18.0 WORK CENTER CRITERIA:** A work center must be certi­fied under s. 16.752, Wis. Stats., and must ensure that when engaged in the production of materials, supplies or equipment or the performance of contractual services, not less than seventy-five percent (75%) of the total hours of direct labor are performed by severely handicapped individuals.

**19.0 NONDISCRIMINATION / AFFIRMATIVE ACTION:** In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., sexual orientation as defined in s. 111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including appren­ticeship. Except with respect to sexual orientation, the contractor further agrees to take affirmative action to ensure equal employment opportunities.

**19.1** Contracts estimated to be over twenty-five thousand dollars ($25,000) require the submission of a written affirmative action plan by the contractor. An exemp­tion occurs from this requirement if the contractor has a workforce of less than twenty-five (25) employees. Within fifteen (15) working days after the contract is awarded, the contractor must submit the plan to the contracting state agency for approval. Instructions on preparing the plan and technical assistance regarding this clause are available from the contracting state agency.

**19.2** The contractor agrees to post in conspicuous places, available for employees and applicants for employ­ment, a notice to be provided by the contracting state agency that sets forth the provisions of the State of Wisconsin's nondiscrimination law.

**19.3** Failure to comply with the conditions of this clause may result in the contractor's becoming declared an "ineligible" contractor, termination of the contract, or withholding of payment.

***Standard Terms and Conditions (Request for Bids / Proposals)***

**20.0 PATENT INFRINGEMENT:** The contractor selling to the State of Wisconsin the articles described herein guarantees the articles were manufactured or produced in accordance with applicable federal labor laws. Further, that the sale or use of the articles described herein will not infringe any United States patent. The contractor covenants that it will at its own expense defend every suit which shall be brought against the State of Wisconsin (provided that such contractor is promptly notified of such suit, and all papers therein are delivered to it) for any alleged infringement of any patent by reason of the sale or use of such articles, and agrees that it will pay all costs, damages, and profits recov­erable in any such suit.

**21.0 SAFETY REQUIREMENTS:** All materials, equipment, and supplies provided to the State of Wisconsin must comply fully with all safety requirements as set forth by the Wisconsin Administrative Code and all applicable OSHA Standards.

**22.0 WARRANTY:** Unless otherwise specifically stated by the bidder/proposer, equipment purchased as a result of this request shall be warranted against defects by the bidder/proposer for one (1) year from date of receipt. The equipment manufacturer's standard warranty shall apply as a minimum and must be honored by the contractor.

**23.0 INSURANCE RESPONSIBILITY:** The contractor performing services for the State of Wisconsin shall:

**23.1** Maintain worker's compensation insurance as required by Wisconsin Statutes, for all employees engaged in the work.

**23.2** Maintain commercial liability, bodily injury and prop­erty damage insurance against any claim(s) which might occur in carrying out this agreement/contract. Minimum coverage shall be one million dollars ($1,000,000) liability for bodily injury and property damage including products liability and completed operations. Provide motor vehicle insurance for all owned, non-owned and hired vehicles that are used in carrying out this contract. Minimum coverage shall be one million dollars ($1,000,000) per occurrence combined single limit for automobile liability and property damage.

**23.3** The state reserves the right to require higher or lower limits where warranted.

**24.0 CANCELLATION:** The State of Wisconsin reserves the right to cancel any contract in whole or in part without penalty due to nonappropriation of funds or for failure of the contractor to comply with terms, conditions, and specifica­tions of this contract.

**25.0 VENDOR TAX DELINQUENCY:** Vendors who have a delinquent Wisconsin tax liability may have their payments offset by the State of Wisconsin.

**26.0 PUBLIC RECORDS ACCESS:** It is the intention of the state to maintain an open and public process in the solicita­tion, submission, review, and approval of procurement activities.

Bid/proposal openings are public unless otherwise speci­fied. Records may not be available for public inspection prior to issuance of the notice of intent to award or the award of the contract.

**27.0 PROPRIETARY INFORMATION:** Any restrictions on the use of data contained within a request, must be clearly stated in the bid/proposal itself. Proprietary information submitted in response to a request will be handled in accordance with applicable State of Wisconsin procurement regulations and the Wisconsin public records law. Proprie­tary restrictions normally are not accepted. However, when accepted, it is the vendor's responsibility to defend the determination in the event of an appeal or litigation.

