

Bureau of Health Services Financing
RFP # 300011194
STATE SUPPLEMENTAL REBATE/PREFERRED DRUG LIST (PDL) &
DRUG REBATE PROCESSING
Addendum #1
Questions and Answers

Question Number	Document Reference	Section Number	Section Heading	Page Number in Referenced Document	Question	Response
1	Rebate General Questions	N/A		N/A	Will the awarded vendor receive claim level data to support historical invoices and disputes back to inception of rebate program?	The awarded vendor will have access to claim level data to support historical invoices and disputes back to inception of rebates.
2	Rebate General Questions	N/A		N/A	What is the volume of open disputes and account receivable open balances between 1991Q1- 2018Q3. Are invoices or check packets available electronically back to 1991? If no, how far back is the information available? Are paper copies available where electronic copies are missing?	The volume between 1991Q1-2018Q3 for the requested is: Total open disputes = 1,924,047 (number of invoice items currently disputed) Total Outstanding Principal Balance = \$24,296,224 Total Outstanding Interest Balance = \$3,257,969 Electronic copies of invoices are available beginning with 2002q3. All others are maintained either in paper format, or, at a minimum, as a record in the current rebate system. Electronic copies of checks and documentation are available beginning with payments received in 2013. Historical documents are available in paper format.
3	Rebate General Questions	N/A		N/A	Does the State currently use a State-owned lockbox for rebate payments received? Does the State accept EFT payments from the Manufacturers?	The State uses a State-owned lockbox for receipt of rebate payments. The State does not currently accept EFT payments from manufacturers.
4	Rebate General Questions	N/A		N/A	Will the historical SR contracts be available to the new vendor to support collections and disputes?	No. Pursuant to La. R.S. 44:4(36), the terms and conditions of past rebate agreements are considered proprietary and confidential and will not be available to the new vendor.
5	Rebate General Questions	N/A		N/A	Will the historical SR pricing be available to the new vendor to support collections, PQA invoicing and disputes?	No. Pursuant to La. R.S. 44:4(36), the terms and conditions of past rebate agreements are considered proprietary and confidential and will not be available to the new vendor.
6	Rebate General Questions	N/A		N/A	Please provide the volume of claims processed annually for FFS and MCO separated out by your plan.	For calendar year 2018 invoices, the State has processed the following number of rebate-related claim/encounter lines to date: FFS: 1,313,449 MCO: 24,667,787
7	Rebate General Questions	N/A		N/A	What is the current volume of ad hoc request for rebate? Is this considered typical?	The current average volume of ad hoc reports is one (1) to two (2) per month. Ad hoc reports are generated and provided to the LDH as requested.
8	Rebate General Questions	N/A		N/A	Will the State provide the turnover plan within the first 6 months of the contract?	This question is not relevant to the RFP.
9	Drug Rebate Processing	3.4.1.3		20	How many interfaces are required to gather all claims required to invoice for all the States designated programs? Are the MCO encounter utilization available from the MMIS or does each MCO provide their claims directly to the Rebate Vendor?	Each MCO provides encounter data to the MMIS vendor, who provides extracts of both FFS claims and MCO encounters to support drug rebate invoice generation.
10	Staffing Requirements	3.3.2		17	Will the State provide high level job descriptions of the current key staff serving this contract?	No. The State will not provide high level job descriptions for the current key staff serving this contract.
11	Schedule of Events	2.5		15	Can the State clarify: a. When the implementation of this project will start? Does "contract start" imply implementation activities will commence on 7/1/19? b. When is the anticipated go live date?	The implementation date is the contract start date. It is anticipated that the contract will begin on or about July 1, 2019. "Go-Live" date will be determined during contract negotiations.

12	Attachment VI Cost Templates	Tables A & B		38	Do years 1 through 3 align with the State's fiscal years? For example: Year 1: 7/1/19 - 6/30/20 Year 2: 7/1/20 - 6/30/21 Year 3: 7/1/21 - 6/30/22	Yes. Tables 1 through 3 align with the State's fiscal years.