**27.1** Data contained in a bid/proposal, all documentation provided therein, and innovations developed as a result of the contracted commodities or services cannot be copyrighted or patented. All data, docu­mentation, and innovations become the property of the State of Wisconsin.

**27.2** Any material submitted by the vendor in response to this request that the vendor considers confidential and proprietary information and which qualifies as a trade secret, as provided in s. 19.36(5), Wis. Stats., or material which can be kept confidential under the Wisconsin public records law, must be identified on a Designation of Confidential and Proprietary Informa­tion form (DOA-3027). Bidders/proposers may request the form if it is not part of the Request for Bid/Request for Proposal package. Bid/proposal prices cannot be held confidential.

***Standard Terms and Conditions (Request for Bids / Proposals)***

**28.0 DISCLOSURE:** If a state public official (s. 19.42, Wis. Stats.), a member of a state public official's immediate family, or any organization in which a state public official or a member of the official's immediate family owns or controls a ten percent (10%) interest, is a party to this agreement, and if this agreement involves payment of more than three thousand dollars ($3,000) within a twelve (12) month period, this contract is voidable by the state unless appro­priate disclosure is made according to s. 19.45(6), Wis. Stats., before signing the contract. Disclosure must be made to the State of Wisconsin Ethics Board, 44 East Mifflin Street, Suite 601, Madison, Wisconsin 53703 (Telephone 608-266-8123).

State classified and former employees and certain University of Wisconsin faculty/staff are subject to separate disclosure requirements, s. 16.417, Wis. Stats.

**29.0 RECYCLED MATERIALS:** The State of Wisconsin is required to purchase products incorporating recycled mate­rials whenever technically and economically feasible. Bidders are encouraged to bid products with recycled content which meet specifications.

**30.0 MATERIAL SAFETY DATA SHEET:** If any item(s) on an order(s) resulting from this award(s) is a hazardous chemi­cal, as defined under 29CFR 1910.1200, provide one (1) copy of a Material Safety Data Sheet for each item with the shipped container(s) and one (1) copy with the invoice(s).

**31.0 PROMOTIONAL ADVERTISING / NEWS RELEASES:** Reference to or use of the State of Wisconsin, any of its departments, agencies or other subunits, or any state offi­cial or employee for commercial promotion is prohibited. News releases pertaining to this procurement shall not be made without prior approval of the State of Wisconsin. Release of broadcast e-mails pertaining to this procurement shall not be made without prior written authorization of the contracting agency.

**32.0 HOLD HARMLESS:** The contractor will indemnify and save harmless the State of Wisconsin and all of its officers, agents and employees from all suits, actions, or claims of any character brought for or on account of any injuries or damages received by any persons or property resulting from the operations of the contractor, or of any of its contractors, in prosecuting work under this agreement.

1. **FOREIGN CORPORATION:** A foreign corporation (any corporation other than a Wisconsin corporation) which becomes a party to this Agreement is required to conform to all the requirements of Chapter 180, Wis. Stats., relating to a foreign corporation and must possess a certificate of authority from the Wisconsin Department of Financial Institutions, unless the corporation is transacting business in interstate commerce or is otherwise exempt from the requirement of obtaining a certificate of authority. Any foreign corporation which desires to apply for a certificate of authority should contact the Department of Financial Institutions, Division of Corporation, P. O. Box 7846, Madison, WI 53707-7846; telephone (608) 261-7577.
2. **WORK CENTER PROGRAM**: The successful bidder/proposer shall agree to implement processes that allow the State agencies, including the University of Wisconsin System, to satisfy the State's obligation to purchase goods and services produced by work centers certified under the State Use Law, s.16.752, Wis. Stat. This shall result in requiring the successful bidder/proposer to include products provided by work centers in its catalog for State agencies and campuses or to block the sale of comparable items to State agencies and campuses.

**35.0 FORCE MAJEURE**: Neither party shall be in default by reason of any failure in performance of this Agreement in accordance with reasonable control and without fault or negligence on their part. Such causes may include, but are not restricted to, acts of nature or the public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather, but in every case the failure to perform such must be beyond the reasonable control and without the fault or negligence of the party.

State of Wisconsin Division of Agency Services

Department of Administration Bureau of Procurement

DOA-3681 (01/2001)

ss. 16, 19 and 51, Wis. Stats.

**SUPPLEMENTAL STANDARD TERMS AND CONDITIONS  
For PROCUREMENTS FOR SERVICES**

**1.0 ACCEPTANCE OF BID/PROPOSAL CONTENT:** The con­tents of the bid/proposal of the successful contractor will become contractual obligations if procurement action ensues.

**2.0 CERTIFICATION OF INDEPENDENT PRICE DETERMINATION:** By signing this bid/proposal, the bidder/proposer certifies, and in the case of a joint bid/proposal, each party thereto certifies as to its own organi­zation, that in connection with this procurement:

**2.1** The prices in this bid/proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competi­tion, as to any matter relating to such prices with any other bidder/proposer or with any competitor;

**2.2** Unless otherwise required by law, the prices which have been quoted in this bid/proposal have not been knowingly disclosed by the bidder/proposer and will not knowingly be disclosed by the bidder/proposer prior to opening in the case of an advertised procure­ment or prior to award in the case of a negotiated procurement, directly or indirectly to any other bidder/proposer or to any competitor; and

**2.3** No attempt has been made or will be made by the bidder/proposer to induce any other person or firm to submit or not to submit a bid/proposal for the purpose of restricting competition.

**2.4** Each person signing this bid/proposal certifies that: He/she is the person in the bidder's/proposer's organi­zation responsible within that organization for the decision as to the prices being offered herein and that he/she has not participated, and will not participate, in any action contrary to 2.1 through 2.3 above; (or)

He/she is not the person in the bidder's/proposer's organization responsible within that organization for the decision as to the prices being offered herein, but that he/she has been authorized in writing to act as agent for the persons responsible for such decisions in certifying that such persons have not participated, and will not participate in any action contrary to 2.1 through 2.3 above, and as their agent does hereby so certify; and he/she has not participated, and will not partici­pate, in any action contrary to 2.1 through 2.3 above.

**3.0 DISCLOSURE OF INDEPENDENCE AND RELATIONSHIP:**

**3.1** Prior to award of any contract, a potential contractor shall certify in writing to the procuring agency that no relationship exists between the potential contractor and the procuring or contracting agency that interferes with fair competition or is a conflict of interest, and no relationship exists between the contractor and another person or organization that constitutes a conflict of interest with respect to a state contract. The Department of Administration may waive this provi­sion, in writing, if those activities of the potential con­tractor will not be adverse to the interests of the state.

**3.2** Contractors shall agree as part of the contract for services that during performance of the contract, the contractor will neither provide contractual services nor enter into any agreement to provide services to a person or organization that is regulated or funded by the contracting agency or has interests that are adverse to the contracting agency. The Department of Administration may waive this provision, in writing, if those activities of the contractor will not be adverse to the interests of the state.

**4.0 DUAL EMPLOYMENT:** Section 16.417, Wis. Stats., prohibits an individual who is a State of Wisconsin employee or who is retained as a contractor full-time by a State of Wisconsin agency from being retained as a contractor by the same or another State of Wisconsin agency where the individual receives more than $12,000 as compensation for the individual’s services during the same year. This prohibition does not apply to individuals who have full-time appointments for less than twelve (12) months during any period of time that is not included in the appointment. It does not include corporations or partnerships.

**5.0 EMPLOYMENT:** The contractor will not engage the services of any person or persons now employed by the State of Wisconsin, including any department, commission or board thereof, to provide services relating to this agreement without the written consent of the employing agency of such person or persons and of the contracting agency.

***Supplemental Standard Terms And Conditions For Procurements For Services***

**6.0 CONFLICT OF INTEREST:** Private and non‑profit corpora­tions are bound by ss. 180.0831, 180.1911(1), and 181.0831 Wis. Stats., regarding conflicts of interests by directors in the conduct of state contracts.

**7.0 RECORDKEEPING AND RECORD RETENTION:** The contractor shall establish and maintain adequate records of all expenditures incurred under the contract. All records must be kept in accordance with generally accepted accounting procedures. All procedures must be in accordance with federal, state and local ordinances.

The contracting agency shall have the right to audit, review, examine, copy, and transcribe any pertinent records or documents relating to any contract resulting from this bid/proposal held by the contractor. The contractor will retain all documents applicable to the contract for a period of not less than three (3) years after final payment is made.

**8.0 INDEPENDENT CAPACITY OF CONTRACTOR:** The parties hereto agree that the contractor, its officers, agents, and employees, in the performance of this agreement shall act in the capacity of an independent contractor and not as an officer, employee, or agent of the state. The contractor agrees to take such steps as may be necessary to ensure that each subcontractor of the contractor will be deemed to be an independent contractor and will not be considered or permitted to be an agent, servant, joint venturer, or partner of the state.