13	Contract				Does the State intend to award a firm-fixed price contract as a result of this solicitation?	Yes.
14	RFP Document	1.2.2 / 3.10.1		11 & 37	Item 1.2.2 and item 3.10.1 seem to have a contradiction regarding contract reward. Does the State intend to award one contract, addressing the Supplemental Rebate services and another contract for the Drug Rebate Processing services or does the State reserve the right to award two contracts, potentially to two different contractors?	The State will only enter into one contract as a result of the RFP. As such, the State may choose to award Supplemental Rebate services only or both Supplemental Rebate and Drug Rebate Processing services to one contractor.
15	RFP Document	4.12.2			Would the State prefer Attachment V and VI for the Cost Proposal to be submitted in MSWord format?	The State does not have a preference for the Cost Proposal format submittal of Attachment V and VI.
16	RFP Document	4.12.2		42	Is a PDF format acceptable to submit the electronic versions of the Technical Proposal?	Yes. PDF format is acceptable for the electronic versions of the Technical Proposal.
17	General				Are there any program changes or pending legislature that may affect the scope of this work in the next year?	The State is proposing to implement a single PDL for FFS and all MCOs on 5/1/2019, which will increase the number of supplemental rebate invoices produced.
18	Liquidated Damages	3.6.2		32	Would LDH be willing to negotiate on the liquidated damages clause outlined in Section 3.6.2.3	LDH may be open to negotiating the amounts, but not the existence, of the liquidated damages.
19	Indemnification and Limitation of Liability	7.4		52	Would LDH be willing to limit liability of Contractor to exclude special, incidental, and consequential damages?	LDH may be open to limiting, but not excluding, Contractor's liability for special, incidental, and consequential damages.
20	Indemnity	21		60	Would LDH be willing to limit liability of Contractor to exclude special, incidental, and consequential damages?	LDH may be open to limiting, but not excluding, Contractor's liability for special, incidental, and consequential damages.
21	Ownership of Proprietary Data	12		60	Would LDH be willing to limit or strike the ownership clause in the following language: "All non-third party software and source code, records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract."	LDH cannot agree to strike this provision, as to do so would violate the prohibition against donation of State property as provided for in La. Const. Art. 7, Sec. 14(A).
22	Business Associate Agreement	8		64	Would LDH be willing to receive notification of a disclosure of PHI promptly and security incident promptly in lieu of three (3) business days.	No. Notification within three (3) days after Contractor's discovery of a disclosure constitutes prompt notification by Contractor.
23	RFP	2.5	Schedule of Events	15	We understand that the Contract Start Date is July 1, 2019. What is the anticipated length of the implementation period, and what is the anticipated Operations Start Date?	The implementation date is the contract start date. It is anticipated that the contract will begin on or about July 1, 2019. Operations will be determined during contract negotiations.
24	RFP	3.2.4.2	Record-Keeping Requirements	17	What types of information need to be imaged (invoices/ payments, etc)? Is the State up to date with all scanning or will the incumbent need to consider historical documents as well?	Invoices, payment documentation, and other written correspondence should be imaged. The State has items scanned from 2013 to present. Historical documents are available in paper format.
25	RFP	3.5.9.1.1.2	Labeler Data	25	How many years of history is expected to be converted for each listed program?	Labeler program participation history is available electronically and can be transferred to the selected vendor.
26	RFP	3.5.9.1.1.2	Labeler Data	25	Will all historical data provided to the Contractor for conversion be supplied in an electronic format? If so what file type/format?	Historical data will be supplied in an electronic format mutually agreed upon by the Department and the selected vendor.
27	RFP	3.5.9.1.1.2	Labeler Data	25	Where applicable, will historical data used for conversion be supplied at the NDC level?	Yes. Historical data used for conversion be supplied at the NDC level.
28	RFP	3.5.9.1.5.2	Invoice Pre-Processing, Generation, and Quality Assurance	26	How does LDH currently identify a claim as an inpatient claim?	LDH utilizes a claim type indicator field to identify inpatient claims, outpatient claims, pharmacy claims, etc. This field will be available to the selected vendor for use in invoice generation.

29	RFP	3.5.9.1.5.8	Invoice Pre-Processing, Generation, and Quality Assurance	26	Is each program listed currently invoiced separately? If not, how are they grouped?	Each Medicaid program type is invoiced separately.
30	RFP	3.5.9.1.9.1; 3.5.9.1.9.1.1; 3.5.9.1.9.1.2	Drug Rebate Payments, Reconciliations, and Accounts Receivable Processes	29	Could LDH please define the term reconciled? In some instances, supporting documentation is received late, is not complete or may not be readable. Depending on how the term is defined the 3 day 7 day requirements may be missed.	Reconciled is defined as fully posting a payment to the appropriate year, quarter, program type, and NDC level for both principal and interest payments after complete documentation is received.
31	RFP	3.5.9.1.9.3	Drug Rebate Payments, Reconciliations, and Accounts Receivable Processes	29	This requirement seems to contradict requirement 3.5.9.1.9.1.2. Can this be amended to a term greater than 7 days?	No. This cannot be amended to a term of greater than 7 days. End of month reconciliation turnaround times are on a compressed schedule due to State accounting timelines.
32	RFP	3.5.9.4.2.1	Drug Rebate Processing Administration	30	Does LDH consider any of the positions in the key staff the same as the staff mentioned in 3.5.9.4.1? If so which positions?	Yes, LDH anticipates at least one of the staff located full-time at LDH to be a key staff member. The roles of the staff located full-time at LDH will be mutually agreed upon by LDH and the selected vendor.
33	RFP	3.9.2.1	Drug Rebate Processing	36	How many staff are used today to perform this function?	Seven full-time staff, along with three to five part-time staff, are currently dedicated to the Drug Rebate Processing functions.
34	RFP	3.9.2.1	Drug Rebate Processing	36	Who would maintain the State's existing system if it was to be used?	The State's existing system is maintained by the University of Louisiana at Lafayette.
35	RFP	3.9.2.2	Drug Rebate Processing	36	What type of access would be needed read only, read /write or both?	Read only would be the type of access needed.
36	RFP	4.12.2	Proposal Submission	41	Could the State please clarify "entire proposal" as it relates to the two USB flash drives? Should the 2 flash drives include the Technical Proposal and Appendices only? Or, should the 2 flash drives include both the Technical Proposal and Appendices and Cost Proposal on the same flash drive.	The "entire proposal" indicates that all documents relevant to the proposal should be included on the two (2) flash drives.
37	RFP	4.17.6.3	Relevant Corporate Experience	45	The requirement instructs Proposers who are a subsidiary of another company to provide the same information for the parent company. Would the State please confirm what is meant by the term "same information?"	"Same information" refers to "Relevant Corporate Experience". As such, the proposer should include the relevant information requested in section 4.17.6.
38	RFP	4.17.10	Certification Statement	46	Will the State allow Attachment II Certification Statement to be altered to fit letter-sized paper for the hard copy proposals?	Yes. Reformatting is permissible, as long as the Certification Statement is legible and no other changes have been made.
39	RFP	7.3	Retainage	52	Would the State consider changing the word "may" to "will"?	No.
40	RFP Attachment III - LDH Standard Contract Form (CF-1)	Section 12	Ownership of Proprietary Data	59	Section 12 of the Standard Contract is written in a manner that does not contemplate a Contractor utilizing its pre-existing proprietary software and other solutions hosted in the Contractor's IT environment. Does the State agree that ownership rights of the Contractor's pre-existing, proprietary software, would be treated the same as third party software, with the Contractor retaining all ownership rights, with an option for the State to license the proprietary software post transition?	Yes.