Appendix E  
Lobbying Form

**RFP #ETJ0007**

**Mandatory**

**This appendix must be completed with proposal.**

**LOBBYING FORM**

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form‑LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers over $100,000 (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

*Person* means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

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| Contract # and Name: |  |

Company Name and Address:

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| Signature  Authorized Company Representative |  | Date |
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| Name printed |  |  |

DISCLOSURE OF LOBBYING ACTIVITIES FORM

Approved by OMB

0348‑0046

(Reproduced by DWD/DWSBDS

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

(See reverse for public burden disclosure.)

|  |  |  |
| --- | --- | --- |
| **1. Type of Federal Action:**  a. contract  b. grant  c. cooperative agreement  d. loan  e. loan guarantee  f. loan insurance | **2. Status of Federal Action:**  a. bid/offer/application  b. initial award  c. post award | **3. Report Type:**  a. initial filing  b. material change  **For Material Change Only:**  Year \_\_\_\_\_\_ quarter \_\_\_\_\_\_  Date of last report \_\_\_\_\_\_\_\_\_\_ |

|  |  |
| --- | --- |
| **4. Name and Address of Reporting Entity:**  Prime Subawardee  Tier \_\_\_\_\_\_, *if known*:  Congressional District, *if known*: | **5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:**  Congressional District, *if known*: |
| **6. Federal Department/Agency:** | **7. Federal Program Name/Description:**  CFDA Number, *if applicable*: |
| **8. Federal Action Number,** *if known***:** | **9. Award Amount,** *if known***:**  $ |
| **10. a. Name and Address of Lobbying Entity**  (if individual, last name, first name, MI): | **10. b. Individuals Performing Services** (including address if different from No. 10a) (last name, first name, MI): |
| **11. Amount of Payment** (check all that apply):  $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ actual planned | **13. Type of Payment** (check all that apply)**:**  a. retainer  b. one-time fee  c. commission  d. contingent fee  e. deferred  f. other; specify: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **12. Form of Payment** (check all that apply)**:**  a. cash  b. in‑kind; specify: nature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  value \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
| **14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment indicated in Item 11:** | |
| **15. Continuation Sheet(s) SF‑LLL‑A attached:** Yes No | |
| **16. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi—annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.** | **Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **Print Name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **Title:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **Tele. No.:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_ |

**DISCLOSURE OF LOBBYING ACTIVITIES** 0348‑0046

**CONTINUATION SHEET** (cont.)

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| **Reporting Entity: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** **Page \_\_\_\_\_\_ of \_\_\_\_\_\_** |
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**INSTRUCTIONS FOR COMPLETION OF SF‑LLL, DISCLOSURE OF LOBBYING ACTIVITIES**

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF‑LLL‑A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a follow­‑up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limit to subcontracts, subgrants ad contract awards under grants.

5. If the organization filing the report in item 4 checks (Subawardee), then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP number; Invitation for Bid (IFB) number; grant announcement number; the contract grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., “RFP‑90‑001.”

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

11. Enter the amount of compensation paid or reasonable expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.

12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in‑kind contribution, specify the nature and value of the in‑kind payment.

13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.

14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.

1. Check whether or not a SF‑LLL‑A Continuation Sheet(s) is attached.
2. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348‑0046), Washington, D.C. 20503.

Appendix F  
Vendor Information  
and Reference Sheets

**RFP #ETJ0007**

**Mandatory**

**This appendix must be completed with proposal.**

**STATE OF WISCONSIN**

**DOA-3477 (R05/98)**

**Vendor INFORMATION**

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| 1. | BIDDING / PROPOSING COMPANY NAME | | | | | | |  | | | | | | | | | | | | |
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|  | Phone | | | ( ) | | | | | Toll Free Phone | | | | | | | | ( ) | | | | |
|  | FAX | | | ( ) | | | | | Email Address | | | | | | |  | | | | | |
|  | Address | | | |  | | | | | | | | | | | | | | | | |
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| 2. | Name the person to contact for questions concerning this bid / proposal. | | | | | | | | | | | | | | | | | | | |
|  | Name | | |  | | | | | | Title | | |  | | | | | | | |
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| 3. | Any vendor awarded over $25,000 on this contract must submit affirmative action information to the department. Please name the Personnel / Human Resource and Development or other person responsible for affirmative action in the company to contact about this plan. | | | | | | | | | | | | | | | | | | | |
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| 4. | Mailing address to which state purchase orders are mailed and person the department may contact concerning orders and billings. | | | | | | | | | | | | | | | | | | | |
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| 5. | CEO / President Name | | | | | |  | | | | | | | | | | | | | |

*This document can be made available in accessible formats to qualified individuals with disabilities.*

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| State of Wisconsin  DOA-3478 (R12/96) | | | | **vendor Reference**  **pHARMACY bENEFITS mANAGEMENT Program** | | | | |  | |
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| State of Wisconsin  DOA-3478 (R12/96) | | | | **vendor Reference**  **Retiree drug subsidy Program** | | | | |  | |
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*This document can be made available in accessible formats to qualified individuals with disabilities.*

Appendix G  
Privacy of Personal Data  
Mitigation of Privacy Breach

**RFP #ETJ0007**

**Vendor agrees to the Terms and Conditions as stated in this Appendix D.**

**Exceptions must be addressed in   
Section A, Part 2.4(b), Transmittal Letter**

PRIVACY OF PERSONAL DATA

MITIGATION OF PRIVACY BREACH

In the course of providing services as set forth in the proposal, the contractor may have access to extensive personal information regarding participants in the Wisconsin Retirement System (WRS) and other persons who receive health insurance benefits through the Department of Employee Trust Funds. The vendor whose proposal is accepted must comply with the provisions of this appendix.

It is the intent of this appendix to set forth privacy requirements of the vendor in carrying out the Contract for the administration of the Employee Reimbursement Accounts and Commuter Benefits programs (“Underlying Contract”) in addition to those set forth in the proposal, and mitigation requirements of the vendor in the event of a data breach. The appendix uses terms defined in the Health Insurance Portability and Accountability Act of 1996 (45 CFR Parts 160 to 164) as well as Wisconsin Law. This Agreement also addresses compliance with Wisconsin laws on confidentiality of Personal Information.

# DEFINITIONS

As used in this appendix, the words and terms defined in this section, unless the context otherwise requires, have the meanings ascribed to them in this section.

“Individual Personal Information” has the meaning set forth in Wis. Admin. Code § ETF 10.70 (1).

“Medical Record” has the meaning set forth in Wis. Admin. Code § ETF 10.01 (3m).

“Personal Information” has the meaning set forth in Wis. Stat. § 134.98.

“Protected Health Information” has the meaning set forth in 45 C.F.R. § 160.103.

“User Account Information” means log on information for ETF databases and systems.

# OBLIGATIONS OF VENDOR

**HIPAA COMPLIANCE:** The vendor will comply with HIPAA, as amended from time to time.

**AUTHORIZED USES AND DISCLOSURES:** The vendor may use or disclose Personal Information or Protected Health Information it creates for, receives from or is provided access to by ETF or any business partner of ETF only for the purposes of carrying out the Underlying Contract.

**PROHIBITED USES AND DISCLOSURES:** The vendor will neither use nor disclose Personal Information or Protected Health Information it creates for, receives from or is provided access to by ETF or any business partner of ETF except as authorized or required by this appendix, the Underlying Contract or as required by law or authorized in writing by ETF.

**COMPLIANCE WITH REGULATIONS:** The Vendor will comply with all applicable state and federal laws relating to privacy of information, including, without limitation, Wis. Stats. §§ 40.07 and 134.98. In particular, the Vendor shall not disclose to any third party Individual Personal Information which ETF may not disclose pursuant to Wis. Stat. §40.07(1) or Medical Records that ETF may not disclose pursuant to Wis. Stat. §40.07(2).

**INFORMATION SAFEGUARDS:** The vendor will develop, implement, maintain and use reasonable and appropriate administrative, technical and physical safeguards to preserve the integrity and confidentiality of User Account Information, Personal Information, Protected Health Information, any information accessed with User Account Information under the control of the vendor and to prevent prohibited use or disclosure of User Account Information, Personal Information or Protected Health Information. The vendor will document and keep these safeguards current and furnish documentation of the safeguards to ETF upon request.

REPORTING OF IMPROPER USE OR DISCLOSURE AND BREACHES:

The vendor will report to ETF any use or disclosure of Individual Personal Information, Medical Records, Personal Information or Protected Health Information under the control of the vendor not allowed by this agreement at the time the vendor learns of such prohibited use or disclosure.

The vendor will report to ETF any security incident of which the vendor becomes aware that directly and materially involves User Account Information, Personal Information, Medical Records or Protected Health Information under the control of the vendor within three (3) business days after becoming aware of the incident. For the purposes of this subsection, “directly and materially involves” means direct access to Personal Information, Individual Personal Information, Medical Records or Protected Health Information under the control of the vendor that is not allowed by the underlying contract or this appendix.

DUTY TO MITIGATE EFFECT OF MISUSE OR UNAUTHORIZED DISCLOSURE AND NOTIFY MEMBERS OF UNAUTHORIZED ACQUISITION:

The vendor will mitigate, to the extent practicable, any harmful effect that is known to the vendor of improper use, unauthorized disclosure or security incident reported pursuant to subsection E of this section. If ETF determines that the provision of credit-monitoring services is necessary to mitigate the misuse, unauthorized disclosure or security incident, the vendor will bear the full cost of the provision of these services.

The vendor will comply with the provisions of Wis. Stat. §134.98 and any subsequently adopted law regarding mitigation of privacy breaches, and shall ensure that any subcontractor or agent with whom it contracts to carry out the provisions of the underlying contract also complies with the provisions of Wis. Stat. §134.98 and any subsequently adopted law regarding mitigation of privacy breaches.

**MINIMUM NECESSARY:** The vendor will make reasonable efforts to use, disclose, access or request only the minimum amount of information necessary to carry out the underlying contract. Internal disclosure, access to and use of such information by employees of the vendor shall be limited to those employees who need the information and only to the extent necessary to perform their responsibilities according to the underlying contract and this appendix.

**H. DISCLOSURE TO SUBCONTRACTORS AND AGENTS:** The vendor shall require all of its agents or subcontractors to provide reasonable assurance, evidenced by written contract, that the agent or subcontractor will comply with the same privacy and security obligations as the vendor with respect to the underlying contract and this appendix.

EXHIBIT 1  
STAFFING LEVELS, LOCATION & OUTSOURCING OF SERVICES

SECTION C: ADMINISTRATIVE CAPABILITIES

Part 1.0 Client, Member and Provider Services

1.1 Provide information on the specific areas listed below regarding staffing levels, location & outsourcing of services.

The table for completion is contained in a separate electronic document labeled:

***PBM\_RFP\_Exhibit 1\_Staffing.xlsx***

EXHIBIT 2  
FORMULARY REVIEW

SECTION C: ADMINISTRATIVE CAPABILITIES

Part 5.0 Formulary Management & Clinical Programs

5.1 Formulary

a. Provide details and the capabilities of your organization to provide a three tier drug formulary that is at a minimum equivalent to the current formulary used by the State and WPE programs. Provide sample formulary documents. At a minimum include the following:

i. Indicate which drugs would be included in your proposed formulary and at what proposed tier level under a three tier drug formulary model.

The table for completion is contained in a separate electronic document labeled:

***PBM\_RFP\_Exhibit 2\_Formulary Review.xlsx***

EXHIBIT 3  
GEOACCESS NETWORK ACCESSIBILITY

SECTION C: ADMINISTRATIVE CAPABILITIES

Part 6.0 Network Accessibility and Disruption

6.2 Please provide a GeoAccess network accessibility report outlining network access based on the parameters shown in the table below. Refer to the Member Census Zip Codes document in Section E.

a) This GeoAccess analysis must be provided for your national network, your narrow network, and your network that most closely matches ETF’s current network as you’ve described in the previous question.

b) Please provide the GeoAccess summaries and back-up detail for employees who fall both within and outside the access standards.

c) Your match should include all valid zip codes in which participants reside, including those not in your service area.

The table for completion is contained in a separate electronic document labeled:

***PBM\_RFP\_Exhibit 3\_GeoAccess.xlsx***

EXHIBIT 4  
PHARMACIES AND Rx CLAIMS PROCESSORS

SECTION C: ADMINISTRATIVE CAPABILITIES

Part 6.0 Network Accessibility and Disruption

6.6 Please complete the table below regarding retail, mail service and specialty pharmacy information, in addition to information about your prescription drug claims processors.

The table for completion is contained in a separate electronic document labeled:

***PBM\_RFP\_Exhibit 4\_Pharma\_Claims.xlsx***